

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES  
**STANDARD AGREEMENT - AMENDMENT**

STD 213A (Rev 10/2019)

AGREEMENT NUMBER	AMENDMENT NUMBER	Purchasing Authority Number
16-NDR-11291	1	

CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED 18 PAGES

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

STATE AGENCY NAME  
**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

CONTRACTOR NAME  
**County of Tuolumne**

2. The term of this Agreement is:

START DATE  
 05/09/2017

THROUGH END DATE  
 09/30/2022

3. The maximum amount of this Agreement after this Amendment is:  
 \$24,511,125.00

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:  
 Exhibit A, Purpose, Authority and Scope of Work and Exhibit B, Budget Detail and Payment Provisions are hereby deleted in their entirety and replaced with new Exhibit A, Purpose, Authority and Scope of Work and Exhibit B, Budget Detail and Payment Provisions (Rev. 02/20) attached hereto and made a part hereof. A new scope of work was added and the Agreement increased by \$5,250,000, to accommodate the development of two public facilities. The additional funding comes from NSP funds.

*All other terms and conditions shall remain the same.*

*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.)  
**County of Tuolumne**

CONTRACTOR BUSINESS ADDRESS <b>2 South Green Street</b>	CITY Sonora	STATE CA	ZIP 95370
PRINTED NAME OF PERSON SIGNING <i>Tracie Riggs</i>	TITLE <i>County Administrator</i>		
CONTRACTOR AUTHORIZED SIGNATURE <i>Tracie Riggs</i>	DATE SIGNED <i>3/23/20</i>		

**STATE OF CALIFORNIA**

CONTRACTING AGENCY NAME  
**Department of Housing and Community Development**

CONTRACTING AGENCY ADDRESS <b>2020 W. El Camino Ave., Suite 130</b>	CITY <b>Sacramento</b>	STATE <b>CA</b>	ZIP <b>95833</b>
PRINTED NAME OF PERSON SIGNING <b>Synthia Rhinehart</b>	TITLE <b>Contracts Manager, Business &amp; Contract Services Branch</b>		
CONTRACTING AGENCY AUTHORIZED SIGNATURE <i>Synthia Rhinehart</i>	DATE SIGNED <i>3/23/2020</i>		
CALIFORNIA DEPARTMENT OF GENERAL SERVICE APPROVAL	EXEMPTION (If Applicable)		

APPROVED AS TO LEGAL FORM:  
 COUNTY CLERK  
 COUNTY OF TUOLUMNE  
 CHRISTOPHER J. SCHMIDT  
 DATE

## EXHIBIT A

### RECITALS, AUTHORITY, PURPOSE AND SCOPE OF WORK

#### RECITALS

On June 22, 2015, U. S. Department of Housing and Urban Development (“HUD”) Secretary Julián Castro invited California and 39 other states and communities to compete in the second and final phase of the National Disaster Resilience Competition (“NDRC”). These finalists, representing areas that experienced a presidentially declared major disaster in 2011, 2012, and/or 2013, competed for a portion of almost \$1 billion in funding for disaster recovery and long-term community resilience.

The CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (“HCD” or “Department”) submitted an NDRC application to HUD on behalf of the State of California (“State”). This application included three (3) activities to address unmet recovery need related to the December 13, 2013 presidentially declared disaster known as the California Rim Fire (“DR-4158”) that occurred in Tuolumne County. In response to the NDRC NOFA (defined below), HCD, in conjunction with other partners, developed a program known as The Community and Watershed Resilience Program (“CWRP” or “Program”). The CWRP has three (3) separate activities located in Tuolumne County (“Grantee” or “Contractor”) that are interconnected. Development of the Program and associated activities requires HCD to continue working with partners identified in the NDRC application approved by HUD.

Funding for the competition is from the Community Development Block Grant-National Disaster Resilience (“CDBG-NDR”) appropriation provided by the Disaster Relief Appropriations Act, 2013 (PL 113-2), which made emergency funds available for Hurricane Sandy and other Presidentially declared disasters occurring in 2011-2013. The competition focused states’ and local jurisdictions’ efforts to prepare their communities for the impacts of climate change and to support investments in more resilient infrastructure. HCD’s NDRC application requested \$117,000,000 for the two projects and one program activity, but HUD awarded \$70,359,459 on January 21, 2016. The HUD award included approximately \$19,755,000 for the development and implementation of a Community Resilience Center (“CRC”) to be carried out by Tuolumne County, \$22,000,000 for a proposed biomass utilization facility (“BUF”) project with the development and initial implementation to be administered by Sierra Nevada Conservancy (“SNC”), and \$28,604,459 for the Forest and Watershed Health project (“FWHP”) implementation to be administered by SNC. General administration funding not to exceed five percent of the total award will be allocated from within each awarded activity budget.

HUD announced the NDRC funding in a Notice of Funding Availability (“NOFA”) publication, attached as Exhibit E (Funding Opportunity Number: FR-5800-N-29A2, Opportunity Title: National Disaster Resilience Competition).

The NDRC is a response to requests for funding from states and local communities to address the unmet recovery needs from past presidentially declared disasters while improving their ability to withstand future environmental shocks and stresses through strategic community resilience investments.

HUD has awarded NDRC funds for innovative approaches that address unmet recovery needs from past disasters while also addressing the vulnerabilities that could put Americans in harm’s way during future disasters. The competition encouraged communities to consider how they can recover from a past disaster and how to avoid and mitigate future disaster losses.

