

SCO ID:

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER
23-OOMP-25004

PURCHASING AUTHORITY NUMBER (If Applicable)

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 NAME

Ventura County

2. The term of this Agreement is:

START DATE

Upon HCD Approval

THROUGH END DATE

12/15/2029

3. The maximum amount of this Agreement is:

\$5,396,147.00

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	22
Exhibit B	Budget Detail and Payment Provisions	6
Exhibit C *	State of California General Terms and Conditions	GTC 02/2025
+ - Exhibit D	CDBG-DR Terms and Conditions	36
+ - Exhibit E	Special Terms and Conditions	4
+ - Exhibit F	Subrecipient File	1
+ - Exhibit G	Data Sharing and Usage Protocols	12

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.)

Ventura County

CONTRACTOR BUSINESS ADDRESS

800 S Victoria Avenue, L 1940

CITY

Ventura

STATE

CA

ZIP

93009

PRINTED NAME OF PERSON SIGNING

Kimberlee Albers

TITLE

Deputy Executive Officer

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

SCO ID:

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

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23-OOMP-25004

PURCHASING AUTHORITY NUMBER (If Applicable)

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

Department of Housing and Community Development

CONTRACTING AGENCY ADDRESS

651 Bannon Street, Suite 400

CITY

Sacramento

STATE

CA

ZIP

95811

PRINTED NAME OF PERSON SIGNING

TITLE

Contract Services Section Manager

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

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

EXHIBIT A

AUTHORITY, PURPOSE, AND SCOPE OF WORK

1. **Authority & Purpose**

The California Department of Housing and Community Development (hereinafter “Department” or “HCD”) is the lead and responsible entity for administering the Community Development Block Grant – Disaster Recovery (hereinafter “CDBG-DR”) funds appropriated under the Supplemental Appropriations for Disaster Relief Requirements (Appropriations Act), under United States Public Law 117-43 and allocated to the State of California by the Department of Housing and Urban Development (hereinafter “HUD”). The Department’s 2023 CDBG-DR Action Plan Amendment 2, which was approved by HUD on September 16, 2025 for federally declared disaster FEMA DR-4683 (hereinafter, the “Action Plan Amendment”) authorizes the use of CDBG-DR funds to assist eligible households to incorporate Wildfire and Flood Mitigation measures to increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact of future disasters in the Most Impacted Designated (MID) area, Ventura County. The Owner-Occupied Mitigation (OOM) Program is designed to aid eligible homeowners of owner-occupied structures to incorporate these Wildfire and Flood Mitigation measures, including the use of ignition-resistant building materials and the creation of defensible space, to increase the level of protection of their structures.

2. **Scope of Agreement**

Grant Funds

Subject to the terms and conditions of this Standard Agreement (hereinafter “Agreement”), the Department has allocated and agrees to provide grant funds in the maximum amount, identified in Exhibit B, Section 1 – Budget, herein to the Subrecipient, identified as “Contractor” on page 1, Section 1 of the STD 213 form (hereinafter “Subrecipient”) for the Scope of Work, as defined in Section 3, to fully carry out the Program management implementation activities of the OOM Program as identified in this Agreement. All payments made to the Subrecipient will adhere to the provisions described in Exhibit B herein and will be made on a reimbursement basis only. In no instance shall the Department be liable for any costs or reimbursements in excess of this amount, nor for any unauthorized or ineligible costs or expenses including any contractor costs incurred or paid by Subrecipient prior to the Effective Date of this Agreement.

Implementation of Agreement

By entering into this Agreement and thereby accepting the Subrecipient Award on the terms and conditions set forth herein, the Subrecipient agrees to fully comply with and timely implement this Agreement in a manner satisfactory to the Department and HUD and in compliance with all applicable state and federal laws, regulations, guidelines, the

EXHIBIT A

Subrecipient Implementation Guide (“hereinafter “SIG”, as defined in Exhibit D, Section 1, Definitions), Program Policies and Procedures (“hereinafter “PnPs”) (Version 1.0, as amended from time to time), and any amendments thereto as may be required from time to time, as a condition of the Department providing the Subrecipient Award, including but not limited to, all applicable CDBG-DR program administration and compliance requirements set forth by this Agreement and in accordance with the due diligence documentation previously provided by the Subrecipient and made a part hereof. The Department’s providing of grant funds under this Agreement is specifically conditioned on Subrecipient’s full and timely compliance with this provision and all other terms and conditions of this Agreement, as well as the most recently published version of the Action Plan Amendment and any amendments thereto, related Federal Register notices (<https://www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation/action-plans-and-federal-register-notice-frns>), and the requirements of the authorities cited above, as all the same may be amended or supplemented from time to time.

This Agreement is subject to written modification and termination as necessary by the Department in accordance with requirements contained in any future state or federal legislation and/or state or federal regulations. All modifications to this Agreement must be in written form and approved by both parties.

3. **Subrecipient Scope of Work (SOW)**

- A. The Subrecipient shall provide, or cause to be provided, the Owner-Occupied Mitigation (OOM) Program management activities as described in this Exhibit A on behalf of HCD to assist eligible homeowners of owner-occupied residential structures in Ventura County to incorporate Wildfire and Flood Mitigation measures, including the use of ignition resistant building materials and the creation of Defensible Space, as defined in the OOM PnPs and the SIG.
- B. Subrecipient shall require that all staff, Program Operators, and vendors participating in the OOM program (“Participating Vendors”) assigned to the SOW follow all HUD regulations, best practices, and applicable Federal Register Notices governing the SOW, as well as and California CDBG-DR Action Plans, HCD policies, including Management Memos, HCD-approved PnPs, and the most recently published SIG, all as may be subsequently amended from time to time. Subrecipient shall provide guidance and training to its staff as needed for Program consistency and compliance.
- C. **The Subrecipient Scope of Work and deliverables shall include:**
 - 1) Program Operator Procurement
Subrecipient must procure a duly licensed and insured Program Operator and/or Construction Manager who performs, or causes to be performed, the Wildfire and Flood Mitigation work under the program using the

EXHIBIT A

Program-provided Request for Proposals (RFP) document. Any changes to the RFP beyond including Subrecipient contact and organizational information must be approved by HCD in writing prior to implementation. The procurement must be in compliance with 2 CFR 200.318-326 and Section 15 and Section 16 of Exhibit D and must include an independent cost estimate and price and qualification analysis of solicited bids from Program Operators.

- 2) The selected Contractor's responsibilities must include, but not be limited to the following:
- a) Maintain a complete understanding of all applicable Program policies, requirements, and protocols.
 - b) Understand and comply with all local, state, and federal building standards, including Title 24, Wildfire Urban Interface (WUI) codes and applicable floodplain regulations.
 - c) Provide Program Applicants with Wildfire Mitigation housing options that meet California and WUI options, as well as meet or exceed compliance with The Americans with Disabilities Act (ADA) where required.
 - d) Conduct initial home and site inspections and complete damage assessments to assist the Subrecipient in confirming eligibility for the maximum award amount. The Program will institute the following "Level of Importance" approach in developing project-level scopes of work (hereinafter referred to as "construction scope of work") that increase the level of protection against wildfires and flooding, while allowing flexibility in the selection of items to best address site conditions and homeowner needs, based on the Level of Importance Items as set forth below:

Goal for Level 1: To protect the envelope of the home from fire and water intrusion and install a Zone 0 protective (5'-0") barrier around the primary structure without altering aesthetics.

Level 1 Importance Items:

- 1.01 – Remove any debris/combustible material items and vegetation (live or dead) under and within five feet (5'-0") from each structure, excluding decks and pergolas, unless deteriorated.
- 1.01A – Provide minimal grading away from the home to achieve positive drainage.
- 1.02 – Install pea gravel or other non-combustible hardscape under and within five feet (5'-0") from each structure, and if applicable, an attached deck in Zone 0.

EXHIBIT A

1.03 – Remove any tree limbs and brush (live or dead) that is within five feet (5'-0") from each Zone 0 structure. Must have ten feet (10'-0") above roof and ten feet (10'-0") away from any chimneys and stovepipe outlets.

1.04 – Remove any combustible material items and vegetation (live or dead) on roof, including roof covering, roof valleys, and gutters.

1.05 – Remove any deteriorated and combustible means of egress within (5'-0") of primary structure, which include combustible porches, stairs and landings, ramps, and railings. Replace it with ignition resistant standard grade material.

1.06 – Remove any deteriorated combustible decks and/or pergolas attached to structure, that are beyond repair and replace with ignition resistant standard grade steps and landings (5'-0" x 5'-0" or 5'-0" x 10'-0").

1.07 – Enclose underside of elevated porches, stairs, landings, decks, ramps, and steps with ember resistant wire mesh to prevent combustible material accumulation and penetration of embers.

1.08 – Coat exposed foundation/stem wall/perimeter foundation with waterproof coating paint and sealant.

1.09 – Seal penetrations in walls up to the flood line with waterproof coating paint and sealant.

1.10 – Seal cracks in windows and doors which are below the flood line.

1.11 – Replace the following vents with OSFM approved flame and ember resistant vents. These include fresh air intake, dryer, attic, gable, soffit, and under-floor ventilation vents. Switch to flood vents in foundation walls where applicable.

1.12 – Repair any deteriorated areas or holes in combustible roof eaves, soffit, or fascia to prevent ember penetration into roof cavity.

1.13 – Repair or remove and replace damaged or deteriorated windows, doors, siding, shingles, or other critical items affecting the living conditions of the applicant and home, with non-combustible materials.

1.14 – Install metal flashing around the bottom, tops and sides of combustible garage doors to seal from embers.

1.15 – Install a spark arrestor for non-compliant chimneys and stovepipes.

1.16 – Install metal flashing or ignition-resistant material at roof-to-wall intersection to extend a minimum of 6" up the combustible wall and repair small gaps or holes in a combustible exterior.

1.17 – Remove any attached combustible fences, gates and retaining walls and replace with noncombustible alternative, up to eight feet (8'-0") on each side of the primary structure.

EXHIBIT A

1.18 – Remove damaged gutters, or plastic gutters and downspouts and/or install metal gutters, gutter guards, downspouts, and underground downspouts.

1.19 – Replace AND/OR install aluminum window, door and sliding glass door screens.

1.20 – Install visible address marker on structure for emergency services if not clearly visible from street.

1.21 – Provide grading away from home. Fix any negative slopes. If not possible to grade, dam around house using 3' or less retaining walls or riprap.

1.22 – Install berms, swales and/or French drains around house.

1.23 – Provide resident with deployable flood barriers on doors and windows below the flood line.

1.24 – Install flood shutters, flood logs, flood gate on doors and windows below the flood line.

1.25 – Plant vegetation and add mulch on hills sloping towards property to control erosion.

Goal for Level 2: Clear Defensible Space per CalFire Requirements working from Zone 1 (5'-0" to 30'-0"), Zone 2 (30'-0" to 100'-0") to reduce ember quantity and travel.

Level 2 Importance Items:

2.01 – (CalFire Requirements) Remove all dead trees, plants, grass and weeds, dead or dry leaves, pine needles, cut lumber and firewood piles within 30' radius of primary structure – Zone 1 (5'-0" to 30'-0").

2.02 – (CalFire Requirements) Trim all live tree branches to a minimum of 10' from other trees within 30' radius of primary structure – Zone 1 (5'-0" to 30'-0").

2.03 – Create 10 feet (10'-0") of clearance of bare soil and nonflammable vegetation around and under all outbuildings, water tanks, and if applicable, an attached deck, in Zone 1 (5'-0" to 30'-0").

2.04 – Create 10 feet (10'-0") of clearance of bare soil and nonflammable vegetation around all outbuildings, water tanks, and wood piles in Zone 2 (30'-0" to 100'-0").

2.05 – Remove any combustible material items and vegetation (live or dead) on roofs, or structures in Zone 2 (30'-0" to 100'-0").

2.06 – (CalFire Requirements) Cut or mow grass and shrubs to a minimum of 4" high in Zone 2 (30'-0" to 100'-0").

2.07 – (CalFire Requirements) Create horizontal and vertical space between shrubs and trees in Zone 2 (30'-0" to 100'-0"). Removing all tree branches 6' from ground, and all shrubs from under trees.

Dead needles, leaves twigs and bark permitted to depth of 3".

EXHIBIT A

2.08 – Demolish and remove any Accessory Buildings which cannot be mitigated.

Goal for Level 3: Once Level 1 and Level 2 items are exhausted, make minimal alterations to aesthetics of home by repairing or replacing combustible items or items beyond their useful life.

Level 3 Importance Items:

3.01 – Remove any combustible roof attachments (Solar Panel Mounts, HVAC Roof Mounts, Antenna Mounts, etc.) and replace with non-combustible metal attachments.

3.02 – Repair up to Two Hundred Square Feet (200' SQFT) of existing roof with Class A asphalt shingles, underlayment, with ember-resistant venting, flashing, drip edge and fascia (remove any skylights during roof repair or replacement).

3.03 – Full roof replacement with Class A asphalt shingles, underlayment, with ember-resistant venting, flashing, drip edge and fascia (remove any skylights during roof repair or replacement).

3.04 – Replace combustible door(s) and/or window(s) with fire rated compliant alternatives.

3.05 – Replace or repair damaged siding and/or trim with ignition resistant siding and trim.

3.06 – Replace combustible garage door(s) if mitigation is not possible.

3.07 – Elevate electrical enclosures, junction boxes, panels, outlets, and switches above the flood line.

3.08 – Install ground fault circuit interrupters (GFCIs) in areas prone to water exposure. If not possible, make enclosures, wire and junctions rated for water submersion.

3.09 – Install a separate electrical main shut-off switch outside of main electrical panel.

3.10 – Provide backflow preventer on main water line.

3.11 – Install check valve on sewer line.

3.12 – Include rainwater harvesting tank or barrels.

3.13 - Remove or move any sheds or outbuildings that cannot be mitigated with ignition resistant material (complying with current Building Code Standards) to be at least 30' away from primary structures.

e) Prepare an Estimated Cost of Repair (ECR), perform Tier II environmental reviews and develop and review the construction scope of work. The inspection must also address all environmental on-site requirements necessary to complete the final Tier 2 Environmental clearance.

f) Prepare plans and design documents for the Wildfire and Flood Mitigation work in compliance with all Program, federal, state and local building standards and requirements.

EXHIBIT A

- g) Enter into a written agreement with the Applicant and Subrecipient for the construction and mitigation work supported by the SOW.
- h) Provide the necessary labor to carry out the Wildfire and Flood Mitigation work.
- i) Obtain all necessary permits.
- j) Prepare the site to allow for the construction and mitigation work to be performed and perform or cause to be performed the work detailed in the SOW.
- k) Maintain and create paperwork for assignments, oversee contractor pre-construction meetings, and monitor projects by conducting on site progress inspections.
- l) Prepare Change Order requests for Subrecipient approval which are supported with a Cost Reasonableness Analysis.
- m) Monitor the project through completion of all work as detailed in the SOW. Conduct final site visits and complete final inspection forms to validate that all activities detailed in the SOW are complete and in accordance with all Program requirements, state and local building codes, and WUI codes.
- n) Manage and monitor all tiers of subcontractors and the work, services, and/or materials they are providing. HCD expects the Program Operator to provide competent, licensed, insured, and qualified staff to work on the construction scope of work described in this Section. HCD, in coordination with the Subrecipient, reserves the right to prohibit unlicensed, uninsured, unqualified, or incompetent staff of the Program Operator from assisting with the implementation of the Program. Neither the Program Operator, a subcontractor, or anyone providing goods or services may be on the federal list of debarred entities <https://sam.gov/content/home>.
- o) Subcontract with qualified entities that have experience and expertise working with Wildfire and Flood Mitigation work. This experience should include, but not be limited to, all building, construction and Wildfire and Flood Mitigation work in compliance with applicable federal, state, and local codes and permitting requirements.
- p) Provide all staff who interface directly with homeowners and subcontractors working outside of established program offices with identification, including a standard color collared shirt and photo identification.
- q) Provide, where necessary, Construction Warranties covering the function and fit-and-finish of all building components. Homeowners

EXHIBIT A

must be provided with information binders detailing all building warranties.

- r) All Contractor staff and subcontractors meeting with homeowners must possess and present at all times approved work orders showing authorization to survey and conduct work on their homes. Work orders must clearly identify the construction scope of work and anticipated timelines for work completion as the General Contractor or its subcontractors must also provide documentation to the homeowner explaining the rights of the homeowner throughout the construction process.
- s) All members of the Program Operator's team and subcontractors performing construction work and/or running construction crews must be licensed as either Class "B" or Class "C", as appropriate for the work being performed, by the California Contractors State License Board (CSLB), and maintain certain levels of insurance approved by the Subrecipient and HCD.

