



CITY COUNCIL MEETING

Tuesday, April 05, 2022

Regular Meeting - 6:00 PM

City Hall – City Council Chambers

425 Webster Street, Colusa, CA 95932

AGENDA

Public comments can be emailed to: cityclerk@cityofcolusa.com, or dropped off at City Hall by 3:00 pm, April 5, 2022. Council Chambers are open to the public.

Members of the public can view the regular meeting live through Zoom:

<https://us06web.zoom.us/j/86465138081>

Or, join from a phone: (346) 248-7799, (720) 707-2699, (646) 558-8656

Webinar ID: 864 6513 8081

Mayor – Thomas Reische

Mayor Pro Tem – Daniel Vaca

Council Member – Denise Conrado

Council Member – Greg Ponciano

Council Member – Joshua Hill

CALL TO ORDER

ROLL CALL

PUBLIC COMMENTS *(The public may comment on items scheduled to be heard during the Closed Session Meeting)*

CLOSED SESSION MEETING – 5:00 PM

1. Conference with Real Property Negotiations (§ 54956.8) Property: for 513 Market Street, Colusa, CA; Agency Negotiations: Jesse Cain, City Manager, and Ryan Jones, City Attorney; Under Negotiation: Price and terms of payment.
2. Public Employee Performance Evaluation (§ 54957) Title: City Manager

REGULAR MEETING – 6:00 PM

REPORT ON CLOSED SESSION

ROLL CALL

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

PUBLIC COMMENTS *(The public to address any item of City business NOT appearing on this Agenda. Speakers must limit their comments to three (3) minutes each. Please note that per Government Code Section*

54954.3(a), the City Council cannot take action or express a consensus of approval or disapproval on any public comments regarding matters which do not appear on the printed agenda)

PROCLAMATION

3. City of Colusa proclaims April as Child Abuse Prevention Month

CONSENT CALENDAR - All items listed on the Consent Calendar are considered by the Council to be routine in nature and will be enacted by one motion unless an audience member or Council member requests otherwise, in which case, the item will be removed for separate consideration.

4. **Approve** - Council Draft Minutes of March 1, 9 and 15

5. **Receive and File** - Planning Commission Quarterly Report (January - March)

6. **Adopt** - Resolution for Street Closure - Annual County Fair Parade on June 10

7. **Adopt** - Resolution approving the Consultant Services Agreement between the City of Colusa and Sadie Ash

8. **Adopt** - Resolution approving the Subrecipient Agreement Between the City of Colusa and Habitat for Humanity Yuba/Sutter.

9. **Adopt** - Resolution approving the maximum vacation accrual limit and the requirements to vacation sell back for all groups except Fire Fighter association. Also approving the Bilingual pay for all groups.

COUNCIL MEMBER AND CITY MANAGER REPORTS

COUNCIL CONSIDERATION

10. **Subject:** Use of the American Recovery Plan Act (ARPA) Funds.

Recommendation: Council to direct staff on the use of ARPA funds.

DISCUSSION ITEMS

11. Pirelli update and grants

12. Mushroom Plant - Update

13. Cannabis Facilities and existing Development Agreements - Update

FUTURE AGENDA ITEMS

ADJOURNMENT

SHELLY KITTLE, CITY CLERK

The Regular Colusa City Council meetings are held the first and third Tuesdays of each month at 6:00 pm in the Colusa City Council Chambers located at 425 Webster Street, Colusa California unless otherwise noted above. Copies of open session agenda packets, which are distributed to the City Council, are on file at the front desk of the City at 425 Webster Street, Colusa, California, and are available for public inspection beginning 72 hours in advance, during normal business hours (7:00 am – 5:00 pm., Monday through Thursday except for City holidays). Additionally, if any reports or documents, which are public records, are distributed to the City Council less than 72 hours before the meeting, those reports and documents will also be available for public inspection at the front desk of the City and on the day of the meeting in the Council Chambers.

Americans with Disabilities Act

In compliance with the Americans with Disabilities Act, persons requiring accommodations for a disability at a public meeting should notify the City Clerk at least 48 hours prior to the meeting at (530) 458-4740 in order to allow the City sufficient time to make reasonable arrangements to accommodate participation in this meeting.

“This institution is an equal opportunity employer and provider”



425 Webster Street
Colusa, CA 95932

CITY COUNCIL REGULAR MEETING MINUTES

March 1, 2022

Closed Session 5:00 pm, Regular Session 6:00 pm
City Hall – City Council Chambers

CALL TO ORDER / ROLL CALL - Mayor Reische called the meeting to order at 5:00 pm. Council Members Hill, Ponciano, Vaca, Conrado and Mayor Reische were all present.

PUBLIC COMMENTS – None.

CLOSED SESSION MEETING – 5:00 PM

- CONFERENCE WITH LEGAL COUNSEL – Existing Litigation Government Code Section 54956.9(d)(1) Colusa County v. City of Colusa, Colusa Industrial Properties, Inc., Superior Court Colusa County, CV 24579.
- CONFERENCE WITH REAL PROPERTY NEGOTIATIONS (§ 54956.8) Property: for 513 Market Street, Colusa, CA; Agency Negotiations: Jesse Cain, City Manager, and Ryan Jones, City Attorney; Under Negotiation: price and terms of payment
- Public Employee Performance Evaluation (§ 54957) Title: City Manager

REGULAR MEETING – 6:00 PM

REPORT ON CLOSED SESSION - Mayor Reische stated there was no reportable action.

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA - There was council consensus for agenda approval.

PUBLIC COMMENTS - Citizen Ben Felt inquired about the Grant Writer and Recreation Coordinator positions.

City Treasurer Kelley inquired about removal of verbal “Staff Reports” from the agenda. Mayor Reische directed staff to add a future agenda discussion item.

PRESENTATION –Flowerpots in Downtown– Presenters: Patty Hickel and City Manager Cain

Patty Hickel discussed “Downtown Wine Barrel Planters” proposed project and the associated costs for Fremont, Fifth Street and Downtown businesses. City Manager Cain confirmed citizens could donate or sponsor one of the barrel planters. Contact Patty Hickel if you would like to volunteer.

CONSENT CALENDAR - *All items listed on the Consent Calendar are considered by the Council to be routine in nature and will be enacted by one motion unless an audience member or Council member requests otherwise, in which case, the item will be removed for separate consideration.*

RECOMMENDED

- | | |
|--|---------------------------|
| 1. Council Draft Minutes - February 15 th | <i>Approve</i> |
| 2. City Treasurer’s Monthly Reports – Oct. Nov., Dec. | <i>Receive & File</i> |
| 3. Application for the Colusa Fair Parade on June 10, 2022 from 5:00-8:00 pm | <i>Approve</i> |

ACTION: Motion by Council Member Ponciano, seconded by Council Member Conrado approving the Consent Calendar. Motion passed 5-0 by the following roll-call vote:

AYES: Ponciano, Hill, Conrado, Vaca and Reische.

NOES: None.

ABSENT: None.

COUNCIL MEMBER AND CITY MANAGER REPORTS

Councilmember Ponciano didn’t have anything to report.

Councilmember Conrado provided updates on meetings she attended.

Councilmember Vaca provided updates on meetings he attended.

Councilmember Hill provided updates on meetings he attended.

Mayor Reische didn’t have anything to report.

City Manager Cain provided updates on meetings he attended.

COUNCIL CONSIDERATION

4. **Subject:** Commission Appointments

DISCUSSION: City Clerk Kittle introduced applicants who were present. Applicants John Martin, Glen Duncan, Madison Martin, and Commissioner Armocido spoke about why they wanted to serve on their respective commission.

ACTIONS: Motion by Council Member Ponciano, seconded by Mayor Reische appointing John Martin and Dick Armocido to serve a four-year term and Glen Duncan to serve the two-year term on the Planning Commission. Motion passed 5-0 by the following roll-call vote:

AYES: Ponciano, Hill, Conrado, Vaca and Reische.

NOES: None.

ABSENT: None.

Motion by Council Member Vaca, seconded by Council Member Hill appointing Stacey Zwald Costello to the Heritage Preservation Commission. Motion passed 5-0 by the following roll-call vote:

AYES: Ponciano, Hill, Conrado, Vaca and Reische.

NOES: None.

ABSENT: None.

Motion by Council Member Conrado, seconded by Council Member Vaca appointing Madison Martin to the Parks Recreation and Tree Commission. Motion passed 5-0 by the following roll-call vote:

AYES: Ponciano, Hill, Conrado, Vaca and Reische.

NOES: None.

ABSENT: None.

5. **Subject:** Commitment of ARPA funds to purchases two police cars and radios

DISCUSSION: City Manager Cain and Police Chief explained the required radio transmissions. Cain stated he would bring back a detailed spending plan within the next two council meetings.

PUBLIC COMMENTS: Commissioner Armocido commented on the importance of safety.

City Treasurer Kelley commented that the purchasing policy was not followed.

Pioneer Review Editor Susan Meeker provided a staff report from another city on their approval process for police vehicle purchases. She stated the established purchasing policy was not followed and recommended bringing the purchasing request with the details at the next meeting. She commented on the state-wide and federal purchasing policy.

Citizen Connie Aden congratulated Police Chief Fitch for receiving grant money to purchase of the vehicles.

ACTION: Motion by Council Member Conrado, seconded by Council Member Hill to adopt **Resolution 22-09** approving the use of ARPA Funds to purchase two police cars and radios. Motion passed 5-0 by the following roll-call vote:

AYES: Ponciano, Hill, Conrado, Vaca and Reische.

NOES: None.

ABSENT: None.

6. **Subject:** Consideration of Resolution approving the maximum vacation accrual limit and the requirements to sell back vacation accruals for all groups except the Fire Fighter Association. Also, consider approving the Bilingual pay for all groups.

DISCUSSION: Finance Director Khan-Aziz reported on vacation accrual policies in four other cities, cash-out and recommended amendments. The Fire Department would not be included, as they have a separate annual leave.

PUBLIC COMMENTS: Citizen Connie Aden and Commissioner Dick Armocido made comments about accrual and employee handbook.

ACTION: There was council consensus to bring this item back in April.

7. **Subject:** City Sponsored Events

DISCUSSION: City Manager Cain provided a handout on the events and budget created by the Ad Hoc Committee. His goals for this year would be to plan events well in advance and reduce costs.

PUBLIC COMMENTS: Citizen Davis commented on non-profit events.

Citizen Aden expressed interest in serving on the Ad Hoc Committee and recommended having vendors for the events.

Citizen Fernanda discussed the importance of events and building pride in the community.

Citizen Melissa Ortiz explained why she was a proponent of city events.

Susan Meeker commented on the 4th of July events.

Citizen Ben Felt discussed city support.

ACTION: Motion by Mayor Reische, seconded by Council Member Conrado to adopt **Resolution 22-10** approving the City of Colusa Sponsored Events for 2022. Motion passed 4-1 by the following roll-call vote:

AYES: Hill, Conrado, Vaca and Reische.

NOES: Ponciano.

ABSENT: None.

ACTION: Council Member Ponciano made an alternative motion to approve the 4th of July and Taco Festival events and omitting Country in Colusa. Motion died for a lack of a second.

8. **Subject:** City of Colusa recreation programs.

DISCUSSION: City Manager Cain explained the recreation program and activities.

PUBLIC COMMENTS: Citizen Melissa Ortiz requested online registration and was a proponent for the recreation program.

ACTIONS: Motion by Council Member Hill, seconded by Council Member Vaca to adopt **Resolution 22-11** approving bringing back the City of Colusa Recreation Programs. Motion passed 5-0 by the following roll-call vote:

AYES: Ponciano, Hill, Conrado, Vaca and Reische.

NOES: None.
ABSENT: None.

DISCUSSION ITEM - City Engineer Swartz requested council feedback on a possible roundabout on 3rd Street and provided a handout. There was council consensus to move forward.

FUTURE AGENDA ITEMS

ARPA Funds
City Events – once a month
Update on the Mushroom Plant improvements
Update on the Marijuana Plant on the Levee

ADJOURNED at 7:53 pm.

THOMAS REISCHE, MAYOR

Shelly Kittle, City Clerk



CITY COUNCIL MEETING

Tuesday, March 15, 2022

Regular Meeting - 6:00 PM

City Hall – City Council Chambers

425 Webster Street, Colusa, CA 95932

MINUTES

CALL TO ORDER

Mayor Reische called the meeting to order at 6:00 pm

ROLL CALL

PRESENT: Council Members Josh Hill, Greg Ponciano, Daniel Vaca, Denise Conrado and Mayor Thomas Reische.

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

There was council consensus to move Item 5 before Item 4 and approval of the agenda.

PUBLIC COMMENTS

Heritage Preservation Commissioner Jim White provided information about the upcoming second edition of the book “If the Walls Could Talk” by Jane Carter.

Parks, Recreation and Tree Commissioner Cynthia White reported five new maple trees, were donated by Supervisor Denise Carter and planted in front of the Court House by volunteers and the Master Gardeners.

Cty Treasurer Kelley requested Mushroom Plant update, the status of fixed asset and/or inventory list and a list of items available for local businesses to use.

CONSENT CALENDAR - *All items listed on the Consent Calendar are considered by the Council to be routine in nature and will be enacted by one motion unless an audience member or Council member requests otherwise, in which case, the item will be removed for separate consideration.*

1. **Receive and File** - Police Department Monthly Reports - January & February
2. **Receive and File** - Finance Department Monthly Report - February
3. **Receive and File** - Warrants List – February

ACTION: Mayor Reische recused himself from the Warrants List due to his financial interest with George L. Messick. Motion by Hill, seconded by Conrado to approve the Consent Calendar. Motion passed 5-0 by the following roll-call vote:

AYES: Ponciano, Hill, Conrado, Vaca and Reische.

NOES: None.

ABSENT: None.

COUNCIL MEMBER AND STAFF REPORTS/COMMENTS

Council Member Hill provided update on the meeting he attended.

Council Member Ponciano provided updates on meetings he attended.

Council Member Vaca didn't have anything new to report.

Council Member Conrado provided updates on meetings she attended.

Mayor Reische didn't have anything new to report.

City Manager Cain didn't have anything new to report.

PUBLIC HEARING

4. Subject: Public Hearing for an Ordinance to amend the City of Colusa City Code, including Appendix A (Zoning), in order to update cannabis regulations within the City.

DISCUSSION: City Manager Cain discussed amendments by the Planning Commission and their recommendation for adoption. Cain stated the objectives were to have consistency with state cannabis laws, to update the application procedures and requirements and to consider store-front dispensaries. Community Development Manager Stice handed out a map illustrating three general large sites for store-front dispensaries: Colusa Triple Crown Business Park, Colusa Industrial Park and beyond 1,200 feet from the High School at the Pirelli Cable site.

PUBLIC HEARING OPENED WITH THE FOLLOWING COMMENTS:

Citizen John Vaca requested to open up cannabis dispensaries in town.

Citizen Janice Bell expressed opposition of having a dispensary in her neighborhood.

School Superintendent Michael West expressed his opposition of retail cannabis and later asked about the penalty stated in the Ordinance.

William Zapata, owner of Bud Brothers explained why he was a proponent of having dispensaries in the downtown area.

Council Member Ponciano expressed his opposition to store-front dispensaries.

Council Member Conrado expressed why she was a proponent to store-front dispensaries.

Council Member Vaca expressed why he was a proponent to store-front dispensaries.

Mayor Reische expressed why he was a proponent to store-front dispensaries

Council Member Hill recommended amending the Ordinance to remove the Pirelli Cable site.

ACTION: Motion by Ponciano to approve the Ordinance excluding any language regarding dispensaries. With no second, motion failed.

ACTION: Motion by Reische to introduce, read by title only, and waive the full first reading of the proposed Ordinance ____: amending Article 4, Article 21.5, and Article 33 of the City Zoning Code and repealing Section 32.11 of Article 32 of the City Zoning Code regarding Cannabis Business Uses and Regulatory Permits. With no second, motion failed.

PUBLIC COMMENTS continued as Public Hearing was not formally closed.

Citizen Amber Torres asked about the outcome of the online survey monkey.

Citizen Cheryl Gibbon asked about property values on East Oak/East Clay if there was a retail dispensary in those areas.

Citizen Matt Simmons expressed concern on the city's control.

ACTION: Motion by Vaca, seconded by Conrado to keep the Public Hearing opened and continue to the May 3, 2022 council meeting. Motion passed 5-0 by the following roll-call vote:

AYES: Ponciano, Hill, Conrado, Vaca and Reische.

NOES: None.

ABSENT: None.

COUNCIL CONSIDERATION

5. Subject: Water Park Splash Pad – Equipment Purchase

DISCUSSION: City Engineer Swartz explained the installation and the equipment as a two-step process. The competitive bids for the installation will open publicly on March 29th. Due to the specialization of the equipment, there were no advantages of obtaining competitive bids. Swartz hopes the Splash Pad would be in operation by Memorial Day weekend.

ACTION: Motion by Conrado, seconded by Vaca to adopt **Resolution 22-11** authorizing the purchase of the water park splash pad equipment through Water Odyssey, via the state contract purchase agreement and waiving the formal bid requirements for the equipment purchase only. Motion passed 5-0 by the following roll-call vote:

AYES: Ponciano, Hill, Conrado, Vaca and Reische.

NOES: None.

ABSENT: None.

6. Subject: Consideration of setting aside 25-acres of the wastewater reclamation property for future recreation activities and to enter a Land Use Agreement with the Utilities Division.

DISCUSSION: City Manager Cain explained the adoption of the Resolution would allow the city to move forward with seeking grants to develop future recreational activities for that area.

ACTION: Motion by Vaca, seconded by Hill to adopt the **Resolution 22-12** setting 25 acres of the wastewater reclamation property for future recreation actives. Motion passed 5-0 by the following roll-call vote:

AYES: Ponciano, Hill, Conrado, Vaca and Reische.

NOES: None.

ABSENT: None.

DISCUSSION ITEMS

7. Grants Dashboard Update

City Manager Cain provided a handout on the grants. The swim team applied and received the grant to help kids pay for swim lessons.

FUTURE AGENDA ITEMS

May 3 - Cannabis Ordinance continued Public Hearing.

Mushroom Plant update.

Cannabis Facilities and existing Development Agreements update.

Inventory of grant purchased items.

ADJOURNED 7:10 pm

THOMAS REISCHE, MAYOR

SHELLY KITTLE, CITY CLERK



SPECIAL CITY COUNCIL MEETING

Wednesday, March 09, 2022

4:00 PM

City Hall – City Council Chambers

425 Webster Street, Colusa, CA 95932

MINUTES

CALL TO ORDER – Mayor Reische called the Special Meeting to order at 4:03 pm

ROLL CALL – Council Members Hill, Vaca, Conrado and Mayor Reische were present. Council Member Ponciano was absent/excused.

PUBLIC COMMENTS – None.

CLOSED SESSION MEETING – 4:00 PM

1. CONFERENCE WITH LEGAL COUNSEL – Existing Litigation Government Code Section 54956.9(d)(1) Colusa County v. City of Colusa, Colusa Industrial Properties, Inc., Superior Court Colusa County, CV 24579.
2. CONFERENCE WITH REAL PROPERTY NEGOTIATIONS (§ 54956.8) Property: for 513 Market Street, Colusa, CA; Agency Negotiations: Jesse Cain, City Manager, and Ryan Jones, City Attorney; Under Negotiation: price and terms of payment

ADJOURNED at 5:03 PM - Mayor Reische stated there was no reportable action.