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Applicants (i.e., the State of California) had to link or “tie-back” their proposals to the disaster from which they are recovering, as well as demonstrate how they are reducing future risks and advancing broader community development goals within their target geographic area(s).

### 1. NDRC Competition Objectives

The Competition sought to meet the following six objectives:

- A. Fairly and effectively, allocate \$1 billion in CDBG-NDR funds.
- B. Create multiple examples of modern disaster recovery that apply science-based and forward-looking risk analysis to address recovery, resilience, and revitalization needs.
- C. Leave a legacy of institutionalizing, in as many states and local jurisdictions as possible, the implementation of thoughtful, sound, and resilient approaches to addressing future risks.
- D. Provide resources to help communities plan and implement disaster recovery that makes them more resilient to future extreme weather events or other shocks, while also improving quality of life for existing residents.
- E. Fully engage community stakeholders to inform them about the impacts of climate change and develop pathways to resilience based on sound science.
- F. Leverage investments from the philanthropic community to help communities define problems, set policy goals, explore options, and craft solutions to inform their own local and regional resilient recovery strategies.

The aforementioned objectives are memorialized so all parties to this Agreement, and those involved with carrying out this Agreement, better understand the purpose of the NRDC funds and fully implement the intent of the NDRC.

The NDRC NOFA included a definition of Partner which means a state, a unit of local government, a nonprofit entity, a private developer, a financial institution, or other entity chosen by the applicant to assist the applicant in applying for funding or in carrying out a funding award or project under this NOFA, and which submits a letter of intent and signs a partnership agreement to assist in that capacity, and which may be referenced by the applicant for purposes of demonstrating additional capacity for planning, design, financing, or implementation in applying for funding under the NOFA.

As part of the NDRC application, HCD provided executed partnership letters of intent and agreements, signed by the executive of the Partner entity, demonstrating a commitment to work collaboratively throughout the entirety of the grant application and implementation process and to undertake specified actions (see Exhibit F for copy of partnership agreements of those entities receiving NDR funding for completion of project activities under this Agreement). HCD has one formal partnership for the CRC project(s) with the County of Tuolumne.

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HCD has four (4) separate formal partnership agreements for the FWHP (one with SNC another with the United States Forest Service ("USFS"), a third with the California Department of Forestry and Fire Protection ("CAL FIRE") and a fourth with California Conservation Corps ("CCC")). HCD has one partnership agreement for the BUF project with SNC.

HCD has a number of other partnerships with other state agencies but those agencies will not be a party to the HCD NDR agreements. These less formal partnerships with Governor's Office of Planning ("OPR") and California Environmental Protection Agency ("CalEPA") continue to participate with other partners via the "Core Team". The Core Team oversees HCD administration and Partner's coordination of project development to ensure the Program becomes operational, scalable and replicable.

This Agreement supplements the partnership agreement with County of Tuolumne after the HUD award of funding. This Agreement will ensure all the financial and performance requirements related to CDBG-NDR project development and implementation are met. The Agreement must be executed before any CDBG-NDR project implementation. Per Federal Register Notice FR-5936-N-01, Section V.A.1.g. (v), this Agreement and other associated partnership agreements require parties to comply with CDBG-NDR requirements, including requirements found in the Disaster Relief Appropriations Act, 2013 PL 113-2, Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5302, et seq.), the CDBG program federal regulations at 24 CFR part 570, Federal Register Notice FR-59-N-01 and any other applicable Federal Register Notices, and commitments made in HCD's Phase 1 and Phase 2 NDRC applications.

As a condition of HCD, on behalf of the State of California, applying for CDBG-NDR funds, HCD made certain certifications, as shown in Exhibit F (Certifications), which involve a minimum:

- A. HCD and any contractor, subrecipient, or designated public agency carrying out an activity with CDBG-NDR funds, certifying that such entities possess the legal authority to carry out the project activities, in accordance with all applicable HUD regulations and requirements.
- B. HCD and its Partners certifying that project activities administered with funds under the NDRC are consistent with the HCD's application.

HCD and HUD have entered into a federal grant agreement for CDBG-NDR funding. Under that agreement, HCD is the sole entity that will have access to HUD's Line of Credit Control System ("LOCCS") through the Disaster Recovery Grant Reporting ("DRGR") system. HCD will use DRGR to draw down CDBG-NDR funding. Under PL113-2, HCD is legally and financially accountable for the use of all funds and may not delegate or contract to any other party any inherently governmental responsibilities related to the federal grant management of the funds, such as oversight, policy development, and financial management.

CDBG-NDR regulations and requirements impose specific funding restrictions (described in Exhibit D), which apply to HCD and to any partners under this Agreement and their subrecipients or contractors in conjunction with any NDRC project activities.

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### 2. **Use of Neighborhood Stabilization Program (NSP1) Funding:**

The Department is currently operating a HUD NSP1 grant as authorized in the Unified NSP1 and NSP3 Notice published in the Federal Register on October 19, 2010. The NSP1 grant allows for funding of certain public facility projects in eligible target areas. The Groveland CRC project is in need of gap financing to allow for full development of that project. HCD has determined that NSP1 funding is appropriate the Groveland CRC. Therefore, HCD has completed an NSP1 Action Plan Amendment to identify Groveland as an eligible target area. The additional NSP1 funding will be used to ensure the Groveland CRC project meets all the NDR requirements for providing ongoing public services and for use as an emergency shelter, as well as meeting the required NSP1 objectives and serving the required beneficiaries.