3) **Policies and Procedures (PnPs)**

The OOM Program will provide PnPs that will provide applicants with the rules and requirements of the Program. This document must be formally accepted and adopted by the Subrecipient upon execution of this Agreement. Subrecipient will be fully responsible for managing updates to any forms, agreements, and checklists used by the Subrecipient.

Standard Operating Procedures (SOPs)

Subrecipient shall establish Standard Operating Procedures (hereinafter, "SOPs") for the SOW that support the implementation of the OOM PnPs. SOPs that are required to launch the OOM Program, to be agreed upon between HCD and Subrecipient, must be completed and submitted for HCD review, technical assistance, and approval within ten (10) weeks of the Effective Date of this Agreement. All additional SOPs required to implement the OOM PnPs must be completed and submitted for HCD review, technical assistance, and approval within six (6) months of the Effective Date of this Agreement. The Subrecipient shall be responsible for providing policy and process recommendations to HCD for all items in the SOW. HCD may provide, in its sole and absolute discretion, guidance, policy, and process recommendations to assist Subrecipient in completing or implementing the SOW. Subrecipient must follow all such recommendations from HCD.

4) **Program Documents**

HCD will provide the Subrecipient with all vital program documents used

EXHIBIT A

to implement the Program. HCD reserves the right to modify or add additional forms as needed. Any change to HCD-provided templates and documents must be approved by HCD in writing prior to use. Any additional documents the Subrecipient wishes to use during the implementation of the Program must be reviewed and approved by HCD in writing prior to use.

5) **Outreach Plan and Marketing**

The Subrecipient shall prepare an Outreach Plan for Department approval in accordance with the OOM PnPs, SIG, California civil rights and fair housing laws, including the California Fair Employment and Housing Act (FEHA) (Part 2.8 (commencing with section 12900) of Division 3 of Title 2), Government Code sections 8899.50, 65008, 65583, subdivisions (c)5) and (c)(10), and 11135, Civil Code section 51 (the Unruh Civil Rights Act), and FEHA regulations in California Code of Regulations, title 2, sections 12005-12271 and associated federal regulations. Marketing plans shall include proactive and meaningful targeted outreach efforts to reach those populations identified as least likely to apply for the housing opportunity including but not limited to individuals that represent lower-income households, people in protected classes, households with special needs and persons with limited English proficiency. The Outreach Plan must detail each outreach activity, including but not limited to, social media, radio, and newspaper advertising, media buys and in-person events, a timeline of outreach activities, as well as how the Subrecipient will outreach to the most vulnerable and hardest to reach populations to promote the OOM program and assist them with completing the OOM program application.

- a) Subrecipient shall launch a public education and outreach campaign as set forth in the Outreach Plan for the purposes of encouraging Program participation. This will require Subrecipient to secure space and equipment necessary to stand up and operate temporary and/or “pop up” assistance events across multiple days or weeks in the disaster-impacted areas.
- b) Subrecipient shall create all printed and digital marketing materials that will assist Homeowners in understanding the Program and will encourage participation in the Program and begin call-out and letter campaigns in accordance with the Outreach Plan and performance milestones in Sections 6 and 7 below. All outreach and marketing materials must comply with the requirements of Section 3.C.(6) below and be approved by HCD Program staff prior to use.

EXHIBIT A

6) Communication

- a) Subrecipient shall support and/or represent HCD in all media interactions. All media requests shall be immediately communicated to HCD for review and guidance. All media responses must be approved by HCD prior to use. As needed, Subrecipient shall make its management available for media interviews, meetings with federal officials, and other necessary external meetings, each instance of which must be requested by and/or approved by HCD in advance.

b) Other Languages Support

Subrecipients must follow California Government Code Section 11135, associated language access regulations at 2 CCR 14100 and Title VI of the Civil Rights Act of 1964, which prohibits language-based national origin discrimination and requires meaningful access to programs, services and activities, including through the use of alternative communication services, for Limited English Proficiency (LEP) individuals. Subrecipients must ensure that all citizens have equal access to information about the Programs, including persons with disabilities (vision and hearing impairments) and Limited English Proficiency persons.

https://www.hud.gov/program_offices/fair_housing_equal_opp/limited_english_proficiency_0

c) Information Dissemination and Correspondence

In accordance with 24 CFR 8.6, Subrecipients shall indicate on correspondence materials disseminated to clients and prospective clients how to access information through alternative means if they have an impairment, disability, or language barrier, etc. For example, written communications may include instructions on how to contact the Subrecipient via TTY, Relay services or access translation or interpreter services. Additionally, written communication should ask clients and prospective clients whether they need assistance for mobility impairments, visual or hearing impairments or other disabilities.

- d) All Applicant-facing materials shall be compliant with Section 508 ADA accessibility.

e) Application Status

Subrecipient must provide multiple methods of communication,

EXHIBIT A

such as websites, toll-free numbers, TTY and relay services, email address, fax number, or other means to provide Program Applicants with timely information to determine the status of their application.

7) **Application Intake**

- a) Subrecipient's staff and its vendors must comply with handling Personally Identifiable Information (PII) in accordance with the requirements of the [Privacy Act of 1974](#) in order to assist with the completion of and/or review of program applications. Subrecipient and its vendors will be required to execute Data Sharing Agreements in the form provided by HCD prior to accessing or handling PII. HCD strongly encourages the use of data breach insurance to protect the PII data of the applicants. In most cases, Program anticipates that intake may be completed using the Subrecipient System of Record, however, the Subrecipient is expected to continually provide necessary staffing and equipment that allows staff to complete client intake using physical (paper) applications via mail, fax, or in-person interaction using leased office space or public space, if the subrecipient chooses to use a paper application.
- b) Subrecipient shall secure the necessary personnel, space, and equipment to hold in person application intake events on a regular basis, at least twice a month, at locations that are easily accessible to the most vulnerable populations. All locations must be fully ADA-compliant.
- c) Subrecipient and /or its Participating Vendors shall assist the Applicant in preparing for, completing, and submitting their application to the Program, which should require providing Applicants with a checklist of required documents, document collection, and document digitization or scanning.
- d) Subrecipient must ensure staff are trained to be familiar with all application documents required for eligibility and income verification for the OOM Program.

8) **Application Processing**

- a) Eligibility Review and Determination

EXHIBIT A

Subrecipient shall complete or cause to be completed eligibility reviews of each submitted application and make eligibility determinations in accordance with the SIG, HCD-approved PnPs and the HCD-approved Eligibility Standard Operating Procedures (SOP) as required by Section 3 of this exhibit. Eligibility review shall be completed within thirty (30) business days from the receipt of a completed application.

Applicants determined ineligible for the Program based on Subrecipient's review must be notified both verbally and in writing within ten (10) business days of the determination. The notification must include the reasons for the ineligible determination and information about the appeal process. The SOPs must contain an HCD-approved appeals process.

The Subrecipient shall maintain all information and documentation used in completing eligibility reviews and reaching the eligibility determination in the Subrecipient's System of Record, such that all documentation is available to HCD to review, monitor and audit both during the term of this Agreement as well as the applicable record retention period imposed on Subrecipient. Any documentation or stored information containing PII must be securely stored by the Subrecipient in accordance with the Data Sharing Agreement in order to avoid any improper release of such information.

b) Duplication of Benefits Review

In accordance with the Stafford Act, Disaster Recovery Reform Act of 2018 (PL 115 – 254, Division D) ("DRRA"), applicable Federal Register Notices (FRNs), the SIG, and Program PnPs, and in accordance with the Program-approved DOB review SOP as required by Section 3 C.3., the Subrecipient shall perform a duplication of benefits (DOB) analysis for each eligible Applicant. DOB means receiving financial assistance from multiple sources for a cumulative amount that exceeds the total need for the same recovery purpose as the CDBG-DR funds per Section 312 of the Stafford Act. At minimum, to complete this review the Subrecipient must evaluate and verify all benefits reported by the Applicant for accuracy, coordinate with third-party data sources to identify potential DOB that was not reported by the Applicant, evaluate, and verify any amounts reported by the Applicant that may be excluded from the DOB amount, and deduct the final DOB amount from the

EXHIBIT A

Applicant's total award amount. DOB review must be completed within thirty (30) business days from eligibility determination.

The Subrecipient shall maintain all information and documentation used in completing DOB reviews in the Subrecipient's System of Record such that all documentation is available to HCD to review, monitor, and audit both during the term of this Agreement as well as the applicable record retention period imposed on Subrecipient. Any documentation or stored information containing PII must be securely stored by Subrecipient in accordance with the Data Sharing Agreement in order to avoid an improper release of such information.

9) **Award Determination, Initial QAQC Review and Conditional Award**

a) **Award Determination and Initial QAQC Review**

Subrecipient shall complete or cause to be completed, for each Applicant, a detailed calculation of the OOM Program conditional award per the most recently published OOM PnPs and in accordance with the Program-approved grant award calculation SOPs as required by Section 3 C.3. Subrecipient shall perform a Quality Assurance/Quality Control (QAQC) review prior to submitting to HCD for initial QAQC review. The Subrecipient shall maintain all information and documentation used in completing this process in the Subrecipient's System of Record such that all documentation is available to HCD to review, monitor, and audit both during the term of this Agreement as well as the applicable record retention period imposed on Subrecipient. Any documentation or stored information containing PII must be securely stored by the Subrecipient in accordance with the Data Sharing Agreement in order to avoid an improper release of such information.

The Subrecipient must submit completed files electronically to HCD in a secured method determined by HCD for initial QAQC review and approval within ten (10) business days of the Award determination prior to making each award.

b) **Award Acknowledgement Letters**

Subrecipient shall issue an Award Acknowledgement Letter to each eligible, approved Applicant that includes detailed guidance on Program requirements in the form provided by HCD within five (5) business days from HCD's initial QAQC approval. Any edits to the

EXHIBIT A

Letter template must be approved by HCD in writing prior to its use.

10) **Initial Inspection**

The Subrecipient's Program Operator and/or Construction Manager, in coordination with the Subrecipient, shall perform an initial inspection of each eligible Applicant's property and prepare a mitigation assessment prior to the collection of escrow funds, if applicable, and final award. The inspection should also address all environmental on-site requirements necessary for the Subrecipient to complete the final Tier 2 environmental clearance and allowance for notice to proceed. The initial inspection and mitigation assessment shall take no more than thirty (30) business days per application to complete.

11) **Escrow**

- a) If DOB funds and/or additional funds over the grant cap are required from the Applicant, the Applicant must sign a duplication of benefit commitment form with Subrecipient and/or the Subrecipient's Program administrator and deposit those funds with licensed escrow company before the Applicant can execute a contract with the Subrecipient's Program Operator and before construction can begin. The Subrecipient or their Program Administrator will contact the Applicant and provide transfer instructions in writing to the applicant for depositing escrow funds to the escrow company's account.
- b) The escrow holder must be licensed to provide escrow services in California. Subrecipient and its vendors shall not provide tax, legal or financial advice to any Applicant. Any material provided is for informational purposes only, and is not intended to provide, nor be relied on for tax, legal or financial advice. Applicants should consult their own tax, legal and financial advisors before engaging in this transaction. Subrecipient must follow applicable procurement rules regarding the escrow holder procurement.
- c) Subrecipient shall account for all funds requested and received from Applicant that are disbursed to an escrow account for the benefit of the Applicant's home replacement and maintain records in the Subrecipient's system of record. Subrecipient shall not charge any fee to the Applicant for the program or services provided to the Applicant. The escrow must record and document all payments through Electronic Funds Transfer (EFT) confirmations or cleared checks and Subrecipient shall maintain all

EXHIBIT A

information and documentation in the subrecipient's System of Record such that all documentation is available to HCD to review, monitor, and audit.

12) **Mitigation Activities**

a) Initial Home and Site Inspection

Prior to the initial inspection, the Construction Manager consults with the Subrecipient to determine the approved structure type, structure characteristics, and relevant Duplication of Benefits data. The Construction Manager contacts the applicant to schedule the inspection, providing at least a 72-hour notice. The initial inspection determines the following:

- Overall property assessment and determination of what mitigation work is needed.
- Determine priority of work up to the maximum award amount.
- Verify any repairs already completed for DOB exclusions
- Reporting back to the Program Manager all feasibility issues observed.

b) Estimated Cost to Repair

An Estimated Cost of Repair (ECR) is prepared to document the line items and estimate the costs of Wildfire and Flood mitigation work needed to complete the work identified during the Initial Home Inspection, in accordance with the Level of Importance table in Section 3c. 2.(d) above, and not to exceed the Program's maximum award amount of \$100,000.

To establish a basis for quantifying these materials and labor costs needed, the ECR uses unit and quantity-based costs using Standard Grade Building Material costs according to industry standards established prior to the start of the Program that are reflective of costs per region served.

c) Construction Scope of Work Development and Review

The Subrecipient must review and approve all Wildfire and Flood Mitigation construction scopes of work prepared by the Program Operator. Scope of work development shall be completed within thirty (30) business days from the final initial inspection report. The construction scope of work for each Applicant will vary but may include, although not be limited to, the following:

EXHIBIT A

- Obtaining all necessary state and local permits and approvals prior to the commencement of the work for each site and any structures;
- Utility disconnection/deactivation and reconnection/reactivation;
- Demolition or removal of existing structure;
- Lead, asbestos, radon and other environmental services, where applicable, completed by qualified, licensed company in compliance with all applicable state and federal laws, statutes, regulations, and guidelines.
- Debris removal in accordance with all federal, state and local requirements and required disposition permits.
- If required, providing approved architectural and plan renderings as well as related engineering and architectural services;
- Site preparation.

d) Environmental Review and Clearance Process

“HCD is responsible for preparing a Tier 1 “county-wide” environmental assessment. HCD is also responsible for ensuring compliance with CEQA, including the submission or designation of applicable waivers to the CEQA Clearinghouse. As potential sites are identified for participation in the program, HCD and the subrecipient will work together to complete the required Tier II environmental review for each specific site to determine if the proposed construction actions for that site will have a significant impact on the environment based on review topics from 24 CFR part 58 and work on a plan to mitigate those potential impacts. All Tier II information will need to be provided to HCD, as the responsible entity, for final review and determination of Tier II completion.

The Subrecipient shall coordinate, cooperate, and make available designated staff to respond to inquiries from Participating Vendors working with Applicants on Program property eligibility specifics.

The Subrecipient shall ensure that all its interactions with Participating Vendors are conducted professionally, ethically, and in compliance with applicable Federal and State statutes, regulations, and any other such guidance as may be issued by a federal, state, or local governmental agency with jurisdiction.

13) **Final QAQC Review and Award Letter**

EXHIBIT A

Subrecipient shall issue a Final Award Letter to each eligible Applicant on a form provided by HCD within ten (10) business days following the completion of an approved construction scope of work, receipt of escrow funds and executed escrow agreement, signed construction contract, and final QAQC review and approval by HCD.

The Subrecipient shall maintain all information and documentation used in completing this process in the Subrecipient's System of Record such that all documentation is available to HCD to review, monitor, and audit both during the term of this Agreement as well as the applicable record retention period imposed on Subrecipient. Any documentation or stored information containing PII must be securely stored by Subrecipient in accordance with the Data Sharing Agreement in order to avoid an improper release of such information.

14) **Appeals**

The Subrecipient shall develop a SOP per the most recently published OOM PnPs and as required by Section 3.C.3. herein, for intake, review and response to Program appeals submitted by Applicants. The Subrecipient shall review appeals received by an Applicant and respond with its decision within fifteen (15) business days of receipt of the appeal.

Subrecipient shall provide monthly appeals logs to HCD that includes a trend analysis and maintain all communication, information, and documentation of appeals received, resolved, and/or escalated in the Subrecipient's System of Record such that all documentation is available to HCD to review, monitor, and audit both during the term of this Agreement as well as the applicable record retention period imposed on Subrecipient. Any documentation or stored information containing PII must be securely stored by Subrecipient in accordance with the Data Sharing Agreement in order to avoid an improper release of such information.

15) **General**

a) Recapture

Subrecipient shall administer the collection, processing and tracking of all recaptured funds in accordance with most recently published SIG, Section Recapture of Funds.