THOMAS REISCHE, MAYOR

SHELLY KITTLE, CITY CLERK

Quarterly Commission Report

Planning Commission

Covering Dates from January 2022 through March 2022

Preparation Date: 3/30/22

Prepared By: Bryan Stice

Meeting Dates	1-12-22	1-26-22	2-9-22	2-23-22	3-9-22	3-23-22
Commissioners				No mtg.		
Dick Armocido	P	P	P		A	P
Brandon Farrell	P	A				
Ken Flagor	P	A				
Ryan Codorniz	P	P	P		P	P
Richard Selover	P	P	P		P	P
Ed Duncan					P	P
John Martin					P	P

P –present and on time, L –present but late, A –absent

Actions Taken:

Meeting of 1-12-22

- Topic:** Ordinance for revise cannabis regulations
Action: Adjourned to 1-26-22 meeting of the Planning Commission Resolution
- Topic:** _____
Action: _____

Meeting of 1-26-22

- Topic:** Tentative Parcel Map to divide 10 acres of property (located along Niagra Ave.) into one 5.15-acre parcel; one 2.25-acre parcel; and one 2.6-acre parcel.
Action: No Action
- Topic:** Ordinance for revise cannabis regulations
Action: Approved Resolutions

Meeting 2-9-22

- Topic:** Presentation by A.B.S. Builders for a proposed subdivision at the south end of 12th St.
Action: No Action

Meeting 3-9-22

- Topic:** Tentative Parcel Map to divide approximately 5 acres of property at 1601 Hwy 20.
Action: Approved Resolution

Meeting 3-23-22

- Topic:** Conditional Use Permit to allow a 1,960 square-foot addition to Sav-Mor grocery.
Action: Approved Resolution

RESOLUTION NO. 22-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLUSA FOR
STREET CLOSURE AT 3RD AND MARKET STREET AND TERMINATE AT 10TH
AND WEBSTER STREET FOR THE ANNUAL COUNTY FAIR PARADE ON
JUNE 10, 2022

WHEREAS, the city has applied to the State of California to conduct its annual County Fair Parade in Colusa” on State property; and

WHEREAS, “County Fair Parade” will require the temporary closure of State Highway Route 20 on June 10, 2022 between 3rd Street and Market Street and terminate at 10th Street and Webster street between the hours of 5:00 pm and 8:00 pm; and

WHEREAS, said temporary closure will cause the re-routing of traffic onto Main Street.

NOW, THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF COLUSA approves and consents to the proposed “Colusa County Fair Parade in Colusa” and recommends approval of and consents to the proposed re-routing of traffic onto and over the described city streets upon terms and conditions deemed appropriate and necessary by the State of California, Department of Transportation.

PASSED AND ADOPTED as a Resolution of the City Council of the City of Colusa at a regular meeting duly held on the 5th day of April 2022.

AYES:

NOES:

ABSENT:

ABSTAIN:

THOMAS REISCHE, MAYOR

Attest:

Shelly Kittle, City Clerk



City of Colusa California

STAFF REPORT

DATE: April 5, 2022
TO: City of Colusa Mayor and Council Members
FROM: Jesse Cain, City Manager

AGENDA ITEM:

Subject: Consultant services contract with Sadie Ash.

Recommendation: Council to approve Resolution 22-___ approving the services contract with Sadie Ash.

BACKGROUND ANALYSIS:

In December 2021 I signed a three-month contract with Sadie Ash to help with the City's web, email and social media outlets to make sure that we are getting the correct information to the public and to the City Council. She has also created a dashboard to help better understand what the City is applying for in grants, what we have spent and where we are with them also what's coming next.

Taking from what we learned from last year she has been working on creating the recreation programs for 2022. Sadie will also be helping me with filling the recreation position I advertised for a full-time recreation coordinator position twice in the last three months with no success. Entering a long-term contract makes sense now to keep the recreation programs moving forward and keeping our social media up to date and accurate.

BUDGET IMPACT: \$4,000.00 per month.

STAFF RECOMMENDATION: Council to approve Resolution 21 approving the service contract for Sadie Ash.

**CONSULTANT SERVICES AGREEMENT
BETWEEN THE CITY OF COLUSA AND
SADIE ASH**

THIS AGREEMENT (hereinafter referred to as “**Agreement**”) is made and entered into this April 5th of 2022, by and between the City of Colusa, a municipal corporation, having its principal place of business at 425 Webster Street, Colusa California 95932, (herein “**City**”) and Sadie Ash, having a principal place of business at 10347 Tanabe Road C Marysville ca 95901, (herein “**Consultant**”), wherein Consultant agrees to provide the City and City agrees to accept the services specified herein.

WHEREAS, the City proposes Sadie Ash to help setup and maintain the recreations department until a full time position is filled and brought up to speed on the programs; and

WHEREAS, the City proposes Sadie Ash to continue the communication strategy.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

SCOPE OF SERVICES.

Consultant shall do all work, attend all meetings, produce all reports and carry out all activities necessary to completion of the services described in the Description of Scope of Services, attached hereto and incorporated herein by this reference as Exhibit A, subject to the direction of the City Contract Administrator, as provided from time to time.

CONTRACT ADMINISTRATOR.

City Manager, at telephone number (530) 458-4740 will administer this Agreement on behalf of City (herein “**Contract Administrator**”). Sadie Ash at telephone number (707) 217-6504 is the authorized representative for Consultant and shall administer this Agreement on behalf of Consultant. Changes in designated representatives shall be made only after advance written notices to the other party.

EXHIBITS.

Attached to this Agreement are the following Exhibits. Said Exhibits shall be initialed by Consultant. Said Exhibits are incorporated herein by reference:

Exhibit A. Description of Scope of Services to be performed by Consultant (“**Services**”)

Exhibit B. A listing of hourly rates of Consultant

TIME OF PERFORMANCE.

Consultant shall commence performance after the approval and execution of this Agreement, and receipt of written notice to proceed by the Contract Administrator and shall thereafter diligently

prosecute the Services through to completion in a prompt and timely manner, unless otherwise directed by City or unless earlier terminated.

COMPENSATION OF CONSULTANT.

A. Consultant shall submit monthly invoices during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall reflect the phase or task to which the request for payment is being invoiced in accordance with Exhibit A and contain a detailed description of the services provided, the amount of time expended in providing such services, and the person providing such services, and other information as the Contractor Administrator may request. City shall make payment of undisputed amounts within fifteen (15) days of receipt of invoices, for services satisfactorily performed and for authorized reimbursable costs incurred.

B. Consultant agrees to provide all Services for the amount specified in this Section without compensation in excess of such amount. Consultant shall not provide additional Services until Consultant has received authorization from the City Manager and executed an written amendment to this Agreement. Should the Consultant elect to proceed prior to receiving such authorization, the Consultant does so at Consultant's own risk.

C. If the work is halted at the request of the City, City shall compensate Consultant for all outstanding costs and reimbursable expenses reasonably incurred for work satisfactorily completed as of the date of the written notice of termination.

D. City's failure to discover or object to any unsatisfactory work or billing prior to payment will not constitute a waiver of City's right to request Consultant to correct such work or billings or seek any other legal remedy.

INDEPENDENT CONTRACTOR.

Consultant shall perform the Services as an independent contractor as defined in Labor Code 3353, and nothing herein contained shall be construed to be inconsistent with this relationship or status. The Consultant shall have no power or authority by this Agreement to bind the City in any respect. All employees and agents hired or retained by the Consultant are employees and agents of the Consultant and not of the City. The City shall not be obligated in any way to pay any wage claims or other claims made against Consultant by any such employees or agents, or any other person resulting from performance of this Agreement.

Notwithstanding any other City, state, or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of City and entitlement to any contribution to be paid by City for employer contributions and/or employee contributions for PERS benefits.

In the event Consultant or any employee, agent, or subcontractor of a Consultant providing services under this Agreement is determined by a court of competent jurisdiction or the California

Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Consultant and Agency acknowledge and agree that compensation paid by Agency to Consultant under this Agreement is based upon Consultant's estimated costs of providing the Services, including salaries and benefits of employees and subcontractors of Consultant. Consequently, the Parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which Consultant and its employees, agents, and subcontractors may be eligible. Agency therefore has no responsibility for such contributions beyond the compensation required under this Agreement.

TERMINATION.

This Agreement may be terminated, without cause, at any time by the City upon 60 days' written notice. Upon receipt of such notice, Consultant shall cease all work under this Agreement. In the event of any such termination, the Consultant shall be compensated as provided for in this Agreement. Upon such termination, the City shall be entitled to all work, including but not limited to, appraisals, inventories, studies, analyses, drawings and data estimated performed to that date in accordance with Section 9 hereof. The obligations of section 16 of this Agreement relating to Consultant's obligations to defend and indemnify the City shall survive any termination of this Agreement.

Notwithstanding any provision of this Agreement, Consultant shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of this Agreement by Consultant, and the City may withhold any payments due to Consultant until such time as the exact amount of damages, if any, due the City from Consultant is determined.

TIME AND EXTENSION OF TIME.

A. Time is of the essence in the performance of this Agreement. All Services performed by Consultant under this Agreement shall be completed in accordance with the time schedules set forth in Exhibit A or otherwise determined by the Contract Administrator. Consultant may, for good cause, request extensions of time to perform the Services required hereunder.

B. The Contract Administrator may, by written instrument, extend the duration of this Agreement for an additional period not to exceed the lesser of one year or the original term of the Agreement, provided that the extension does not require the payment of compensation in excess of the maximum compensation set forth in Section 5, Compensation.

PROPERTY OF CITY.

All materials prepared by the Consultant under this Agreement shall become the property of the City, and the Consultant shall have no property right therein whatsoever. Immediately upon termination, the City shall be entitled to, and the Consultant shall deliver to the City, all data,

drawings, specifications, reports, estimates, summaries and other such materials as may have been prepared or accumulated to date by the Consultant in performing this Agreement which is not Consultant's privileged information, as defined by law, or Consultant's personnel information.

CONFIDENTIAL MATERIALS.

All materials, reports, information, data, and exhibits prepared or assembled by Consultant in connection with the performance of its Services pursuant to this Agreement are confidential until released by the City to the public, and the Consultant shall not make any of these documents or information available to any individual or organization not employed by the Consultant or the City without the written consent of the City before any such release.

COMPLIANCE WITH LAW AND WARRANTY.

A. Consultant shall (and shall cause its agents and contractors), at its sole cost and expense, to comply with all City, County, State and Federal ordinances, regulations and statutes now in force or which may hereafter be in force with regard to the provision of Services and this Agreement. Permits and/or licenses shall be obtained and maintained by Consultant without additional compensation throughout the term of this Agreement.

B. Consultant represents that it is qualified to properly provide the services set forth in Exhibit A in a manner which is consistent with the generally accepted standards of Consultant's profession, and has the skills, expertise, licenses and permits necessary to perform the Services. Consultant shall perform all such Services in the manner and according to the standards observed by a competent practitioner of the same profession in which Consultant is engaged. All products of whatsoever nature which Consultant delivers to City pursuant to this Agreement shall conform to the standards of quality normally observed by a person practicing in Consultant's profession.

ASSIGNABILITY.

Consultant shall not assign or transfer any interest in this Agreement without the prior written consent of the City, which shall not be unreasonably withheld. However, claims for money due or to become due to Consultant from the City under this Contract may be assigned to a financial institution, or to a trustee in bankruptcy, without such approval. Consultant shall promptly furnish notice of any assignment or transfer, whether voluntary or involuntary, in writing to the City.

INTEREST IN CONTRACT.

A. Consultant covenants that neither it, nor any of its employees, agents, contractors, subcontractors has any present interest, nor shall they acquire any interest, direct or indirect, in the subject of the Agreement, nor any other interest which would conflict in any manner or degree with the performance of its Services hereunder.

B. Consultant may serve other clients, but none whose business, regardless of location, would place Consultant in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

C. The City has determined, based on the Scope of Services in Exhibit A that the Consultant, or its principal employees on working for the City under this Agreement:

_____ Is required to file a Form 700 because he/she is involved in the making or participating in making of a decision which may foreseeably have a material effect on any financial interest, as further described in the Political Reform Act and implementing regulations.

___X___ Is not required to file a Form 700 because he/she is not involved in the making or participating in making of a decision which may foreseeably have a material effect on any financial interest, as further described in the Political Reform Act and implementing regulations.

If it is determined that Consultant is covered by the City's Conflict of Interest Code at any time after the execution of this Agreement City determines and notifies Consultant in writing that Consultant's duties under this agreement warrant disclosure by Consultant, Consultant agrees to make all disclosures required by the City's conflict of interest code in accordance with the Category designated by the City.

RECORDS AND AUDITS.

A. Consultant shall establish and maintain records pertaining to this Agreement. Consultant's accounting systems shall conform to generally accepted accounting principles and all records shall provide a breakdown of total costs charged under this Agreement, including properly executed payrolls, time records, utility bills, invoices and vouchers.

B. Consultant shall permit City and its authorized representatives to inspect and examine Consultant's books, records, accounts, and any and all data relevant to this Agreement at any reasonable time for the purpose of auditing and verifying statements, invoices, or bills submitted by Consultant pursuant to this Agreement and shall provide such assistance as may be reasonably required in the course of such inspection. City further reserves the right to examine and re-examine said books, records, accounts, and data during the three (3) year period following the termination of this Agreement; and Consultant shall in no event dispose of, destroy, alter, or mutilate said books, records, accounts, and data in any manner whatever for three (3) years after the termination of this Agreement.

LIABILITY OF CONSULTANT-NEGLIGENCE.

Consultant shall be responsible for performing the work under this Contract in a manner which is consistent with the generally accepted standards of the Consultant's profession and shall be liable for its own negligence and the negligent acts of its employees, agents, contractors and subcontractors. The City shall have no right of control over the manner in which the work is to be done but only as to its outcome, and shall not be charged with the responsibility of preventing risk to Consultant or its employees, agents, contractors or subcontractors.

INDEMNIFICATION.

A. Consultant agrees to indemnify, including the cost to defend, City and its officers, officials, representatives, employees and volunteers (collectively "Indemnitees") from and against any and all claims, demands, costs, or liability that arise out of, or pertain to, or relate to the negligence, recklessness, or willful misconduct of Consultant and its employees or agents in the performance of services under this Agreement, but this indemnity does not apply to liability for damages arising from the sole negligence or willful misconduct of such Indemnatee.

B. Neither termination of this Agreement nor completion of the Services shall release Consultant from its obligations under this Section 16, as long as the event giving rise to the claim, loss, cost, damage, injury, expense or liability occurred prior to the effective date of any such termination or completion.

C. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth in this section from each and every subconsultant or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. If Consultant fails to obtain such indemnity obligations from others as required, Consultant shall be fully responsible for all obligations under this Section. City's failure to monitor compliance with this requirement imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. The obligation to indemnify and defend City as set forth herein is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this Agreement or this section.

D. Consultant's compliance with the insurance requirements does not relieve Consultant from the obligations under this Section, which shall apply whether or not such insurance policies are applicable to a claim or damages.

PERSONNEL.

A. The Consultant represents that it has, or will secure at its own expense, all personnel required in performing the Services. All of the Services required hereunder will be performed by the Consultant or under Consultant's supervision, and all personnel engaged in the work shall be qualified to perform such services.

B. Consultant shall make every reasonable effort to maintain stability and continuity of Consultant's Key Personnel assigned to perform the Services. Key Personnel for this contract are defined to include the following people: Sadie Ash. Consultant shall provide City with a minimum twenty (20) days prior written notice of any changes in Consultant's Key Personnel assigned to the provided Services, provided that Consultant receives such notice, and shall not replace any Key Personnel with anyone to whom the City has a reasonable objection.

NOTICES.

All notices that are required to be given by one party to the other under this Agreement shall be in writing and shall be deemed to have been given if delivered personally or enclosed in a properly

addressed envelope and deposited in a United States Post Office for delivery by registered or certified mail addressed to the parties at the following addresses:

City: City of Colusa
425 Webster Street
Colusa, CA 95932
ATTN: CITY MANAGER

Consultant: Sadie B. Ash
10347 Tanabe Road C
Marysville, Ca 95901
ATTN: Sadie Ash

CITY NOT OBLIGATED TO THIRD PARTIES.

City shall not be obligated or liable for payment hereunder to any party other than the Consultant.

MISCELLANEOUS PROVISIONS.

A. NON-DISCRIMINATION.

Consultant shall not discriminate in any way against any person on the basis of race, color, religious creed, national origin, ancestry, sex, sexual orientation, age, physical handicap, medical condition or marital status in connection with, or related to, the performance of this Agreement.

B. UNAUTHORIZED ALIENS.

Consultant hereby promises and agrees to comply with all the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. § 1101, et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for performance of work and/or services covered by this Agreement, and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Consultant hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by City.

C. SECTION HEADINGS.

The headings of the several sections, and any table of contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

D. SEVERABILITY.

If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable

from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

E. REMEDIES NOT EXCLUSIVE.

No remedy herein conferred upon or reserved to City is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

F. NO WAIVER OF DEFAULT.

No delay or omission of City to exercise any right or power arising upon the occurrence of any event of default shall impair any such right or power or shall be construed to be a waiver of any such default of an acquiescence therein; and every power and remedy given by this Agreement to City shall be exercised from time to time and as often as may be deemed expedient in the sole discretion of City.

G. ENTIRE AGREEMENT AND AMENDMENT.

This document represents the entire and integrated agreement between City and Consultant and supersedes all prior negotiations, representations, and agreements, either written or oral. This document may be amended only by written instrument signed by both City and Consultant.

H. SUCCESSORS AND ASSIGNS.

All representations, covenants and warranties set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

I. APPLICABLE LAW; VENUE; ATTORNEYS' FEES

This Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of Colusa, if in state court, or in the federal court nearest to the City of Colusa, if in federal court. In any action brought by either party to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its attorneys' fees and costs.

J. AUTHORITY.

All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles, and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in

order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, Consultant hereby warrants that it shall not have breached the terms or conditions of any other contract or agreement to which Consultant is obligated, which breach would have a material effect hereon.

K. CONFLICTING TERMS.

This Agreement and its Exhibits shall be known as the "Contract Documents." Terms set forth in any Contract Document shall be deemed to be incorporated in all Contract Documents as if set forth in full therein. In the event of conflict between terms contained in these Contract Documents, the more specific term shall control. If any portion of the Contract Documents shall be in conflict with any other portion, provisions contained in the Contract shall govern over conflicting provisions contained in the exhibits to the Contract.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the date executed by City.

CITY OF COLUSA

CONSULTANT

By:

By:

Jesse Cain, City Manager

Sadie B. Ash, Consultant

Date: _____

APPROVED AS TO FORM:

By:

City Attorney

ATTEST:

By:

Shelly Kittle, City Clerk

[Corporations require signature of two officers]

[SIGNATURES MUST BE NOTARIZED]

CERTIFICATE OF COMPLIANCE WITH LABOR CODE §3700

I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self insurance in accordance with the provisions of that Code. I will comply with such provisions before commencing the performance of this work under this Agreement, and my method of compliance is further described below.

With the above understanding, I certify the following:

- _____ Consultant is insured against liability for workers' compensation.
- _____ Consultant is self-insured for workers' compensation. I will provide a copy of Certificate of Consent to Self-Insure issued by the State of California Department of Industrial Relations.
- _____ Consultant is a sole proprietor or partnership. I am the owner of the organization or a partner, and Consultant is exempt from the State workers' compensation requirements because we have no employees.

CONSULTANT

By: _____
Title:

EXHIBIT A

Description of Scope of Services to be performed by Consultant

See Attached

EXHIBIT B

[A listing of hourly rates of Consultant's personnel, and a contract budget for the Services.]

]

Maintenance:

Compensation will be on a time and materials basis not to exceed \$4,000/month according to the following staff categories:

Labor Rates Sheet:

On Call Consulting: \$65/hour

Recreation Program Consulting: \$65/hour

All rates good through 31 December 2022

Total monthly combined compensation not to exceed : \$4,000.

END OF DOCUMENT

Scope of services

The following are the primary responsibilities for the contracted services for the City of Colusa.

- Create all communications to be used in mailings, email blasts, and The City social media accounts.
- Develop static messaging on City services, projects, and civics.
- Create the process of messaging approval up to 2 weeks ahead of publication, via monthly/quarterly calendar.
- Provide communication support for City offices and Departments.
- Help maintain the City's website and proper messaging
- Help to create and manage the recreation activities for 2022
- Help with the recruitment of a recreation coordinator position and bring them up to speed on the progress of the recreation activities.

RESOLUTION NO. 22-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLUSA APPROVING CONSULTANT SERVICES AGREEMENT CONTRACT WITH SADIE B. ASH

WHEREAS, on April 5th, 2022, the City of Colusa City Council approves the City of Colusa consultant services contract with Sadie B. Ash.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF COLUSA DOES HEREBY RESOLVE:

1. Recitals. The foregoing recitals are true and correct and made part of this Resolution.
2. Effective Date. This Resolution shall be effective immediately.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

Passed and adopted this fifteenth day of April 5th, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

THOMAS REISCHE, MAYOR

Shelly Kittle, City Clerk



City of Colusa California

STAFF REPORT

DATE: April 5th, 2022
TO: Mayor and Members of the City Council
FROM: Ishrat Aziz-Khan, through Jesse Cain, City Manager

AGENDA ITEM:

Consideration of Resolution approving the Subrecipient Agreement Between the City of Colusa and Habitat for Humanity Yuba/Sutter.