### 3. **California's Approach: The Community & Watershed Resilience Program**

The CWRP has three different but interrelated activities. The Program is designed to create partnerships and practices needed to support resilience in the communities and natural systems in California's upper watersheds, which provide sixty (60) percent of the developed water resources.

The following generally describes the project activities selected for funding for the CWRP:

#### A. **Community Resilience Center (CRC) Projects**

The development and operation of two CRC facilities in Tuolumne County that will serve multiple purposes including year-round needed services, such as, education and job training facilities, commercial kitchen for local senior meals types of programs, and other local service programs. On a limited basis, the CRCs can serve as an evacuation center/emergency shelter as well as an events facility. CRC location selections and design process will include robust public participation.

#### B. **Biomass Utilization Facility (BUF) Projects**

BUF projects are intended to provide options for clean disposal of un-merchantable biomass removed from the forest, clean power, and wood products facilities for repurposing any merchantable biomass. This will be a two-phase development process, with the first phase including feedstock analysis and economic development feasibility analysis. The second phase includes funding eligible projects for build-out and operation.

#### C. **Forest & Watershed Health Projects (FWHP) Projects**

This green infrastructure projects includes restoration of forest, meadows, watersheds and rangelands within the Rim Fire burn area, as well as expansion of existing fuel breaks and the creation of one new fuel break. Given the uncertain future of drought, climate change and wildfire, FWHP activities are designed to improve forest and watershed health and resilience against further environmental disturbances.

**The foregoing recitals are a part of this Agreement.**

## EXHIBIT A

### 1. Authority and Purpose

This Agreement provides official notification of the conditional reservation of funding made available by the federal Disaster Relief Appropriations Act, 2013 (Public Law 113-2, approved January 29, 2013) ("Appropriations Act") and awarded under the National Disaster Resilience Competition as CDBG-NDR grants, Catalog of Federal Domestic Assistance number 14.272 – National Disaster Resilience Competition.

HCD, on behalf of the State of California, also administers the federal CDBG Program for non-entitlement jurisdictions ("CDBG" or "the Federal Program") pursuant to the provisions of 42 U.S. Code ("U.S.C.") 5301 et seq., 24 Code of Federal Regulations ("CFR") Part 570, Subpart I, and the California State CDBG Regulations, pursuant to 25 California Code of Regulations (CCR), Sections 7050 et seq. The Federal Program is listed in the Catalog of Federal Domestic Assistance as 14.228 - CDBG - Community Development Block Grant Program.

HCD oversees other federal funding allocated by Congress and administered by HUD on an as-needed basis. The Housing and Economic Recovery Act of 2008 allocated funds to the State to help address the impacts of the 2008 mortgage crisis. Authority for these funds, identified as Neighborhood Stabilization Program (NSP) funding was published in the October 19, 2010 Federal Register (Vol. 75, No. 201) under the Unified NSP1 and NSP3 Notice. The NSP funding is governed by the federal CDBG regulations at 24 CFR Part 570, with exceptions as detailed in the notice. The Department has met the performance criteria identified for NSP1 funding and has a small amount of the original NSP1 award unobligated, that must be used for NSP1 eligible activities. As per the NSP1 Action Plan Amendment, the Groveland CRC is an eligible activity and NSP1 funds may be committed exclusively to that project.

This Agreement is valid and enforceable only if sufficient funds are available to the Department from the United States Government for the purposes of the NSP1 Funding. In the event there is a withdrawal of, or any limitation on, the Department's expenditure authority or any funding of the Program, the Department may elect to terminate this Agreement, in whole or in part, in its sole discretion and upon ten (10) days written notice to Grantee. In addition, this Agreement is subject to any additional restrictions, limitations, conditions or statute 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.

For many years, the Department has been successfully administering the federal CDBG Program for non-entitlement jurisdictions, and has developed a boilerplate contract that it will use to make a CDBG-NDR award; this Agreement is built upon the aforementioned tried and tested boilerplate agreement for administering CDBG funds.

Hereinafter, CDBG-NDR refers to the CDBG National Disaster Resilience grant and all specific rules, regulations, policies and statutes related to CDBG and to specific CDBG-NDR funding. Hereinafter, NSP1 refers to the CDBG Neighborhood Stabilization Program 1 grant administered by HCD with all its specific rules, regulations, policies and statutes related to NSP1 funding.

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In accepting this conditional reservation of CDBG-NDR and NSP1 funds by executing this Agreement, the Grantee agrees to comply with the terms and conditions of this Agreement, the representations contained in the CDBG-NDR application (the "Application") which contains the Grantee's letter of intent to be a partner and initial partnership Agreement (see Exhibit F) for this funding allocation, which is incorporated herein, by reference, and the requirements of the authorities cited above and any other terms and conditions imposed by HUD, HCD or the State of California.

### 2. Eligible Activities and Costs

Grantee shall only use funds under this Agreement for eligible CDBG-NDR activities and costs as authorized under existing Section 105(a) of Title I of the Housing and Community Development Act of 1974, as amended by the Appropriations Act as well as those specified in the NDRC NOFA, and awarded CDBG-NDR grants, and in compliance with other requirements or conditions which may be imposed by HUD, from time to time. The eligible activities under this Agreement are described below in Section 5.