The Subrecipient and their contractors must at all times conduct their OOM Program Management activities in accordance with all applicable State and Federal laws, regulations, and guidance, including without limitation the following nondiscrimination

EXHIBIT A

regulatory and legislative requirements:

- 1) Title VI of the Civil Rights Act of 1964,
 - 2) Title VIII of the Civil Rights Act of 1968,
 - 3) Executive Order 11063,
 - 4) Section 504 of the Rehabilitation Act of 1973,
 - 5) The Age Discrimination Act of 1975,
 - 6) Americans with Disabilities Act,
 - 7) Title IX of the Education Amendments of 1972,
 - 8) The Fair Employment and Housing Act (federal),
 - 9) The Unruh Civil Rights Act of 1959,
 - 10) California Fair Employment and Housing Act: The California requirements expand upon the federal requirements and are designed to prevent discrimination in the delivery of benefits and services because of race, color, religion, sex/gender, gender identity, gender expression, sexual orientation, marital status, medical condition, military or veteran status, national origin, ancestry, disability (mental and physical), genetic information, or age (over 40).
- b) Subrecipient shall perform the OOM Program Management activities described herein. The Department reserves the right from time to time to require the Subrecipient to modify any or all parts of the OOM Program implementation process in order to comply with CDBG-DR and OOM program requirements. The Department reserves the right to monitor all SOW to be performed by the Subrecipient and its Participating Vendors in relation to this Agreement. Any proposed revision to the SOW must be submitted in writing for review and approval by the Department and will require a written amendment to this Agreement. Approval shall not be resumed unless such approval is made by the Department in writing.
- c) For the purpose of performing the SOW, the Department agrees to provide up to the amount(s) identified in Exhibit B, Section 1, Budget. The Department shall not be liable for any costs in excess

EXHIBIT A

of the total approved budget. The Department shall not, under any conditions, be liable for any unauthorized or ineligible costs or costs not deemed reasonable and necessary by the program. OOM Program Management SOW carried out pursuant to this contract must meet the CDBG-DR National Objective benefiting low/moderate income persons.

- d) Subrecipient shall collect data and submit reports to the Department in accordance with the reporting requirements detailed in Exhibit D.
- e) The Subrecipient shall monitor all OOM Program Management activities completed by Approved Vendors in accordance with the requirements of 2 CFR 200.300-346.

4. **Effective Date and Commencement of Scope of Work (SOW)**

- A. This Agreement is effective upon approval by the Department representative's signature on the fully executed Standard Agreement, STD 213 (the "Effective Date").
- B. Subrecipient acknowledges that in no instance shall the Department be liable for any costs in excess of this amount, nor for any unauthorized or ineligible costs or expenses including any contractor costs incurred or paid by Subrecipient prior to the effective date of this Agreement.

5. **Term of Agreement, Expenditure Deadlines, and Performance Milestones**

- A. Term of Agreement: With the exception of the activity closeout procedures set forth in Exhibit B, Section 6, the Subrecipient shall complete the approved SOW described herein on or before the Agreement expiration date identified on the STD 213 of this Agreement and herein: December 15, 2029.
- B. Expenditure Deadlines:
 - 1) All Activity Funds must be expended by: August 30, 2029,
 - 2) All Activity Delivery Funds must be expended by: October 30, 2029
- C. Performance Milestones:

Subrecipient shall timely meet all of the Performance Milestones set forth in Sections 6 and 7 below. Time is of the essence with respect to all such milestones.

6. **Administrative Performance Milestones**

EXHIBIT A

- A. Program Operator Procurement: Subrecipient shall complete procurement of a Program Operator to complete the construction work as described in the Program-provided Request for Proposals (RFP) and herein and publish a notice of intent to award the selected Program Operator and/or Construction Manager within eight (8) weeks of the Effective Date of this Agreement.
- B. Policies and Procedures: Subrecipient shall adopt the PnPs provided by HCD for use during Program implementation within two (2) weeks of the Effective Date of this Agreement. Any changes to these policies and procedures must be approved by HCD in writing prior to taking effect.
- C. Standard Operating Procedures: Subrecipient shall establish SOPs for the SOW to implement the OOM PnPs. All SOPs must be completed and submitted for HCD review, technical assistance and approval within twelve (12) weeks of the Effective Date of this Agreement.
- D. Outreach Plan: Subrecipient shall develop an Outreach Plan that details outreach activity in order to effectively market the program to the public. Delivery of the final document to HCD shall be within twelve (12) weeks of the Effective Date of this Agreement.
- E. Education and Outreach Campaign: Subrecipient shall launch an education and public outreach campaign as described in Outreach Plan section 5b(1)b within twelve (12) weeks of the Effective Date of this Agreement and continue to conduct such campaign actively until all activity funds are fully obligated.

7. **Production Performance Milestones**

Subrecipient shall comply with the timelines provided in the SOW above in addition to the following Production Performance Milestones:

- A. The application period must commence within fourteen (14) weeks of the Effective Date of this Agreement.
- B. The first conditional award must be made within twenty-six (26) weeks of the Effective Date of this Agreement.
- C. The first final award must be made within fifty-two (52) weeks of the Effective Date of this Agreement.
- D. All final awards must be made by: October 30, 2028

8. **Failure to Meet Program Timelines and Performance Milestones**

- A. If any timelines detailed in the SOW or the performance milestones listed in Section 6 and 7 above are not met, in addition to any other rights and remedies it

EXHIBIT A

has hereunder, the Department reserves the right to withhold further payments to Subrecipient until such time as satisfactory progress is made toward meeting the SOW deadlines and/or performance milestones, as applicable. Additionally, Subrecipient shall diligently work with CDBG-DR staff to submit: (a) a written mitigation plan specifying the reason for the delay or missed deadline(s) and/or milestone(s); (b) the actions to be taken to complete the task(s) that are the subject of the missed deadline(s) and/or milestone(s); and (c) the date by which the completion of said tasks will occur.

- B. The Department, in its sole and absolute discretion, reserves the right to terminate this Agreement and reallocate unspent grant funds within the CDBG-DR program if the Department determines the Subrecipient is unable or unwilling to promptly address the missed deadline(s) and/or performance milestone(s) in a manner acceptable to the Department. The Department reserves all rights and remedies available to it in case of a default by Subrecipient on its responsibilities and obligations under the terms of this Agreement. All remedies available to the Department are cumulative and not exclusive.
- C. The Subrecipient and its Participating Vendors, as applicable, shall adhere to all deadlines and performance milestones established in this Agreement.

9. **CDBG-DR Program Contract Management**

- A. Department Contract Manager:
 - 1) The Department Contract Manager for this Agreement is the CDBG-DR Representative II. Written communication regarding this Agreement shall be directed to the Department Contract Manager via email or at the following address:

CA Department of Housing and Community Development
Division of Financial Assistance – Disaster Recovery Branch
P.O. Box 952054
Sacramento, CA 94252-2054
- B. Contract Management:
 - 1) Day-to-day administration of this Agreement shall take place in Grants Network, including but not limited to:
 - a) Financial Reports (Funds Requests)
 - b) Activity Reports
 - c) Other Reports, as required.
 - d) Submittal of any and all requested supporting documentation

EXHIBIT A

e) Standard Agreement issuance and amendments

2) Subrecipient Contract Administrator:

The Subrecipient Contract Administrator must be a Subrecipient employee and provided to the Department in writing upon execution of this Agreement. Unless otherwise directed by the Department, any notice, report, or other communication required by this Agreement shall be directed via System of Record email or telephone to the Subrecipient's Exhibit F.

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EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. **Budget**

The total budget cannot exceed \$5,396,147.00 as follows:

Activity	Grant Funds
Total Activity Budget	\$3,500,000.00
Total Activity Delivery Budget	\$1,896,147.00
TOTAL	\$5,396,147.00

2. **Availability of Funds**

- A. The Department's provision of funding to Subrecipient pursuant to this Agreement is contingent on the availability of CDBG-DR funds, and subject to the requirements to spend 80% of CDBG-DR grant funds to benefit the Most Impacted and Distressed (MID) areas identified in FEMA DR-4683, 70% of grant-wide funds for Low and Moderate-Income (LMI) benefit and continued federal and state authorization for CDBG-DR activities. Furthermore, Department funding is subject to amendment or termination due to lack of funds or authorization.
- B. The Department shall be relieved of any obligation for making payments to the Subrecipient if funds allocated to the State by HUD cease to be available for any reason or there is any limitation on, or withdrawal of, the Department's authority to administer the CDBG-DR program or any portion thereof.

3. **Expenditure of Funds**

A. Activity Costs

- 1) No Activity costs may be incurred, or funds reimbursed, until and unless the Department has documented subrecipient compliance with the National Environmental Protection Act (NEPA) requirements established in 24 CFR 50, 24 CFR 58, and 42 USC 4321, et seq., the California Environmental Quality Act (CEQA), Public Resources Code, section 21000 et seq., and related CEQA guidelines located in the California Code of Regulations, Title 14,

EXHIBIT B

Division 6, Chapter 3, Sections 15000 – 15387 as referenced in Exhibit D, Section 14.

- 2) Activity Delivery Costs may be incurred prior to documented NEPA and CEQA compliance. Activity Delivery Costs may not be incurred prior to the Effective Date of this Agreement. See Section 4 below for reimbursement requirements of Activity Delivery costs.
- B. No Supplantation of Funds
The Subrecipient agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.
 - C. Withholding Funds
In addition to any of its other rights or remedies herein, the Department reserves the right to withhold payments pending timely delivery of Program reports or documents, curing any missed deadlines and/or performance milestones, and in the event of any defaults by the Subrecipient under this Agreement, as noted in Exhibit D, Section 3.
 - D. Disencumbering Funds
Subrecipient agrees that funds determined by the Department to be surplus upon completion of the Program, or that have not been spent prior to the Expenditure Deadline, will be subject to disencumbrance by the Department. In the event of disencumbrance, the Department may repurpose such funds for other CDBG program purposes in accordance with CDBG program requirements.
 - E. Indirect Costs
The Department will only consider reimbursement of indirect cost expenditures from Subrecipients that have an approved Indirect Cost Rate Proposal from the Department, HUD, or other cognizant federal agency. If Subrecipient does not have an approved Indirect Cost Rate Proposal, Subrecipient shall develop a proposal for determining the appropriate CDBG-DR share of indirect costs and shall submit it to the Department for approval prior to submission of Financial Reports for reimbursement of indirect cost expenditures.
 - F. Compliance with the OMB Uniform Guidance Audit Requirements
Grant funds will not be disbursed to any Subrecipients identified by the State Controller's Office (SCO) as noncompliant with the Federal Single Audit Act, as applicable, and described in the OMB Uniform Guidance and 2 CFR Part 200 Subpart F. No funds may be disbursed until compliance with the OMB Uniform Guidance is demonstrated to the satisfaction of the Department.

EXHIBIT B

G. Grant Administration

The Subrecipient agrees to administer this Agreement in accordance with the provisions of the State's CDBG-DR Grant Administration Manual as well as all applicable laws, regulations, guidelines, Federal Register Notices, the Subrecipient Implementation Guide, the Program PnPs, and the terms of this Agreement.

4. **Method of Payment**

Payments will be made directly to Subrecipient only as reimbursements based on the documented and satisfactory completion of Subrecipient Scope of Work detailed in Section 3 of Exhibit A, the timely meeting of performance milestones detailed in Sections 6-7 of Exhibit A, and confirmation of Subrecipient's compliance with the terms of this Agreement. No advances of funds will be made to the Subrecipient under any circumstance, as this is a reimbursement-only program.

Financial Reports to request reimbursement from HCD must be submitted electronically through the System of Record. The Department will not authorize any payments or reimbursements unless it has determined the activities indicated in the Financial Report have been performed in compliance with the terms of this Agreement, any other agreements executed by the parties in connection herewith, and all applicable federal and state laws, regulations, guidelines, Federal Register Notices, the Subrecipient Implementation Guide, and Program PnPs. Financial Reports shall be submitted by the Subrecipient to the Department no later than the 15th calendar day of each month.

A. Reimbursements for Costs Incurred

- 1) The Subrecipient may be reimbursed by the Department for Eligible Expenses as defined herein, applied to the Scope of Work as described in Exhibit A. Eligible Expenses, which are defined in Section 1 of Exhibit D of this Agreement, include but are not limited to, costs associated with Subrecipient program implementation, including staff time.
- 2) Activity Delivery Costs incurred shall be reimbursed only after such costs are expended for Scope of Work satisfactorily completed, provided the Department determines that the Subrecipient is performing in accordance with the standards set forth in Section 3 of Exhibit A.
- 3) To receive reimbursement for Subrecipient activities approved in Section 3: Subrecipient Scope of Work, of Exhibit A, the Subrecipient shall timely submit all required Department forms via Grants Network. Financial Reports must include the level of documentation specified in the Department's [CDBG-DR Grant Administration Manual](#) and [Management Memo 23-01](#) located on the Department's website in order to be reviewed

EXHIBIT B

and processed.

B. Final Financial Reports

- 1) The final Financial Report for the Subrecipient Award must be submitted to the Department before the expenditure deadline of this Agreement.

The subrecipient must follow closeout procedures as identified in the OOM Subrecipient Implementation Guide and HCD Grant Administration Manual.

C. Recapture of Funds

A Subrecipient may be required to repay all or a portion of the funds received from the Department, including for Activity Delivery, pursuant to this Agreement if the Subrecipient, among other things, does not fulfill its obligations under this Agreement or fails to meet applicable federal requirements. The reasons for a recapture of funds by the Department include, but are not limited to, the following:

- 1) The Subrecipient does not comply with the terms of this Agreement, or any agreement executed by the Subrecipient and the Department in connection herewith.
- 2) The Subrecipient withdraws from the Program prior to completion of the Activity(ies).
- 3) The Subrecipient fails to meet the LMI National Objective.

The potential recapture of funds pursuant to this provision is in addition to, and not in lieu of, any other rights and remedies of the Department under this Agreement, all of which are hereby reserved.

5. **Budget Revisions and Amendments**

Budget line-item adjustments may be made in accordance with the following:

- A. Budget Revisions: Adjustments to the Budget that do not require an increase or reduction of total budget, a change in National Objective, or a change in the type or a reduction in number of beneficiaries assisted may be completed as a Budget Revision. Budget Revisions shall include but not be limited to:
 - 1) Adjustments that reallocate funds between budget line items.
 - 2) Adjustments that increase or decrease the detail included in the submitted lined item budgets, including adding and removing budget line items,

EXHIBIT B

without increasing or decreasing the Scope of Work and without changing the overall HCD-approved budget.

- B. Budget Revisions must be approved by the Department prior to implementation and may require a Standard Agreement Amendment (STD 213A). If approved, Budget Revisions shall automatically be deemed a part of, and incorporated into, this Agreement. Budget revisions must be submitted through System of Record and subsequently approved by the Department prior to implementation. Approval shall be provided through System of Record.
- C. Agreement Budget Revisions: Adjustments to the budget that result in an increased or a reduced total amount require a Standard Agreement Amendment (STD 213A) which must be fully executed by both the Subrecipient and the Department prior to implementation, unless the Department has provided written approval for expenditures based on the revised budget prior to full execution.

6. **Activity Closeout Procedures**

The Subrecipient must submit the following to the Department at the completion of the OOM Program.

- A. A Final Activity Report (known Department-wide as the Project Completion Report) that includes all required reporting data for the Activity, including but not limited to, eligible activities, costs, beneficiaries, and National Objective.
- B. Evidence, satisfactory to the Department, of compliance with any other Special Conditions of this Agreement.
- C. A resolution from the governing body acknowledging the accomplishments and confirming that the Activity is complete and that all Financial Reports have been processed and reimbursed.

Upon receipt of the above documentation, the Department will close the Activity and finalize the activity in DRGR for final reporting to HUD.

7. **Document Retention Policy**

Subrecipient shall retain all books, records, accounts, documentation, and all other materials relevant to this Agreement for a minimum period of three (3) years after the Department notifies the Subrecipient that the grant agreement between HUD and the State of California has been closed (2 CFR 200.334 and 24 CFR 570.490(d)).

Subrecipient agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the

EXHIBIT B

performance of this Agreement. Subrecipient agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Subrecipient agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Subrecipient agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement (GC § 8546.7, PCC § 10115 et seq., CCR Title 2, §1896). Subrecipient shall comply with the above and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in PCC § 10115.10.

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EXHIBIT D

CDBG-DR TERMS AND CONDITIONS

1. Definitions

Activity Funds – Means any reasonable and necessary costs that are directly related to providing down payment and other homeownership financial assistance which will meet a national objective as defined in 42 U.S.C. 5304(b)(3), as amended and 24 CFR 570.483.

Activity Delivery Funds – Means any reasonable and necessary costs for the implementation, management, or oversight of the OOM Program.

Activity Reports – Means reports submitted by the Subrecipient that describe Program progress and/or beneficiaries served during a given reporting period.

Applicant – An owner-occupant(s) of a MHU damaged in the disaster covered by FEMA DR-4683 and who has applied for Program assistance.

Area Median Income (AMI) – Means the median family income for specific geographic areas, adjusted for household size, as calculated by HUD, and published annually by the Department at <https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent-and-loan-value-limits>

Conditional Award Letter – Means a letter issued by the Department to the Subrecipient to conditionally reserve the maximum amount of Program funds available to the Applicant, less any duplication of benefits amounts, prior to pre-construction activities and final award determination. Program funds are available to eligible Applicants on a first-come, first-served basis depending on availability of funds.

Department – Means the California Department of Housing and Community Development or HCD.