Recommendation:

Council to adopt the Resolution to sign an agreement between the City of Colusa and Habitat for Humanity Yuba/Sutter to provide services for the First-Time Homebuyer Program and the Owner-Occupied Rehabilitation Program.

BACKGROUND ANALYSIS:

The City of Colusa had a contract with the Regional Housing Authority since 2013 to administer the First Time Homebuyer Program and the Owner-Occupied Rehabilitation Program. The Regional Housing Authority restructured the organization and eliminated the program administration position and canceled the contract with the City in January 2022. I have reached out to several different entities to seek their services and finally found Habitat for Humanity Yuba/Sutter. The program administrator is a former employee of the Regional Housing Authority and has worked on these programs before. The employee has historical knowledge of the city programs. Habitat for Humanity is covering the same area as Regional Housing Authority covered in the past.

BUDGET IMPACT:

The contract with Habitat for Humanity is the same as it was with the Regional Housing Authority. The administration cost is paid by the Community Development Grant (CDBG) funding and has no impact on City's general fund.

STAFF RECOMMENDATION:

The staff recommends approving the resolution for the subrecipient Agreement between the City of Colusa and Habitat for Humanity Yuba/Sutter.

ATTACHMENTS:

Subrecipient Agreement, Standard Agreement and Resolution

SUBRECIPIENT AGREEMENT BETWEEN THE CITY OF COLUSA AND HABITAT FOR HUMANITY YUBA/SUTTER

This subrecipient agreement (the “**Agreement**”) is made and entered into as of the date of execution by both parties evidenced by the later of the dated signatures hereto, by and between the **CITY OF COLUSA, a government instrumentality**, whose address 425 Webster Street, Colusa, CA 95932 (the “**CITY**”), and **HABITAT FOR HUMANITY YUBA/SUTTER, a nonprofit corporation**, having its principal office at 202 D Street, Marysville, CA 95901 (the “**Program Operator**”).

WHEREAS, the **CITY** will enter into a Standard Agreement No. **18-HOME-12581**, EXHIBIT C, referred to as STANDARD AGREEMENT, to receive funding from the HOME Investment Partnerships Program, referred to as HOME, from the State of California, Department of Housing and Community Development, referred to as HCD, to finance the City of Colusa Housing Rehabilitation Program, referred to as PROGRAM; and

WHEREAS, among the eligible uses of HOME is the provision of Owner-Occupied Housing Rehabilitation Assistance and Homeownership Assistance Programs; and

WHEREAS, the purpose of the HOME Program Owner-Occupied Housing Rehabilitation Assistance and Homeownership Assistance Program is to increase the supply of decent, safe, sanitary, and affordable housing for households with combined incomes at or below 80% of the area median income adjusted per household size; and

WHEREAS, the **CITY** has entered into a contractual relationship with the California Department of Housing and Community Development (“HCD”) to administer one or more HCD-funded housing rehabilitation programs. The program described herein and hereinafter referred to as the “Program” is designed to provide assistance to eligible homeowners for correction of health and safety items, as well as code violations, located within the Program’s eligible area and provide homeownership assistance. The Program provides this assistance in the form of deferred payment loans used to finance the cost of necessary repairs that will provide the homeowner with a healthy, safe, sanitary and code compliant home, referred to herein as “housing unit”. The Program also provides homeownership assistance funding to assist with the purchase of homes. The Program will be administered by HABITAT FOR HUMANITY YUBA/SUTTER; and

WHEREAS, the CITY has identified HABITAT FOR HUMANITY YUBA/SUTTER as an eligible “Program Operator” (as such term is defined in 24 CFR 92.2) capable of administering the Program on behalf of the CITY; and

WHEREAS, the CITY COUNCIL approved Resolution 22-xxx approving the Program Operator for the purpose of establishing and operating the Program; and

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements and covenants set forth herein, the CITY and Program Operator do agree, for themselves and for their respective successors and assigns, as follows:

SECTION 1: GENERAL PROGRAM DESCRIPTION; ROLES & RESPONSIBILITIES

1.1 Program Description:

As further described herein and in the City of Colusa's Housing Rehabilitation Program Guidelines, the PROGRAM is designed to provide assistance to eligible homeowners for correction of health and safety items, as well as code violations, located within the Program's eligible area. The Program provides this assistance in the form of deferred payment loans used to finance the cost of necessary repairs that will provide the homeowner with a healthy, safe, sanitary and code-compliant home. The Program also provides homeownership assistance funding to assist with the purchase of homes.

1.2 CITY Role & Responsibilities

The CITY is responsible for the operation of the Program and compliance with applicable federal requirements, including the HOME requirements outlined in 24 CFR part 92,. This will include, but not be limited to, the following:

1.2.1 Program Design

Furnishing the Program Operator with the Program Guidelines and any other Program requirements, including any future changes to HOME regulations or HOME Program guidance issued by HUD;

1.2.2 Environmental Review

Completing necessary environmental reviews and/or determinations pursuant to 24 CFR 92.352 and 24 CFR 58;

1.2.3 Reporting to HCD

Preparing and submitting reports to HCD including but not limited to Project Set-up and Completion, Quarterly Performance, Quarterly PI, and Annual Performance Report;

1.2.4 Program Operator Monitoring

Completing remote and on-site monitoring reviews of the Program Operator's operation of the Program.

1.3 Program Operator Role & Responsibilities

In addition to the responsibilities listed in **Exhibit A – A2**, Program Operator is responsible for the routine implementation of the Program, including interaction with applicants to the Program and Contractors. In all cases, Program Operator will implement the program in compliance with the CITY's Program Guidelines and all applicable federal requirements. In no case will the Program Operator be considered the "responsible entity" for environmental reviews required under 24 CFR 58. In its role, Program Operator will:

1.3.1 Marketing

Market and advertise the Program pursuant to the CITY's affirmative marketing plan, in accordance with the requirements in 24 CFR 92.351, including the requirements to (i) identify those portions of the population of the CITY that are least likely to apply, (ii) establish specific marketing actions (e.g. advertising in specialty publications, native languages, etc.) intended to reach such populations, and (iii) maintain records of the results of such activities;

1.3.2 Application Intake

Develop needed application materials and establish and implement an application process in accordance with the CITY's Program Guidelines;

1.3.3 Screening

Review individual applications, including income determinations, in accordance with the CITY's Program Guidelines and the HOME requirements in 24 CFR part 92 to establish applicants' eligibility for the Program and notify applicants of their status;

1.3.4 Inspections

In accordance with the CITY's Program Guidelines, inspect units to ensure that such units meet the Program's property standards, including but not limited to conducting visual assessments of potential lead-based paint hazards in any properties constructed prior to 1978 in accordance with 24 CFR part 35;

1.3.5 Program Policies

Apply the CITY's Program Guidelines, including any updates thereto provided by the CITY pursuant to the notice provisions in Section 5.2 of this Agreement, ensuring that housing rehabilitation and homeownership assistance projects meet all HOME and Program requirements;

1.3.6 Management of Contractors and Property Owners

During the term of a contract between Contractor and property owner, address questions, concerns, or disputes between Contractors and property owners, provide clarifications of

Program Guidelines, federal, and HOME requirements, and otherwise work with Contractors and owners to ensure effective and compliant delivery of assistance.

SECTION 2: USE AND DISBURSEMENT OF HOME FUNDS

2.1 HOME Award and Budget

As part of this Agreement, the CITY is providing up to \$423,866 in HOME funding for project expenses (i.e., direct costs of assisting homeowners), up to \$5,605 in HOME funding for allowable administrative expenses, and \$60,249 in HOME funding for activity delivery.

2.1.1 ITEMIZED BUDGET

The following line-item budget is the basis for determining the amount of PROGRAM OPERATOR costs eligible for reimbursement by CITY. (See SCOPE OF WORK, Exhibit A - A2, for a description of each reimbursable activity.)

Line Items	HOME General Administration	HOME Activity Delivery	Total HOME Budget
Housing Rehabilitation Program Mgmt.	\$1,736	\$45,579	\$47,315
Homeownership Assistance Program Mgmt.	\$3,869	\$14,670	\$18,539

Budget amount for Activity Delivery is based on a maximum 23% of the Housing Rehabilitation Activity Budget of \$198,171, and a maximum of 6.5% of the Homeownership Assistance Activity Budget of \$225,695. Loan Portfolio Management and other program administration services will be billed at a cost of \$75 per hour and will be paid from General Administration.

HOME Program Income that is required to be expended prior to drawdown of open grant funds will be reimbursed by CITY to PROGRAM OPERATOR up to a maximum of 23% of the HOME Program Income loan amount.

Each invoice submitted to CITY by the PROGRAM OPERATOR must include the following:

1. Running total of expenditures to date by line item for HOME compensable services.
2. Documentation of services provided or expenditures, including copies of invoices, contracts, receipts, bills, time sheets, or other references documenting the charges billed to the CITY or incurred by PROGRAM OPERATOR.

2.1.2 BUDGET ADJUSTMENTS

A budget adjustment is defined as a change in value for reimbursable line items without a change in the dollar value for reimbursable services rendered by PROGRAM OPERATOR. CITY

may consider PROGRAM OPERATOR budget adjustments after submittal of a formal proposal, including the following documentation:

- a) Progress report outlining expenditures, milestones achieved to date and an outstanding balance;
- b) Proposed budget outlining projected costs for the entire duration of the contract, highlighting where actual costs are expected to differ from the original budget;
- c) Explanations and justifications for changes in each line item; and
- d) Plan outlining expected uses of additional funds received.

2.1.3 BUDGET AMENDMENTS

A budget amendment is defined as a change in value for reimbursable line items and a change in the dollar value for reimbursable services rendered by PROGRAM OPERATOR. CITY may consider PROGRAM OPERATOR budget amendments after submittal of a formal proposal, including the same documentation required for a budget adjustment as listed above; however, a budget amendment also requires a formal contract amendment approved in a resolution by the CITY.

2.1.4 CHARGE RATE SCHEDULE

PROGRAM OPERATOR will request reimbursement for this agreement based on an actual cost for actual work basis. Reasonableness, allowability and allocability of costs not to exceed the budget noted above.

2.2 Term

This Agreement shall become effective upon the execution of this Agreement by the City of Colusa and shall expire on April 2, 2023. All approved project funds must be expended by February 2, 2023. The Program Operator shall have until April 2, 2023 to make final requests for reimbursement. The deadline to submit all Drawdown Requests as defined by the STANDARD AGREEMENT between the City of Colusa and Housing and Community Development is April 2, 2023, or the latest amendment of the closeout date thereto unless otherwise terminated as provided in this Agreement.

2.3 Anticipated Production

The CITY and Program Operator anticipate three homeownership assistance and five housing rehabilitation loans to eligible individuals or families under this Agreement.

2.4 Project Completion Deadlines

The Program Operator must provide the CITY with all necessary project information. All approved project funds must be expended by April 2, 2023.

2.5 Program Income

CITY and Program Operator acknowledge and agree that if any “**Program Income**,” as defined in 24 CFR 92.2, is received by the Program Operator, Program Operator will promptly remit Program Income to the CITY.

2.6 Disbursement of Funds

Program Operator must remit disbursement requests (or, in the case where no reimbursement is due, a report explaining inactivity) at least quarterly and may request payments no more than once per month. In all cases, Program Operator is prohibited from requesting HOME funds from the CITY until such funds are needed to pay HOME-eligible costs. Requests for disbursements are limited to the amount needed at the time of such request.

2.6.1 Reimbursement Basis

The CITY will provide HOME funds to the Program Operator for Program costs on a reimbursement basis only.

2.6.2 Project Costs

Program Operator will submit a request for funds to the City for housing rehabilitation costs. All requests for project-specific soft costs must be supported by (i) time-sheet documentation for any costs associated with Program Operator staff, (ii) invoices for any third-party costs, and/or (iii) other source documentation (e.g., receipts and mileage logs for travel expenses, etc.).

2.6.3 Administrative Costs

Requests for payment of eligible administrative costs must be supported by time-sheet documentation for any costs associated with Program Operator staff, invoices for any third-party costs, and/or other similar documentation.

2.6.4 Final Payment

Program Operator shall submit a final payment request by April 2, 2023.

SECTION 3: ADMINISTRATIVE AND PROGRAM REQUIREMENTS

3.1 Applicability of Uniform Administrative Requirements

In performing under this Agreement, the requirements of 2 CFR part 200 apply to the Program Operator, except for the following provisions: §200.306, §200.307, §200.311 (except as provided in 24 CFR 92.257), §200.312, §200.329, §200.333, and §200.334. The provisions of 2 CFR 200.305 apply as modified by 24 CFR 92.502(c). If there is a conflict between definitions in 2 CFR 200 and 24 CFR part 92, the definitions in 24 CFR part 92 govern. While not intended to be an exhaustive

list, Program Operator acknowledges that the requirements of 2 CFR 200 include, inter alia, compliance with:

3.1.1 Procurement

Standards and procedures consistent with 2 CFR 200.318 through 200.326 related to the procurement of property or services with HOME funds;

3.1.2 Audit

The requirement under 2 CFR 200.501 that the Program Operator must obtain a single- or program-specific audit if, during any given Program Operator fiscal year, Program Operator expends more than \$750,000 in federal funds;

3.1.3 Cost Principles

The cost principles included in 2 CFR 200 Subpart F, including that any costs charged to HOME be supported by adequate documentation, allocable to the program, necessary, and reasonable.

3.2 Administrative Funding

Within the funding limit provided in Section 2.1, Program Operator may use HOME funds for administrative expenses associated with operating the Program. Eligible administrative costs include costs associated with activities described in the general management oversight and coordination requirements at 24 CFR 92.207(a) to the extent that such activities are allowable under this Agreement. These include, but may not be limited to, costs associated with coordinating and overseeing the Program; advertising and promoting the Program, including affirmatively marketing the Program pursuant to the requirements of 24 CFR 92.351; maintaining appropriate Program records, including financial records, and submitting progress, financial, and other reporting to the CITY; taking applications, conducting intake interviews, and otherwise processing applications that do not proceed; and conducting required unit inspections.

3.2.1 Treatment of Income Determination and Inspection Costs

Pursuant to 24 CFR 92.206, the Program Operator may also use HOME project funding for its project-specific soft costs associated with determining the income eligibility and completing property inspections of homes.

Alternatively, the costs associated with determining the income eligibility and completing property inspections of, may be charged as an administrative cost, provided that in no case may a single item of cost be charged both as an administrative expense and as a project-related soft cost as provided for herein.

3.3 Reversion of Assets

Upon receipt of the final payment by the CITY under this Agreement and after payment by the Program Operator of any final eligible costs under this Agreement, the Program Operator must transfer to the CITY any remaining HOME funds on hand and any accounts receivable attributable to the use of HOME funds to the CITY.

3.4 Compliance with Other Federal Requirements

Program Operator must comply with all applicable federal requirements, including those listed in 24 CFR part 92, Subpart H and 24 CFR part 5, Subpart A, and the nondiscrimination requirements of section 282 of the Act, as amended. This includes, but is not limited to, compliance with:

3.4.1 Equal Opportunity and Fair Housing

In accordance with 24 CFR 92.350 and 92.351, no person shall on the ground of race, color, religion, sex, disability, familial status, national origin, or age be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any Program activity funded in whole or in part from HOME funds. In addition, Program Operator shall develop and operate the Program in accordance with the requirement contained in 24 CFR 5.105, including but not limited to the following requirements:

- a) The requirements of the Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations at 24 CFR Part 100; Executive Order 11063, as amended by Executive Order 12259 (3 CFR 1958 B1963 Comp., P. 652 and 3 CFR 1980 Comp., P. 307) (Equal Opportunity in Housing) and implementing regulations at 24 CFR Part 107; and of the Civil Rights Act of 1964 (42 U.S. C. 2000d) (Nondiscrimination in Federally Assisted Programs) and implementing regulations issued at 24 CFR Part 1;
- b) The prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing Regulations at 24 CFR Part 146,
- c) The requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8;
- d) Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135;
- e) The requirements of Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR 1964-65, Comp., p. 339) (Equal Employment Opportunity) and the implementing regulations issued at 41 CFR Chapter 60;

- f) The requirements of 24 CFR 92.351, 2 CFR 200.321, Executive Orders 11625, as amended, and 12432 (concerning Minority Business Enterprise), and 12138, as amended (concerning Women's Business Enterprise); and
- g) The requirements of 24 CFR 5.105(a)(2) requiring that HUD-assisted housing be made available without regard to actual or perceived sexual orientation, gender identity, or marital status and prohibiting Program Operators, owners, developers, or their agents from inquiring about the sexual orientation or gender identity of an applicant for, or occupant of, HUD-assisted housing for the purpose of determining eligibility for the housing or otherwise making such housing available. This prohibition on inquiries regarding sexual orientation or gender identity does not prohibit any individual from voluntarily self-identifying sexual orientation or gender identity.

3.4.2 Lobbying Disclosure Requirements

In accordance with the requirements of 24 CFR part 87, the Program Operator certifies, to the best of its knowledge and belief, that:

- a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an PROGRAM OPERATOR, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any PROGRAM OPERATOR, 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, the Program Operator shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
- c) The Program Operator shall require that the 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 such lower-tier parties shall certify and disclose accordingly; and
- d) Program Operator acknowledges that 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.

3.4.3 Drug-Free Workplace

The drug-free workplace requirements of 2 CFR part 2429;

3.4.4 Debarred or Suspended Entities

By signing this Agreement, Program Operator certifies that it is not presently listed by any federal PROGRAM OPERATOR as debarred, suspended, or proposed for debarment from any federal contract activity. If during the term of this Agreement this information changes, Program Operator shall notify CITY without delay. Such notice shall contain all relevant particulars of any debarment, suspension, or proposed debarment. Further, in carrying out its responsibilities hereunder, Program Operator will not employ, contract with, or otherwise make use of subcontractors, service providers, consultants, or any other party that is debarred, suspended, or proposed for debarment from any federal contract activity.

3.4.5 Environmental Review

While the CITY is responsible for environmental reviews and determinations under this Agreement, Program Operator will cooperate and assist in documenting the environmental status of each assisted unit, including but not limited to the initial preparation of an *Environmental Review for Activity/Project that is Exempt or Categorically Excluded Not Subject to Section 58.5* checklist. In no case will Program Operator request funding for a housing rehabilitation project with respect to a specific unit to be assisted without notification from the CITY that the project is either exempt from environmental review or that needed reviews have been completed.

3.4.6 Lead Based Paint

Program Operator will ensure that all assisted units in properties which were originally constructed prior to 1978 pass a visual assessment pursuant to the requirements of 24 CFR 35.

3.4.7 Conflict of Interest

Pursuant to 24 CFR 92.356, no employee, agent, consultant, officer, or elected official or appointed official of the CITY or the Program Operator, individually known as a “**Covered Person,**” that exercises or has exercised any functions or responsibilities with respect to HOME-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to HOME-assisted activities, is eligible to receive HOME assistance under the Program or to have a financial interest or financial benefit in any

contract, subcontract, or other agreement with respect to the HOME-funded activities contemplated in this Agreement, or the proceeds from such activities. This provision shall apply to both Covered Persons and those with whom they have business or immediate family ties, during their tenure with the CITY or Program Operator or for one year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including a stepparent), child (including a stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild, and in-laws of a Covered Person. In the event a Covered Person, or a person with whom the Covered Person has business or family ties, is otherwise eligible and applies to the Program, Program Operator will immediately notify the CITY. CITY, in its sole discretion, may pursue an exception from HUD under the provisions of 24 CFR 92.356(d) to allow participation notwithstanding the conflict of interest. Only HUD may grant such an exception; neither the CITY nor the Program Operator may grant such an exception on its own. Moreover, the CITY and Program Operator shall comply with the conflict of interest requirements in 2 CFR 200.317 and 2 CFR 200.318 in the procurement of property and services.

3.4.8 Consultant Activities

Program Operator will comply with the reasonable rate of compensation requirements in accordance with 24 CFR 92.358.

