
SECTION THREE: DEPARTMENT TERMS, CONDITIONS AND AUTHORIZATION

TERMS AND CONDITIONS: The undersigned Jurisdiction certifies that all terms and conditions listed below have been read and understood, and will be implemented and followed:

1. Authority & Purpose

This Agreement provides official notification of the Jurisdiction's PI Reuse Agreement's approval under the State's administration of the Federal CDBG for Non-entitlement Jurisdictions pursuant to the provisions of 42 U.S. Code (U.S.C.) 5301 et seq., 24 Code of Federal Regulations (CFR) Part 570, Subpart I, and 25 California Code of Regulations (CCR), Sections 7050 et seq. The Program is listed in the Catalog of Federal Domestic Assistance as 14.228 - CDBG Community Development Block Grant Program.

In accepting the PI Reuse Agreement approval, the Jurisdiction agrees to comply with the terms and conditions of this Agreement, all exhibits hereto and the representations contained in the Jurisdiction's PI Reuse Agreement. Any changes made to the PI Reuse Agreement after this Agreement is accepted must receive prior written approval from the Department.

2. Distribution for Reuse of PI

A. The Jurisdiction shall perform PI funded activities as described in the Distribution for Reuse in the PI Reuse Agreement. All written materials or alterations submitted as addenda to the original PI Reuse Agreement and which are approved in writing by the Department are hereby incorporated as part of the PI Reuse Agreement.

The Department reserves the right to require the Jurisdiction to modify any or all parts of the PI Reuse Agreement in order to comply with CDBG requirements. The Department reserves the right to review and approve all work to be performed by the Jurisdiction in relation to this Agreement. Any proposed revision to the work must be submitted in writing for review and approval by the Department and may require an amendment to this Agreement. Approval shall not be presumed unless such approval is made in writing by the Department.

B. The PI funded activities shall principally benefit Low/Mod-income persons or households residing in the Jurisdiction. HUD defines Low/Mod as having an annual income that is no more than 80 percent (80%) of the

county median area income, adjusted for household size.

3. Sufficiency of Funds and Termination

The Department may terminate this Agreement at any time for cause. . The Jurisdiction will have at least 14 days upon receipt of the Departments written notice. Termination shall consist of violations of any terms and/or conditions of this Agreement, upon the request of HUD, or withdrawal of the Department's expenditure authority.

The Department reserves the right, for any significant on-going non-compliance with RLF or Program Income rules, to cancel any RLF and require, all RLF and PI funds, to be returned to the Department.

4. Meeting National Objectives

All activities performed under this Agreement must meet one of the National Objectives determined by the HUD regulations as included in the Application authorized under Title I of the Housing and Community Development Act of 1974, as amended.

- A. Benefit to HUD defined Low/Mod-income person or household (LMI). The term Low/Mod-income is defined under CDBG as no more than 80 percent (80%) of the median area income, as determined by HUD, per Federal Regulation 24 CFR, Part 570.483(b); and/or;
- B. Prevention or elimination of slums or blight. In order for an activity to meet the National Objective of elimination of slums and blight, the activity must take place in an area that meets the definition of a blighted area and the project must be shown to eliminate blight or prevent further blight per Federal Regulation 24 CFR, Part 570.483(c).
- C. For Microenterprise Assistance activities, the Jurisdiction must only meet the benefit to Low/Mod-income person or household (LMI) National Objective.

5. Inspections of Activities

- A. The Department reserves the right to inspect any activity(ies) performed hereunder to verify that the activity(ies) is in accordance with the applicable federal, State and/or local requirements and this Agreement.
- B. The Jurisdiction shall inspect any activity performed by contractors and subrecipients hereunder to ensure that the activity(ies) is in accordance with the applicable federal, State and/or local requirements and this Agreement.

The Jurisdiction agrees to require that all activity(ies) found by such inspections not to conform to the applicable requirements be corrected, and to withhold payment to its contractor or subcontractor, respectively, until it is so corrected.