Eligible costs are for General Administration (defined in Section 5.C. below), planning and project development activities under this Agreement, which must be in conformance with federal Office of Management and Budget ("OMB") regulations in 2 CFR Part 200, subpart E, as may be amended from time to time. No costs associated with operating any CRC public service is eligible under this current Agreement, as public service costs are associated with separate HUD eligible activities, as they are not included in this Agreement. The total amount of funds drawn by Grantee during the entire Agreement term must be for actual and reasonable costs incurred according to the United States Office of Management and Budget's Uniform Guidance (issued December 26, 2013). Grantee will maintain source documentation for all time, materials and services costs in grant administration files. Eligible costs defined in HUD CPD Memo 13-07. Eligible planning costs are defined in 42 U.S.C. 5305(a) (12).

The OMB Uniform Guidance will supersede requirements from OMB Circulars A-87, A-133 and A-122. OMB Uniform Guidance, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" is located at 2 CFR Chapter I, Chapter II, Part 200 et al. OMB Circular A-122, "Cost Principles for Non-Profit Organizations" is located at 2 CFR, Part 230.

If Grantee wishes to be reimbursed for indirect costs, then HCD must receive a copy of an indirect cost approval letter from the appropriate cognizant agency.

### 3. Meeting CDBG National Objective

General Administration activities and Planning Activities funded under this Agreement are assumed to meet a National Objective. Grantee must document all eligible staff time and materials used to conduct General Administration and Planning Activities funded under this Agreement, but does not need to document NSP1, or CDBG-NDR National Objective compliance with respect to General Administration and Planning Activities.

Project development costs expended by the Grantee as part of facilitating implementation of the activities under this Agreement will require documentation of eligible costs for the Work described in Section 5. However, per the NDRC application, and the NSP1 Action Plan Amendment, National Objective compliance is achieved when the CRC project is completed and residents living within the facility service area are receiving benefits from the facility. Therefore, for each

## EXHIBIT A

project activity funded under this Agreement, the Grantee must document completion of the facility and full operation of public services and resources, including use as an emergency shelter/evacuation center. This documentation is required in order to comply with the National Objective requirement and to provide information on beneficiaries of the project. Beneficiaries must predominantly be residents of the County of Tuolumne, located in the facility's service area. See National Objective compliance in Exhibit D, Section 4, of this Agreement.

### 4. **Public Benefit Standards for Economic Development (ED)**

Any CRC funded pursuant to this Agreement will not support ED activities; therefore, ED public benefit requirements will not apply. However, each parcel of real property used for CRC development will have a five-year regulatory Use Restriction recorded on it for public benefit purposes. A five-year Use Restriction, as defined Exhibit B, Section 1, is required to be on title of each property acquired by Grantee.

### 5. **Scope of Work and Funding Sources with Amounts**

- A. The Grantee shall perform the funded activities described in the below Scope of Work (Work). These activities were included in the HCD's NDRC Application to HUD, which is on file with the Department of Housing and Community Development, Division of Financial Assistance, 2020 West El Camino Avenue, Suite 500, Sacramento, California, 95833, 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 HUD are hereby incorporated as part of the Application. The Department reserves the right to require Grantee to modify any or all parts of the Work to comply with CDBG-NDR and NSP1 requirements. HCD reserves the right to monitor all Work to be performed by Grantee, its contractors, and subrecipients under this Agreement. Any proposed revision to the Work by Grantee must be submitted in writing for review and approval by the Department and may require an amendment to this Agreement. Approval is not presumed and will not be formalized until provided by HCD in writing.
- B. For the purposes of performing the Work, HCD agrees to reimburse Grantee up to the amounts identified below. HCD shall not be liable for any costs for Work in excess of these amounts, nor any unauthorized or ineligible costs.
- C. The grant activity, as described in the Application, shall consist of:
- 1) **General Administration**. General Administration activities include Agreement file management, reporting, payment processing, audit/monitoring, grant closeout, and compliance with federal overlays not specific to any project activity, for example, citizen participation, fair housing, equal opportunity, etc. Grantee shall work closely with HCD staff and HCD's technical assistance consultant as part of implementing General Administration activities.

Grantee shall be responsible for producing and maintaining any reports and reviewing and processing all Funds Requests required for activities under this Agreement. Grantee shall establish and maintain adequate record keeping systems in accordance with all CDBG and OMB regulations cited in this Agreement. Grantee will use current HCD grant management software. Grantee will work with HCD's technical assistance consultant as part of carrying out the



## EXHIBIT A

CDBG-NDR funded work. Grantee administration files shall allow for compliance monitoring by outside agencies, as well as for annual audit purposes.

- 2) Phase 1, Planning. All Planning Activities are completed. No further Phase 1 Planning Activities are in this Agreement.
- 3) Phase 2, Final Project Design and Construction. On November 19, 2019, HCD provided written approval to the Grantee for development of two CRC projects. Grantee shall develop one CRC in the unincorporated community of Tuolumne. Grantee shall develop one CRC in the unincorporated community of Groveland. HCD approval for two CRCs was based on securing HUD approval for use of NSP1 grant funds, specifically for development on the Groveland site.

HCD has released Phase 2 project funding for use on architectural final plans and specifications and for grant administration and labor standards consulting services. The Grantee has agreed to move forward with these consultant contracts for Phase 2 work. In addition, HCD is requiring Grantee to use NSP1 grant administration funding to hire a consultant to provide Groveland project development and regulatory compliance capacity. HCD will review and approve scopes of work developed by Grantee for all consultants as part of assisting Grantee with federal procurement standards.