3.5 Recordkeeping

Program Operator shall maintain detailed records of all its activities under this Agreement, including records on all persons served pursuant to this Agreement. Representatives of the CITY will maintain administrative and financial records as required by 24 CFR 92.508, applicable to the activities to be carried out under this Agreement, including but not necessarily limited to:

3.5.1 General Administrative and Financial Records

- a) Information about contractors, vendors, and other service providers to include, but not necessarily be limited to, verification of non-debarment and suspension, verification of qualifications and experience, legally binding contracts and agreements, invoices and payment records, and related correspondence (see 24 CFR Part 24 and 2 CFR part 2424);
- b) Financial information including, but not necessarily limited to, audits and related correspondence, accounting and financial records, indirect cost analyses, and internal controls and reconciliations;
- c) Financial records identifying the source and use of funds for each person assisted under the Program pursuant to this Agreement, as well as well as underlying documentation (e.g.

timesheet records, invoices/receipts, proof of payment, etc.) for all costs charged to HOME;

- d) Records demonstrating compliance with the Uniform Administrative Requirements of 2 CFR 200, as applicable;

3.5.2 Program Recipient Records

Program recipient records in accordance with 24 CFR 92.508(a)(3) that demonstrate that each HOME-assisted project met the requirements of the HOME program including but not limited to:

- a) Full descriptions of each household assisted with Program funds;
- b) Income determination proving eligibility and records to document the eligibility each household;
- c) Records, consistent with the Program Guidelines, demonstrating that each Program assisted unit meets the Program's property standards;
- d) Records demonstrating that each assisted household is income eligible in accordance with 24 CFR 5.603;
- e) Copies of project documentation including construction contract and change orders;
- f) Program Operator will return all records to the City upon project completion;

3.5.3 Records of Other Federal Requirements

Other records that include documentation of compliance with other federal requirements in accordance with 24 CFR 92.508 that includes the following requirements to the extent applicable to the Program:

- a) Documentation of Program Operator's efforts to affirmatively further fair housing, including both marketing efforts and records on the extent to which each racial and ethnic group and single-headed households (by gender of household head) applied for, participated in, or benefited from the Program;
- b) Records concerning lead-based paint in accordance with 24 CFR Part 35;
- c) Records supporting any requests for exceptions to the conflict of interest provisions in accordance with 24 CFR 92.356.

3.6 Record Retention

All Program records will be returned to the City upon project completion and be maintained by the City for the lifetime of the loan. Notwithstanding, if there are litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have commenced before the expiration of the retention periods outlined, such records must be retained until completion of the actions and resolution of all issues, or the expiration of the retention period, whichever occurs later.

3.7 Reporting Requirements

The Program Operator agrees to submit any and all reports required by the CITY or HCD within 30 days of the CITY or HCD's request. The Program Operator will provide updates on Program implementation to the CITY on a quarterly basis. A quarterly report to City will include information on the marketing and startup of the Program, number of applications received, challenges or concerns about implementation, and estimates of the timing of upcoming commitments and expenditures of HOME funds.

The CITY reserves the right to unilaterally alter, supplement, or otherwise modify the frequency, content, or form of delivery of required reports as needed to maintain adequate oversight of the Program, address changes to HOME regulations, or to address findings related to noncompliance by the Program Operator.

SECTION 4: DEFAULT AND TERMINATION

4.1 Default

The following are considered a default by the Program Operator under this Agreement:

1. Program Operator fails, in any manner, to fully perform and carry out any of the terms, covenants, and conditions of this Agreement;
2. Program Operator refuses or fails to proceed with the work and tasks contemplated in this Agreement in accordance with such diligence as will ensure their completion within the time fixed by the schedule set forth in this agreement;
3. Material noncompliance with any applicable HOME regulatory requirements in 24 CFR part 92 or any other applicable federal requirements; or any applicable State or local law, regulation, ordinance, or requirement related to the Program; and

4. Dissolution or other termination of existence; insolvency; forfeiture of right to do business in the State of California or business failure; appointment of a receiver of any part of the Program Operator's property; the calling of any meetings of, or the assignment for the benefit of, creditors of the Program Operator; or the commencement of any proceedings under any bankruptcy or insolvency laws by or against the Program Operator which are not dismissed within 60 days.

4.2 Termination

4.2.1 Without Cause: CITY and PROGRAM OPERATOR will have the right to terminate this Agreement without cause by giving thirty (30) days prior written notice of intention to terminate pursuant to this provision, specifying the date of termination. CITY will pay to PROGRAM OPERATOR the compensation earned for work performed and not previously paid for to the date of termination. CITY will not pay lost anticipated profits or other economic loss. The payment of such compensation is subject to the restrictions on payment of compensation otherwise provided in this Agreement, and is conditioned upon receipt from PROGRAM OPERATOR of any and all plans, specifications and estimates, and other documents prepared by PROGRAM OPERATOR in accordance with this Agreement. No sanctions will be imposed.

4.2.2 With Cause: This Agreement may be terminated by either party should the other party:

- a) be adjudged a bankrupt, or
- b) become insolvent or have a receiver appointed, or
- c) make a general assignment for the benefit of creditors, or
- d) suffer any judgment which remains unsatisfied for thirty (30) days, and which would substantively impair the ability of the judgment debtor to perform under this Agreement, or
- e) materially breach this Agreement. Material breach includes but is not limited to PROGRAM OPERATOR failing to perform obligations under this Agreement, and PROGRAM OPERATOR failing to perform obligations in accordance with the PROGRAM'S time schedules set forth in STANDARD AGREEMENT.

For any of the occurrences except item v., termination may be effected upon written notice by the terminating party specifying the date of the termination. Upon a material breach, the Agreement may be terminated following the failure of the defaulting party to remedy the breach to the reasonable satisfaction of the non-defaulting party within thirty (30) days of the receipt of written notice specifying the breach. If the breach is not remedied within that thirty (30) day period, the non-defaulting party may terminate the agreement on further written notice specifying the date of termination. If the nature of the breach is such that it cannot be cured within a thirty (30) day period, the defaulting party may submit a written proposal within that period which sets forth a specific means to resolve the default. If the non-

defaulting party consents to that proposal in writing, which consent shall not be unreasonably withheld, the defaulting party shall immediately embark on its plan to cure. If the default is not cured within the time agreed, the non-defaulting party may terminate upon written notice specifying the date of termination. CITY will pay to PROGRAM OPERATOR the compensation earned for work performed and not previously paid for to the date of termination. CITY will not pay lost anticipated profits or other economic loss, nor will CITY pay compensation or make reimbursement to cure a breach arising out of or resulting from such termination.

4.2.3 Effects of Termination: Expiration or termination of this Agreement shall not terminate any obligations to indemnify, to maintain and make available any records pertaining to the Agreement, to cooperate with any audit, to be subject to offset, or to make any reports of pre-termination contract activities.

4.2.4 Suspension of Performance: Independent of any right to terminate this Agreement, the authorized representative of CITY for which PROGRAM OPERATOR'S services are to be performed, may immediately suspend performance by PROGRAM OPERATOR, in whole or in part, in response to health, safety or financial emergency, or a failure or refusal by PROGRAM OPERATOR to comply with the provisions of this Agreement, until such time as the cause for suspension is resolved, or a notice of termination becomes effective.

SECTION 5: ADDITIONAL PROVISIONS

5.1 Fees to homeowners or members of households prohibited

Program Operator is prohibited from charging application or other fees for the purpose of covering costs of administering the Program.

5.2 Notice

Except in the case of a notice of default, which must be delivered via mail or delivery service, the CITY may issue written notices as required or anticipated herein to the Program Operator via email, facsimile, mail, delivery service, or in person as may be appropriate. Notices delivered via electronic means or in person will be deemed delivered on the same day. Notices delivered via mail or delivery service shall be deemed delivered five (5) days after being placed in the United States mail or delivery service, postage pre-paid, addressed to the Program Operator as follows:

HABITAT FOR HUMANITY YUBA/SUTTER
ATTN: JOSEPH HALE, CEO
202 D STREET
Marysville, CA 95901

Notices due the CITY shall be in writing and may be delivered via email, facsimile, mail, delivery service, or in person as may be appropriate. Notwithstanding, a notice of default to the CITY must be delivered via certified mail with return receipt requested and shall be deemed delivered upon signature of a CITY representative. Notices to the CITY should be addressed as follows:

CITY OF COLUSA
425 WEBSTER STREET
COLUSA, CA 95932

5.3 CITY Liability

The CITY shall have no liability except as specifically provided in this Agreement. The CITY, by execution of this Agreement, assumes no liability for damages caused to persons or property by reason of Program Operator providing goods or services herein or for injury to any employee, agent or subcontractor of the Program Operator performing under this Agreement.

5.4 Indemnification

Program Operator shall indemnify and save and hold CITY, and its successors or assigns, harmless from and against any negligent claims, liabilities, losses and causes of action which may arise out of Program Operator's activities under this Agreement, including all other acts or omissions to act on the part of Program Operator, including any person acting for or on its behalf, and, from and against any orders, judgments, or decrees which may be entered and from and against all costs, attorneys fees, expenses and liabilities incurred in the defense of any such claims, or in the investigation thereof. Program Operator's indemnity shall not expire with the expiration or termination of this agreement but will continue indefinitely.

5.5 Insurance

See attached Exhibit B. Throughout the term of this Agreement, Program Operator must maintain general liability (\$2,000,000 per occurrence and \$2,000,000 aggregate) and automobile liability insurance (\$1,000,000 per accident), and errors and omissions insurance (\$1,000,000 per occurrence and \$2,000,000 annual aggregate). The CITY must be listed as an additional insured party on each of the required insurance policies with at least 30 days' notice prior to expiration. Program Operator must also maintain workers compensation coverage in an amount specified by state law.

5.6 Independence of Program Operator

Nothing in this Agreement shall be deemed or construed to represent that Program Operator, or any of Program Operator's employees or agents, are the agents, representatives, or employees of the CITY. Program Operator acknowledges that it is an independent contractor in its performance under this Agreement. Anything in this Agreement that provides the CITY with the

right to direct Program Operator in its performance of its obligations under this Agreement is solely for purposes of compliance with local, state, and federal regulations.

5.7 Assignment

This Agreement is binding on the CITY and Program Operator, and their respective successors and assigns. Program Operator shall not assign or transfer its interest in this Agreement without the prior written approval of CITY which shall be in the CITY's sole and exclusive discretion.

5.8 Amendments

This Agreement may be modified or amended only if the amendment is made in writing and is signed by both parties. Notwithstanding, in the event that (i) HUD imposes new or modified requirements in the HOME Program through regulation, administrative notice, publication, or other notice, or (ii) HUD specifically identifies violations of HOME program requirements pertaining to this Agreement or the Program undertaken hereunder, Program Operator agrees to comply with any new or modified requirements to ensure this Agreement and the activities hereunder remain in or are brought into compliance with such requirements. The CITY shall provide prompt notice to the Program Operator of any such modifications. Program Operator further agrees to execute an amendment to modify the terms of this Agreement in such manner as necessary to formally reflect and implement new HOME requirements or correct identified deficiencies.

5.9 Interpretation

This Agreement is the sole agreement between the two parties, and no prior or subsequent discussions, negotiations, or agreements, whether verbally or in writing, shall be merged with this Agreement. Any question or dispute regarding the interpretation of the terms of this Agreement shall be decided by the CITY. The CITY's decision on any dispute under this Agreement, which shall be furnished in a manner of their choosing, shall be final and binding. In the event of a conflict between this Agreement, the Program Guidelines, and/or other regulatory requirements, the regulatory requirements control, and the CITY reserves the right to resolve the conflict and determine the Program Operator's compliance with such provisions.

5.10 Applicable Law

This Agreement shall be construed and interpreted in accordance with California law. In the event of legal action resulting from a dispute hereunder, the parties agree that the State and federal courts of the State of California shall have jurisdiction and that the proper forum for such action shall be in Sacramento, California.

5.11 Headings & Pronouns

The headings in this Agreement are for convenience only and do not affect the meanings or interpretation of the contents. Where appropriate, all personal pronouns used herein, whether used in the masculine, feminine, or neutral gender, shall include all other genders, and singular nouns used herein shall include the plural and vice versa.

5.12 Severability

If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

IN WITNESS WHEREOF, the CITY and Program Operator have indicated their acceptance of the terms of this Agreement by their signatures below on the dates indicated.

CITY OF COLUSA		
	<div style="border-top: 1px solid black; height: 1.2em; margin-bottom: 0.5em;"></div> <div>Jessie Cain, City Manager</div>	<div style="border-top: 1px solid black; height: 1.2em; margin-bottom: 0.5em;"></div> <div>Date</div>

PROGRAM OPERATOR: HABITAT FOR HUMANITY YUBA/SUTTER		
	<hr/> Joseph Hale, Chief Executive Officer	<hr/> Date

ATTEST: CITY CLERK, CITY OF COLUSA		
	_____ Shelly Kittle, City Clerk	_____ Date

EXHIBIT “A” – SCOPE OF WORK

City of Colusa Housing Rehabilitation Program (PROGRAM)

PROGRAM OBJECTIVE

The purpose of the PROGRAM is to complete rehabilitation of eligible housing units located in the City of Colusa. The units must be occupied by members of the Low to Moderate Income Group (LMI) as defined by the U.S. Department of Housing and Urban Development (HUD) and HCD.

PROGRAM GOALS

PROGRAM OPERATOR shall be held to the same goals, milestones, performance measurements, and requirements as entered into by CITY in STANDARD AGREEMENT 18-Home-12581 and more thoroughly explained in the grant application. PROGRAM OPERATOR will assist CITY in the achievement of the following PROGRAM goals by the contract expiration date:

1. Complete an estimated five (5) single-family housing rehabilitation housing rehabilitation projects as required to fully expend CITY’s housing rehabilitation loan fund.

PROGRAM SERVICES

COMPENSABLE SERVICES: PROGRAM OPERATOR will perform the following compensable services as outlined in the City-approved Program Guidelines (referred to as PROGRAM GUIDELINES) in implementation of PROGRAM activities, including administration and expenditure of HOME Program Income.

1) Refinement of housing rehabilitation program plans, procedures and forms: subject to review and approval by CITY, PROGRAM OPERATOR will establish, or make any necessary revisions to, the housing rehabilitation program design and procedures (including but not limited to the priorities among applicants and among rehabilitation measures, the limits and structure of financial assistance, and the recapture and affordability policies), as well as any other necessary forms, documents or sample contracts.

2) Outreach: PROGRAM OPERATOR will conduct sufficient advertisement of the housing rehabilitation program and other forms of outreach to ensure that enough eligible applicants participate in the program to meet the housing rehabilitation program goals.

3) Intake/assessment of eligibility: PROGRAM OPERATOR will assist property owners and residents in the completion of applications to permit eligibility determinations for rehabilitation assistance. PROGRAM OPERATOR will make provision for translation services to meet the needs of non-English-speaking applicants. In the event of applicants who have impaired mobility or other disabilities, PROGRAM OPERATOR will make provisions for completing the application at the applicant’s residence or other acceptable procedures for ensuring equal access to services.

Initial eligibility determination of households/structures will be made by the PROGRAM OPERATOR on the basis of satisfaction of income requirements, the apparent need for rehabilitation measures to correct relevant housing code or Housing Quality Standard (HQS) deficiencies, and any other pertinent criteria set forth in the approved program design.

4) Work write-ups: for each eligible unit to be assisted, PROGRAM OPERATOR will complete a detailed work write-up of the rehabilitation to be performed, including estimated costs of each activity, materials to be used, and industry or regulatory standards to be met. This write-up will be initialed and dated by the homeowner.

5) Solicitation and selection of contractors: PROGRAM OPERATOR will assist approved applicants in the identification, proper solicitation, and selection of contractors qualified to perform the authorized rehabilitation of eligible housing units. PROGRAM OPERATOR will provide forms and sample contract formats for the applicants to use in contracting with the contractors and will assist the applicant in ensuring that the description of the work contained in any contracts with contractors is accurate and complete.

6) Loan Review Committee: CITY will establish and maintain a loan review committee. The loan review committee will review all loan recommendations prepared by the PROGRAM OPERATOR. No loan will be made under the housing rehabilitation program without the approval of a majority of the members of the loan review committee. Loan recommendations will be routed to loan committee members for consideration, or a loan committee meeting may be held virtually.

7) Loan closing: With the authorization of the City Loan Review Committee, the PROGRAM OPERATOR will execute all necessary documents and will coordinate with CITY the drawdown of funds as necessary to cover the expenses of approved applicants for activities authorized by executed loan agreements. The loan documents executed with applicants will include explicit provisions describing a) the occupancy requirements and other standards to maintain the eligibility of the HOME expenditures, and b) the conditions and procedures under which late payment penalties, default and/or foreclosure will occur.

8) Periodic and final inspections: PROGRAM OPERATOR will perform periodic site visits to ascertain that approved and contracted rehabilitation work is proceeding properly and satisfactorily, will authorize (with the owner's written approval, including signature and date) appropriate change orders, and will mediate in the event of owner dissatisfaction with the work done by the contractor.

9) Approval of contractor payments: as rehabilitation progresses and as invoices are submitted by contractors, PROGRAM OPERATOR will verify that the expenses are reasonable and the work has been completed properly (including a sign-off by the owner), and will authorize drawdown of funds from CITY, and disbursement to the contractors.

10) Loan servicing/loan portfolio management: PROGRAM OPERATOR will assist CITY in managing the housing rehabilitation loan portfolio through the following tasks: reviewing loan status reports provided by CITY to determine loan clients in violation of the terms of their loan, corresponding with loan recipients who are in violation of the terms of their loan, suggesting remedies to both the CITY and loan recipient to correct any violations, and reviewing employment and income status at the request of CITY.

11) Maintenance of case files and other records: for each applicant, PROGRAM OPERATOR will maintain case files, including application and documentation of eligibility, work write-ups, the assistance agreement between the property owner and CITY (along with repayment provisions, documentation of liens and any other forms of security), contractor selection criteria, copy of contract between owner and contractors, documentation on all necessary licenses and permits, site visit/inspection reports (including final inspection), change orders, and approved contractor invoices for payment (with owner sign-off). PROGRAM OPERATOR will also maintain appropriate information on persons residing in the property, including a list or lists identifying persons in a project immediately before the project, after project completion, and those moving in during the project, as well as information on those displaced or temporarily relocated. PROGRAM OPERATOR will maintain these files until project completion when the original file will be returned to the City.

PROJECT SCHEDULE

Unless amended by mutual written agreement by PROGRAM OPERATOR and CITY, PROGRAM OPERATOR will perform the described housing rehabilitation tasks and complete the rehabilitation of eligible units in a timely manner.

OTHER PROGRAM REQUIREMENTS

- 1) Affordability provisions (Not Applicable for HOME):** for activities benefiting low- and moderate-income persons, PROGRAM OPERATOR must adopt and make public the CITY's standards for determining that for rental housing assisted under the program, the rents of units occupied by low- and moderate-income persons are "affordable."
- 2) Davis-Bacon requirements and other Labor Standards:** these statutes require the payment of prevailing wages for HOME-assisted construction work, including construction or rehabilitation of residential property containing eight units or more, in excess of \$2,000. The Contract Work Hours and Safety Standards Act also applies to such activities.
- 3) Historic Preservation [16 U.S.C. 470 *et seq.* and 36 CFR Part 800]:** these requirements mandate (a) consultation with specified agencies having responsibility for historic preservation to identify properties listed (or eligible for inclusion) in the National Register of Historic Places that may be subject to adverse effects by the proposed HOME activities, and (b) compliance with procedures or other requirements to avoid or mitigate such adverse effects.

- 4) National Flood Insurance Program:** if a community has had notice for more than a year that an area has been identified by FEMA as having special flood hazards, HOME funds cannot be spent for acquisition or construction purposes within that area unless the community is participating in the National Flood Insurance Program and such insurance has been purchased for the properties in question.
- 5) Relocation, Real Property Acquisition, and One-For-One Housing Replacement:** The acquisition of real property for a HOME-assisted project and the displacement of any person (family, individual, business, non-profit organization or farm) as a direct result of acquisition, rehabilitation, demolition or conversion for a HOME-assisted project must comply with 49 CFR part 24. PROGRAM OPERATOR must also conduct its HOME activities so as to minimize displacement, and if displacement occurs, the displaced persons or entities must be provided assistance consistent with the Uniform Relocation Act, as amended, or Section 104(d), as applicable. In addition, there must be a one-for-one replacement of any occupied (or vacant, occupiable) low- and moderate-income dwelling that is demolished or converted to another use in connection with a HOME-funded activity.
- 6) Lead-based Paint [24 CFR Part 35]:** There is a general prohibition against the use of any lead-based paint in connection with any HOME activity involving the construction or rehabilitation of residential structures. If the structure was constructed prior to 1978, the tenants or purchasers must be notified of the hazards of lead-based paint poisoning; and, depending on the level of Federal assistance made available to the structure, paint inspection, risk assessment, treatment and/or abatement must be provided.