Disaster Recovery Grant Reporting System (DRGR) – The electronic system primarily used by the Department to access grant funds from HUD and report performance accomplishments for grant-funded activities to HUD. The DRGR system is used by HUD to review grant-funded activities, prepare reports to Congress and other interested parties, and monitor Program compliance.

Duplication of Benefits (DOB) – Financial assistance received from another source that is provided for the same purpose as the CDBG-DR funds, in accordance with applicable Federal Register Notices.

Eligible Expenses – Those necessary and reasonable costs under 2 CFR 200.400

EXHIBIT D

through 475, and applicable notices and waivers, and associated directly with the Subrecipient Scope of Work in Exhibit A of this Agreement. and as approved by the Department. Eligible Expenses do not include any costs which are disallowed or otherwise deemed ineligible by the State of California and/or HUD.

Fair Housing Act – The Fair Housing Act protects people from discrimination when they are renting, buying a home, getting a mortgage, seeking housing assistance, or engaging in other housing-related activities. Additional protections apply to federally assisted housing.

Final Award Letter – is issued by Subrecipient to reserve Program funds for the Applicant after pre-construction activities are complete and a final award amount is determined. Program funds are available to eligible Applicants on a first-come, first-served basis depending on availability of funds.

Financial Reports (Funds Requests) – the forms and processes required for a Subrecipient to request the drawdown of grant funds.

Program Operator – a properly California-licensed person or company who is procured competitively that Subrecipients hire to undertake a contract to provide materials or labor to perform a service or do a job for a Project.

Grant Funds – The CDBG-DR funds allocated to the Subrecipient for the implementation of CDBG-DR programs and eligible OOM Program activities. Grant funds include Activity Funds and Activity Delivery Funds.

Household – One or more persons occupying a housing unit.

HUD – The United States Department of Housing and Urban Development.

Impacted Counties/Eligible County – 2023 Disaster: Ventura County.

Indirect Costs – means those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect costs. Indirect cost pools must be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived.

Indirect Cost Rate Proposal – means the documentation prepared by a governmental unit or subdivision thereof to substantiate its request for the establishment of an indirect cost rate as further defined in 2 CFR 200.56 and 2 CFR 200.57.

EXHIBIT D

Labor Surplus Area (LSA) – A list of LSA Firms is issued by the U.S. Department of Labor (DOL) on a fiscal year basis on its website at www.dol.gov/agencies/eta/lsa (CFR Title 13 Chapter I Part 121 Subpart A).

Low- to Moderate- Income (LMI) – Low to moderate income people are those having incomes not more than the “moderate-income” level (80% Area Median Family Income) set by the federal government for the HUD-assisted housing programs. This income standard changes from year to year and varies by Household size, county, and the metropolitan statistical area.

Minority-Owned Business – Must be at least 51 percent unconditionally and directly owned by one or more socially and economically disadvantaged individuals who are citizens of the United States (CFR Title 13 Chapter I Part 124 Subpart A).

Most Impacted and Distressed (MID) – An area that meets the definition of Most Impacted and Distressed set by HUD in the Federal Register Notice and HCD in the Action Plan. For the CDBG-DR appropriation for DR-4683, the MID areas include Ventura County.

Manufactured Housing Unit (MHU) – Also known as a Manufactured Home as defined by 24 C.F.R. part 3280 (HUD-Code). A Manufactured Home is a structure that is transportable in one or more sections which, in the traveling mode is eight body-feet or more in width, or forty body-feet or more in length, or when erected on site, is at least 320 square feet, and which is built on a permanent chassis and is designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein. The structure must be designed for occupancy as a principal residence by a single family. All Manufactured Homes must have a HUD Certification Label affixed and must meet the requirements of HUD-Code for Manufactured Homes as set by the National Manufactured Housing and Construction Safety Standards Act of 1974, and HUD Code Standards 24 C.F.R. part 3280 & 3282. The MHU must be built to meet local and regional building codes.

Mobilehome – As detailed in Chapter 2.5 of the California Civil Code, Civil Code section 798.3 defines a Mobilehome (one word) as a structure designed for human habitation and for being moved on a street or highway under permit pursuant to Section 35790 of the Vehicle Code. Mobilehome includes a manufactured home, as defined in Section 18007 of the Health and Safety Code, and a mobilehome, as defined in Section 18008 of the Health and Safety Code, but except as provided in subdivision (b), does not include a recreational vehicle, as defined in Section 799.29 of this code and Section 18010 of the Health and Safety Code or a commercial coach as defined in Section 18001.8 of the Health and Safety Code. A mobilehome is a factory-built home that was

EXHIBIT D

built before June 15, 1976, and not built to a uniform construction code.

National Environmental Policy Act (NEPA) – The federal law and associated regulations which establishes a broad national framework for protecting the environment. NEPA's basic policy is to assure that all branches of government consider the environment prior to undertaking any major federal action that could significantly affect the environment.

Notice to Proceed – A formal notification provided by HCD to the Subrecipient as approval to begin accepting applications from the public and otherwise launch the OOM Program.

Owner-Occupant(s) – a person(s) who have ownership interest in a property while also occupying that same property as their primary residence.

Owner-Occupied Mitigation (OOM)

Primary Residence – a homeowner's principal place of residence. Not a secondary or vacation home or an investment property.

Small Business – Defined per North American Industry Classification System (NAICS) (CFR Title 13 Chapter I Part 121 Subpart A).

Standard Agreement (“Agreement”) – The contractual arrangement between the Department and the Subrecipient which sets forth the terms and conditions by which CDBG-DR funds must be utilized for the implementation of the OOM program.

Subrecipient – A ‘Subrecipient’ is a public or private nonprofit agency, authority or organization, or local government receiving a direct award of grant funds from the Department for the purpose of carrying out eligible activities that meet a National Objective, as required by the Scope of Work set forth in Exhibit A.

Subrecipient Implementation Guide (SIG) – HCD’s program specific guide that addresses policies and procedures specific to implementation of the Community Development Block Grant – Disaster Recovery (CDBG-DR) Owner-Occupied Mitigation Program (OOM or Program).

System of Record - The web-based, end-to-end, grant management system used by the Department and Subrecipients to manage all grants and awards, including applying for grants, requesting reimbursement of funds, reporting, tracking, and grant closeout.

Veteran-Owned Business – Must be at least 51 percent owned and controlled by one or more veterans who reside in the United States (CFR Title 13 Chapter I Part 128 Subpart B).

EXHIBIT D

Women-Owned Business – Must be at least 51 percent owned and controlled by one or more women who are citizens of the United States (CFR Title 13 Part 127 Subpart B).

Work Week – Monday through Friday.

2. National Objectives

In accordance with 24 CFR 570.208, Section 104(b)(3) of the Housing and Community Development Act of 1974 (42 U.S.C 5304(b)(3), and as further outlined within the waivers and alternative requirements at Federal Register Notice 83 FR 5844, all CDBG-DR funded activities, with the exception of Planning activities, must satisfy either the Low-to Moderate Income (LMI) or the Urgent Need (UN) National Objective.

Upon completion of the OOM Program funded under this Agreement and prior to the expenditure deadline of this Agreement, the Subrecipient must document that the Scope of Work in Exhibit A met the LMI National Objective. The Department shall review the actual National Objective achievements of the Subrecipient. If the Subrecipient does not or cannot satisfactorily document the National Objective achievement, the associated Program work may be deemed ineligible, and repayment of funds to the Department may be required of the Subrecipient.

3. Remedies and Termination for Noncompliance

A. Remedies for Noncompliance:

In addition to any other rights and remedies the Department may have under this Agreement, at law, or in equity, the Department may initiate remedies for noncompliance as identified in 2 CFR 200.339 at any time it has been determined that the Subrecipient is no longer meeting the terms and conditions of this Agreement. Remedies for noncompliance may be required in addition to, in lieu of, or prior to termination. Such remedies for noncompliance with a federal statute or regulation, a state statute or regulation, an assurance, in a state plan or application, or elsewhere may include, as appropriate:

- 1) Temporarily withhold cash payments pending correction of the deficiency by the Subrecipient.
- 2) Disallow all or part of the cost of the action not in compliance.
- 3) Wholly or partly suspend or terminate the Subrecipient's grant funds.
- 4) Withhold further and/or future awards for CDBG-DR funds and/or any other funds administered by the Department.

EXHIBIT D

- 5) Request that the Federal Awarding Agency initiate suspension or debarment proceedings.
- 6) Take other remedies that may be legally available, such as:
 - a) In the case of costs incurred without meeting a National Objective, require repayment of all funds reimbursed and/or paid to the Subrecipient, including Activity Delivery, as appropriate.
 - b) In the case of Duplication of Benefits, require repayment of all CDBG-DR funds reimbursed and/or paid to the Subrecipient where other financial assistance was received for the same purpose or in excess of the need.
 - c) In taking an action to remedy noncompliance, the Department will provide the Subrecipient an opportunity for such hearing, appeal, or other administrative proceeding to which the Subrecipient is entitled under any statute or regulation applicable to the action involved as per 2 CFR 200.342. Such appeal shall be governed by, and conducted in accordance with, the appeal processes and procedures set forth in section 4 herein.
 - d) Effects of Suspension and Termination. Subrecipient costs resulting from obligations incurred by the Subrecipient or any of the Subrecipient's Contractors during a suspension or after termination of an Agreement are not allowable unless otherwise authorized by the Department in a written notice or as allowable in 2 CFR 200.343. The enforcement remedies identified in this Section do not preclude a Subrecipient or any of the Subrecipient's Contractors or subcontractors from being subject to 2 CFR Part 2424. CDBG-DR funds may not be provided to excluded or disqualified persons pursuant to 24 CFR 570.489(l) and 2 CFR 200.339.
 - e) The remedies available to the Department under this Agreement are cumulative and not exclusive.

B. Termination for Noncompliance:

Grant funds provided by this Agreement may be terminated in whole or in part as per federal regulation at 2 CFR 200.340 by HUD or by the Department if Subrecipient fails to comply with the terms and conditions of the Agreement that include the terms and conditions of the federal award. All terminations shall

EXHIBIT D

include written notification setting forth the reason(s) for such termination, the effective date, and the portion to be terminated in the case of partial terminations and will follow termination notification requirements identified in 2 CFR 200.341.

C. Termination Without Cause:

This Agreement may be terminated by the Department in whole or in part at any time without cause only with the consent of the Subrecipient. In the case of a termination of the whole Agreement, the parties shall agree upon termination conditions, including the effective date. In the case of a partial termination, the parties shall agree upon termination conditions, including the portion to be terminated and the effective date.

D. Termination With Cause:

This Agreement may be terminated by the Department in whole or in part at any time for cause by giving at least 14 days' prior written notice to the Subrecipient. Termination with cause includes termination prior to the end of the period of performance for failure to comply with the terms and conditions of this Agreement, and pursuant to 2 CFR 200.340(c), such termination shall be reported to the appropriate federal Program integrity and performance system accessible through the System for Award Management. Termination with cause also includes, without limitation, a failure by Subrecipient to comply with the Administrative and/or Production Performance Milestones, Reporting Requirements, and/or Special Conditions issued for the use of CDBG-DR funds.

4. Appeals Process for Finding of Noncompliance

- A. If Subrecipient disagrees with a finding of noncompliance and/or any accompanying remedy and/or termination that are associated with such finding, the Subrecipient may appeal the disputed decision to the Department in writing via U.S. Mail no later than thirty (30) calendar days from the date of the Department's issuance of the disputed decision. In the event the 30th day falls on a weekend or a recognized state or federal holiday, the Subrecipient's written request for appeal shall be due by 5:00 pm Pacific Time the following business day.
- B. There are two levels of appeal available to aggrieved Subrecipients:
- 1) Level I Request for Reconsideration, and
 - 2) Level II Request for Official Review.

EXHIBIT D

- C. A Subrecipient must first submit a written Level I Request for Reconsideration to the Department Contract Manager within thirty (30) calendar days from the Department's issuance of the underlying decision as described above. If the written request is timely submitted, the Department Contract Manager then has ten (10) calendar days of receipt of such request within which to issue any stay requested by the Subrecipient, in full or in part, and thirty (30) calendar days within which to issue a written reconsideration decision. Submitting a timely Level, I Request for Reconsideration (and receiving a subsequent reconsideration decision from the Department Contract Manager) is a necessary predicate to the Subrecipient having a right to initiate a Level II Request for Official Review.
- D. A Subrecipient who disagrees with a Reconsideration decision may submit a Level II Request for Official Review to the Disaster Recovery Branch Chief or Designee within thirty (30) calendar days from the issuance of the underlying reconsideration decision, as described above. The Disaster Recovery Branch Chief or Designee will conduct an independent review and has thirty (30) calendar days within which to issue a written Official Review decision, which shall be final and binding and not subject to further appeal.
- E. Time is of the essence with regards to the Subrecipient's obligation to timely file appeals or requests to the Department within the time periods set forth in this Appeals Process. As such, any appeal by Subrecipient that is not timely made in strict accordance herewith shall be void and not considered, and the initial decision or finding shall automatically remain as originally issued and not subject to further appeal.

5. **Severability; Claims**

- A. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity may not affect any other provisions of this Agreement, and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are, and shall be, deemed severable.
- B. The Subrecipient shall notify the Department immediately of any claim or action undertaken by or against it which affects or may affect this Agreement 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.

6. **Waivers**

No waiver or any breach of this Agreement shall be held to be a waiver of any prior or

EXHIBIT D

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 Subrecipient 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 in order to be valid.

7. **Uniform Administrative Requirements**

The Subrecipient, its agencies or instrumentalities, shall comply with the policies, guidelines, and Administrative Requirements of 2 CFR Part 200, et seq., as applicable, as they relate to the cost principles, audit requirements, acceptance and use of federal funds under this part.

- A. Single Audit Compliance: Funds will not be disbursed to any Subrecipient identified by the State Controller's Office (SCO) as non-compliant with the Federal Single Audit Act, as described in the Uniform Administrative Requirements, Cost Principles, And Audit Requirements for Federal Awards at 2 CFR 200 Sub-Part F. No funds may be disbursed until compliance with the Uniform Guidance is demonstrated to the satisfaction of the Department.
- B. Accounting Standards: The Subrecipient agrees to comply with, and administer the activity in conformance with, 2 CFR Part 200.300, et seq., and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.
- C. Suspension and Debarment: By executing this Agreement, Subrecipient verifies and affirms that it has not been suspended or debarred from participating in or receiving federal government contracts, subcontracts, loans, grants, or other assistance programs. Subrecipient further agrees to verify that its subcontractors have not been suspended or debarred from participating or receiving federal government contracts, subcontracts, loans, grants, or other assistance programs.

8. **Compliance with State and Federal Laws and Regulations**

- A. The Subrecipient, its agencies or instrumentalities, its contractors and subcontractors shall comply with all local, state, and federal laws, statutes, and regulations, as well as policies and procedures established by the Department for the administration of CDBG-DR, as the same may be amended from time to time.
- B. The Subrecipient shall comply with the requirements of 24 CFR 570, the HUD regulations concerning Community Development Block Grants, 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements

EXHIBIT D

for Federal Awards, Final Guidance, adopted by HUD at 2 CFR 2400, and all federal regulations, rules, and policies issued pursuant to these regulations. The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

9. **Authority to Impose Additional Special Conditions**

In accordance with 2 CFR 200.208, Department reserves the right and authority to impose additional specific conditions issued under this Agreement under any of the following circumstances:

- A. When, in the Department's sole discretion, the Department finds that Subrecipient has a history of failure to comply with the general or specific terms and conditions applicable to the CDBG-DR funds allocated under this Agreement or to other awards of federally funded grant or loan assistance passed through the Department.
- B. When Subrecipient fails to meet expected performance goals or milestones under this Agreement.
- C. When Subrecipient poses an increased risk for noncompliance based on factors including, but not limited to, financial stability, quality of management systems, history of performance under Federal awards, history of timeliness under Federal awards, history of conformance with terms and conditions of previous federal awards, and reports and findings from audits.
- D. When, in the Department's sole discretion, such conditions are necessary to ensure timely and compliant performance under the federal award.

Such specific conditions, or special conditions, may include, withholding of authority to proceed with implementation of the Program until receipt of evidence of acceptable performance within a given period of performance, requiring additional detailed financial reports, requiring additional monitoring, requiring the Subrecipient to obtain technical or management assistance, establishing additional prior approvals, or any other condition the Department deems reasonable and necessary to safeguard Federal funds.

10. **Duplication of Benefits**

A Duplication of Benefits (DOB) occurs when a Program beneficiary receives assistance from multiple sources for a cumulative amount that exceeds the total need for a particular recovery purpose. The amount of the duplication is the amount of assistance provided in excess of the need. It is the Department's responsibility to ensure that the OOM Program provides assistance only to the extent that the disaster recovery need

EXHIBIT D

has not been fully met by funds that have already been paid, or will be paid, from another source. Therefore, the Subrecipient must report all funds obtained for the activity from any source from the date of the disaster until the project is completed.