For CRC approved project(s), prior to HCD's written release of funding for Phase 2 hard costs, the Grantee shall first document, to HCD's satisfaction, compliance with all items on the CRC General Conditions Checklist. Grantee will shall work with HCD and HCD's consultants in documenting compliance with all General Conditions for each project. HCD will provide a written release of funding for Phase 2 project development costs after satisfactory Clearance documentation is provided.

Clearance of General Conditions is required for funding of project development costs including: acquisition of real property and construction. Furthermore, each CRC project will require a separate clearance and written release of funds for acquisition and construction. Therefore, prior to expending any funding on acquisition costs, Grantee shall submit executed General Conditions Checklist with supporting document. HCD will review and if approved, provide a release of funds letter. This same release of funds process will take place for project construction funding on each CRC. Grantee will secure all CRC project properties by either voluntary purchase or donation. Grantee shall obtain HCD approval on URA policies and procedures as well as all documents used to conduct the acquisitions in order to ensure federal acquisition compliance. Clearance of General Conditions shall also be required prior to release bidding out each project's construction, onsite and offsite improvements. Per Section 25 of Exhibit D, the level of insurance required by the Grantee for each CRC project will be determined and included as one of the General Conditions. This process will ensure projects completion in accordance with the NDRC Application standards, as well as all CDBG-NDR and other applicable requirements and any requirements associated with NSP1 funding included in this Agreement. Grantee shall hire a third party consultant to support NSP1 federal compliance work for the Groveland CRC project.

**EXHIBIT A**

Grantee will work with all service providers to ensure that they are prepared to begin operations as of the CRC occupancy permit date. Grantee will develop detailed CRC operations and maintenance plans and identify, in writing, staff that will be assigned to manage and oversee CRC operations and tenant leases. Ninety (90) days prior to construction completion of each CRC, project service providers (Tenants) will sign formal leases or agreements for occupancy. Thirty days after occupancy permit is issued, Tenants will complete necessary tenant improvements, install equipment and provide staff and supplies for the facility will begin full operations. After each CRC is fully operational, the Grantee shall begin monitoring long-term use of the CRC and document beneficiaries of services as required by the five (5) year CRC facility Use Restriction. Grantee acknowledges that in addition to the foregoing restriction relating to the provision of required services, the Use Restriction will include a covenant requiring Grantee to operate, fund, and maintain each facility as a CRC.

In addition to working with procured consultants associated with the project's development, Grantee and all procured consultants shall work with and be assisted by HCD staff and HCD's technical assistance consultant as part of implementing Phase 2 of the CRC project. Grantee is responsible for and shall ensure the completion of the Work in accordance with the criteria set forth above. HCD reserves the right to review and approve all performed or contracted Work when HCD monitors Grantee under this Agreement. Any proposed revisions to the Phase 2 Work that is not in conformance with the NDRC Application or HCD written Phase 1 approval, specifically the project final design standards, shall be submitted in writing for review and approval by HCD and the Core Team as described above, in their discretion. If HCD approves these revisions, HCD will generate a formal amendment and Grantee shall sign it. In the event that there are excess funds remaining in the budget after the completion of the approved CRC facility or facilities, all such excess funds shall be retained by or returned to HCD, as the case may be, so that HCD may reallocate such funds to other CDBG-NDR project activities, if HUD so approves.

**6. Budget**

CDBG-NDR funding for General Administration, Phase 1 Planning and Phase 2 project development costs for both Tuolumne and Groveland CRC facilities collectively cannot exceed \$19,261,125.

<b>Matrix Code</b>	<b>Activity Description</b>	<b>National Objective</b>	<b>Activity Amount</b>
21A	General Administration	None	\$493,875
20A	Planning and Feasibility	None	\$566,240
17C	Tuolumne and Groveland CRC Facilities	LMA	\$18,201,010
<b>Total</b>			<b>\$19,261,125</b>

**EXHIBIT A**

NSP1 Funding General Administration and Phase 2 project development costs for only Groveland CRC facility cannot exceed \$5,250,000.

<b>Matrix Code</b>	<b>Activity Description</b>	<b>National Objective</b>	<b>Activity Amount</b>
21A	General Administration	None	\$250,000
17C	Groveland Public Facility	LMA	\$5,000,000
<b>Total</b>			<b>\$5,250,000</b>
<b>Total Funding Under this Agreement</b>			<b>\$24,511,125</b>

**7. Budget Line Item Adjustments**

Line item adjustments made in accordance with the following:

- A. The Department may approve a request from the Grantee to reallocate funds between the authorized activities and itemized amounts stated in Section 6 of this Exhibit A, except that no additional grant funds shall be moved into CDBG- NDR General Administration given the five percent (5%) cap on administration funding required by HUD and the Stanford Act. Furthermore, no NSP1 funding shall be moved from Groveland CRC into budget for Tuolumne CRC. Any changes in budget line items during the term of this Agreement will be with the Department's prior written approval in its sole discretion.
- B. If HUD changes an activity matrix code(s) or if there is an error in recording the activity code, the HCD will inform the Grantee in writing and the correction shall not require an amendment to this Agreement.

**8. Other Funding Sources**

Grantee shall report on the value of other local and state funding contributions included as leverage-match for each CRC project via the Project Set-Up/Completion Report. The Project Set-Up/Completion Report is the report, which conveys the data needed to establish a project-specific account in the DRGR system. Grantee will enter data into HCD's web-based grant management software system, pursuant to instructions from HCD's technical advisory consultant. Grantee shall validate eligibility of match and leverage funding with HCD's CDBG-NDR technical assistance provider. The Project Set-up/Completion Report is used to convey any changes to the project-specific accounts and report the final project-specific information into DRGR.