EXHIBIT “A-2” – SCOPE OF WORK

City of Colusa Homeownership Assistance Program (PROGRAM)

PROGRAM OBJECTIVE

The purpose of the PROGRAM is to provide low-interest loans to homebuyers purchasing a home located in the City of Colusa. The homebuyer(s) must be members of the Low to Moderate Income Group (LMI) as defined by the U.S. Department of Housing and Urban Development (HUD) and HCD.

PROGRAM GOALS

AGENCY shall be held to the same goals, milestones, performance measurements, and requirements as entered into by CITY in STANDARD AGREEMENT and more thoroughly explained in the grant application. AGENCY will assist CITY in the achievement of the following PROGRAM goals by the contract expiration date:

1. Close on an estimated three homeownership assistance loans as required to fully expend CITY’s homeownership assistance loan fund.

PROGRAM SERVICES

COMPENSABLE SERVICES: AGENCY will perform the following compensable services as outlined in the City-approved PROGRAM GUIDELINES in implementation of PROGRAM activities.

- 1) Refinement of homeownership assistance program plans, procedures and forms:** subject to review and approval by CITY, AGENCY will establish, or make any necessary revisions to, the homeownership assistance program design and procedures (including but not limited to the priorities among applicants, underwriting criteria, the limits and structure of financial assistance, and the recapture and affordability policies), as well as any other necessary forms, documents or sample contracts.
- 2) Outreach:** AGENCY will conduct sufficient advertisement of the homeownership assistance program and other forms of outreach to ensure that enough eligible applicants participate in the program to meet the homeownership assistance program goals.
- 3) Completion of loan applications; underwriting assessment:** AGENCY will assist homebuyers in completing loan applications, and will perform an assessment of each loan application to determine the HOME eligibility of the loan. Initial eligibility determination of households will be made by the AGENCY on the basis of satisfaction of income requirements, eligibility of the property being purchased, and any other pertinent criteria set forth in the approved program design.

AGENCY will complete all work necessary to determine loan feasibility including obtaining appraisal, estimates of market value, credit reports and title reports, set up of lead risk assessment, if applicable, evaluating the financial condition of the applicant and summarizing any critical issues.

4) Loan Review Committee: CITY will establish and maintain a loan review committee. The loan review committee will review all loan recommendations presented to it by the AGENCY. No loan will be made under the homeownership assistance loan program without the approval of a majority of the members of the loan review committee.

5) Loan closing: With the authorization of the City Loan Review Committee, the AGENCY will execute all necessary documents and will coordinate with CITY the drawdown of funds as necessary to cover the expenses of approved applicants for activities authorized by executed loan agreements. The loan documents executed with applicants will include explicit provisions describing a) the occupancy requirements and other standards to maintain the eligibility of the HOME expenditures, and b) the conditions and procedures under which late payment penalties, default and/or foreclosure will occur.

6) Loan servicing/loan portfolio management: AGENCY will assist CITY in managing the homeownership assistance loan portfolio through the following tasks: reviewing loan status reports provided by CITY to determine loan clients in violation of the terms of their loan, corresponding with loan recipients who are in violation of the terms of their loan, suggesting remedies to both the CITY and loan recipient to correct any violations, and reviewing employment and income status at the request of CITY.

7) Maintenance of case files and other records: for each applicant, AGENCY will maintain case files, including application and documentation of applicant eligibility, property eligibility, the assistance agreement between the homebuyer and CITY (along with repayment provisions, documentation of liens and any other forms of security), and any other required documentation. AGENCY will maintain these and other program and financial records in accordance with the general requirements for record keeping specified in Section 7. of this Agreement.

PROJECT SCHEDULE

Unless amended by mutual written agreement by AGENCY and CITY, AGENCY will perform the described homeownership assistance program tasks in a timely manner.

EXHIBIT "B" – INSURANCE REQUIREMENTS

City of Colusa Housing Rehabilitation Program (PROGRAM)

PROGRAM OPERATOR shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the PROGRAM OPERATOR, his agents, representatives, or employees. PROGRAM OPERATOR shall maintain limits no less than:

- | | |
|---|---|
| 1. Commercial General Liability, Including: | \$2,000,000 per occurrence and |
| Premises and Operations | \$2,000,000 general aggregate |
| Contractual Liability | |
| Personal Injury Liability | |
| Independent Contractors | |
| Bodily Injury, Property Damage | |
| | |
| 2. Automobile Liability: | \$1,000,000 per accident for |
| Owned, Non-Owned, | bodily injury and property |
| and Hired Autos | damage |
| | |
| 3. Workers' Compensation: | As required by the State of California |
| | |
| 4. Employer's Liability: | \$1,000,000 per accident for bodily injury or |
| | disease |
| | |
| 5. Professional Liability: | \$1,000,000 per claim and \$2,000,000 |
| | annual aggregate |

Any deductibles or self-insured retentions must be declared to and approved by the CITY. At the option of the CITY, either: insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the CITY, its officers, officials, employees and volunteers; or the PROGRAM OPERATOR shall provide a financial guarantee satisfactory to the CITY guaranteeing payment of losses and related investigations, claim administration and defense expenses.

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The CITY, its officers, officials, employees and volunteers are to be covered as insureds as respects: liability arising out of work or operations performed by or on behalf of the PROGRAM OPERATOR; or automobiles owned, leased, hired or borrowed by the PROGRAM OPERATOR.
2. For any claims related to this project, the PROGRAM OPERATOR's insurance coverage shall be primary insurance as respects the CITY, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the CITY, its officers, officials, employees or

volunteers shall be excess of the PROGRAM OPERATOR's insurance and shall not contribute with it.

3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) day's prior written notice has been provided to the CITY.

If General Liability and Professional Liability coverages are written on a claims-made form:

1. The retroactive date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the PROGRAM OPERATOR must purchase an extended period of coverage for a minimum of five (5) years after completion of contract work.
4. A copy of the claims reporting requirements must be submitted to the PROGRAM OPERATOR for review.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the CITY. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

Verification of Coverage

PROGRAM OPERATOR shall furnish the CITY with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the CITY or on other than the CITY's forms provided those endorsements conform to CITY requirements. All certificates and endorsements are to be received and approved by the CITY before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements. The CITY reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

Waiver of Subrogation

PROGRAM OPERATOR hereby agrees to waive subrogation which any insurer of consultant may acquire from vendor by virtue of the payment of any loss. PROGRAM OPERATOR agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the CITY for all work performed by the consultant, its employees, agents and subcontractor.

EXHIBIT “C” – STANDARD AGREEMENT ATTACHED

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 03/2019)

AGREEMENT NUMBER

18-HOME-12581

PURCHASING AUTHORITY NUMBER (if applicable)

Item 8.

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

CONTRACTING AGENCY NAME

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

CONTRACTOR'S NAME

City of Colusa

2. The term of this Agreement is:

START DATE

Upon HCD Approval

THROUGH END DATE

02/02/2038

3. The maximum amount of this Agreement is:

\$500,000.00

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

EXHIBITS	TITLE	PAGES
Exhibit A	Authority, Purpose and Scope of Work	3
Exhibit B	Budget Detail and Payment Provisions	3
Exhibit C*	State of California General Terms and Conditions	GTC - 04/2017
Exhibit D	HOME Program Terms and Conditions	30
Exhibit E	Special Conditions	1
TOTAL NUMBER OF PAGES ATTACHED		37

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.

These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>

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

CONTRACTOR

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

City of Colusa

CONTRACTOR BUSINESS ADDRESS

425 Webster Street

CITY

Colusa

STATE

CA

ZIP

95932

PRINTED NAME OF PERSON SIGNING

Jesse Cain

TITLE

City manager

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

4-28-2020

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

Department of Housing and Community Development

CONTRACTING AGENCY ADDRESS

2020 W. El Camino Ave., Suite 130

CITY

Sacramento

STATE

CA

ZIP

95833

PRINTED NAME OF PERSON SIGNING

Synthia Rhinehart

TITLE

Contracts Manager,
Business & Contract Services Branch

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

5/14/2020

California Department of General Services Approval (or exemption, if applicable)

Exempt per: SCM Vol. 1 4.04.A.3 (DGS memo dated 6/12/1981)

EXHIBIT A

AUTHORITY, PURPOSE AND SCOPE OF WORK

1. Authority & Purpose

This Standard Agreement (hereinafter "Agreement") will provide official notification of the conditional reservation of funds under the State of California's administration of the HOME Investment Partnerships Program (hereinafter "HOME") by the Department of Housing and Community Development (hereinafter the "Department") pursuant to the provisions of the Cranston-Gonzalez National Affordable Housing Act (42 USC 12741 et seq.), the HOME Investment Partnerships Program (Title 24 Code of Federal Regulations Part 92), California Health and Safety Code Section 50896, and Title 25, Division 1, Chapter 7, Subchapter 17 of the California Code of Regulations, Sections 8200 through 8220 (the "State Regulations"), all as amended and in effect from time to time. The HOME Program is listed in the Catalog of Federal Domestic Assistance (CFDA) as 14.239 - HOME Investment Partnerships Program. In accepting this conditional reservation of funds, the Contractor (sometimes referred to herein as the "HOME Recipient") agrees to comply with the terms and conditions of this Agreement, the Notice of Funding Availability (NOFA) under which the HOME Recipient applied, the representations contained in the HOME Recipient's application for this funding allocation (the "Application"), and the requirements of the authorities cited above.

2. Scope of Work

A. HOME Recipient shall perform the Scope of Work (hereinafter "Work") as described in the Application, which is on file at the Department, Division of Financial Assistance, 2020 West El Camino Ave., Sacramento, California, and which is incorporated herein by reference. All written materials or alterations submitted as addenda to the original Application and which are approved in writing by a HOME Program Manager or higher Departmental official, as appropriate, are hereby incorporated as part of the Application. The Department reserves the right to require the HOME Recipient to modify any or all parts of the application in order to comply with HOME Investment Partnerships Program federal and/or State Regulations. The Department reserves the right to review and approve all Work to be performed by the HOME Recipient in relation to this Agreement. Any proposed revision to the Work must be submitted in writing for review and approval by the Department. Any approval shall not be presumed unless such approval is made by the Department in writing.

B. The Work shall consist of:

Project Location County	Type of Activity	HOME Activity Funds	HOME Units
Colusa	First-Time Homebuyer Program	\$243,750	3
Colusa	Owner-Occupied Rehabilitation Program	\$243,750	5
	State Recipient Administration	<u>\$ 12,500</u>	N/A
	TOTAL	\$500,000	

HOME State Recipient Program
NOFA Date: 06/05/2018
Approval Date: 01/23/2020
Prep. Date: 02/04/2020

EXHIBIT A

3. Contract Amount

For the purposes of performing the Work, the Department agrees to provide the amount shown on Page 1, No. 3 of this Agreement (STD 213). In no instance shall the Department be liable for any costs for Work in excess of this amount, nor for any unauthorized or ineligible costs. The HOME Recipient agrees to administer this allocation in accordance with the provisions of 24 CFR 92 and Title 25 of the California Code of Regulations Section 8200 through, and including, Section 8220.f. The Agreement amount shall be expended as follows:

First-Time Homebuyer Program	\$243,750
Owner Occupied Rehabilitation Program	\$243,750
State Recipient Administration	\$ 12,500

4. Activity Delivery Costs

HOME Recipients shall report the amount of Activity funds used for Activity Delivery Costs on the HOME Set-Up and Completion Reports. The HOME Recipient must request Activity Delivery Costs (ADC) in proportion to the amount of Activity funds being drawn down. The maximum amount of ADC that may be drawn for each specific activity is:

- A. Up to 24% of the HOME loan/grant amount for Owner-Occupied Rehabilitation (OOR). Activity delivery costs for rehabilitation projects may exceed the 24% limit if documentation of actual costs is provided to HCD with the project set-up. Documentation must be of actual costs; consultant billings, without documentation of underlying actual costs, are not adequate;
- B. Up to 6.5% of the HOME loan/grant amount for First-Time Homebuyer (FTHB) activities including rehabilitation;
- C. Up to 6.5% of the HOME Construction loan amount for First-Time Homebuyer activities involving in-fill construction; and,
- D. Up to 5% of the total household assistance amount to reimburse the cost of unit inspections and eligibility determinations for Tenant-Based Rental Assistance.

The total amount of ADC drawn down during the entire contract term must be for actual costs incurred according to 2 CFR Part 200 and have documentation in each project file to support activity delivery expenses.

EXHIBIT A

5. Term of Agreement and Deadlines

- A. All Program funds shall be expended by: February 2, 2023
- B. All Drawdown Requests shall be submitted by: April 2, 2023
- C. This Agreement shall expire on: February 2, 2038

No payments shall be made for drawdown requests received more than sixty (60) days after the expenditure deadline. Any funds not drawn shall be disencumbered.

Pursuant to 24 CFR 92.254, any homeownership units funded by HOME that do not have a ratified sales contract with an eligible homebuyer for the housing within nine (9) months of the date of completion of construction or rehabilitation using HOME funds, shall be rented to an eligible tenant pursuant to the requirements of 24 CFR 92.252.

6. Other Funding Sources

- A. Other Funding Sources - The HOME Recipient shall report on the value of other contributions included as leverage to the project activity with each Project Set-Up and Completion Report. The Project Set-Up and Completion Report is the report which conveys the information needed to establish a project-specific account in the Federal Integrated Disbursement and Information System (IDIS). It is also the report that is used to convey any changes to the project-specific account or report the final project-specific information in IDIS established by U.S. Department of Housing and Urban Development (HUD).
- B. Match - All matching contributions for a specific activity required by 24 CFR 92.218-222 are waived. However, the HOME Recipient shall report all match eligible funding in the Project Set-Up Report and Project Completion Report.
- C. Subsidy Limits - The amount of HOME funds the HOME Recipient may contribute to HOME-assisted housing on a per-unit basis may not exceed the per-unit dollar limits established by HUD, as referenced in 24 CFR 92.250.

7. HOME Program Contract Coordinator

The HOME Recipient's contact for this Agreement may vary; therefore, you will be contacted directly by your assigned representative. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be sent by first class mail to:

Email: HOME@hcd.ca.gov
Address: Department of Housing and Community Development
Division of Financial Assistance – HOME Program
P.O. Box 952054
Sacramento, CA 94252-2054

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Definitions

- A. "Activity Delivery Costs" means "related soft costs" as this term is defined in the HOME Final Rule 24 CFR 92.206(5)(d). The Activity Delivery Costs are included in the "HOME Activity Funds". The HOME Recipient may expend up to the indicated Activity Delivery Cost maximum as identified in Exhibit A, 4. HOME funds for Activity Delivery Costs and Home Activity Funds shall be drawn down at the same time. If the activity is not completed, and a Project Completion Report for the full amount drawn down is not filed, all HOME funds, including ADC must be repaid to the Department.
- B. "Project Set-Up" refers to the forms and process required to reserve HOME funds in the federal Integrated Disbursement and Information System (IDIS) for a specific HOME assisted project.
- C. "Project Disbursement" refers to the forms and process required to request the drawdown of HOME funds from IDIS for a project's previously reserved HOME funds.
- D. "Project Completion Report" refers to the form and process required to report a project "complete". The Project Completion Report must be submitted to HCD within 60 days of the final draw request. If the activity is not complete, and a Project Completion Report for the full amount drawn down is not filed, all HOME funds for the particular project must be repaid to the Department.
- E. "Administration" refers to eligible administrative and planning costs as provided in 24 CFR 92.207.

2. General Set-Up Requirements

The HOME Recipient shall submit the following for the Department's approval, prior to project set-up in IDIS:

- A. The "General Set-Up Conditions Checklist" on a form provided by the Department and any required supporting documentation, including a program budget, and Affirmative Fair Market Analyses with marketing plan.
- B. For FTHB Activities, the Contractor shall submit a revised FTHB Feasibility Worksheet (Exhibit B7 of the Program application) as part of their General Set-up Conditions to confirm program feasibility.
- C. Any other documents, certifications, or evidence deemed necessary by the Department prior to Project Set-Up.

EXHIBIT B

3. **Administrative Disbursement Requirements**

Prior to requesting administrative funds; the HOME Recipient shall submit the following:

- A. Payee Data Record (STD 204 or TIN Form as applicable); and
- B. Administrative Drawdown Request.

4. **Individual Project Set-Up Requirements**

The HOME Recipient shall submit the following documentation to the Department:

- A. HUD-required Project Set-Up Report; and,
- B. Any other documents, certifications, or evidence deemed necessary by the State prior Project Set-Up.

5. **Project Disbursement Requirements**

The HOME Recipient shall submit the following documentation to the Department prior to the disbursement of funds:

- A. HUD-required Project Drawdown Request Form;
- B. STD 204, Payee Data Record form (if necessary);
- C. Designated Payee letter (if necessary);
- D. Evidence of sufficient and eligible HOME match, if necessary for funding;
- E. Any other documents, certifications, or evidence deemed necessary by the Department prior to disbursement of project funds; and,
- F. For the final drawdown, a revised Project Completion Report, if any funding sources and/or amounts have changed since the most recently submitted Project Set-Up Report.

6. **Project Completion Requirements**

The HOME Recipient shall submit the following documentation to the Department for project completion:

- A. HUD-required final Project Set-Up and Completion Report; and,
- B. Any other documents, certifications, or evidence deemed necessary by the Department prior to project completion.

EXHIBIT B

7. General Conditions of Disbursement

- A. The HOME Recipient shall spend Program Income in the local account, before requesting funds from the Department and shall not request disbursement (drawdown request) of HOME program grant funds under this Agreement until the funds are needed for the reimbursement of eligible costs only. The amount of each request shall be limited to the amount needed for reimbursement of actual expenses for Work that has been completed. Work completed means FTHB escrow has closed, TBRA rent subsidies were paid, and/or OOR construction/rehabilitation costs are paid for Work completed and inspected.
- B. No later than 60 days after any final project drawdown request, the HOME Recipient shall provide a Project Completion Report to the Department. In the event that a Project Completion Report is not received by the Department within the 60-day period, the Department shall suspend further Project Set-Ups for the Contractor until the Project Completion Report is received by the Department and is accepted in the federal Integrated Disbursement and Information System (IDIS).
- C. In the event the Department determines funds were used for ineligible expenses, further Project Set-Ups and all disbursements may be withheld until the issue of the ineligible expenses is resolved to the satisfaction of the Department.

EXHIBIT D

HOME PROGRAM TERMS AND CONDITIONS

1. Effective Date and Commencement of Work

- A. This Agreement is effective upon approval by the Department representative's signature on page one of the fully executed Standard Agreement, STD 213, (the "Effective Date").
- B. The HOME recipient agrees that the Work shall not commence, nor any costs to be paid with HOME funds be incurred or obligated by any party, prior to execution of this Agreement by the Department, completion of all required environmental clearances, and compliance with all applicable conditions of this Agreement.

There are two exceptions to this requirement:

- 1) First, administrative expenses for eligible NEPA compliance work may be incurred prior to the execution of this Agreement.
- 2) Secondly, with Program Manager or Section Chief approval; other costs may also be incurred prior to the execution of this Agreement. Such costs may consist of procurement of administrative subcontractors, development of program guidelines, architectural, engineering and other professional services required to prepare plans, drawings, specifications, or work write-ups that are incurred not more than 24 months prior to the project being set up in HUD's Integrated Disbursement and Information System (IDIS).
- C. The HOME recipient agrees that the Work shall be completed by the expenditure date specified in Exhibit A, Section 5. This Agreement shall expire on the date set forth in Exhibit A, Section 5.

2. Sufficiency of Funds

- A. This Agreement is valid and enforceable only if sufficient funds are made available to the Department by the United States Government for the purposes of the HOME program. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or State Legislature, promulgated in state or federal regulations or any state or federal statute, as now in effect and as may be amended from time to time, which may affect the provisions, terms, or funding of this Agreement in any manner.
- B. The parties to this Agreement mutually agree that if the Congress does not appropriate sufficient funds for the HOME program, the Department, at its sole discretion, either may amend this Agreement to reflect any reduction in funds, or it may unilaterally cancel this Agreement with fourteen (14) days' written notice to the HOME recipient.