Additionally, the Subrecipient must perform a check for DOB prior to issuing a Conditional Award to ensure that duplicative assistance is not provided for the project. The Department also reserves the right to require that the Subrecipient perform additional DOB checks throughout the course of the awarded Applicant's project, up to and through the closeout of each award, to ensure there is no duplicative assistance throughout the course of the project. Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. Sections 287, 1001, and 31 U.S.C. Section 3729.

The Subrecipient agrees to repay to the Department any assistance later received for the same purpose as the CDBG–DR funds and that exceeds the total need for the particular recovery purpose. The obligations of Subrecipient to repay the Department for any Duplication of Benefit shall survive the completion of the approved award(s) and the expiration or earlier termination of this Agreement.

11. **Equal Opportunity Requirements and Responsibilities**

The obligations undertaken by Subrecipient include, but are not limited to, the obligation to comply with all federal laws and regulations described in Subpart K of 24 CFR Part 570 and specifically with each of the following, among other things, as the same may be amended from time to time:

- A. **Title VI of the Civil Rights Act of 1964:** This act provides that no person shall be excluded from participation, denied Program benefits, or subject to discrimination based on race, color, and/or national origin under any Program or activity receiving federal financial assistance.
- B. **Title VII of the Civil Rights Act of 1968 (The Fair Housing Act):** This act prohibits discrimination in housing on the basis of race, color, religion, sex and/or national origin. This law also requires actions which affirmatively promote fair housing.
- C. **Restoration Act of 1987:** This act restores the broad scope of coverage and clarifies the application of the Civil Rights Act of 1964. It also specifies that an institution which receives federal financial assistance is prohibited from discriminating on the basis of race, color, national origin, religion, sex, disability or age in a Program or activity which does not directly benefit from such assistance.

EXHIBIT D

- D. **Section 109 of Title 1 of the Housing and Community Development Act of 1974 [42 U.S.C. 5309]**: This section of Title 1 provides that no person shall be excluded from participation (including employment), denied Program benefits, or subject to discrimination on the basis of race, color, national origin, or sex under any Program or activity funded in whole or in part under Title 1 of the Act.
- E. **The Fair Housing Amendment Act of 1988**: This act amended the original Fair Housing Act to provide for the protection of families with children and people with disabilities, strengthen punishment for acts of housing discrimination, expand the Justice Department jurisdiction to bring suit on behalf of victims in federal district courts, and create an exemption to the provisions barring discrimination on the basis of familial status for those housing developments that qualify as housing for persons age 55 or older.
- F. **The Age Discrimination Act of 1975**: This act provides that no person shall be excluded from participation, denied Program benefits, or subject to discrimination on the basis of age under any Program or activity receiving federal funding assistance. Effective January 1987, the age cap of 70 was deleted from the laws. Federal law preempts any State law currently in effect on the same topic.
- G. **Section 504 of the Rehabilitation Act of 1973**: It is unlawful to discriminate based on disability in federally assisted programs. This Section provides that no otherwise qualified individual shall, solely by reason of his or her disability, be excluded from participation (including employment), denied Program benefits, or subjected to discrimination under any Program or activity receiving federal funding assistance.
- H. **The Americans with Disabilities Act of 1990 (ADA)**: This act modifies and expands the Rehabilitation Act of 1973 to prohibit discrimination against "a qualified individual with a disability" in employment and public accommodations. The ADA requires that an individual with a physical or mental impairment who is otherwise qualified to perform the essential functions of a job, with or without reasonable accommodation, be afforded equal employment opportunity in all phases of employment.
- I. **Executive Order 11063**: This executive order provides that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in housing and related facilities provided with federal assistance and lending practices with respect to residential property when such practices are connected with loans insured or guaranteed by the federal government.
- J. **Executive Order 12259**: This executive order provides that the administration of all federal programs and activities relating to housing and urban development be

EXHIBIT D

carried out in a manner to further housing opportunities throughout the United States.

- K. **The Equal Employment Opportunity Act:** This act empowers the Equal Employment Opportunity Commission (EEOC) to bring civil action in federal court against private sector employers after the EEOC has investigated the charge, found "probable cause" of discrimination, and failed to obtain a conciliation agreement acceptable to the EEOC. It also brings federal, state, and local governments under the Civil Rights Act of 1964.
- L. **The Uniform Guidelines on Employee Selection Procedures adopted by the Equal Employment Opportunity Commission in 1978:** This manual applies to employee selection procedures in the areas of hiring, retention, promotion, transfer, demotion, dismissal, and referral. It is designed to assist employers, labor organizations, employment agencies, licensing, and certification boards in complying with the requirements of federal laws prohibiting discriminatory employment.
- M. **The Vietnam Era Veterans' Readjustment Act of 1974 (revised Jobs for Veterans Act of 2002):** This act was passed to ensure equal employment opportunity for qualified disabled veterans and veterans of the Vietnam War. Affirmative action is required in the hiring and promotion of veterans.
- N. **Executive Order 11246:** This executive order applies to all federally assisted construction contracts and subcontracts. It provides that no person shall be discriminated against on the basis of race.

12. **Relocation, Displacement and Acquisition**

The Subrecipient shall comply with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and regulations adopted to implement the Act in 24 CFR Part 42, 49 CFR Part 24, and Section 104(d) of the Housing and Community Development Act of 1974 as they apply to the performance of this Agreement.

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

The Subrecipient and the Subrecipient's Contractors shall comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulation at 24 CFR, Part 75. The responsibilities outlined in 24 CFR Part 75.19 include:

EXHIBIT D

- A. Implementing procedures designed to notify Section 3 workers about training and employment opportunities generated by Section 3 covered assistance and Section 3 business concerns about contracting opportunities generated by Section 3 covered assistance.
- B. Notifying potential Contractors for Section 3 covered projects of the requirements of Part 75, Subpart C and incorporating the Section 3 clause set forth below in all solicitations and contracts as required at 24 CFR 75.27.

Section 3 Clause

The work to be performed under this contract 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). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

The parties to this contract agree to comply with HUD's regulations in 24 C.F.R. Part 75, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 75 regulations.

The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause and will post copies of the notice in conspicuous places at the work site where both employees and Applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. Part 75 and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. Part 75. The contractor will not subcontract with any

EXHIBIT D

subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 75. The contractor acknowledges that Subrecipients, contractors, and subcontractors are required to meet the employment, training, and contraction requirements of 24 C.F.R. 75.19, regardless of whether Section 3 language is included in recipient or Subrecipient agreements, Program regulatory agreements, or contracts.

The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 C.F.R. Part 75. Noncompliance with HUD's regulations in 24 CFR Part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

The contractor agrees to submit, and shall require its subcontractors to submit to them, annual reports detailing the total number of labor hours worked on the Section 3 Project, the total number of labor hours worked by Section 3 Workers, and the total number of hours worked by Targeted Section 3 Workers, and any affirmative efforts made during the quarter to direct hiring efforts to low- and very low-income persons, particularly persons who are Section 3 workers and Targeted Section 3 workers.

Contractor agrees to facilitate the training and employment of Section 3 workers and the award of contracts to Section 3 business concerns by undertaking activities such as described in Section 75.25(b), as appropriate, to reach the goals set forth in Section 75.23 and in Federal Register Vol. 85, No. 189, page 60909, until superseded by HUD in a subsequent publication. As of September 29, 2020, the minimum Section 3 benchmark is twenty-five (25) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Section 3 workers; and five (5) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Targeted Section 3 workers.

Contractor agrees to document actions taken to comply with the foregoing requirements, the results of those actions taken and impediments, if any.

- C. Facilitating the training and employment of Section 3 workers and the award of contracts to Section 3 business concerns by undertaking activities such as described in 24 C.F.R. Part 75.25(b), as appropriate, to reach the goals set forth in 24 C.F.R. Part 75.23 and in Federal Register Vol. 85, No. 189, page 60909,

EXHIBIT D

until superseded by HUD in a subsequent publication. As of September 29, 2020, the minimum Section 3 benchmark is twenty-five (25) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Section 3 workers; and five (5) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Targeted Section 3 workers.

- D. Documenting all qualitative efforts taken pursuant to 24 CFR 75.25(b) to comply with the foregoing requirements, the results of those actions taken, and impediments, if any.

14. Environmental Compliance

- A. The Subrecipient shall comply with the California Environmental Quality Act (CEQA) (California Public Resources Code section 21000, *et seq.*) requirements as they apply to this Program.
- B. The Subrecipient shall comply with the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, *et seq.*, as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 of the Clean Air Act and Section 308 of the Clean Water Act, and all regulations and guidelines issued thereunder.
- C. The Subrecipient shall comply with the requirements of the Clean Air Act, 42 U.S.C. 1857, *et seq.*, as amended.
- D. The Subrecipient shall comply with Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Parts 15 and 50, as amended.
- E. The Subrecipient shall comply with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001). The Subrecipient shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).
- F. The Subrecipient shall comply with the requirements of the Residential Lead-Based Paint Hazard Reduction Act of 1992 and Section 401(b) of the Lead-Based Paint Poisoning Prevention Act of 1971. The Subrecipient agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such

EXHIBIT D

- properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be required.
- G. The Subrecipient shall comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), the Archaeological and Historical Preservation Act of 1974 (Public Law 93-291), and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this agreement. The Subrecipient shall also comply with Executive Order 11593 on the protection and enhancement of the cultural environment. In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a federal, state, or local historic property list.
- H. Subrecipient shall comply with all National Environmental Policy Act (NEPA) requirements as applicable to the performance of this Agreement as found in 24 CFR Part 50, 24 CFR Part 58, as applicable, and 40 CFR 1500 – 1508. Subrecipient shall not receive authority to incur Activity costs until they have successfully documented compliance with the applicable NEPA requirements, including public noticing and publishing.
- I. The Subrecipient understands and agrees that this Agreement does not constitute a commitment of funds or site approval, and the commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt by the Department of an approval of the request for release of funds and certification from HUD or the Department under 24 CFR Part 58. The provision of any funds to the Applicant is expressly conditioned on the Department's determination to proceed with, modify or cancel the application for funds based on the results of the environmental review.

15. Procurement

The Subrecipient shall comply with the procurement provisions in 2 CFR Part 200.318 – 200.326, Procurement Standards as well as all other Administrative Requirements for Subrecipient and Cooperative Agreements to State, local and federally recognized Indian tribal governments as set forth in 2 CFR 200, et seq., as applicable. All procurements must be conducted in a fair, open, and competitive manner in compliance with both the spirit and the letter of applicable federal and state procurement laws.

EXHIBIT D

The non-federal recipient or Subrecipient of federal financial assistance should, when possible, ensure that Small Businesses, Minority-Owned Businesses, Women-Owned Businesses, Veteran-Owned Businesses, and Labor Surplus Area (LSA) Firms are considered in procurements (CFR Title 2 Subtitle A Chapter II Part 200 Subpart D).

The Minimum Acceptable Outreach Standards Section 281 of the National Affordable Housing Act requires each participating jurisdiction (i.e., Subrecipient) to prescribe procedures acceptable to the HUD Secretary to establish and oversee an outreach program to include Small Businesses, Minority-Owned, Woman-Owned, and Veteran-Owned Businesses, as well as the LSA Firms, in all contracting activities entered into by the Subrecipient. Minimum HUD standards for recipient's or Subrecipient's outreach effort are described in [HOME Contract Manual, Appendix XIII-B](#).

16. **Procurement of Recovered Materials**

In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Contractor shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition. The Contractor shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless the Contractor determines that such items: (1) are not reasonably available in a reasonable period of time; (2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.

Pursuant to 30 CFR 247.2, this clause shall apply to items purchased under this Agreement where: (1) the Contractor purchases in excess of \$10,000 of the item under this contract; or (2) during the preceding Federal fiscal year, the Contractor: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of \$10,000 of the item both under and outside that contract.

17. **Construction Standards**

The Subrecipient shall ensure that all projects comply with the following requirements:

The Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157)

EXHIBIT D

The Architectural Barriers Act (ABA) stands as the first measure by Congress to ensure access to the built environment for people with disabilities. The law requires that buildings or facilities that were designed, built, or altered with federal dollars or leased by federal agencies after August 12, 1968, be accessible.

California Green Buildings Standards Code (CALGreen) (Title 24, Part 11 of the California Code of Regulations)

All new construction of residential buildings or reconstruction of substantially damaged buildings must incorporate California Green Buildings Standards Code (CALGreen).
Sustainability Requirements

All rehabilitation, reconstruction, and new construction must be designed to incorporate principles of sustainability, including water and energy efficiency, resilience, and mitigating the impact of future disasters. Wherever feasible, the Subrecipient, Subrecipient's and Contractors must follow best practices, such as those provided by the U.S. Department of Energy.

National Floodplain Elevation Standards

Subrecipients and Contractors must comply with the national floodplain elevation standards for new construction, repair of substantially damaged structures, or substantial improvements to public facilities in flood hazard areas. All structures designed for public facilities use within a special flood hazard area (SFHA), or one percent annual chance, floodplain will be elevated with the lowest floor at least two feet above the base flood elevation level and comply with the requirements of 83 FR 5850 and 83 FR 5861.

Wildland-Urban Interface Building Codes (WUI Codes)

All projects under this Program must comply with applicable WUI codes, found in Title 24, Chapter 7a of the California Building Code, which offer specific material, design and construction standards to maximize ignition resistance.

18. Federal Labor Standards Provisions

The Subrecipient shall at all times comply, and cause all project contractors to comply, with applicable federal labor standards, including without limitation, the following:

- A. "Anti-Kickback Act of 1986" (41 U.S.C. §§ 51-58), which prohibits attempted as well as completed "kickbacks," which include any money, fees, commission, credit, gift, gratuity, thing of value, or compensation of any kind. The act also provides that the inclusion of kickback amounts in contract prices is prohibited

EXHIBIT D

conduct in itself. This act requires that the purpose of the kickback was for improperly obtaining or rewarding favorable treatment. It is intended to embrace the full range of government contracting.

- B. Contract Work Hours and Safety Standards Act CWHSSA (40 U.S.C. § 3702), which requires that workers receive "overtime" compensation at a rate of one and one-half (1-1/2) times their regular hourly wage after they have worked forty (40) hours in one week.

The Subrecipient 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. Subrecipient shall be responsible for monitoring contractors, and subcontractors, as applicable, for compliance with these provisions.

19. Agreements with Contractors

- A. The Subrecipient shall not enter into any agreement, written or oral, with any Contractor or other party without the prior determination that the Contractor or other party is eligible to receive federal funds and is not listed on the Federal Consolidated List of Debarred, Suspended, and Ineligible Contractors.

The terms "other party" is defined as public or private nonprofit agencies or organizations and certain (limited) private for-profit entities who receive grant funds from a Subrecipient to undertake any work pursuant to this Agreement.

- B. An agreement between the Subrecipient and any subcontractor or other party shall require:
- 1) Compliance with all State and federal requirements described in this Agreement including without limitation those that pertain to labor standards, nondiscrimination, Americans with Disabilities Act, Equal Employment Opportunity and Drug Free Workplace, and prevailing wages. In addition to these requirements, all contractors and subcontractors shall comply with the applicable provisions of the California Labor Code.
 - 2) Maintenance of at least the minimum State required Workers' Compensation Insurance for those employees who will perform any portion of the Subrecipient Scope of Work.
 - 3) Maintenance, as required by law, of unemployment insurance, disability insurance and liability insurance, 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 Subrecipient Scope of

EXHIBIT D

Work.

- 4) Compliance with the applicable Equal Opportunity Requirements described in Section 11 of this Exhibit.
- C. Subrecipient shall perform the Scope of Work in accordance with all applicable federal, state, and local laws, regulations, guidelines, and rules. Subrecipient and Subcontractors: Drug-Free Workplace Act of 1988
- 1) Publish and give a policy statement to all covered employees informing them that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the covered workplace and specifying the actions that will be taken against employees who violate the policy.
 - 2) Establish a drug-free awareness Program to make employees aware of a) the dangers of drug abuse in the workplace; b) the policy of maintaining a drug-free workplace; c) any available drug counseling, rehabilitation, and employee assistance programs; and d) the penalties that may be imposed upon employees for drug abuse violations.
 - 3) Notify employees that as a condition of employment on a federal contract or grant, the employee must a) abide by the terms of the policy statement; and b) notify the employer, within 5 calendar days, if he or she is convicted of a criminal drug violation in the workplace.
 - 4) Notify the contracting or granting agency within 10 days after receiving notice that a covered employee has been convicted of a criminal drug violation in the workplace.
 - 5) Impose a penalty on or require satisfactory participation in a drug abuse assistance or rehabilitation Program by any employee who is convicted of a reportable workplace drug conviction.
 - 6) Make an ongoing, good faith effort to maintain a drug-free workplace by meeting the requirements of the act.