6. Insurance

The Jurisdiction shall have and maintain in full force and effect during the term of this Agreement such forms of insurance, at such levels as may be determined by the Jurisdiction and the Department to be necessary for specific components of the activity(ies) described in this Reuse Agreement.

7. Contractors and Subrecipients

A. The Jurisdiction shall not enter into any agreement, written or oral, with any contractor or subrecipient without the prior determination that the contractor or subrecipient is eligible to receive CDBG funds and is not listed on the Federal Consolidated List of Debarred, Suspended, and Ineligible Contractors.

- 1) Contractors are defined as program operators or construction contractors who are procured competitively.
- 2) Subrecipients are defined as public or private non-profit agencies or organizations and certain (limited) private for-profit entities who receive CDBG funds from an awarded Jurisdiction to undertake eligible activities.

B. An agreement between the Jurisdiction and any contractor or subrecipient shall require:

- 1) Compliance with the applicable State and federal requirements of this Agreement, which pertain to, among other things, labor standards, non-discrimination, Americans with Disabilities Act, Equal Employment Opportunity, and Drug-Free Workplace; and, Compliance with the applicable provisions relating to Labor Standards/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 minimum, the State-required Workers' Compensation Insurance for those employees who will perform the activity(ies) or any part of it.
- 3) Maintenance of, if so required by law, 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 activity(ies) or any part of it.

- 4) Compliance with the applicable Equal Opportunity Requirements described in this Agreement.

C. Contractors shall:

- 1) Perform the activity(ies) in accordance with federal, State and local housing and building codes, as are applicable.
- 2) Provide security to assure completion of the project by furnishing the borrower and construction lenders with Performance and Payment Bonds, or other security approved in advance in writing by the Department.

D. Subrecipients shall:

- 1) Retain all books, records, accounts, documentation, and all other materials relevant to this Agreement for a period of five (5) years from date of termination of this Agreement, or five (5) years from the conclusion or resolution of any and all audits or litigation relevant to this Agreement, and any amendments, whichever is later.
- 2) Permit the State, federal government, the Bureau of State Audits, the Department and/or their representatives, upon reasonable notice, unrestricted access to any or all books, records, accounts, documentation, and all other materials relevant to the agreement for the purpose of monitoring, auditing, or otherwise examining said materials.

8. **Obligations of the Jurisdiction with Respect to Certain Third Party Relationships**

The Jurisdiction shall remain fully 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 Activities funded under this agreement with respect to which assistance is being provided under this Agreement to the Jurisdiction.

The Jurisdiction shall comply with all lawful requirements of the Department necessary to ensure that the Program, with respect to which assistance is being provided under this Agreement to the Jurisdiction, is carried out in accordance with the Department's Assurance and Certifications, 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.

9. Periodic Reporting Requirements

During the term of this Agreement, the Jurisdiction must submit the following reports by the dates identified, respectively, or as otherwise required at the discretion of the Department. The Jurisdiction's performance under this Agreement will be based, in part, on whether it has submitted the reports on a timely basis.

- A. Semi-Annual PI Expenditure/Performance Report: Submit by January 31 and July 31 of each year regardless of whether or not the Jurisdiction has any unexpended PI. PI Waivers or open Grants with no accomplishment are not excluded to the reporting requirement.
- B. Annual Federal Overlay Reporting: Submit by July 31 starting from the contract effective date to subsequent June 30, and for each State Fiscal Year. Annual Reporting includes but is not limited to: Section 3, and Minority Owned Business/Women Owned Business (MBE/WBE).
- C. Wage Compliance Reports: Semi-annual Wage Compliance Reports are to be submitted by October 7 and April 7 during the entire construction period. The final Wage Compliance Report is to be submitted thirty (30) days after construction is completed.
- D. Any other reports that may be required as a Special Condition of this Agreement.

10. Monitoring Requirements

The Department shall perform a program and/or fiscal monitoring of the activity(ies). The Jurisdiction shall be required to resolve any monitoring findings to the Department's satisfaction by the deadlines set by the Department. If findings are not adequately resolved in a timely manner, the Department may deduct points from the Jurisdiction's performance score on future applications.