EXHIBIT D

- C. The Department may terminate this Agreement at any time for cause by giving fourteen (14) days' written notice to the HOME recipient. Cause shall consist of any violation of the HOME requirements; any terms and/or special conditions of this Agreement; upon the request of HUD; unreasonably low rate of expenditure; or upon a reduction in, restriction on, or elimination of the Department's expenditure authority by any governmental authority.
- D. Unless otherwise approved by the Department in writing, upon termination or cancellation of this Agreement, the HOME recipient shall complete all work in progress and terminate any other activities that were to be paid for with HOME funds. Any unexpended funds received by the HOME recipient shall be returned to the Department within fourteen (14) days of the Notice of Termination or Notice of Cancellation.
- E. The Department at its discretion, may require a partial disencumbrance of funds awarded when the HOME recipient has difficulty expending funds during the contract period, and it appears they will be unable to expend them prior to the expenditure deadline set forth in Exhibit A, Section 5.

3. Litigation

The HOME recipient shall notify the Department *immediately* of any claim or action undertaken by or against it, which affects or may affect this Agreement, the project, or the Department, and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.

4. Waivers

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of the Department to enforce at any time the provisions of this Agreement, or to require at any time performance by the HOME recipient of these provisions, shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce these provisions. All waivers by the Department must be in writing and signed by an authorized official thereof in order to be effective.

5. HOME Recipient's Application for Funds

- A. HOME recipient has submitted to the Department an Application for funding under the HOME program. The Department is entering into this Agreement based on, and in substantial reliance upon, HOME recipient's facts, information, assertions and representations contained in that Application, and in any subsequent modifications or additions thereto approved by the Department in writing. The Application and any approved modifications and additions thereto are hereby incorporated into this Agreement.

EXHIBIT D

- B. HOME recipient warrants that all information, facts, assertions and representations contained in the Application and approved modifications and additions thereto are true, correct, and complete to the best of HOME recipient's knowledge, both when made and at the time of its execution of this Agreement. In the event that any part of the Application and any approved modification and addition thereto is untrue, incorrect, incomplete, or misleading in such a manner that would substantially affect the Department's approval, disbursement, or monitoring of the funding and the HOME loans and grants or activities governed by this Agreement, then the Department may declare a breach hereof and take such action or pursue such remedies as are provided for breach hereof. All representations and warranties, and indemnification obligations, shall indefinitely survive the expiration or earlier termination of this Agreement.

6. **Federal and State Laws and Regulations**

The HOME recipient is required to comply with all federal laws and regulations applicable to the HOME program, including any federal Uniform Administrative Requirements of 2 CFR Part 200 and all applicable HUD rules and regulations, including, without limitation, those contained in the HOME Grant-Based Accounting Interim Rule dated December 2, 2016 (the "Interim Rule") and any final rule related thereto.

7. **Community Housing Development Organization (CHDO) Roles and Capacity (if applicable)**

Pursuant to the requirements of 24 CFR 92.300, a Community Housing Development Organization doing homeownership activities must qualify as a developer. Housing for homeownership is "developed" by the Community Housing Development Organization if the Community Housing Development Organization is the owner in fee simple absolute and developer of new housing that will be constructed or existing substandard housing that will be rehabilitated for sale to low-income families in accordance with 24 CFR 92.254. To be the "developer", the Community Housing Development Organization must arrange financing of the project and be in sole charge of the construction.

Pursuant to the requirements for a Community Housing Development Organization, as defined under 24 CFR 92.2, no HOME funds may be awarded to a Community Housing Development Organization for development activities, where it cannot demonstrate housing development experience to work on the HOME assisted project(s) for which it seeks funds.

8. **Financial Accountability Standards**

The HOME recipient shall comply with the financial accountability standards set forth in 2 CFR Part 200. The Department will confirm compliance as evidenced by any of the following:

- A. A notarized statement by the HOME recipients Executive Director or Chief Financial officer;
- B. A certification from a certified public accountant; and,

EXHIBIT D

C. A HUD-approved audit summary.

9. **Procurement Standards**

The HOME recipient shall establish procurement procedures to ensure that materials and services are obtained in a cost-effective manner. When procuring for services, including but not limited to, architectural, engineering, surveying, consulting firms, title companies, or general contractors, that are to be provided under, or a part of, this Agreement, the HOME recipient shall comply at a minimum with the procurement standards at 24 CFR 200.317-326. The awarding of contracts shall also comply with the conflict of interest provisions of 24 CFR 92.356. In keeping with the aforementioned requirements, subcontractors who are hired by a HOME recipient to perform specific administrative tasks and/or administer the local HOME program cannot also be the developers and/or owners of a HOME-assisted program or project unless approved in writing in advance by HUD.

10. **Project Requirements**

The HOME recipient shall comply with 24 CFR 92, Subpart F as applicable, in accordance with the type of project assisted.

A. **Maximum Per Unit Subsidy Amount and Subsidy Layering**

In accordance with 24 CFR 92.250 and Section 8207 of the state HOME Regulations, the HOME recipient shall demonstrate to the Department, in a format identified by the Department, that the amount of HOME funds invested on a per-unit basis shall not exceed the limits established by HUD federal standard that apply to the area where the housing is located, and that the HOME funds in combination with other financing and assistance, is not more than is necessary to provide quality affordable housing that is financially viable for the required federal period of affordability in 24 CFR 92.292.

The HOME recipient shall provide a formal certification concerning the governmental assistance provided or to be provided to a project. If no such governmental assistance is to be provided at the time of the application or in the future, the HOME recipient shall certify to that fact. The HOME Recipient must also certify that should other governmental assistance be sought in the future, the Department must be promptly notified. Activities assisted under this Agreement are subject to the underwriting and subsidy-layering requirements established by the Department for each activity pursuant to the requirements of 24 CFR 92.250 and 92.254.

For homeowner activities, the home sale price must be determined through an appraisal and any applicable underwriting standards meeting the specifications approved by the Department in the CHDO program guidelines. The sales price must also be subject to the Maximum Purchase Price Limits approved by the Department pursuant to 24 CFR 92.254.

For all First-Time Homebuyer activities, the HOME recipient shall submit the Closing Disclosure (settlement statement from the escrow company) at the same time the Individual Project Set-Up Report is submitted to the Department.

EXHIBIT D

B. Maximum Purchase Price/After Rehabilitation Value Limits

Homebuyer acquisition and/or rehabilitation activities shall meet the Maximum Purchase Price/After-Rehabilitation Limits published or otherwise approved by the Department pursuant to the requirements set forth in 24 CFR 92.254.

C. Property Standards

The HOME recipient shall ensure that all housing units meet the property standards in 24 CFR 92.251. All rental housing shall be maintained in compliance with 24 CFR 92.251 for the duration of the affordability period.

The HOME recipient shall ensure that upon project completion, housing rehabilitated with HOME funds meet applicable local rehabilitation standards or another rehabilitation standard meeting the requirements of 24 CFR 92.251. The HOME recipient shall ensure that the written scope of work must be in sufficient detail to establish the basis for a uniform inspection of the assisted housing to determine compliance with the requirements of this section. The HOME recipient shall review and approve all written cost estimates after determining that costs are reasonable. The HOME recipient shall conduct an initial property inspection to identify deficiencies that must be addressed, as well as progress and final inspections to determine that work was done in accordance with work write-ups.

The HOME recipient shall ensure that existing housing that will be acquired for homeownership must be decent, safe, sanitary and in good repair. At a minimum, this housing must meet all applicable State and local housing quality standards and code requirements, and contain no deficiencies set forth by HUD based on applicable Uniform Physical Condition Standards at 24 CFR 5.705. The HOME recipient shall inspect the housing and document this compliance based upon an inspection that is conducted no earlier than 90 days before the commitment of HOME assistance. If the housing does not meet these standards, the housing must be rehabilitated to meet these standards, or it cannot be acquired with HOME funds.

All housing occupied by tenants receiving HOME tenant-based rental assistance must meet the standards established in 24 CFR 982.401 or the successor requirements as established by HUD.

Construction of all manufactured housing including manufactured housing that replaces an existing substandard unit under the definition of 'reconstruction' at 24 CFR 92.2 must meet the Manufactured Home Construction and Safety Standards codified at 24 CFR part 3280. These standards preempt State and local codes, which are not identical to the federal standards for the new construction of manufactured housing.

EXHIBIT D

The HOME recipient shall ensure that manufactured housing assisted with HOME funds complies with applicable State and local laws or codes. In the absence of such laws or codes, the installation must comply with the manufacturer's written instructions for installation of manufactured housing units. All new manufactured housing and all manufactured housing that replaces an existing substandard unit under the definition of "reconstruction" must be on a permanent foundation that meets the requirements for foundation systems as set forth in 24 CFR 203.43f(c)(i). All new manufactured housing and all manufactured housing that replaces an existing substandard unit under the definition of "reconstruction" must, at the time of project completion, be connected to permanent utility hook-ups and be located on land that is owned by the manufactured housing unit owner or land for which the manufactured housing owner has a lease for a period at least equal to the applicable period of affordability. In HOME-funded rehabilitation of existing manufactured housing the foundation and anchoring must meet all applicable State and local codes, ordinances, and requirements or in the absence of local or state codes, the Model Manufactured Home Installation Standards at 24 CFR part 3285. Manufactured housing that is rehabilitated using HOME funds must meet HOME property standards requirements of this section, as applicable. The HOME recipient shall document this compliance in accordance with inspection procedures established pursuant to 24 CFR 92.251, as applicable.

D. Affordability

The HOME recipient shall ensure all assisted housing meets the minimum affordability period requirements as specified in 24 CFR 92.252 and Section 8208 of the state HOME Regulations for rental housing or 24 CFR 92.254 for homeownership, as applicable as shown below. For rental housing activities, the federal and state affordability periods run concurrently. HOME funds for activities that do not meet these affordability requirements are subject to recapture by the Department.

1) Rental Rehabilitation Activities:

Federal Minimum Period of Affordability (in Years)	20
State Minimum Period of Affordability (in Years)	55
State Minimum Period of Affordability for Projects developed on Native American Land (in Years)	50

EXHIBIT D

2) Rental Rehabilitation Activities:

Amount of HOME Assistance Per Unit	Rental Rehabilitation with or Without Acquisition	Rental Rehabilitation without Acquisition	Rental Rehabilitation with Acquisition	Rental Rehabilitation with Acquisition
	Federal Minimum Period of Affordability (in Years)	State Minimum Period of Affordability (in Years)	State Minimum Period of Affordability (in Years)	State Minimum Period of Affordability for projects developed on Native America Land (in Years)
More than \$40,000	15	20	55	50
\$15,000 to \$40,000	10	15	55	50
Less than \$15,000	5	10	55	50

3) Homeowner Activities:

Amount of HOME Assistance Per Unit	Federal Minimum Period of Affordability (in Years)	State Minimum Period of Affordability (in Years)
More than \$40,000	15	15
\$15,000 to \$40,000	10	10
Less than \$15,000	5	5

E. Income Determination

Households assisted under this Agreement must meet the income determination requirements of 24 CFR 92.203, including but not limited to the requirement to examine at least two months' source documentation evidencing annual income (e.g. wage statement, interest statement, unemployment compensation statement) when determining household income. In meeting these requirements, the income determination rules under 24 CFR Part 5 shall be used, including the Part 5 definition of income.

F. Fees and Other Project-Related Soft Costs

Pursuant to 24 CFR 92.214, fees such as loan servicing fees, origination fees, or other fees related to the cost of administering HOME funds cannot be charged to low-income beneficiaries except as expressly authorized by the Department pursuant to the requirements of this section. Pursuant to 24 CFR 92.206, other staff and overhead costs directly related to carrying out the project, such as work specifications preparation, loan processing, inspections, lead-based paint evaluations (visual assessments, inspections,

EXHIBIT D

and risk assessments), and other services related to assisting potential owners, tenants, and homebuyers cannot be charged to individual households. These costs may be charged to the project as Activity Delivery Costs for projects assisted with HOME funds or they may be charged as administrative and planning costs under 24 CFR 92.207, not to exceed the applicable limits specified in Exhibit A. Project-related soft costs incurred in assisting households who do not become HOME beneficiaries are eligible administrative and planning costs under 92.207.

G. Written Agreements

The HOME recipient shall enter into a written agreement that complies with the provisions of 24 CFR 92.504 with any other entity or individual to which it disburses HOME funds. This Agreement must be executed prior to providing the HOME funds.

All agreements, instruments and documents executed by or entered into by the HOME recipient or the borrower, if the HOME recipient is not the borrower, which materially affect the construction, refinancing, acquisition, operation, ownership, or maintenance of the project shall be subject to the written approval of the Department.

H. Providing Additional HOME Funds to a Project

Housing may be re-assisted by the HOME program in accordance with any of the following: upon expiration of applicable federal affordability period, within the exception detailed under 24 CFR 92.214 (a)(6), or under 24 CFR 92.502. Housing may also be re-assisted as permitted by federal waiver.

I. Repayment of Funds

If the HOME recipient either: (i) does not complete its project by the expenditure deadline set forth in Exhibit A Section 5, or (ii) before that date, fails to expend any funds the Department disburses to it pursuant to the requirements applicable to the award of HOME funds granted herein, then the HOME recipient must repay ALL such disbursed HOME grant funds to the Department, (ii) forfeit and have no further rights or claim to any other remaining herein-granted HOME award funds, and (iii) consent to and facilitate as necessary the Department's use of all the foregoing referenced funds for any purpose, including as may be necessary to satisfy any Department obligation regarding repayment of those funds to the State's HOME Investment Trust Fund in accordance with 24 CFR 92.503(b). For example, if a HOME recipient receives a HOME grant of \$5,000,000.00 but is only disbursed and expends \$4,500,000.00 by the expenditure deadline referenced in the Standard Agreement, but has timely and completely finished the project in a manner which satisfies all applicable requirements for the granted award funds, then only the remaining unused funds be returned to the Department.

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Under other circumstances, if the housing does not meet the affordability requirement for the specified time period, the HOME recipient must repay all HOME funds to the local HOME account or the Department, as directed by the Department. Repayment of funds does not relieve the HOME recipient of the legal obligation to seek judicial enforcement of the security documents, or such other actions, as may be required to meet the affordability requirements.

J. Tenant-Based Rental Assistance

All households receiving Tenant-Based Rental Assistance (TBRA) must have a written lease with the owner of the rental housing for which the TBRA assistance is being provided that meets the lease requirements of 24 CFR 92.253.

Pursuant to 24 CFR 92.209, the rent standard for TBRA programs shall be the applicable local rent standard established under 24 CFR Part 982 for the Section 8 Housing Choice Voucher Program, unless annual written approval has been provided by the Department to use a rent standard based on local market conditions.

The HOME recipient must either establish the utility allowance by using the HUD Utility Schedule Model or otherwise determine the utility allowance for the project based on the types of utilities used at the project.

Pursuant to the requirements of 24 CFR 92.209, preferences in TBRA programs may be established for special needs populations and persons with disabilities consistent with the Department's Consolidated Plan and/or Annual Action Plan approved by HUD. These preferences will be subject to prior written approval by the Department.

HOME recipients may require recipients of TBRA to participate in a self-sufficiency program as a condition of selection for assistance or renewal of assistance; however, once assistance has been granted or renewed, the failure to continue participating in self-sufficiency services cannot be used as a basis for terminating assistance. Households receiving TBRA as relocation assistance cannot be required to participate in a self-sufficiency program as a condition of receiving assistance.

11. Equal Opportunity Requirements and Responsibilities

A. Executive Order 11063 (1962)

This Order prohibits discrimination in the sale, leasing, rental, or other disposition of properties and facilities owned or operated by the federal government or provided with federal funds.

B. Executive Order 12892 (1994), as amended

This Order requires federal agencies to affirmatively further fair housing in their programs and activities.

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C. The Architectural Barriers Act of 1968, as amended (42 USC 4151 et seq.)

This Act requires that buildings and facilities designed, constructed, altered, or leased with certain federal funds after September 1969 must be accessible to and useable by handicapped persons.

D. Executive Order 12898, Environmental Justice (1994)

This Order requires that each federal agency conduct its program, policies, and activities that substantially affect human health or the environment in a manner that does not exclude persons based on race, color, or national origin.

E. Affirmative Marketing

For homebuyer projects and rental projects having five (5) or more HOME-assisted units, the HOME recipient shall adopt and follow affirmative marketing procedures that provide information, through the implementation of an outreach-marketing program, to attract all eligible persons in the area to the HOME housing without regard to race, color, national origin, sex, religion, familial status, or disability. This affirmative marketing includes, but is not limited to, a minority outreach program to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, as required by 24 CFR 92.351.

These affirmative marketing procedures shall be approved by the Department in accordance with the requirements of 24 CFR 92.351. If the Department has permitted the project owner to limit tenant eligibility or have a tenant preference in accordance with 24 CFR(92.253(d)(3), the affirmative marketing procedures must apply in the context of the limited/preferred tenant eligibility for the project, and the project must market widely in an effort to reach all persons in the market area who may qualify for the limited/preferred tenant eligibility.

F. Tenant Protections and Selection

- 1) Pursuant to 24 CFR 92.253, there must be a written lease between the tenant and the owner of rental housing assisted with HOME funds that is for a period of not less than one year, unless by mutual agreement between the tenant and the owner, a shorter period is specified.
- 2) The lease must not contain any of the prohibited lease terms in 24 CFR 92.253(b).
- 3) Tenant leases may be terminated pursuant to the terms of 92.235(c).
- 4) Preferences for special needs population in HOME assisted housing must be approved by the Department in accordance with the terms of 24 CFR 92.253(d)(3).

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G. Section 504 of the Rehabilitation Act of 1973 and the "504 Coordinator"

The HOME recipient agrees to implement the Rehabilitation Act of 1973, as amended, and its regulations, 24 CFR 8. For HOME recipients with fifteen (15) or more permanent, full-or part-time employees, this includes but is not limited to, the designation of a specific person charged with local enforcement of this Act, as the "504 Coordinator".

H. The Civil Rights and Age Discrimination Acts Assurances

During the performance of this Agreement, the HOME recipient assures that no otherwise qualified person shall be excluded from participation or employment, denied program benefits, or be subjected to discrimination based on race, color, national origin, sex, age, handicap, familial status, religion, or belief, under any program or activity funded by this contract, as required by Title VI of the Civil Rights Act of 1964, the Fair Housing Act (42 USC 3601-20) and all implementing regulations, and the Age Discrimination Act of 1975 and all implementing regulations.

I. The Training, Employment, and Contracting Opportunities for Business and Lower Income Persons Assurance of Compliance (Section 3)

- 1) The Work to be performed under this Agreement is on a project, or projects, assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, (12 U.S.C. 1701u). Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area and contracts for Work in connection with the project be awarded to businesses, which are located in, or owned in substantial part by persons residing in the area of the HOME project.
- 2) The parties to this agreement shall comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of HUD set forth in 24 CFR 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this agreement. The parties to this Agreement certify and agree that they are under no contractual or other disability, which would prevent them from complying with these requirements.
- 3) The HOME recipient shall send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice informing the said labor organization or worker's representative of the HOME recipient's commitments under the Section 3 clause and shall post copies of the notice in conspicuous places available to said employees and applicants for employment or training.
- 4) The HOME recipient shall include these Section 3 clauses in every contract and subcontract for Work in connection with the project and shall, at the direction of the Department, take appropriate action pursuant to the contract upon a finding that the HOME recipient or any contractor or subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR 135, and shall not let any

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contract unless the HOME recipient or contractor or subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

- 5) Compliance with the provisions of Section 3, the regulations set forth in 24 CFR 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of the Agreement shall be a condition of the federal financial assistance provided to the HOME project, binding upon the HOME recipient, its successors, and assigns. Failure to fulfill these requirements shall subject the HOME Recipient, its contractors and subcontractors, its successors, and assigns to those sanctions specified by the Agreement through which federal assistance is provided, and to such sanctions as are specified by 24 CFR 135.