**9. Term of Agreement, Period of Performance and Deadlines, Date of Completion**

The term of this Agreement shall commenced on May 9, 2017 and shall end on September 30, 2022, the date listed on the first page of this Agreement. With the exception of the Grant Closing Requirements set forth in Exhibit B, Section 6, the Grantee shall complete the project and General Administration activities by the deadlines set forth below.

**EXHIBIT A**

Community Resilience Centers:

- A. Two CRCs shall be completed and operational by: **06/30/2022**
- B. HUD federal expenditure date requires all CRC construction funds to be invoiced by: **06/30/2022** with filing of 30 day notice of Completion
- C. HUD federal expenditure date requires General Administration to be expended by: **07/31/2022**
- D. Final Funds Request submitted 30 days after the expenditure dates listed in above.

Performance measure requirements during the period of performance are in Exhibit B, Section 7. This Section also includes language relating to penalties for non-performance.

**10. State Grant Manager**

The State CDBG-NDR Grant Manager for this Agreement represents the Department and its Division of Financial Assistance. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be in writing and sent via first class mail to the State Contract Manager at the following address:

Grant Manager, CDBG-NDR  
Division of Financial Assistance, Suite 200  
Department of Housing and Community Development  
P.O. Box 952054  
Sacramento, California 94252-2054

**11. Contract Administrator**

The Grantee's Contract Administrator (must be a Grantee employee) for this Agreement is listed below. Unless otherwise informed, Grantee shall send any notice, report, or other communication required by this Agreement by first class mail to the following address:

Grantee:	County of Tuolumne
Contract Administrator:	Maureen Frank County Administrative Officer Administrative Office 2 South Green Street Sonora, CA 95370
Phone:	(209) 533-5515
Email:	mfrank@co.tuolumne.ca.us

**EXHIBIT B**

**SET-UP/COMPLETION AND PAYMENT PROVISIONS**

**1. Definitions**

- A. "Activity" includes, without limitation, the following HUD eligible activities as per the Act:
- 1) Planning (Section 105(a)(14))
  - 2) Public Facilities (Section 105(a)(2) and (5))
- B. "General Administration" refers to eligible administrative expenses as provided in Section 105(a)(13) of the Act [42 USC 5305(a)(12)].
- C. "Funds Disbursement" refers to the HCD Funds Request form, supporting documents and processes required to request the drawdown of CDBG-NDR funds.
- D. "CWRP or Program" means the Community and Watershed Resilience Program as outlined in Phase 1 and Phase 2 of the Application submitted by HCD on behalf of the State of California.
- E. "Use Restriction" means HCD approved regulatory agreement secured on each parcel of property used for CRC development. Grantee records Use Restriction on title at time property acquisition in first lien position. Use Restriction will remain in effect for five years from the date of issuance of CRC occupancy permit. Use Restriction shall contain all regulatory requirements required by NDR and NSP1 federal funding as well as HCD required operational standards.
- F. "Project" means the HUD approved, CDBG-NDR eligible activity carried out at an approved site with an approved scope of work.
- G. "General Conditions Checklist" means HCD form used to document each CRC project's compliance with federal and state regulations and requirements.
- H. "Default" means an omission or a failure to do that which is anticipated, expected, or required in a given situation. It is an intentional omission or nonperformance of a duty.
- I. "Project Set-Up" refers to the forms and processes required to reserve funds associated with specific Projects for CDBG-NDR funds in DRGR.
- J. "Project Completion" refers to the form and processes required to report a Project as "complete." Grantee must submit a Project Set-Up-Completion Report to the Department with, or prior to, the final disbursement request. For any activity that is not finished or completed, or does not meet a National Objective, or for which a Project Completion Report representing the full amount of funds drawn cannot be submitted in DRGR, all CDBG NDR activity funds for the Project must be repaid to the Department.

Each Project or Program Activity must meet a National Objective, pursuant to 24 CFR 570.483 and CDBG-NDR regulations to be eligible. For CRC facility projects, each CRC must be fully occupied and providing services to local area residents to meet the HUD Low Moderate Income National Objective.

## EXHIBIT B

### 2. General Conditions Clearance and Set-Up Requirements

Grantee shall submit the following for the Department's approval prior to Project Set-Up:

- A. The General Conditions Clearance Checklist ("Checklist") for each funded CRC shall be submitted on a form provided by the Department with all necessary supporting documentation. Each CRC shall have an executed Checklist submitted to HCD prior to real property acquisition and construction bidding. HCD shall provide a written release of funding each time Grantee submits a completed Checklist that meets all requirements.
- B. Any other documents, certifications, or evidence deemed necessary by the Department prior to Project Set-Up.

### 3. Individual Project or Activity Set-Up-Completion Requirements

Grantee shall submit the following documentation to the Department:

- A. A Project Set-Up-Completion Report for each individual project after HCD provides written release of funds.
- B. All other documents, certifications, or evidence deemed necessary by the Department as part of clearing general conditions for the project, i.e., prior to Project Set-Up-Completion Report.
- C. The Grantee shall use HCD's Use Restriction to ensure long term public benefit for each CRC. The Use Restriction requires that each CRC facility be used in accordance with NDRC application standards, federal regulations and NSP 1 requirements for a minimum of five (5) years. The form and content of the Use Restriction will be provided by HCD to Grantee for review and approval. Final HCD approved version will be used for recordation.
- D. A Project Set-Up-Completion Report for each individual CRC project will be submitted after full occupancy is achieved and required public services are in place.