Additionally, the Department reserve the right to suspend a Jurisdiction's authority to expend PI (Waiver, RLF and/or PI attached to an open grant) based on significant compliance issues, reporting concerns or serious lack of cooperation in clearing PI monitoring findings.

11. Signs

If the Jurisdiction places signs stating that the Department is providing financing, it shall indicate in a typeface and size commensurate with the Department's

funding portion of the project that the Department is a source of financing through the CDBG Program.

12. Audit/Retention and Inspection of Records

- A. The Jurisdiction must have intact, auditable fiscal records at all times. If the Jurisdiction is found to have missing audit reports from the SCO during the term of this Agreement, the Jurisdiction will be required to submit a Agreement to the State, with task deadlines, for submitting the audit to the SCO. If the deadlines are not met, the Jurisdiction will be subject to termination of this Agreement and disencumbrance of the funds awarded. The Jurisdiction's audit completion Agreement is subject to prior review and approval by the Department.
- B. The Jurisdiction 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 Jurisdiction agrees to provide the Department or its designee with any relevant information requested and shall permit the Department or its designee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with California Public Contract Code (PCC) Section 10115 et seq., Government Code (GC) Section 8546.7 and 2 CCR 1896.60 et seq. The Jurisdiction further agrees to maintain such records for a period of five (5) years after final payment under this Agreement. The Jurisdiction shall comply with the caveats and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in PCC 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 Jurisdiction.
- D. Absent fraud or mistake on the part of the Department, the determination by the Department of allowable expenditures shall be final.
- E. For the purposes of annual audits under OMB Circular A-133 (The United States Office of Management and Budget Circular for Audits of States and Local Governments), Jurisdiction shall use the Federal Catalog Number 14.228 for the State CDBG Program.
- F. Notwithstanding the foregoing, the Department will not reimburse the Jurisdiction for any audit cost incurred after the expenditure deadline of this Agreement.

G. The Jurisdiction understands that the expenditure of PI is covered under the OMB A-133 Single Audit Requirements and will meet all these requirements and report said PI Expenditure along with grant funds each fiscal year.

13. Conflict of Interest of Members, Officers, or Employees of Contractors, Members of Local Governing Body, or other Public Officials

Pursuant to 24 CFR 570.611, no member, officer, or employee of the Jurisdiction, 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 activities assisted under this part, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to a CDBG-assisted activity or its proceeds, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one (1) year thereafter. The Jurisdiction 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.

14. Waivers

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of the Department to enforce at any time the provisions of this Agreement or to require at any time performance by the Jurisdiction 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.

15. Litigation

A. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent Jurisdiction, such invalidity, at the sole discretion of the Department, shall 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 Jurisdiction 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.

16. Lead-Based Paint Hazards

Activity(ies) performed with assistance provided under this Agreement are subject to lead-based paint hazard regulations contained in Title 8 (Industrial Relations) and Title 17 (Public Health) of the CCR and 24 CFR, Part 35 (Lead Disclosure). Any grants or loans made by the Jurisdiction with assistance provided under this Agreement shall be made subject to the provisions for the elimination or mitigation of lead-based paint hazards under these Regulations. The Jurisdiction shall be responsible for the notifications, inspections, and clearance certifications required under these Regulations.

17. Prevailing Wages

- A. Where funds provided through this Agreement are used for construction work, or in support of construction work, the Jurisdiction shall ensure that the requirements of California Labor Code (LC), Chapter 1, commencing with Section 1720, Part 7 (pertaining to the payment of prevailing wages and administered by the California Department of Industrial Relations) are met.
- B. For the purposes of this requirement "construction work" includes, but is not limited to rehabilitation, alteration, demolition, installation or repair done under contract and paid for, in whole or in part, through this Agreement. All construction work shall be done through the use of a written contract with a properly licensed building contractor incorporating these requirements (the "construction contract"). Where the construction contract will be between the Jurisdiction and a licensed building contractor, the Jurisdiction shall serve as the "awarding body" as that term is defined in the LC. Where the Jurisdiction will provide funds to a third party that will enter into the construction contract with a licensed building contractor, the third party shall serve as the "awarding body." Prior to any disbursement of funds, including but not limited to release of any final retention payment, the Department may require a certification from the awarding body that prevailing wages have been or will be paid.