J. Assurance of Compliance with Requirements Placed on Construction Contracts of \$10,000 or More

All solicitations for bids and all construction contracts and subcontracts of \$10,000.00 or more issued by the HOME recipient are required to include the following:

- 1) The Notice of Requirement for Affirmative Action to ensure Equal Employment Opportunity (Executive Order 11246) The HOME recipient furthermore agrees to insert the appropriate Goals and Timetables issued by the U.S. Department of Labor in such contracts and subcontracts as required by Executive Order 11246;
- 2) The Standard Equal Opportunity Clause (41 CFR 60 - 1.4); and,
- 3) The Standard Equal Employment Opportunity Construction Contract Specifications (41 CFR) 60 - 4.3).

K. Assurance of Compliance with the “Violence Against Women Reauthorization Act of 2013” (VAWA) (S.47 - 113th Congress (2013-2014)) (as amended or reauthorized) Title VI - Safe Homes for Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking – Sec. 601-603. See also 81 CFR 80724.

VAWA provides housing protections for survivors of domestic and dating violence, sexual assault, and stalking when it comes to finding and keeping a home, they can feel safe in.

VAWA applies for all victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation, and which must be applied consistently with all nondiscrimination and fair housing requirements. VAWA now expands housing protections to HUD programs beyond HUD’s public housing program and HUD’s tenant-based and project-based Section 8 programs. VAWA now provides enhanced protections and options for victims of domestic violence, dating violence, sexual assault, and stalking.

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During the performance of this Agreement, the HOME Recipient shall assure that all requirements of VAWA are complied with, including but not limited to, the following:

- 1) Domestic Violence survivors are not denied assistance as an applicant, or evicted or have assistance terminated as a tenant, because the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, and stalking.
- 2) It will implement an 'emergency transfer plan' which allows for domestic violence survivors to move to another safe and available unit if they fear for their life and safety.
- 3) It will provide "Protections against denials, terminations, and evictions that directly result from being a victim of domestic violence, dating violence, sexual assault, or stalking, if the applicant or tenant otherwise qualifies for admission, assistance, participation, or occupancy."
- 4) It will implement a 'Low-barrier certification process' where a domestic violence survivor need only to self-certify in order to document the domestic violence, dating violence, sexual assault, or stalking, ensuring third party documentation does not cause a barrier in a survivor expressing their rights and receiving the protections needed to keep themselves safe.

12. **HUD Smoke-Free Policy, Rental Projects Only**

The HOME recipient shall comply, to the extent applicable, with all terms, conditions, and requirements of the Department of Housing and Urban Development's "Smoke-Free Public Housing" policy set forth in 24 CFR Part 965, Subpart G.

13. **Environmental Review**

The HOME recipient shall comply with the National Environmental Policy Act (NEPA) contained in 42 USC 4321-4347 and the implementing regulations at 24 CFR 50 and 58. No actions by any party (including the HOME recipient, the developer, owner, or sponsor) shall be undertaken for any activity that would have an adverse environmental impact or limit the choice of reasonable alternatives under 24 CFR 58.22 until HUD or the Department has issued an environmental clearance. Prior to the commitment of funds, the HOME recipient shall submit to the Department the required NEPA documents for approval, unless the Department has waived this requirement in writing.

First-Time Homebuyer Acquisition with Rehabilitation (FTHB):

If the HOME recipient is working under an existing FTHB Authority to use Grant Funds, the HOME recipient must submit project specific tier two (2) environmental review documentation to the Department for review, prior to committing funds to the project; otherwise, a Statutory worksheet with supporting documentation is necessary.

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Owner-Occupied Rehabilitation (OOR):

If the HOME recipient is working under an existing OOR Authority to use Grant Funds, the HOME recipient must submit project specific tier two (2) environmental review documentation to the Department for review, prior to committing funds to the project; otherwise, a Statutory Worksheet with supporting documentation is necessary.

14. Displacement, Relocation, and Acquisition

The HOME recipient shall comply with the federal displacement, relocation, and real property acquisition rules governing the HOME Program, which are contained in the Uniform Relocation Act, with implementing regulations at 49 CFR 24; and Section 104 (d) of the Housing and Community Development Act of 1974, as amended, with implementing regulation at 24 CFR 92, and applicable State HOME Regulations.

15. Labor Standards/Prevailing Wage

A. Federal Requirements:

- 1) The HOME recipient agrees to comply with the requirements of the United States Department of Labor and the Secretary of Labor in accordance with the Davis-Bacon and related Acts as amended, the provisions of Contract Work Hours and Safety Standards Act (40 USC 3701 et seq. (with implementing regulations at 29 CFR 5 and 29 CFR 1926) and all other applicable federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The HOME recipient agrees to comply with the Copeland Anti-Kick Back Act (18 USC 874 et seq. and 40 USC 276(c) with implementing regulations at 29 CFR 3). The HOME recipient shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Department for review upon request.
- 2) All contracts for new construction or rehabilitation projects with twelve (12) or more HOME-assisted units shall comply with HUD requirements pertaining to such contracts and the applicable requirements of the U.S. Department of Labor regulations at 29 CFR 1, 3, 5, and 7, which govern the payment of wages and the ratio of apprentices and trainees to journey workers. If, however, there are wage rates imposed by State or local law that are higher than those required under such regulations, nothing herein is intended to relieve the HOME recipient or any contractor/subcontractor of their obligation, if any, to require payment of the higher wage. The HOME recipient shall cause or require to be inserted in full, in all such contracts subject to said regulations, provisions meeting the requirements of this paragraph, HUD's Federal Labor Standards Provisions form HUD-4010 (06/2009), or its revised replacement that meet the requirements of this paragraph. All said contracts shall also comply with the provisions of 24 CFR 92.354.

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B. State Requirements

When funds provided through this Agreement are used for construction work, or in support of construction work, the HOME recipient shall ensure that the requirements of Chapter 1 (commencing with Section 1720) of Part 7 of the State of California Labor Code (State Labor Code) (pertaining to the payment of prevailing wages and administered by the California Department of Industrial Relations) are met.

For the purposes of this requirement "construction work" includes, but is not limited to, rehabilitation, alteration, demolition, installation or repair done under contract and paid for, in whole or in part with HOME funds. All construction work shall be done through the use of a written contract (the "construction contract") with a properly licensed building contractor incorporating these requirements. When the construction contract is between the HOME recipient and a licensed contractor, the HOME recipient shall serve as the "awarding body" as defined in the State Labor Code. When the HOME recipient provides funds to a third party that will enter into the construction contract with the licensed building contractor, the third party shall serve as the "awarding body". The construction contract and any amendments thereto shall be subject to the prior written approval of the Department. Prior to any disbursement of funds, including but not limited to, release of any final retention payment, the Department may require a certification from the awarding body that prevailing wages have been or will be paid as required by Section 1720 of the State Labor Code.

16. Lead-Based Paint Hazards

Assistance provided under this Agreement is subject to the Lead-Based Paint Poisoning Prevention Act and subsequent amendments; and to HUD Lead-Based Paint Regulations found at 24 CFR 35, et al.

17. Conflicts of Interest

The HOME recipient shall comply with the conflict of interest provisions in 24 CFR 92.504(c)(3)(v)(E) and 24 CFR 92.356(f) for the award of rental units; 24 CFR 92.356(b-e) the award of contracts and 24 CFR 92.356(f) for the award of homebuyer units. Section 24 CFR 92.356 prohibits, in part, that any employee, agent, consultant, officer or elected or appointed official, "who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter."

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18. Interest of Certain Federal Officials

No member of or delegate to the Congress of the United States, and no resident commissioner, shall be admitted to any share or part of this Agreement or to any benefit to arise from the same.

19. Certification Regarding Lobbying (Byrd Amendment)

- A. The HOME recipient shall require that the language of this certification contained in Subpart C below be included in the award documents for all subawards (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
- B. 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 no more than \$100,000.00 for such failure.
- C. "The undersigned certifies, to the best of his or her knowledge and belief, that:
 - 1) No federal appropriated funds have been paid or shall be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
 - 2) If any funds other than federally appropriated funds have been paid or shall 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, the undersigned shall complete and submit Standard For-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions."

20. Bonus or Commission Prohibition

The assistance provided under this Agreement shall not be used in the payment of any bonus or commission for the purpose of obtaining Department approval of the application for such assistance, or Department approval of the applications for additional assistance, or any other approval or concurrence of the Department required under this Agreement, Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, or State regulations with respect thereto; provided, however, that reasonable fees for bona fide technical, consultant, managerial or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as program costs.

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21. **Leverage and Matching Funds**

The HOME recipient shall provide leverage and matching funds, in an amount not less than that specified in Exhibit A of this Agreement.

22. **Contractors and Subcontractors - State Requirements**

- A. The HOME recipient shall not enter into any agreement, written or oral, with any construction contractor without determination of the construction contractor is duly licensed and eligible to perform the work being contracted for. A construction contractor or subcontractor is not eligible to receive HOME funds if not actively licensed and in good standing with the State of California as determined by the Department.
- B. The Department reserves the right to review and approve any contracts or agreements executed by the HOME recipient related to any HOME-assisted projects.
- C. The contract between the HOME recipient and any construction contractor shall require the construction contractor and its subcontractors, if any, to:
 - 1) Perform the Work in accordance with federal, state and local housing and building codes, regulations and statutes;
 - 2) Provide adequate security to assure completion of the project and payment of project costs by furnishing the borrower and construction lenders with Performance and Payment Bonds;
 - 3) Comply with the applicable Labor Standards/Prevailing Wage Provisions of Paragraph 15 of this Exhibit;
 - 4) Comply with the applicable Equal Opportunity Requirements described in Paragraph 11 of this Exhibit;
 - 5) Maintain at least the minimum State-required Workers' Compensation Insurance for those employees who shall perform the Work or any part of it; and,
 - 6) Maintain, if so required by law, unemployment insurance, disability insurance and liability insurance in an amount to be determined by the Department, which is reasonable to compensate any person, firm, or corporation who may be injured or damaged by the contractor or any subcontractor in performing the Work or any part of it.

23. **Contractors and Subcontractors - Federal Non-Debarment Certification**

- A. As a condition of receipt of federal funds under this Agreement, the HOME recipient and all of its contractors and their subcontractors are required to provide the certification set forth below in Paragraph E and include this certification in their contracts.

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- B. This certification is required by the federal government and contains terms defined in Executive Order 12549, a copy of which is available from the Department. For purposes of this Agreement:
- 1) "prospective lower tier participant" refers to the HOME recipient and any other party or person that shall receive funds from this Agreement, such as general contractors and their subcontractors;
 - 2) "lower tier transaction" refers to contracts let by the HOME recipient or HOME recipient's contractors utilizing funds provided through this Agreement; and
 - 3) "this proposal" refers to the HOME recipient's HOME application and any bid or application from a prospective lower tier participant.
- C. By signing this Agreement, the HOME recipient is providing the certification set forth below. The HOME recipient shall provide immediate written notice to the Department if at any time the HOME recipient learns that its certification was erroneous when submitted or has become erroneous.
- D. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions:
- 1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency, and
 - 2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.
- E. By signing this Agreement, the HOME recipient agrees that it shall not knowingly enter into any lower tier transaction with a person or entity that is proposed for debarment under 48 CFR 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction.
- F. By signing this Agreement, the HOME recipient agrees that it shall include the above certification in all lower tier transactions to which it is a part; and it shall require that each of its contractors include the certification in their subcontracts.

24. Faith-Based Activities

The HOME recipient shall comply with the requirements of 24 CFR 92.257 and 24 CFR 5.109, which provide in part, that "Organizations that are directly funded under the HOME program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the assistance funded under this part." HOME funds and activities must be separate in time and location from explicitly religious activities.

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25. Insurance

- A. The HOME recipient shall have and maintain in full force and effect during the term of this contract:
- 1) Comprehensive general liability insurance in the amount of not less than one million dollars (\$1,000,000.00);
 - 2) Worker's compensation insurance; and,
 - 3) Other forms of insurance, at such levels, as may be determined by the HOME recipient and the Department to be necessary for specific components of the Work listed in Exhibit A.
- B. The HOME recipient agrees to furnish satisfactory evidence of the above listed insurance coverage to the Department prior to the commencement of any work and thereafter from time to time upon the Department's request. Insurance coverage shall not be canceled or changed unless written notice is sent to the Department thirty (30) days prior to the effective date of the action. The Department reserves the right to waive or modify these insurance coverage requirements upon demonstration of cause satisfactory to the Department, and contingent upon the HOME recipient providing evidence of an alternative to conventional insurance sufficient to provide equivalent protection.

26. Records

- A. The HOME recipient shall maintain necessary and sufficient recordkeeping for the program, project, financial, program administration, and federal records as required and specified in 24 CFR 92.508, for review and inspection by the Department.
- B. All records specified in 24 CFR 92.508 shall be retained for the time periods specified in Section 32 below. These records shall include, but are not limited to the following: (i) a full description of each project assisted with HOME funds, including the location (address of each unit), form of HOME assistance, and the units or tenants assisted with HOME funds; (ii) the source and application of funds for each project, including supporting documentation in accordance with 2 CFR Part 200; and records to document the eligibility and permissibility of the project costs; (iii) records demonstrating that each project meets the minimum per-unit subsidy amount of 92.205(c), the maximum per-unit subsidy amount of 92.250(a), and the subsidy layering and underwriting evaluation adopted in accordance with 92.250(b); (iv) records (e.g., inspection reports) demonstrating that each project meets the property standards of 92.251 at project completion; (v) records demonstrating that each tenant-based rental assistance project meets the written tenant selection policies and criteria of 92.209 (c), including any targeting requirements, the rent reasonableness requirements of 92.209 (f), the maximum subsidy provisions of 24 CFR 92.209(h), property inspection reports and calculation of the HOME subsidy and (vi.) records (written agreements) demonstrating compliance with the written agreement requirements in 92.504.

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- C. If so, directed by the Department upon termination of this Agreement, the HOME recipient shall cause all records, accounts, documentation and all other materials relevant to the Work to be delivered to the Department as depository.

27. Reporting

- A. Commencing with the effective date of this Agreement and continuing through the acceptance of the Project Completion Report in IDIS and no later than thirty days after the end of each calendar quarter, the HOME recipient shall submit a quarterly performance report to the Department on forms provided by the Department.
- B. For "Rental Project" and "First-Time Homebuyer Project" activities, commencing with the effective date of this Agreement and continuing through the acceptance of the Project Completion Report in IDIS and no later than the tenth business day of the following month, the HOME recipient shall submit a "State HOME Project Monthly Status Report " to the Department on forms provided by the Department. Unless otherwise waived in writing by the Department such reporting shall begin in the second month following execution of the Agreement and shall continue through receipt and approval by the Department of the "Project Completion Report".
- C. Upon project completion, and annually thereafter during the required period of affordability, the HOME recipient shall submit on an annual basis to the Department all HOME monitoring documentation necessary to ensure that HOME recipients are in continued compliance with federal and state regulations. Such documentation requirements and the annual submission deadline shall be provided by the Department.
- D. Upon acceptance of the Project Completion Report in IDIS and throughout the affordability period, the HOME recipient shall submit on July 1, and no later than July 31, an Annual Performance Report on a form provided by the Department.

28. Breach and Remedies

- A. HOME recipient's failure to comply with, or HOME recipient's failure to assure that all recipients of HOME funds comply with, applicable state and federal HOME rules and regulations.
- B. Use of, or permitting the use of, HOME funds provided under this Agreement for any ineligible costs or for activities not approved under this Agreement.
- C. Any failure to comply with the deadlines set forth in Exhibit A.
- D. HOME recipient's failure to assure that the appropriate security documents and lien agreements applicable to the Work are executed and, where appropriate, recorded.
- E. HOME recipient's failure to monitor the progress of the Work and the activities of any recipient of HOME funds provided under this Agreement in a commercially reasonable manner.

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- F. HOME recipient's failure to exercise commercially reasonable due diligence in the enforcement of the security documents and lien agreements.
- G. Lack of continued capacity to carry out the approved Work either on behalf of the HOME recipient or by the HOME recipient named in this Agreement.
- H. In addition to any other remedies that may be available to the Department in law or equity for breach of this Agreement, the Department, after written notice and reasonable time to cure, may:
 - 1) Bar the HOME recipient from applying for future HOME funds;
 - 2) Revoke any other existing HOME award(s) to the HOME recipient;
 - 3) Withhold any funds remaining undisbursed under this Agreement;
 - 4) Require the return of any unexpended HOME funds disbursed under this Agreement;
 - 5) Require repayment of HOME funds disbursed and expended under this agreement;
 - 6) Require the immediate return to the Department of all funds derived from the use of HOME funds including, but not limited to program income, recaptured funds and returned funds; and,
 - 7) Require the HOME recipient to assign the security documents and lien agreements for the Work to the Department.
- I. All remedies available to the Department are cumulative and not exclusive.

29. Inspections

- A. Before a project can be designated as completed in IDIS, the Department or qualified third party shall perform an on-site inspection of HOME-assisted housing to determine that all contracted Work has been completed and that the project complies with the property standards of 24 CFR 92.25; ensure that the Work has been performed in accordance with the applicable federal, state and/or local requirements, the construction contract, and this Agreement. The HOME Recipient agrees to require that all Work found by such inspections not to conform to the applicable requirements be corrected, and to withhold payment to the construction contractor or subcontractor until it is so corrected.
- B. The Department reserves the right to inspect the property at any time during the period of construction and throughout the period of affordability.

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30. Project Site

Notwithstanding any provision in this Agreement, the parties hereto further agree and acknowledge that this Agreement does not constitute a commitment of funds or approval of a project site, and that such a commitment of funds or an approval of a project site may occur only upon satisfactory completion of environmental review and receipt by the HOME recipient of a signed Authority to Use Grant Funds.

31. Security Documents and Lien Agreements

Prior to the initial disbursement of any HOME funds encumbered by this Agreement, the documents described in this paragraph shall be entered into, executed and where appropriated, acknowledged and recorded. The documents described in subsections "A" through "E" shall be provided to the Department upon request.

The HOME recipient shall comply with and fulfill its obligations under all the applicable documents called for in this agreement. Any breach or violation by the HOME recipient or HOME recipient's successor-in-interest of any provision of any of the required documents shall constitute a breach or violation of this agreement and shall be subject to the remedies provided herein.

- A. HOME funds shall be disbursed in the form of loans except for funds disbursed for the purposes set forth in the Department HOME Regulations Section 8205(b)(2), which shall be provided in the form of a grant. The HOME recipient shall ensure that all loans made by the HOME recipient are evidenced by a promissory note, the repayment of which is secured by a deed of trust to be recorded on the property being assisted, or by other security approved by the Department in writing. The HOME recipient agrees that all said documents shall be executed and where appropriate, recorded, prior to disbursement of funds to the project and shall contain the applicable minimum affordability period set forth in 24 CFR 92.252 and Section 8208 of state HOME Regulations for rental housing or 24.92.254 for homeownership, as applicable. If the HOME-assisted rental housing does not meet the minimum affordability period, repayment of the HOME funds to the Department is required. HOME assisted rental housing must continue to meet the affordability requirements as specified therein, regardless of whether HOME funds are repaid.
- B. For owner-occupied housing projects, if HOME funds are to be disbursed prior to acquisition of lots or units by individual homeowners, the promissory note shall be executed by the HOME recipient in favor of the Department and secured by a blanket deed of trust executed by the fee owner(s) of all lots upon which the project will take place. Said deed shall be recorded in the office of the county recorder for the county in which the project will be located and shall have priority over other liens, encumbrances and other matters of record except as may be approved by the Department. At the time individual lots or units are sold to individual buyers, each individual owner-occupant borrower shall enter into a loan agreement setting forth the terms and conditions under which the loan of HOME funds is being made, including those provisions necessary to ensure either that the property being assisted with HOME funds remains affordable, or that HOME funds are recaptured upon sale of the property, as required by 24 CFR 92.254.

EXHIBIT D

- C. For Rental housing project loans, the promissory note shall be secured by a deed of trust and assignments of rents with power of sale, executed by the owner of the fee estate of the real property upon which the project shall be located naming the Department as beneficiary. If the HOME recipient has been approved by the Department to receive repayment by Section 8206.1 of Title 25 of the California Code of Regulations, the HOME recipient shall be designated as the lender and the beneficiary. If the project shall be on a leasehold, the promissory note shall also be secured by a deed of trust and assignment of rents with power of sale recorded in the county in which the project is located, and each shall have priority over other liens, encumbrances and other matters of record except as may be approved by the Department.