20. Rights to Inventions Made Under a Contract or Agreement

If a federal award meets the definition of “funding agreement” under 37 CFR 401.2(a) and the recipient or Subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of recipient or Subrecipient must comply with requirements of 37 CFR Part

EXHIBIT D

401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulation issued by the awarding agency.

21. Special Conditions Pertaining to Hazards, Safety Standards and Accident Prevention, if applicable to the Scope of Work listed in Exhibit A:

- A. Use of Explosives: When the use of explosives is necessary for the prosecution of the work, the Contractor shall observe all local, state, and federal laws in purchasing and handling explosives. The Contractor shall take all necessary precaution to protect completed work, neighboring property, water lines, or other underground structures. Where there is danger to structures or property from blasting, the charges shall be reduced, and the material shall be covered with suitable timber, steel, or rope mats.

The Contractor shall notify all owners of public utility property of intention to use explosives at least 8 hours before blasting is done close to such property. Any supervision or direction of use of explosives by the engineer does not in any way reduce the responsibility of the Contractor or his Surety for damages that may be caused by such use.

- B. Danger Signals and Safety Devices: The Contractor shall take all necessary precautions to guard against any damages to property and injury to persons. The Contractor shall put up and maintain in good condition, sufficient red or warning lights at night, suitable barricades, and other devices necessary to protect the public.
- C. Protection of Lives and Health: The Contractor shall exercise proper precaution at all times for the protection of persons and property and shall be responsible for all damages to persons or property, either on or off the worksite, which occur as a result of prosecution of the work. The safety provisions of applicable laws and building and construction codes, in addition to specific safety and health regulations described by Chapter XIII, Bureau of Labor Standards, Department of Labor, Part 1518, Safety and Health Regulations for Construction, as outlined in the Federal Register, Volume 36, No. 75, Saturday, April 17, 1971, Title 29 - LABOR, shall be observed and the Contractor shall take or cause to be taken, such additional safety and health measures as the Developer may determine to be reasonably necessary.

22. Prohibition Against Payments of Bonus or Commission

The assistance provided under this Agreement shall not be used for the payment of any bonus or commission for the purpose of:

EXHIBIT D

- A. Obtaining the Department's approval of any Application for assistance; or,
- B. Any other approval or concurrence of the Department required under this Agreement, Title I of the Housing and Community Development Act of 1974, or the 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.
- C. Subrecipient its contractors and employees are prohibited from receiving any payment of fees, kickbacks, gifts, unethical benefit from the Applicant, real estate agents, broker partners, title companies or from first lender for providing loans to the Program Applicant.

23. **Reporting Requirements**

Subrecipient must timely submit the reports prescribed below. The Department reserves the right to request additional detail and support for any report made. Reports must be made according to the dates identified, in the formats provided by the Department, and via the Department's System of Record unless otherwise specified at the discretion of the Department. The Subrecipient's performance under this Agreement will be assessed based in part on whether it has submitted the reports on a timely basis.

- A. Pipeline Report: Subrecipient must maintain a pipeline report at all times that tracks the progress and status of Program applications.
- B. Weekly Implementation Progress Update (Weekly Update): Subrecipient shall provide weekly Program implementation updates via email and during weekly calls (as needed) that show progress against the Performance Milestones described in Exhibit A. For any timeline item or critical step that is not on track with the Performance Milestones, Subrecipient shall include in the Weekly Report all action items or steps Subrecipient will take to mitigate delays.
- C. Monthly Activity Report: Subrecipient must submit a Monthly Activity Report that addresses the following, at a minimum: (1) the pipeline report; (2) a description of activities to be undertaken in the next reporting period; (3) a description of problems or delays encountered in the Scope of Work and course of action taken to address them; (4) a description of actions taken to achieve expenditure deadlines; and (5) a summary of fiscal status including award amount, funds drawn, and remaining balance. Unless otherwise waived in writing by the Department, Monthly Activity Reports must begin on the 10th calendar day of the second month following execution of this Agreement and must continue through

EXHIBIT D

the receipt and approval by the Department of the Final Activity Report. Closeout procedures are detailed in Exhibit B, Section 6.

24. **Fiscal Controls**

The Subrecipient shall be responsible for the internal control and monitoring of fiscal and programmatic/operational goals and procedures. The Subrecipient shall establish and maintain such fiscal controls and fund accounting procedures as required by Federal regulations, or as may be deemed necessary by the Department to ensure the proper disbursement of, and accounting for, funds paid to the Subrecipient under this Agreement.

- A. Deposit of Funds: Subrecipient shall maintain separate accounts within established bookkeeping systems for the deposit of CDBG-DR funds. Deposits in minority banks are encouraged.
- B. Fiscal Liability: Subrecipients shall be liable for all amounts which are determined to be due by the Department, including but not limited to, disallowed or ineligible costs which are the result of Subrecipient's or its Contractor's conduct under this Agreement. Subrecipients shall also be liable for the repayment of any and all amounts it has received under this Agreement and which HUD is seeking reimbursement for from the Department. Subrecipient's obligation to repay the foregoing amounts to the Department shall survive indefinitely the expiration or earlier termination of this Agreement. Subrecipient shall be notified in writing and shall be permitted to respond regarding any controversy or proceeding between the Department and HUD arising from this Agreement.
- C. Fiscal Records: All financial transactions must be supported by complete and verifiable source documents. Records shall provide a clear audit trail and shall be maintained as specified in Section 25 herein.

25. **Monitoring Requirements**

The Department monitors its Subrecipients based upon an assessment of risk posed by the Subrecipient and according to specific monitoring criteria per 2 CFR 200.332.

During the term of this Agreement, the Department shall perform Program and/or fiscal monitoring of the Subrecipient and Approved Activities to ensure compliance with federal and state requirements and timely Program implementation.

Grantees and applicable subrecipients shall retain all books, records, accounts, documentation, and all other materials relevant to this Agreement for a minimum period of five (5) years after the Department notifies the Grantee that the HCD contract has been closed according to the record retention requirements at 2 CFR 200.334.

The Subrecipient shall be required to resolve any monitoring findings to the Department's satisfaction by the deadlines set by the Department. In the event

EXHIBIT D

Subrecipient disagrees with a monitoring finding and/or any accompanying corrective actions or sanction(s) that are associated with such finding, Subrecipient shall follow an appeals process provided by the Department as described in the [CDBG DR Monitoring Plan](#).

26. Inspections of Project Activities

The Department reserves the right to inspect any awarded Applicant's project activities performed hereunder to verify that the activities are being and/or have been performed in accordance with the applicable federal, state and/or local requirements and this Agreement.

- A. The Subrecipient shall inspect or cause to inspect any awarded Applicant's project activities performed by contractors and subcontractors hereunder to ensure that the activities are being and have been performed in accordance with the applicable federal, State and/or local requirements and this Agreement.
- B. Access by the Subrecipient, the federal grantor agency, the State, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the Subrecipient, Contractor, or subcontractor which are directly pertinent to that specific contract for the purpose of monitoring, making audit, examination, excerpts, and transcriptions pursuant to 24 CFR 85.36(i)(10) shall be permitted. Subrecipient shall include in its agreements with Contractors, as applicable, provisions requiring such parties to provide access to its records for the purposes specified above.

27. Audit/Retention and Inspection of Records

- A. The Subrecipient must have intact, auditable fiscal and Program records at all times. If the Subrecipient is found to have missing audit reports from the California State Controller's Office (SCO) during the term of this Agreement, the Subrecipient will be required to submit a plan to the State for submitting the audit to the SCO. If the deadlines are not met, the Department may initiate remedies for noncompliance in accordance with Section 3 herein. The Subrecipient's audit completion plan is subject to prior review and approval by the Department.
- B. The Subrecipient agrees that the Department or its designee will have the right to review, obtain, and copy all records pertaining to performance of this Agreement. The Subrecipient 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, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records,

EXHIBIT D

accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with California Public Contract Code (PCC) Section 10115, et seq., Government Code (GC) Section 8546.7, the California Code of Regulations (CCR), 2 CCR 1896.60, et seq., and other requirements of this Agreement. The Subrecipient further agrees to maintain such records for a minimum period of five (5) years after the Department notifies Subrecipient that the HUD/the Department grant agreement has been closed according to the record retention requirements at 2 CFR 200.334. The Subrecipient shall comply with the caveats and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in Public Contract Code section 10115.10.

- C. An expenditure which is not authorized by this Agreement, or which cannot be adequately documented shall be disallowed and must be reimbursed to the Department or its designee by the Subrecipient immediately upon demand of the Department.
- D. Absent fraud or material error on the part of the Department, the determination by the Department of the allowability or validity of any expenditure not authorized by this agreement or cannot be adequately documented shall be final and conclusive.
- E. For the purposes of annual audits, Subrecipient shall comply with 2 CFR Part 200 Subpart F for the State CDBG-DR Programs. Pursuant to 2 CFR Part 200 Subpart F, the Subrecipient shall perform an annual audit at the close of each fiscal year in which this Agreement is in effect. The costs of the OOM Program related portion of the audit may be charged to the Program in accordance with Public Law 98-502, 2 CFR Part 200 Subpart F, and Title 25 CCR Section 7122.
 - 1) The audit shall be performed by a qualified State, department, local or independent auditor. The agreement/contract for audit shall include a clause which permits access by the Department to the independent auditor's working papers.
 - 2) If there are audit findings, the Subrecipient must submit a detailed response to the Department for each audit finding. The Department will review the response and, if it agrees with the response, the audit process ends, and the Department will notify the Subrecipient in writing. If the Department is not in agreement, the Subrecipient will be contacted in writing and informed what corrective actions must be taken. This action may include the repayment of disallowed costs or other remediation.
 - 3) The Department will not approve reimbursement for any subrecipient

EXHIBIT D

expenditures for the audit prior to receiving an acceptable audit report.

- 4) If so, directed by the Department upon termination of this Agreement, the Subrecipient shall cause all records, accounts, documentation, and all other materials relevant to the grant activity(ies) to be delivered to the Department as depository.
- F. Notwithstanding the foregoing, the Department will not reimburse the Subrecipient for any audit cost incurred after the Expenditure Deadline of this Agreement.

28. Insurance

- A. The Subrecipient's contractor shall have and maintain in full force and effect prior to the start of work, and at all times during the term of this Agreement such forms of insurance, at such levels as may be determined by the Department. Prior to the commencement of any work, Subrecipient shall provide retain acceptable proof(s) of insurance confirming the required insurance coverages are in effect and naming the subrecipient as an additional insured, where applicable. No insurance policy may be cancelable on less than thirty (30) calendar days prior notice to the insured and the subrecipient. Subrecipients are responsible for requiring sufficient insurance, including but not limited to liability and workers compensation insurance, from all contractors and vendors.

Subrecipients are recommended to be listed as an additional insured on policies held by contractors or vendors for the implementation of the OOM Program.

- B. Additional Coverages. In the event that the Subrecipient's Contractors or vendors will be engaging in any Hazardous Activity as part of the Scope of Work of this Agreement, then the party(ies) engaging in any Hazard Activity(ies) shall provide to the Subrecipient, prior to commencement of any such activity(ies), such insurance coverages in such forms and in such amounts as the Subrecipient may require in its sole discretion. Such coverages are in addition to all other insurance coverages required by this Agreement and shall be imposed on any Contractor or vendor pursuant to the Agreement or Contract. For purposes of the provision, the term "Hazardous Activity" includes the following: (a) the removal, storage, and/or transportation of any "hazardous material", as such term is defined under federal, state, or local law, ordinance, regulation, or guideline, (b) the removal, storage, or transportation of lead-based paint, (c) blasting, (d) any activity which by its nature is abnormally dangerous, and (d) any "ultrahazardous activity" as defined in California case law. In addition to providing proof of such required coverages, the party(ies) engaging in the Hazardous Activity(ies) shall procure, at its expense prior to the commencement of any work, all required

EXHIBIT D

permits, licenses, consents, and approvals that are required for the lawful conduct of such activities and shall provide adequate written proof thereof to the Subrecipient. No Hazardous Activity work may commence, or contracted for, prior to the provision of the required insurance coverages and licensure proof to the Subrecipient.

29. **Indemnification**

Subrecipient, at its sole cost and expense, agrees to defend, indemnify, release, and hold harmless the Department, its agents, officers, attorneys, employees, committees, successors and assignees from any and all claims, liabilities, judgments, damages, losses, attorney fees, expenses, costs, actions, or proceedings threatened, asserted, or brought against any of the foregoing individuals or entities related to or arising from the Sponsor's obligations and activities under this Agreement.

This indemnification shall include, but not be limited to, all damages, liabilities, judgments, claims, costs, expenses, attorney fees or expert witness fees that may be asserted or arise by any person or entity, including the Subrecipient and/or its contractors, subcontractors, employees, owners, agents, and representatives in connection with this Agreement and any agreement or instruments executed in connection herewith, except loss or liability suffered by the Department caused solely by the Department's sole negligence or willful misconduct. If, for any reason any portion of the Agreement is held to be void or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect, and the obligations of Subrecipient under this Section shall survive indefinitely the closeout of awarded Applicant's projects and the expiration or earlier termination of this Agreement.

30. **Anti-Lobbying Certification**

The Subrecipient shall require that the language of this certification be included in all contracts or subcontracts entered into in connection with the Program and shall certify and disclose accordingly. 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 31 U.S.C. 1352. 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 for such failure.

- A. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any

EXHIBIT D

federal contract, the cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

- B. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

31. **Conflict of Interest**

Pursuant to 24 CFR 570.489(h), no member, officer, employee, or consultant of the Subrecipient, or its designees or agents, no member of the governing body of the locality in which the Program is situated, and no other public official of such locality or localities who exercise or have exercised any functions or responsibilities with respect to CDBG-DR activities assisted under this part, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, including members and delegates to the Congress of the United States, may obtain a financial interest or benefit from a CDBG-DR assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to a CDBG-DR assisted activity or its proceeds, either for themselves or those with whom they have business or immediate family ties, during their tenure, or for 1 year thereafter. The Subrecipient shall incorporate, or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purposes of this section.

32. **Obligations of Subrecipient with Respect to Certain Third-Party Relationships**

The Subrecipient shall remain fully, primarily, and continually obligated under the provisions of this Agreement notwithstanding its designation of any third party or parties for the undertaking of all or any part of the Scope of Work with respect to which assistance is being provided under this Agreement to the Subrecipient. The Subrecipient shall comply with all lawful requirements of the Department necessary to ensure that the Work, with respect to which assistance is being provided under this Agreement to the Subrecipient, is carried out in accordance with the assurance and certifications as listed in this Exhibit including those with respect to the assumption of environmental responsibilities of the Department under Section 104(g) of the Housing and Community Development Act of 1974 [42 U.S.C. § 5304(g)].

33. **Energy Policy and Conservation Act**

This Agreement is subject to mandatory standards and policies relating to energy

EXHIBIT D

efficiency which are contained in the State Energy Conservation Plan issued in compliance with the federal Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

34. **State Contracting Manual Requirements (Section 3.11, Federally Funded Contracts (Rev. 4/22)):**

- 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 was 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 fiscal year 2025/2026 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.
 - 4) The Department has the option to invalidate the contract under the 30-day cancellation clause or to amend the contract to reflect any reduction in funds.
- 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. Gov. Code § 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.

35. **Combating Fraud**

EXHIBIT D

False, Fictitious or Fraudulent Claims

Warning: Any person who knowingly makes a false claim or statement to the U.S. Department of Housing and Urban Development (“HUD”) or the Department in connection with this Agreement may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729.

Detecting, Preventing, and Reporting FRAUD

Fraud is a white-collar crime that has a devastating effect on the CDBG Program because the CDBG Program beneficiaries are victims of this crime when the CDBG Program is abused.

The Department wants to stop any criminal misuse of the CDBG Program it administers, and in so doing all CDBG funds go to people it was designed to help and to improve their living conditions.

Combating Fraud

The HUD Office of Inspector General (OIG) is committed to protecting HUD’s programs, operations, and beneficiaries from dishonest individuals and organizations.

HUD cannot combat fraud alone.

HUD relies on the Department and CDBG-DR Subrecipients to combat CDBG-DR Program fraud. HUD also relies on Applicants for, and people receiving, HUD benefits, such as tenants receiving rental assistance, borrowers with HUD-insured loans, or citizens having their communities restored using HUD grants.

The HUD OIG Hotline number is 1-800-347-3735, which is the primary means to submit allegations of fraud, waste, abuse, mismanagement, or whistleblower-related matters for the CDBG Program to the Office of Inspector General.

HUD OIG accepts reports of fraud, waste, abuse, or mismanagement in the CDBG-DR Program from HUD employees, anyone administering the CDBG-DR program, anyone working in the CDBG-DR program, Subrecipients, contractors, and the public.

You can report mismanagement or violations of law, rules, or regulations by HUD employees or Program participants.