### 4. Expenditure of Funds

#### A. General Administration

Costs for General Administration may neither be incurred nor funds expended until execution of this Agreement by the Department, unless the Grantee has received prior written approval from the Department. If such approval is desired before execution of this Agreement by the Department, the Grantee shall make the request for approval in writing, but the Grantee will expend these funds at its own risk.

## EXHIBIT B

### B. Compliance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200

Funds will not be disbursed to Grantee if, at any time during the term of this Agreement, it is identified by the State Controller's Office ("SCO") as non-compliant with the Federal Single Audit Act, as described in 2 CFR 200.501, 505, and 511 and Uniform Administrative Requirements, until such compliance is demonstrated to the satisfaction of the Department.

### C. Grant Administration

The Grantee shall administer this Agreement in accordance with the Uniform Administrative Requirements at 2 CFR Part 200. Grantee shall ensure and certify that all Grant Administration costs are eligible per Exhibit A, Section 2 of this Agreement. Grantee, in execution of this Agreement adopts all applicable parts of 2 CFR Part 200 for use in Grantee day to day federal funding administration and compliance.

Any funds disbursed under this Agreement which are deemed ineligible shall be repaid to HCD and HCD will repay funding to federal Treasury. NDR funds shall be returned to HCD in accordance with the current State CDBG DR/NDR Grant Administration Manual ("GAM"), see current version posted on HCD NDR webpage. NSP1 funds shall be returned per the remedies for noncompliance at 2 CFR 200.338.

## 5. Method of Payment

The Grantee shall submit all Funds Request forms, along with all required source documentation, to HCD via grant management software and specify State Grant Manager specified in Exhibit A, Section 10, or to any other address of which HCD has notified the Grantee. The Department shall not authorize payments to Grantee unless Department has determined the activity costs have been incurred, the represented work has been performed and completed, any lien releases are in place and the costs are eligible and in compliance with the terms of this Agreement.

At a minimum, Funds Requests will be at least \$1,000 and submitted on the current version of the Department's CDBG-NDR forms, final Funds Request can be less than \$1,000. Grantee shall use Reimbursement payments under this Agreement. Advance payments are only allowed upon HCD written approval, after advance payment system documentation is provided by Grantee.

### A. Reimbursements

- 1) Grantee shall work with HCD's technical assistance consultant to set up accounting and recordkeeping systems for Grantee and other agencies involved in CDBG-NDR activity implementation to ensure documentation of all eligible costs is on file prior to submitting a Funds Request.
- 2) All CDBG-NDR Program Income ("PI") on deposit with Grantee must be expended first prior to requesting grant funds under this Agreement. HCD payment shall be made as progress payments for Work performed. Grantee shall request payment for Work completed on forms provided by the Department and subject to such documentation as the Department may require.

## EXHIBIT B

- 3) HCD payments for construction work shall be made at no more than ninety percent (90%) of construction invoiced amount, requiring a minimum ten percent (10%) retention amount, unless the payment is the final retention payment.
- 4) The Department shall not authorize payments to Grantee unless HCD determines that the CDBG-NDR funds were expended in compliance with the terms and provisions of the CDBG-NDR NOFA, Federal Register Notice FR-5936-N-1, and this Agreement.

### B. Advance Payments

Uniform Administrative Requirements, 2 CFR §200.3 defines an advance payment as a payment that a Federal awarding agency or pass-through entity makes by any appropriate payment mechanism, including a predetermined payment schedule, before the non-Federal entity disburses the funds for program purposes.

- 1) "Advance Payments" is defined as any requests for funds to pay for invoiced, completed and inspected work that has not yet been paid by the Grantee. Work that is not completed, regardless of Grantee payment status, is **not eligible** for Advance Payment.
- 2) Advance Payments for construction work shall be made at no more than ninety percent (90%) of invoiced amount, requiring a minimum ten percent (10%) retention amount, unless the payment is the final retention payment. Any Advance Payment request shall not be for more than the net amount (maximum of 90%); the invoice less the retention amount.
- 3) Grantee may only request advance of activity funds from this Agreement if they have adequately demonstrated the willingness and ability to minimize the time lapsing between the receipt of Department funds and the Grantee's disbursement [2 CFR §215.2 (b)(5)] and [24 CFR §570.489 (c)(1)].
- 4) Advance Payments may only cover invoices received for work that has actually been completed, inspected and approved for payment by the Grantee, and are limited to the amount necessary to pay for actual immediate cash needs, all of which must be documented prior to submitting an advance Funds Request. Advances will not be processed for work that has not been completed or invoiced. Grantees must have internal policies and procedures in place that sufficiently document when invoices are received, as well as when the invoiced work was completed and inspected.
- 5) Within two (2) business days of receipt of the State of California's warrant for the CDBG-NDR payment, the Grantee must place all advanced funds into an interest-bearing account, where the funds must remain until expended.
- 6) Grantees must pay all invoices identified in the Advance Payment request within five (5) business days of receipt of funds from the Department.