The HOME recipient and the borrower, if the HOME recipient is not the borrower, shall enter into a regulatory agreement with the Department governing the ownership, occupancy, management, maintenance and operation of the project for a period not less than the minimum period of affordability as required by 24 CFR 92.252(e). The regulatory agreement, or memorandum thereof, shall be recorded against the borrower's estate in the real property upon which the project is located and, if the borrower's estate is a leasehold, shall also be recorded against the fee estate. The recording shall be in the office of the county recorder for the county in which the project is located and each shall have priority over other liens, encumbrances and other matters of record except as may be approved by the Department.

- D. Where proceeds of the home loan will be used as construction financing, the HOME recipient and the borrower, if the HOME recipient is not also the borrower, shall enter into a development agreement with the Department governing the Work to be performed and the use and disbursement of the proceeds of the HOME loan.
- E. The HOME recipient and/or the borrower, if the HOME recipient is not also the borrower, shall execute and enter into those additional agreements and documents as the Department may deem reasonable and/or necessary to meet the program requirements and the terms and conditions (including the special conditions set forth in Exhibit E Special Conditions) of this Agreement. Said additional agreements and documents shall be subject to the approval of the Department in its discretion and shall include, but not be limited to:
- 1) A construction contract with the approved general building contractor for the approved work;
 - a) A Department-approved construction contract addendum with the general building contractor;
 - b) If applicable, an agreement with a California-licensed architect for approved work;
 - c) For rental housing projects, a property Management Plan as required by the regulatory agreement; and,

EXHIBIT D

- 2) Any lender documents required as a result of third-party financing for the project.

32. Audit/Retention and Inspection of Records

- A. The HOME recipient agrees that the Department or its designee shall have the right to review, obtain, and copy all records and supporting documentation pertaining to performance of this Agreement. The HOME Recipient agrees to provide the Department or its designee with any relevant information requested and shall permit the Department or its designee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees who might reasonably have information related to such records and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with California Government Code Section 8546.7. The HOME recipient further agrees to maintain such records for a period of five (5) years after the Department closes its HUD grant. NOTE: Record retention is based on *the Department's grant from HUD and the date it is closed by HUD*. Therefore, the HOME recipient shall contact the Department for the specific record retention date for this Agreement.

The HOME Recipient also agrees to include in any contract that it enters into in an amount exceeding \$10,000.00, a provision establishing the Department's right to audit the contractor's records and interview their employees. If the HOME recipient provides funds to for-profit owners or developers or other entity approved by the Department, the HOME recipient shall comply with the caveats and be aware of the penalties for violation of fraud and for obstruction of investigation as set forth in California Public Code Section 10115.10.

- B. An expenditure which is not authorized by this Agreement or which cannot be adequately documented shall be disallowed, and funds must be returned to the Department within sixty (60) days of discover by the HOME recipient unless the Department approves in writing an alternate plan.
- C. The determination by the Department of the eligibility of any expenditure shall be final.
- D. If requested by the Department pursuant to HOME regulation at Section 8516 of Title 25 of the California Code of Regulations, the HOME recipient shall cause to be performed a financial audit by an independent certified public accountant.
- 1) The HOME recipient shall notify the Department of the auditor's name and address immediately after the selection has been made. The contract for audit shall allow access by the Department to the independent auditor's working papers.

EXHIBIT D

- 2) The HOME recipient shall submit one copy of all required audit reports to the Department within the earlier of thirty (30) days after receipt of the auditor's report or nine months after the close of the required audit period unless a longer period is agreed to in advance by the Department to:

Department of Housing and Community Development
Division of Financial Assistance
ATTN: HOME Long-Term Monitoring
P. O. Box 94252
Sacramento, CA 94252-2050

- E. Pursuant to 2 CFR 200 Sub-Part F, a HOME recipient who received in excess of \$750,000.00 in federal funds annually, shall cause to be performed an annual single or program-specific audit conducted for that year by the close of each fiscal year in which this Agreement is in effect, of the following:
 - 1) The financial statements and a schedule of federal awards and the auditor's report on the statements and the schedule;
 - 2) A written report of the independent auditor's understanding of the internal control structure and the assessment of control risk;
 - 3) The auditor's report on compliance; and,
 - 4) Other items as stipulated in 2 CFR 200 Sub-Part F.
- F. The audit shall be performed by an independent certified public accountant. Selection of an independent audit firm shall be consistent with procurement standards contained in 2 CFR Part 200.
- G. The HOME recipient shall notify the Department of the auditor's name and address immediately after the selection has been made. The contract for audit shall allow access by the Department to the independent auditor's working papers.
- H. The HOME Recipient shall submit three copies of all required audit reports to the State Controller's Office within the earlier of thirty (30) days after receipt of the auditor's report, nine months after the end of the required audit period, unless a longer period is agreed to in advance, to:

State Controller's Office
Division of Audits
Single Audit Unit
3301 C Street, Suite 705
Sacramento, CA 95816

EXHIBIT D

In addition, the HOME Recipient shall submit one (1) copy of the audit report within the same time frame described in this paragraph to:

Federal Audit Clearinghouse
Bureau of the Census
1201 E. 10th Street
Jeffersonville, IN 47132

- I. The performance of this Agreement by the HOME recipient shall be subject to examination and audit by the State Auditor pursuant to Government Code Section 8546.7.
- J. The HOME recipient is responsible for the completion of audits and all costs of preparing audits.
- K. If there are audit findings, the HOME recipient must submit a detailed response acceptable to the Department for each audit finding.
- L. The HOME recipient shall retain all books and records relevant to this Agreement for a minimum of five (5) years after the project completion, as evidenced by the certificate of occupancy or submittal of the HUD-required Completion Report whichever is later; except that:
 - 1) records of individual tenant income verifications, project rents inspections shall be retained for the most recent five (5) year period, until five (5) years after the affordability terminates; and,
 - 2) records relating to any and all audits or litigation relevant to this Agreement shall be retained for five years after the conclusion or resolution of the matter.

33. **Signs**

During the construction period of a project, the Department may place or require to be placed signs on the property stating that the HOME program is providing financing. The signs shall indicate in a typeface and size commensurate with its funding that the Department is a source of financing for the project, through the HOME program.

34. **Special Conditions-Contractors/Sub Contractors**

The HOME recipient agrees to comply with all conditions of this Agreement including the Special Conditions set forth in Exhibit E, if applicable. These conditions shall be met to the satisfaction of the Department prior to Project Set-Up or disbursement of funds, as appropriate. The HOME recipient shall ensure that all contractors and/or subcontractors are made aware of and agree to comply with all of the conditions of this Agreement and the applicable federal and state requirements governing the use of HOME funds. Failure to comply with these conditions may result in cancellation of this Agreement pursuant to the terms hereof.

EXHIBIT D

35. **Conditional Reservation of Funds**

Notwithstanding any provision in this Agreement, the parties hereto agree and acknowledge that this Agreement constitutes a conditional reservation of funds.

36. **Federal Property Management Standards**

The HOME recipient shall comply with the HUD property management standard.

37. **Eligible Uses of Program Income**

Program Income may be retained by the HOME recipient for the term of this Agreement provided the HOME recipient is in full compliance with all applicable HOME program requirements and must be placed in an interest bearing account as described in 24 CFR 92.500(c)(1).

Program Income shall be used for eligible activities as specified in the federal HOME regulations and as more specifically described at 24 CFR 92.2 and 92.503. HOME recipient shall obtain advance HOME management approval for the use of Program Income, and shall comply with all HOME program requirements including advance HOME set-up and NEPA approval, shall expend all program income prior to reimbursement for new grant funds from HCD, and shall report on the use of Program Income quarterly as long as the activities funded by this Agreement are still active, and annually thereafter.

38. **HOME Recipient Predevelopment Loan Funds**

- A. If HOME funds are provided to the HOME recipient to finance the costs of obtaining construction loan commitments, architectural plans and specifications, zoning approvals, engineering studies, and legal fees, the HOME recipient shall demonstrate, to the satisfaction of the Department, that it has, with regard to the project concerned, site control (evidenced by a deed, a sales contract, or an option contract to buy the property), a preliminary financial commitment, and a capable development team or a plan to hire a capable development team.
- B. Repayment of the HOME recipient predevelopment loan will be made to the Department, or a HOME recipient as approved by the Department, from construction loan proceeds or other project income. Such repayment may be waived by the Department, in whole or in part, if, in its sole discretion, the Department determines that there are impediments to the project development which are reasonably beyond the control of the HOME recipient. The HOME recipient may be required to enter into a predevelopment loan agreement prior to the disbursement of funds. This agreement will detail the use and repayment of funds, and other terms and conditions of the loan.

EXHIBIT D

39. Assignment of Agreement, Assignment of Loan Commitment

- A. This Agreement shall be binding on the parties hereto, their assigns, successors, administrators, executors and other representatives. This Agreement is not assignable, either in whole or in part, without the prior written approval of the Department, except that the HOME recipient may assign the conditional commitment of funds represented by this Agreement, without further approval of the Department, to a California limited partnership in which the HOME recipient is the sole managing general partner. Notwithstanding any such assignment, the HOME recipient shall remain liable for the performance of its obligations under this Agreement.
- B. This Agreement represents a conditional commitment of funds for accomplishment of the Work. This conditional commitment of funds shall not be assigned, in whole or in part, by the HOME recipient or any other entity which, pursuant to the Application or the description of the Work, anticipates receiving any funds encumbered by this Agreement without the prior express written consent of the Department.
- C. If the HOME recipient will be the owner during construction of the affordable housing project to be constructed using funds provided pursuant to this Agreement (i.e., the HOME recipient will be acting as either an "owner" or a "sponsor"), as those all or any portion of this Agreement or the completed Project shall, at a minimum, be conditioned on the following:
- 1) The HOME recipient is in compliance with this Agreement;
 - 2) The successor-in-interest to the HOME recipient agrees to assume all obligations of the HOME recipient pursuant to this Agreement and the HOME program;
 - 3) The successor-in-interest demonstrates to the Department's satisfaction that it has the capability to own and operate the project in full compliance with all program requirements; and,
 - 4) Any terms of the sale, transfer, or conveyance will not threaten the Department's security or the successor-in-interest's ability to comply with all program requirements.
- D. If the HOME recipient has or will have a contractual obligation to a property owner, or a lessee under a long-term leasehold, to obtain financing, rehabilitate, or construct an affordable housing project using funds provided under this Agreement (i.e., the HOME recipient will be acting in the capacity of a "developer" as the term is defined by HUD), Department approval of an assignment of all or any portion of this Agreement including the conditional commitment of funds represented by this Agreement shall, at a minimum, be conditioned on the following:
- 1) The HOME recipient is in compliance with this Agreement;

EXHIBIT D

- 2) The property owner or lessee demonstrates to the Department's satisfaction that it has the capability to own and operate the Project in full compliance with all program requirements;
- 3) The property owner or lessee agrees to assume all obligations of the HOME recipient pursuant to this Agreement and the HOME program which pertain to the ownership and operation of the project, including, but not limited to, execution of security documents and lien agreements; and,
- 4) Any terms of the sale, transfer, or conveyance will not threaten the Department's security or the property owner's or lessee's ability to comply with all applicable HOME program requirements.

40. Local Account

Unless the Department approves that the HOME recipient will be retaining funds in a HOME recipient's local account, matching funds and income resulting from the use of HOME funds (Program Income and Recaptured Funds) shall be forwarded to the Department for deposit to the state's local account. The use of all funds maintained in a local account must comply with 24 CFR 92.

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

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

- 1) It is mutually understood between the parties that this contract may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds to avoid program and fiscal delays that would occur if the contract were executed after that determination was made.
- 2) This contract is valid and enforceable only if sufficient funds are made available to the state by the United States Government for the purpose of this program. In addition, this contract is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this contract in any manner.
- 3) The parties mutually agree that if the Congress does not appropriate sufficient funds for the program, this contract shall be amended to reflect any reduction in funds.

The department has the option to invalidate the contract under the thirty (30) day cancellation clause or to amend the contract to reflect any reduction in funds.

EXHIBIT D

- B. Exemptions from provisions A.1 through A.4 above may be granted by the Department of Finance provided that the director of the state agency can certify in writing that federal funds are available for the term of the contract.
- C. GC § 8546.4(e) provides that state agencies receiving federal funds shall be primarily responsible for arranging for federally required financial and compliance audits, and shall immediately notify the Director of Finance, the State Auditor, and the State Controller when they are required to obtain federally required financial and compliance audits.

42. Pet Friendly Housing Act of 2017

Health and Safety Code SEC. 2. Section 50466 require each housing development that is financed on or after January 1, 2018 pursuant to this division, to authorize a resident of the housing development to own or otherwise maintain one or more common household pets within the resident's dwelling unit, subject to applicable state laws and local government ordinances related to public health, animal control, and animal anticruelty.

EXHIBIT E

SPECIAL CONDITIONS

These Special Conditions are specific for this Standard Agreement.

1. HOME funds may not be used for any homebuyer assistance loans until the Department has received HUD's approval of the HOME Recipient's proposed resale/recapture provisions.

RESOLUTION NO. 22 –

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLUSA ADOPTING THE SUBRECIPIENT AGREEMENT BETWEEN THE CITY OF COLUSA AND THE HABITAT FOR HUMANITY YUBA/SUTTER

WHEREAS, the City of Colusa had a signed subrecipient agreement with the Regional Housing Authority to administer the First Time Home Buyer and Owner-Occupied Rehabilitation Program, and the Regional Housing Authority canceled the contract in January 2022.

WHEREAS, the City of Colusa researched and found Habitat for Humanity Yuba/Sutter is the best entity to provide service to its' residents:

The City Council of the City of Colusa does resolve as follows:

Section 1. The City Council approves the contract with Habitat for Humanity Yuba/Sutter to administer the First Time Homebuyer and the Owner-Occupied Rehabilitation Programs.

Section 2. The City Council authorizes the City Manager to execute the contract with Habitat for Humanity Yuba/Sutter, and related sub-recipient agreements and all other necessary and required documents to administer the First Time Homebuyer and the Owner-Occupied Rehabilitation Programs.

PASSED AND ADOPTED as a Resolution of the City Council of the City of Colusa, at its regular meeting duly held on the 5th day of April 2022, by the following vote.

AYES:

NOES:

ABSENT:

ABSTAIN:

THOMAS REISCHE, MAYOR

ATTEST:

SHELLY KITTLE, CITY CLERK



City of Colusa California

STAFF REPORT

DATE: April 5th, 2022
TO: Mayor and Members of the City Council
FROM: Ishrat Aziz-Khan, through Jesse Cain, City Manager

AGENDA ITEM:

Consideration of Resolution approving the maximum vacation accrual limit and the requirements to vacation sell back for all groups except Fire Fighter association. Also approving the Bilingual pay for all groups.

Recommendation:

Council to approve the attached side letter to clean up the MOU content for all groups as listed above.

BACKGROUND ANALYSIS:

The city has five different labor MOUs including the Fire Fighter Association and they all have a different maximum accrual limit for vacation from one and one half (1 ½) of annual accrual to two and one half (2 ½)of annual accrual. The staff recommendation is to allow all groups to accrue double the amount of their annual accrual, except the Fire Fighter Association, which has a limit for maximum accrual of up to two and one half (2 ½) of their annual leave. Currently, the employee can sell back their accrued vacation after five or more years of service with the city, and must use 80 hours of vacation before selling back the vacation to the city. It is hard for an employee to take eighty hours of vacation on some critical positions due to the nature of their job. The staff's recommendation is to start the accrual period after completing probation period and provided the employee has taken forty hours of vacation in the last twelve months and maintains eighty accrued hours before utilizing the sell back option.

BUDGET IMPACT:

The City has twenty-eight full time employees excluding the fire department. Out of those twenty-eight employees, ten employees' vacations are over the allowable MOU limit and that adds up to 550 hours and about \$ 18,000. In the long run this expense become a liability to the city and will have a significant financial impact for the City when an employee retires or leaves the job.

ATTACHMENTS:

Side letter to clean the MOU Vacation and Bilingual plan and Resolution

SIDE LETTER BETWEEN
CITY OF COLUSA
COLUSA Department Head, Mid- Management,
POA and Miscellaneous
Effective April 5th, 2022

Department Head Group, Mid-Management, Police Officer Association, Miscellaneous:

Positions represented by this bargaining unit: Full Time All City Employees except Fire Fighter Association

Maximum Vacation Accrual and Vacation Sell back Change

All Groups except Fire Fighter Association, employees will be allowed to earn vacation credits to a maximum accrual equal to two (2) times the employee's annual vacation leave credit.

All groups except Fire Fighter Association, employees will be able to sell back vacation after the completion of prohibition period. The employee is required to maintain eighty (80) hours and have used forty (40) hours of vacation in last twelve months before utilizing the sell back option.

In extraneous circumstances, the city manager and Finance Director will review the request and take action.

The Bilingual Pay is added to all groups including the Fire Fighter Association. It is the 5% of base salary.

Colusa Department Head, Representative

Colusa Mid -Management, Representative

Colusa POA President, David Jackson

Colusa FFA President, Mario Reyes-Ruiz

Labor Relations Consultant, John Coburn

Colusa Miscellaneous, Representative

CITY OF COLUSA

Thomas Reische - Mayor

APPROVED AS TO FORM:

Ryan Jones – City Attorney

RESOLUTION NO. 22 –

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLUSA ADOPTING THE AMENDMENT TO VACATION ACCURAL AND VACATION SELL BACK PLAN AND BILINGUAL PAY AS STATED

WHEREAS, the City's current vacation accrual and vacation sell back plan has not been working for the employees and the city has above the approved limit vacation hours accrued; and

WHEREAS, the bilingual pay is offered to all groups to treat all employees equally.

The City Council of the City of Colusa does resolve as follows:

Section 1. The City Council approves the Resolution of the City Council of the City of Colusa Adopting the by Side Letter and Amendment to existing City Labor MOUs for Vacation Accrual and Vacation Sell Back Plan, as set forth in the attached Side Letter Exhibit A.

Section 2. The City Council approves Bilingual Pay in the amount of 5% of base pay for all labor groups.

PASSED AND ADOPTED as a Resolution of the City Council of the City of Colusa, at its regular meeting duly held on the 5th day of April 2022, by the following vote.

AYES:

NOES:

ABSENT:

ABSTAIN:

THOMAS REISCHE, MAYOR

Attest:

Shelly Kittle, City Clerk



City of Colusa California

STAFF REPORT

DATE: April 5th, 2022
TO: City of Colusa Mayor and Council Members
FROM: Jesse Cain, City Manager

AGENDA ITEM:

Subject: Use of the ARPA funds.

Recommendation: Council to direct staff on the use of ARPA funds.

BACKGROUND ANALYSIS:

In July of 2021, the City of Colusa received \$724,839.00 in ARPA funds from the State of California, and anticipates receiving the balance of \$724,839.00 in July of 2022 for the full allocated amount of \$1.4M. The City of Colusa has until December 31, 2026 to spend the monies on activities that help prevent the spread of Covid or to make up any loss in sales tax revenue due to Covid-19. During Covid 19 the City of Colusa saw an increase in tax revenue, not a loss. However, there are needs the city has that fit within the spending criteria of ARPA and alleviate future budgeting pressures. Any funds not spent by the end of December 2026 will be a forfeit and paid back to the State.

We have currently spent ARPA funds in the amount of \$271,311.00. This total accounts for the following:

Payroll for City of Colusa employees, \$106,20
 (2) City of Colusa Police Dept. Vehicles, \$120,000
 City of Colusa Police Dept. Radios \$45,035
 Allocated for Broadband at City Hall \$75,000

I was asked to bring back a spending plan on the remaining funds available, a current total of **\$1,178,367.00**. The plan that I will be presenting is a 10,000 feet view of the spending plan, giving the city council the overview department needs. I will bring back a detailed cost of each item that we might be moving forward on.

The City of Colusa Police department is looking into the replacement of Pursuit Vehicle Radios, Server upgrades along with a UTV.

Colusa City Fire Department is looking into replacing a new Type 1 Fire Engine.

The Public Works Department is looking into the replacement of badly needed trucks and equipment.

City Hall is looking into the replacement of our accounting software, server, and upgrading the communications network Citywide in all departments.

I am also looking into the cost of hiring part-time employees to make repairs to City Hall in an effort to create more usable space that is safe for staff and public

All of the department heads will be working on getting details on each project to bring back to the council in the next couple of months.

BUDGET IMPACT: Unknown at this time.

STAFF RECOMMENDATION: Listen to Council and take direction