Fraud, Waste, and Abuse in the CDBG-DR Program and its operation may be reported in one of the following four (4) ways:

EXHIBIT D

E-mail to: hotline@hudoig.gov

By Phone: Call toll free: 1-800-347-3735

By Fax: 202-708-4829

By Mail to:

HUD OIG, Office of Investigation

Room 1200

Field Office

One Sansome Street

San Francisco, CA 94104

[\(213\) 534-2518](tel:(213)534-2518)

or

HUD OIG, Office of Investigation

Suite 4070

Regional Office

300 North Los Angeles Street

Los Angeles, CA 90012

[\(213\) 534-2518](tel:(213)534-2518)

36. **Authority to Post Remediated Versions of Agreement**

Subrecipient hereby understands and acknowledges that the Department is obligated under federal law to post copies of all executed CDBG-DR contracts on the Department's website. As posted, such contracts must be compliant with federal and state law accessibility laws, including the California Government Code Section 11546.7 (2017 Assembly Bill 434) and the federal Americans with Disability Act, Section 508. The state law is most stringent of the two, so all posted documents must meet Web Content Accessibility Guidelines 2.0 (WCAG 2.0) accessibility level.

To comply, the Department must utilize document remediation tools that provide the compliant formatting. All remediation will only change formatting, color schemes, and update any tables so that screen readers can properly read out the content of the table. Thus, during remediation, the appearance of this Agreement may change, but under no circumstances shall any terms or tenets of the Agreement be changed in anyway.

Additionally, the Department shall offer website visitors the option to receive a scanned, un-remediated copy of this Agreement via email, which option Subrecipient also consents to.

The foregoing Subrecipient authorizations apply to both this original Standard Agreement as well as any and all subsequent amendments thereto.

EXHIBIT D

37. Whistleblower Protections

A. Federal Whistleblower Protection Act (5 U.S.C Section 2302(b)(8))

The Federal Whistleblower Protection Act (WPA) protects employees from retaliation for making protected disclosures. The WPA also provides penalties for supervisors who retaliate against Whistleblowers.

1) A disclosure is protected under the WPA if the employee discloses information the employee reasonably believes to be evidence of:

- a) a violation of any law, rule, or regulation,
- b) gross mismanagement,
- c) a gross waste of funds,
- d) an abuse of authority, or
- e) a substantial and specific danger to public health or safety.

2) In general, an employee or applicant may make a protected disclosure to anyone, including non-governmental audiences, unless the information is classified or specifically prohibited by law from release. Options for making a protected disclosure include:

- a) Informing a supervisor or someone higher up in management,
- b) Submitting a complaint to the OIG by emailing the OIG at oig@ftc.gov,
- c) Filing a complaint with the [Office of Special Counsel](http://www.osc.gov/) (OSC) <http://www.osc.gov/>

B. The California Whistleblower Protection Act (Title 2, Division 1, Chapter 6.5, Article 3.5, Gov. Code §§ 8548-8548.5)

1) The California Whistleblower Protection Act authorizes the California State Auditor to receive complaints from state employees and members of the public who wish to report an improper governmental activity. An "improper governmental activity" is any action by a state agency or any action by a state employee directly related to state government that:

- a) Violates any state or federal law or regulation,

EXHIBIT D

- b) Violates an Executive Order of the Governor, a California Rule of Court, or any policy or procedure required by the State Administrative Manual or State Contracting Manual, or
- c) It is economically wasteful or involves gross misconduct, incompetency, or inefficiency. Complaints received by the State Auditor are confidential, and the identity of the complainant may not be revealed without the complainant's permission, aside to an appropriate law enforcement agency conducting a criminal investigation.

2) There are many ways to file a complaint:

a) By Telephone

You may call the Whistleblower Hotline at (800) 952-5665 to file a complaint by talking to one of the State Auditor's employees. The hotline generally is staffed Monday through Friday from 8:00 a.m. to 5:00 p.m. If you call when the hotline is not being staffed, or staff is occupied with other calls, you may leave a voicemail message requesting a return call.

b) By Mail or Facsimile

You may file a complaint in the form of a letter to the State Auditor addressed as follows:

Investigations
California State Auditor
P.O. Box 1019
Sacramento, CA 95812

Or you may fax the letter to the State Auditor at (916) 322-2603.

As an alternative, you may complete the electronic version of the complaint form (which is available on the State Auditor website at auditor.ca.gov), print it out, and return it by mail or facsimile as stated above.

c) Online

Although the State Auditor does not accept complaints by e-mail, you may file a complaint online at <https://www.auditor.ca.gov/contactus/complaint>

3) The State Auditor will not undertake an investigation unless there is a basis

EXHIBIT D

for believing that your complaint has sufficient merit to warrant spending resources on an investigation. Your complaint should therefore include:

- a) A clear and concise statement of what you are alleging to be improper activity and why you believe it is improper.
- b) The name or other information that clearly identifies the person you are alleging has acted improperly and the department where that person works.
- c) The names and contact information for any witnesses who can confirm the truth of what you are saying.
- d) Copies of any documents supporting what you are saying. (You should not submit original documents, as they cannot be returned.)

38. **Site Visits**

The Department may routinely monitor the progress of Work, expenditures, and activities under this Agreement, including site visits after reasonable notice to the Subrecipient. At these site visits, the Department shall have the right to inspect program or fiscal records and make copies thereof, and to inspect project activities or expenditures. The Subrecipient shall ensure that all Work or activities found by the Department to be in breach of this Agreement will be corrected within the period of time specified by the Department. The Subrecipient shall reimburse the Department for its costs of monitoring and inspecting if funds are provided in the Budget for this purpose.

39. **Capacity to Contract**

Sponsor has the capacity and authority to fulfill the obligations required of it hereunder, and nothing prohibits or restricts the right or ability of Sponsor to carry out the terms hereof.

40. **Authority to Execute**

- A. Each Party executing this Agreement represents that it is authorized to execute this Agreement. Each person executing this Agreement on behalf of an entity, other than an individual executing this Agreement on their own behalf, represents that they are authorized to execute this Agreement on behalf of said entity.
- B. The Department recommends the Borrower provides two (2) or more persons as an authorized signer who can execute the Department's loan documents

EXHIBIT D

independent of each other or provide the option of a designee to sign on behalf of the authorized signer by the authorized signer. The purpose of this recommendation is to avoid any delays and additional costs in the event an authorized signer is unavailable at the time of the loan closing. The authorized signer must execute the Department's loan documents in the presence of an escrow officer of the escrow company or alternatively, in the presence of a mobile notary approved by and under the control of the escrow company.

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EXHIBIT E

SPECIAL TERMS AND CONDITIONS

1. Due Diligence Review

Subrecipient has provided the Department with documents and information about the Subrecipient's experience, processes, policies, and procedures related to the implementation of the OOM Program and management of federal funding. These submissions, in addition to discussions with the Subrecipient, have been used to inform this Agreement and are being materially relied upon by the Department in agreeing to enter into this Agreement and to facilitate the Department's capacity assessment of the Subrecipient as required by 2 CFR 200.331(b).

Should there be substantive changes to the organization, key personnel, methods, policies, or processes of the Subrecipient that impact the implementation of this Agreement, the Subrecipient shall promptly notify the Department of said changes. Additionally, Subrecipient agrees to comply with the requirements, requests, and results of the Department's due diligence review and capacity assessment and maintains the capacity to carry out disaster recovery activities in a timely manner.

2. Risk Assessment

During the term of this Agreement, Subrecipient agrees to timely provide documents and information to facilitate the Department's Subrecipient risk assessment process. Subrecipient further agrees to comply with the requirements, requests, and results of the Department's risk assessment, including participation in Subrecipient monitoring events.

3. Special Terms and Conditions

Pursuant to the Department's due diligence review, capacity assessment, and risk assessment, Subrecipient agrees to adhere to the following special conditions:

- A. Subrecipient will identify key staff/consultants to develop and implement Procurement Policies and Procedures compliant with 2 CFR 200.318-326 including addressing prohibiting cost and percentage contracts, Cost Analysis, Cost Reasonableness, and Debarment in collaboration with the Department. Subrecipient will submit these Policies and Procedures to the Department for review and approval in advance of opening the program to the public.
- B. Subrecipient will identify key staff/consultants to develop and implement Financial Management Policies and Procedures that are in compliance with 2 CFR 200.302-302 and HUD's Allocation Announcement Notice 88-FR-82982. Subrecipient will submit these Policies and Procedures to the Department for review and approval in advance of opening the program to the public.

EXHIBIT E

- C. Subrecipient will identify key staff/consultants to develop and implement Duplication of Benefits (DOB) Policies and Procedures including adoption of HCD's DOB Analysis Worksheet. Subrecipient will submit these Policies and Procedures to the Department for review and approval in advance of opening the program to the public.
- D. Subrecipient will identify key staff/consultants to develop and implement Policies and Procedures that include how individuals would submit a request (including an email, phone number, and physical address), when and where physical inspections are available, timeline for Subrecipient responses and reasons for extended response times and should cite all relevant statutes and exemptions. Subrecipient will submit these Policies and Procedures to the Department for review and approval in advance of opening the program to the public.
- E. Subrecipient will identify key staff/consultants to develop and implement Temporary Relocation Policies and Procedures. Subrecipient will submit these Policies and Procedures to the Department for review and approval in advance of opening the program to the public.
- F. Subrecipient to provide a current debarment check and submit it to the Department as of the effective date of the Standard Agreement.
- G. The Department's issuance of Notice to Proceed (NTP) to launch the Program is expressly conditioned on the Department's determination that Subrecipient has satisfied all special conditions, contained herein and relevant to Subrecipient's program, individually and collectively, as well as all other terms and conditions of this Agreement.
- H. The following are specific conditions from Section III General Terms and Conditions found in the Department's Community Development Block Grant Disaster Recovery (CDBG-DR) Grant Agreement # B-25-DG-06-0001 ("HUD Grant Agreement").

The HUD Grant Agreement requires the Department to include the conditions set forth herein.

However, On September 10, 2025, the United States District Court of the District of Rhode Island via Memorandum and Order (Case No. 1:25-cv-00345) enjoined the United States Department of Justice from enforcing or implementing Conditions 6 and 8, specified below. Unless and until the preliminary injunction is lifted, and pursuant to and in accordance with the Stipulation entered December 8, 2025, wherein the United States Department of Justice in the same case agreed and stipulated to never enforce or apply the HUD PRWORA Notice until

EXHIBIT E

such time as judgment on the merits has been issued, Subrecipient is not obligated under this Standard Agreement to implement Condition 6 or 8. The Department will notify Subrecipient if and when the preliminary injunction is vacated, at which time Subrecipient will be obligated to apply Conditions 6 and 8.

The following conditions shall control notwithstanding any other provision of this agreement, as applicable, specifically:

1. The Subrecipient shall not use grant funds to promote “gender ideology,” as defined in Executive Order (E.O.) 14168, Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government;
2. The Subrecipient agrees that its compliance in all respects with all applicable Federal anti-discrimination laws is material to the U.S. Government’s payment decisions for purposes of section 3729(b)(4) of title 31, United States Code;
3. The Subrecipient certifies that it does not operate any programs that violate any applicable Federal anti-discrimination laws, including Title VI of the Civil Rights Act of 1964;
4. The Subrecipient shall not use any grant funds to fund or promote elective abortions, as required by E.O. 14182, Enforcing the Hyde Amendment; and that,
5. Notwithstanding anything in the Department’s Allocation Announcement Notice, funds made available under the HUD Grant Agreement shall not be governed by Executive Orders revoked by E.O. 14154, including E.O. 14008, or Allocation Announcement Notice requirements implementing Executive Orders that have been revoked.
6. The Subrecipient must administer its grant in accordance with all applicable immigration restrictions and requirements, including the eligibility and verification requirements that apply under title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, as amended (8 U.S.C. 1601-1646) (PRWORA) and any applicable requirements that HUD, the Attorney General, or the U.S. Center for Immigration Services may establish from time to time to comply with PRWORA, Executive Order 14218, or other Executive Orders or immigration laws.
7. If applicable, no state or unit of general local government that receives funding under this grant may use that funding in a manner that by design or effect facilitates the subsidization or promotion of illegal immigration or abets policies that seek to shield illegal aliens from deportation.

EXHIBIT E

8. Unless excepted by PRWORA, the Department (HCD) or the Subrecipient and/or its agents as applicable, as directed by the federal government, must use SAVE, or an equivalent verification system approved by the Federal government, to prevent any Federal public benefit from being provided to an ineligible alien who entered the United States illegally or is otherwise unlawfully present in the United States.
9. Faith-based organizations may be subrecipients of funds on the same basis as any other organization. The Subrecipient may not, in the selection of subrecipients, discriminate against an organization based on the organization's religious character, affiliation, or exercise.

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EXHIBIT F

SUBRECIPIENT FILE

Applicant Information	
Name	Jennifer Butler
Email	Jennifer.butler@venturacounty.gov
Title	Management analyst
Company	County of Ventura
Company Website	https://venturacounty.gov/county-executive-office/community-development/
City, State	Ventura, Ca
Project Team	
Organization Name	County of Ventura
Employer Identification Number	95-6000944
DUNS	066691122
Project Director Name	Kimberlee Albers
Email	Kimberlee.albers@venturacounty.gov
Phone	805-654-2455
Project Manager Name	Jennifer Butler
Email	Jennifer.butler@venturacounty.gov
Phone	805-654-2281
Organization Address	
Address	800 S. Victoria Ave.
Address 2	L#1940
City, State, Zip	Ventura, Ca, 93009
County	USA
Congressional District/Region	32 nd , 24 th and 26 th Districts represent Ventura County
Phone	
Fax	
Authorized Representative	
Name	Kimberlee Albers
Title	Deputy Executive Officer
Email	Kimberlee.albers@venturacounty.gov
Phone	805-654-2455
Business/Finance Contact	
Name	Mark Howe
Title	Administrative Services Director
Email	Mark.Howe@venturacounty.gov
Phone	

EXHIBIT G

DATA SHARING AND USAGE PROTOCOLS

1. **Overview**

This Data Sharing and Usage Protocols exhibit (“Exhibit”) sets forth the content, appropriate disclosure, use, handling, and protection of any data needed by and stored in HCD’s and/or County of Ventura (“County”) systems of record, respectively. The data may be generated from or provided by HCD and/or County as needed in County’s administration of the Community Development Block Grant-Disaster Recovery (CDBG-DR) ReCoverCA Owner-Occupied Mitigation (“OOM”) for the purposes of documenting eligibility, participation, and/or Duplication of Benefit (“DOB”) for any applicant to the OOM program, and for reporting all required OOM program and beneficiary data to HUD.

This Exhibit provides, among other things, the procedural terms and conditions for data usage and protocols for handling data breaches and security incidents. This Exhibit overrides any contrary instructions, directions, agreements, or other understandings in or pertaining to any other prior communication from HCD or any of its subdivisions with respect to the data specified herein.

The content specifications set forth herein may be changed only by a mutually approved written amendment to the Standard Agreement by HCD and County. For the purposes of this Exhibit, “County” includes County employees, subcontractors, consultants, and any other third-party entities that are contracted with County and assigned to the work of program implementation, administration, collecting and/or reporting the OOM data, or calculating DOB. County is wholly responsible for all data use by its employees, subcontractors, consultants, and any other third-parties that are contracted with County and assigned to any OOM related work. Since, pursuant to Section 4.0 herein, HCD can require data sharing agreements from County for its third-party partners, HCD strongly recommends County execute data sharing agreements with all third-party entities regardless of whether HCD requires it or not.

Neither County nor any of their subcontractors or agents shall have or acquire any ownership interest or rights in the data covered by this Exhibit as a result of County’s entering into this Standard Agreement. Notwithstanding the foregoing, or anything else in this Exhibit, County must maintain all data for a minimum of five (5) years after the closeout of HCD’s grant with HUD which funds the OOM activities, as required by federal regulation.

A. **Point of Contact – HCD**

HCD and County agree that the following named individual will be designated as the “Point-of-Contact” for all data usage and protocols on behalf of HCD:

EXHIBIT G

John Buettner

(Name of Contact)

Program Manager

(Title)

California Department of Housing and Community Development

(Company/Organization)

**651 Bannon Street, Suite 600
Sacramento, CA 95811**

B. Point-of-Contact for County

HCD and County agree that the following named individual will be designated as the “Point-of-Contact” for data usage and protocols on behalf of County:

Jennifer Butler

(Name of Contact)

Management Analyst

(Title)

County of Ventura

Company/Organization

800 S. Victoria Ave., L#1940

Ventura, CA 93009

Jennifer.butler@venturacounty.gov

805-654-2281

C. Intended Use of Data

Use of the OOM data by County and HCD is intended to enable both parties to fulfill their contractual compliance obligations under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, PL 100-707, signed into law November 23, 1988; amended the Disaster Relief Act of 1974, PL 93-288 (“Stafford Act”). The purpose of the ReCoverCA OOM Program, is to assist victims of disasters for which HCD has been awarded CDBG-DR funding, and for which HCD implements or causes to be implemented, an owner occupied wildfire and flood mitigation program. **The data being collected and shared pursuant to this Exhibit is to be used only for the purposes of program outreach, determinations of applicant participation and eligibility, and for**

EXHIBIT G

avoiding/calculating duplication of benefits with any funds provided to the applicant for the same purpose. All data covered by this Exhibit is to be treated as highly confidential at all times and only used for the express purposes described herein. Any other use or dissemination of the data is strictly prohibited.