## EXHIBIT B

- 7) Interest earned on advanced funds, prior to expenditure, is not considered program income and must be returned to HCD each month.
- 8) Grantees are required to complete and submit the reconciliation of each advance within 30 days of the date the warrant for the advanced funds was received. Grantees must complete the "Advance Reconciliation" section of Funds Request to include the date the warrant was received, details of the expenditures covered by the advanced funds, adequately identify the source and uses of all advanced funds, and must identify any excess cash on hand. Unspent funds (i.e. excess cash on hand) shall be returned to the Department immediately. Any earned interest and any excess cash shall be returned to HCD with the Advance Reconciliation, no later than 30 days from the date Grantee receives the warrant. Note: Excess cash should rarely occur, since the advance request shall be based on actual invoices received for completed work already inspected by the Grantee.

Reconciliations are not completed until HCD has issued the Grantee a "reconciliation approved" copy of the Funds Request, which must be maintained in Grantee's program records.

- 9) Per the Uniform Administrative Requirements (2 CFR Part 200) standards for financial management systems, accounting records shall be supported by source documentation such as cancelled checks, invoices and demands, payrolls, time and attendance records, contract and sub-grant award documents, etc.
- 10) Grantee's development partners are required to maintain financial records and submit the financial reports sufficient to ensure that all grantees, sub-grantees and/or development partners comply with all recordkeeping and reporting requirements.

### C. Timing Final Payment Requests

- 1) Grantees Final Reimbursement Request: Grantee shall submit a final Funds Request for reimbursement (no advance allowed) of final costs no later than thirty (30) calendar days after performance deadlines shown in Exhibit A, Section 9.
- 2) Return of Unexpended Funds: All funds received by the Grantee but not expended by the expenditure deadlines in Exhibit A, Section 9 of this Agreement must be accounted for and returned. Funds shall be returned to HCD in accordance with the current State CDBG DR/NDR Grant Administration Manual ("GAM"), see current version posted on HCD NDR webpage. All funds returned after an expenditure deadline or after Agreement expiration will be disencumbered.
- 3) All Funds Not Previously Requested: If the final payment request for activity costs expended during the term of this Agreement has not been received by the Department by the expenditure deadline in Exhibit A, Section 9, the Department shall disencumber any funds remaining and grant funds will no longer be available for payments to Grantee. Thus, time is of the essence with respect to Grantee's submittal of the final payment request.

## EXHIBIT B

### 6. Grant Closing Requirements

- A. Grantee shall work with HCD's technical assistance consultant, at HCD's direction, to ensure Grantee submits the following close-out documents prior to expiration of this Agreement.
- 1) Final Set-Up / Completion Report, received and approved by the Department;
  - 2) Closeout Certification Letter;
  - 3) Final Quarterly Performance and Expenditure Report (QPER);
  - 4) Final Annual Performance Report (APR);
  - 5) Final Labor Standard Report;
  - 6) Evidence, satisfactory to the Department, of compliance with any other Special Conditions or compliance requirements of this Agreement; and,
  - 7) Evidence of a properly noticed public hearing that was conducted in front of the governing body to notify the public of accomplishments funded by the grant.

### 7. Performance Measures and Penalties

- A. Per Federal Register Notice FR-5936-N-01, all agreements which are paid for with CDBG-NDR funding must have performance measures and penalties. If there are circumstances that arise where the performance measures cannot be met, then Grantee must work closely with HCD and HCD's technical assistance consultant to ensure both CRC facilities proceed to completion prior to expiration of this Agreement. The following performance measures apply to both proposed CRC facilities funded under this Agreement:
- 1) No later than three (3) months after execution of this Agreement, Grantee will execute agreements with three consultants for Phase 2 development: a professional architect, a labor standards coordinator and a NSP1 compliance coordinator. Grantee will work with HCD on procurement process to meet federal procurement standards.
  - 2) No later than Six (6) months after execution of this Agreement, Grantee will get HCD release of funding for completion of real property for two CRCs and take title to all required properties and record Use Restrictions.
  - 3) No later than Thirteen (13) months from execution of this Agreement, Grantee will procure all remaining consultants required to bid and construct two CRCs.
  - 4) No later than Ten (10) months from execution of this Agreement, Grantee shall have final plans and specifications completed and be ready to bid out two CRCs.

**EXHIBIT B**

- 5) No later than Thirteen (13) months from execution of the Agreement, Grantee shall have construction contracts in place for starting construction of two CRCs.
  - 6) Grantee will have two CRC projects completed with occupancy permits issued by June 30, 2022.
  - 7) Grantee will have two CRCs fully occupied and providing services, including use of facilities as emergency shelter by July 1, 2022.
  - 8) Because of HUD federal expenditure date, Grantee will disburse all final project funding by **07/31/2022**, after 30 day Notice of Completion filing, so a final Funds Request can be submitted to HCD for processing.
- B. Penalties. If any CRC performance measures, which relate to any CRC projects funded under this Agreement, are not met, and are not due to delay by Department, as a penalty (within 30 days of being missed) Grantee shall submit to the Department a mitigation plan specifying the reason for the delay, the actions to be taken to complete the task that is the subject of the missed deadline, and the date by which the completion of said task will occur. The Department reserves the right to withhold further payments until such time as a satisfactory mitigation plan is approved. Furthermore, the Department shall reserve all rights and remedies available to it on account of a Default by Grantee under the terms of this Agreement.
- C. Grantee Requirement to Use Performance Measures and Penalties. Under Federal Register Notice FR-5936-N-01, all agreements which are paid for with CDBG-NDR funding must have performance measures and penalties. Grantee agrees to include performance measures and penalties in all contracts, agreements in which NDR funding are being used.