D. Constraints on Use of Data

Data supplied by HCD to County or collected and/or created by County on HCD's behalf from applicants to the ReCoverCA OOM Program, is and at all times shall remain the exclusive property of HCD and shall not in any circumstances be sold, leased, rented, licensed, exchanged, transferred, or otherwise in any way shared with or provided to any third-parties or entities without the prior written consent of HCD. Consent may be given, withheld, or conditioned in HCD's sole and absolute discretion, unless the sharing is required by law or by court order. County and HCD agree without reservation to notify the other within five (5) business days if or when either entity is aware they are required by law or court order to share any data that is the subject of this Exhibit.

Any failure of County to observe the foregoing restrictions upon sharing data with authorized third parties shall constitute a material breach of the Standard Agreement. When written consent is granted by HCD, County shall ensure that the third-party or entity, at all times, adheres to the requirements of this Exhibit. HCD reserves the right, during the term of this Standard Agreement, to require any such third-party or entity to execute and deliver to HCD upon demand a data sharing agreement with language similar to this Exhibit. The data covered by this Exhibit shall not be used internally or externally for any purpose not directly described in Section 3.0 of this Exhibit without the prior written consent of HCD.

Some or all of the data specified herein may constitute personally identifiable information ("PII") under state and federal law. County agrees that the creation, receipt, storage, maintenance, transmittal and disclosure of OOM data containing PII shall be subject to the provisions of the California Information Practices Act, Civil Code section 1798 et. seq., 42 CFR Part 2, and the provisions of all other applicable state law and federal law. County also agrees not to use any data by itself or in combination with any other data from any source, whether publicly available or not, to individually identify any person or persons.

E. Data Security

County agrees to employ at all times hereof industry best practices, both technically and procedurally, to continually protect OOM data from any unauthorized physical and/or electronic access. The methods employed by

EXHIBIT G

County in the transfer, use, and storage of the data, for protecting such data are subject to annual review and approval by HCD.

F. Network Security

1) Internet Access

Connections to County computers utilizing the Internet, whether for client access or remote administration, must be protected using any of the following industry standard cryptographic technologies: TLS version 1.2 or higher, IPsec, SSH/SCP, PGP. The use of other cryptographic technologies must be approved in writing by HCD.

2) Data Storage

Regardless of the media employed (e.g., disk, tape, etc.) or the location of the stored data (e.g., local, remote, the “cloud”, etc.), data must be stored in an encrypted format. Encryption algorithms must be AES-128 or better. The use of other encryption algorithms for data storage must be approved in writing by HCD.

G. Compliance with Applicable Laws and Regulations

County shall comply with all applicable state and federal laws and regulations protecting the privacy of citizens, including without limitation, the Family Educational Rights and Privacy Act (FERPA). Additionally, County shall also comply with all applicable provisions of the Financial Services Modernization Act (the “Gramm-Leach-Bliley Act”).

H. Notification of Security Breaches

HCD and County agree that in the event of any actual or suspected breach or compromise of the security, confidentiality or integrity of computerized data where PII of any OOM participant(s) (applicant or awardee) was, or is reasonably believed to have been, acquired and/or accessed by an unauthorized person, HCD and County shall follow all protocols described in, [California Civil Code s. 1798.29\(a\) for state agencies](#) and notify the other party of the breach of the security system containing such data immediately upon awareness of occurrence, comply with all notification actions, and/or assist with all notification actions required by federal and state policy and applicable laws and regulations.

EXHIBIT G

I. Indemnification, Defense, and Hold Harmless

County, at its sole cost and expense, shall indemnify, defend (with counsel acceptable to HCD), and hold harmless HCD and its directors, officers, employees, representatives and agents from and against any and all allegations, claims, actions, suits, demands, damages, liabilities, obligations, losses, settlements, judgments, penalties, fines, costs and expenses (including, but not limited to attorney fees' and costs) arising out of, relating to, resulting from or in connection with the performance of this Exhibit by County, except to the extent of any injuries and damages that a court determines were caused by the sole active negligence or willful misconduct of HCD. The obligations of County under this Section are not limited by the amount of any insurance or bond maintained by County for such events, and County's obligations hereunder shall indefinitely survive the expiration or earlier termination of this Standard Agreement.

J. Expiration/Termination of Services

If HCD or County terminates this Standard Agreement, County ceases operation of the OOM program, or upon the expiration of this Standard Agreement, County shall submit to HCD all data and work in progress on hand and outside of HCD's system of record in Excel, Word, and or PDF file formats, as appropriate, and destroy all source data. County shall certify to HCD in writing under penalty of perjury within five (5) business days of services termination that all copies of the data stored on County servers, backup servers, personal computers, backup media, or other media including paper copies have been permanently erased* or destroyed. Data destruction does not include data stored on the mortgage originator's system and servers since that data was collected directly from the applicants.

*Permanently erased is defined as follows: data are completely overwritten and are unrecoverable. File deletions or media high level formatting operations do not constitute a permanent erasure.

K. Survival

The limitations on intended use of data, the constraints on use of data, requirements for data security, requirements for data elements, data handling requirements, network security, notification of security breaches, indemnification, requirements to destroy all data upon the termination or expiration of this Standard Agreement, and the requirements contained in this exhibit shall survive this Standard Agreement in perpetuity.

EXHIBIT G

L. **Signatory Authority**

By the signatures of the duly authorized representative on this Standard Agreement, HCD and County each acknowledge that they have read, understand, and agree to all of the provisions of this Exhibit.

M. **Personnel Controls**

- 1) **Employee Discipline.** If any person fails to comply with any of the privacy laws or requirements discussed in this Exhibit, that person shall be prohibited from performing any work under this Standard Agreement and shall be prohibited from accessing any data going forward.
- 2) **Confidentiality Statement.** All persons that will be working with any source data, including, but not limited to ReCoverCA OOM Program PII and other confidential data must sign a confidentiality statement that includes, at a minimum, General Use, Security and Privacy Safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the workforce member prior to access to any source data, including, but not limited to ReCoverCA OOM Program PII and other confidential data. The statement must be renewed annually. The data requester shall retain each workforce member's written confidentiality statement for HCD's inspection for a period of six (6) years following expiration/termination of any specified data sharing agreement.
- 3) **Background Check.** Before a workforce member may access any source data, including, but not limited to ReCoverCA OOM Program PII and other confidential data, the workforce member shall undergo, at no cost to HCD, a state and federal fingerprint-based background check conducted by the Department of Justice (DOJ). A criminal history that warrants substantial concerns on the part of HCD as a result of either the initial DOJ background check or any subsequent criminal record review shall exclude the workforce member from having access to any source data, including, but not limited to ReCoverCA OOM Program PII and other confidential data.

N. **Technical Security Controls**

- 1) **Workstation/Laptop encryption.** All workstations and laptops that process and/or store any source data, including, but not limited to ReCoverCA OOM Program PII and other confidential data must be encrypted using a FIPS 140-2 certified algorithm which is 128 bit or higher, such as Advanced Encryption Standard (AES). The encryption

EXHIBIT G

solution must be full disk unless approved by the HCD Chief Information Security Office (CISO).

- 2) **Server Security.** Servers containing any source data, including, but not limited to ReCoverCA OOM Program PII and other confidential data, must ensure all source data is fully encrypted and have sufficient administrative, physical, and technical controls in place to protect that data.
- 3) **Minimum Necessary.** Only the minimum necessary amount of source data, including, but not limited to ReCoverCA OOM Program PII and other confidential data, required to perform necessary business functions may be copied, downloaded, or exported.
- 4) **Removable media devices.** All electronic files that contain any source data, including, but not limited to ReCoverCA OOM Program PII and other confidential data, must be encrypted when stored on any removable media or portable device (i.e., USB thumb drives, CD/DVD, cellular devices, backup tapes etc.). Encryption must be a FIPS 140-2 certified algorithm which is 128 bit or higher, such as AES.
- 5) **Antivirus software.** All workstations, laptops and other systems that process and/or store any source data, including, but not limited to ReCoverCA OOM Program PII, and other confidential data, must install and actively use a comprehensive anti-virus software solution with automatic updates scheduled at least daily.
- 6) **Patch Management.** All workstations, laptops, cellular devices, and other systems that process and/or store any source data, including, but not limited to ReCoverCA OOM Program PII and other confidential data must have critical security patches applied, with system reboot if necessary. There must be a documented patch management process which determines installation timeframe based on risk assessment and vendor recommendations. At a maximum, all applicable patches must be installed within five (5) calendar days of vendor release. Applications and systems that cannot be patched due to operational reasons must have compensatory controls implemented to minimize risk, where possible.
- 7) **Data Destruction.** When no longer needed, or upon the termination or expiration of this Standard Agreement, whichever comes first, the data requester must certify in writing that all source data, including, but not limited to ReCoverCA OOM Program PII and other confidential data, has been destroyed using the Gutmann or US Department of Defense (DoD) 5220.22-M (7 Pass) standard, or by degaussing. Media may also be physically destroyed in accordance with NIST Special Publication 800-88.

EXHIBIT G

Other methods require prior written permission of the HCD CISO. Notwithstanding the foregoing, or anything else in this Exhibit, provided there are no breaches and no early termination of this Standard Agreement, County is required to maintain all OOM data for a minimum of five (5) years after the closeout of HCD's grant with HUD, as required by federal regulation.

- 8) **Transmission encryption.** All data transmissions of any source data, including, but not limited to ReCoverCA OOM Program PII and other confidential data, outside of HCD's system of record, must be encrypted using a FIPS 140-2 certified algorithm which is 128 bit or higher, such as AES. Encryption can be end-to-end at the network level, or the data files containing PII can be encrypted.

This requirement pertains to any type of source data, including, but not limited to ReCoverCA OOM Program PII

- 9) **Intrusion Detection.** All County owned and/or operated systems involved in accessing, holding, transporting, and protecting any source data, including, but not limited to ReCoverCA OOM Program PII, and other confidential data, that are accessible via the Internet must be protected by a comprehensive intrusion detection and prevention solution.

O. Audit Controls

- 1) **System Security Review.** County must ensure audit control mechanisms that record and examine system activity are in place. All County owned and/or operated systems processing and/or storing any source data, including, but not limited to ReCoverCA OOM Program PII and other confidential data, must have at least a semi-annual system risk assessment/security review which provides assurance that administrative, physical, and technical controls are functioning effectively and providing adequate levels of protection. Reviews should include vulnerability scanning tools.
- 2) **Log Reviews.** All County owned and/or operated systems processing and/or storing any source data, including, but not limited to ReCoverCA OOM Program PII and other confidential data, must have a routine procedure in place to review system logs for unauthorized access.
- 3) **Change Control.** All systems processing and/or storing any source data, including, but not limited to ReCoverCA OOM Program PII and other confidential data, must have a documented change control procedure that

EXHIBIT G

ensures separation of duties and protects the confidentiality, integrity and availability of data.

P. Paper Document Controls

- 1) **Supervision of Data.** No source data, including, but not limited to ReCoverCA OOM Program PII and other confidential data, in paper form shall be left unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means that information is not being observed by an employee authorized to access the information. No source data, including, but not limited to ReCoverCA OOM Program PII and other confidential data, in paper form shall be left unattended at any time in vehicles or planes and shall not be checked in baggage on commercial airplanes.
- 2) **Confidential Destruction.** All source data, including, but not limited to ReCoverCA OOM Program PII and other confidential data, must be disposed of through confidential means, such as crosscut shredding and pulverizing.
- 3) **Faxing.** Faxes containing any source data, including, but not limited to ReCoverCA OOM Program PII, and other confidential data shall not be left unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them. Fax numbers shall be verified with the intended recipient before sending the fax.
- 4) **Mailing.** Mailings of any source data, including, but not limited to ReCoverCA OOM Program PII and other confidential data, shall be sealed and secured from damage or inappropriate viewing to the extent possible. Mailings of individually identifiable records of any source data, including, but not limited to ReCoverCA OOM Program PII and other confidential data, shall be sent using a tracked mailing method which includes verification of delivery and receipt, unless the prior written permission is obtained from HCD.

Q. Notification of Breach

- 1) **Definitions.**

(1) Personal Information ("PII") shall have the meaning given to such term in California Civil Code section 1798.29.

EXHIBIT G

(2) Security Incident means the attempted or successful unauthorized access, use, disclosure, modification, loss or destruction of ReCoverCA OOM Program PII or confidential data that is intended for the limited purposes set forth in this Exhibit.

R. **Breaches and Security Incidents.** During the term of this Standard Agreement, County agrees to implement reasonable systems for the discovery and prompt reporting of any breach or security incident, and to take the following steps in the event of a suspected or actual breach or security incident:

S. **Notice to HCD.** (1) To notify HCD **immediately by telephone call plus email** upon the discovery of a breach of unsecured ReCoverCA OOM Program PII in electronic media or in any other media if the PI was, or is reasonably believed to have been, accessed or acquired by an unauthorized person, or upon the discovery of a suspected security incident that involves data provided to County by HCD. (2) To notify HCD **within 4 hours by email** of the discovery of any suspected breach or security incident, intrusion or unauthorized access, use or disclosure of PI in violation of this Exhibit and this Addendum, or potential loss of confidential data covered by this Exhibit. A breach shall be treated as discovered by County as of the first day on which the breach is known, or by exercising reasonable diligence would have been known, to any person (other than the person committing the breach) who is an employee, officer or other agent of County. Notice shall be provided to the HCD Point-of-Contact and the HCD Chief Information Security Officer (CISO). If the incident occurs after business hours or on a weekend or holiday and involves electronic PII, notice shall be provided by calling and emailing the HCD Point-of-Contact and the HCD CISO on that weekend or holiday. Notice shall be made using the protocols and forms found on the Information Security Management on the California Department of Technology (CDT) website in the Incident Management Samples and Templates section. (<https://cdt.ca.gov/security/resources/>).

Upon discovery of a breach or suspected security incident, intrusion or unauthorized access, use or disclosure of ReCoverCA OOM Program PII, User shall take:

- 1) immediate corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment.
- 2) any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations.

T. **Investigation and Investigation Report.** To immediately investigate such security incident, breach, or unauthorized access, use or disclosure of ReCoverCA **OOM** Program PII. Within 72 hours of the discovery, User shall

EXHIBIT G

submit updated reports and notices, to the extent known at that time to the HCD Point-of-Contact and the HCD CISO.

- U. **Complete Report.** To provide a complete report of the investigation to the HCD Point-of-Contact and the HCD CISO as soon as possible but no later than five (5) calendar days of the discovery of the breach or unauthorized use or disclosure. The report shall be submitted pursuant to guidance and requirements found on the CDT website at <https://cdt.ca.gov/security/resources/> and shall include a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure. If HCD requests information in addition to that listed on the CDT templates, User shall make reasonable efforts to provide HCD with such information. If necessary, a supplemental report may be used to submit revised or additional information after the completed report is submitted, by submitting the revised or additional information on an updated CDT report form.
- V. **Responsibility for Reporting of Breaches.** If the cause of a breach of PII is attributable to User or its agents, subcontractors or vendors, User is responsible for such breach. If User has reason to believe that duplicate reporting of the same breach or incident may occur because its subcontractors, agents or vendors may report the breach or incident to HCD in addition to User, User shall notify HCD and User may take appropriate action to prevent duplicate reporting. The breach reporting requirements of this paragraph are in addition to the reporting requirements set forth in subsection 1, above.
- W. **Contact Information.** To direct communications to the above referenced staff, the User shall initiate contact as indicated herein. The parties reserve the right to make **changes** to the contact information below by giving written notice to the User. Said changes shall not require an amendment to this Addendum or the Standard Agreement to which it is incorporated.

County Point-of-Contact	HCD Point-of-Contact	HCD Chief Information Security Officer
Jennifer Butler County of Ventura Management Analyst 800 S. Victoria Ave., L#1940 Ventura, CA 93009 805-654-2281	John Buettner California Department of Housing and Community Development Program Manager 651 Bannon Street, Suite 800 Sacramento, CA 95811	Sonny Lee California Department of Housing and Community Development Chief Information Security Officer

EXHIBIT G

	Phone: 916-841-4756 John.buettner@hcd.ca.gov	651 Bannon Street, Suite 700 Sacramento, CA 95811 Phone: 916-704-9228 Sonny.Lee@hcd.ca.gov
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