18. Compliance with State and Federal Laws and Regulations

- A. The Jurisdiction agrees to comply with all State laws and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the Jurisdiction, its subcontractors, contractors or subcontractors, and the Reuse activity(ies), and any other State provisions as set forth in this Agreement.
- B. The Jurisdiction agrees to comply with all federal laws and regulations applicable to the CDBG Program and to the activity(ies), and with any other federal provisions as set forth in this Agreement.

19. Anti-Lobbying Certification

The Jurisdiction shall require that the language of this certification be included in all contracts or subcontracts entered into in connection with this activity(ies) and that all subrecipients 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.

"The undersigned certifies, to the best of his or her knowledge or belief, that:

- A. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement; and,
- 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."

20. Bonus or Commission, Prohibition Against Payments of

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

- A. Obtaining the Department's approval of the Application for such assistance; or,
- B. The Department's approval of the Applications for additional assistance; or,
- C. 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.

21. Citizen Participation

The Jurisdiction is subject to the requirements concerning citizen participation contained in Federal Regulations at 24 CFR, Part 570.486, Local Government Requirements, Part 91.105 and 91.115.

22. Clean Air and Water Acts

This Agreement is subject to the requirements of the Clean Air Act, as amended, 42 USC 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 USC 1251 et seq., and the regulations of the Environmental Protection Agency with respect thereto, at 40 CFR, Part 15, as amended from time to time.

23. Conflict of Interest of Certain Federal Officials

No member of or delegate to the Congress of the United States, and no resident commissioner, shall be admitted to any share or part of this Agreement or to any benefit to arise from the same. The Jurisdiction shall report all perceived or actual conflicts of interest cases to the State for review before financial benefits are given.

24. Environmental Requirements

The Jurisdiction shall comply with the provisions of the National Environmental Policy Act (NEPA) by following the procedures contained in 24 CFR, Part 58. The Jurisdiction shall not undertake any activity that would have an adverse environmental impact or limit the choice of reasonable alternatives under 24 CFR, Part 58.22 until HUD or the Department has issued an environmental clearance.

25. Equal Opportunity

A. The Civil Rights, Housing and Community Development, and Age Discrimination Acts Assurances

During the performance of this agreement, the Jurisdiction assures that no otherwise qualified person shall be excluded from participation or employment, denied program benefits, or be subjected to discrimination based on race, color, national origin, sex, age, handicap, religion, familial status, or religious preference, under any activity funded by this Agreement, as required by Title VI of the Civil Rights Act of 1964, Title I of the Housing and Community Development Act of 1974, as amended, the

Age Discrimination Act of 1975, the Fair Housing Amendment Act of 1988, and all implementing regulations.

B. Rehabilitation Act of 1973 and the "504 Coordinator"

The Jurisdiction further agrees to implement the Rehabilitation Act of 1973, as amended, and its regulations, 24 CFR, Part 8, including, but not limited to, for Jurisdiction's with fifteen (15) or more permanent full or part time employees, the local designation of a specific person charged with local enforcement of this Act, as the "504 Coordinator."

C. The Training, Employment, and Contracting Opportunities for Business and Lower-Income Persons Assurance of Compliance

- 1) The activity(ies) to be performed under this Agreement are subject to the requirements of Section 3 of the HUD Act of 1968, as amended, 12 U.S.C. 1701u. Recipients, contractors and subcontractors shall direct their efforts to provide, to the greatest extent feasible, training and employment opportunities generated from the expenditure of Section 3 covered assistance to Section 3 residents in the order of priority provided in 24 CFR, Part 135.34(a)(2).
- 2) The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of HUD set forth in 24 CFR, Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this Agreement. The parties to this Agreement certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
- 3) The Jurisdiction will include these Section 3 clauses in every contract and subcontract for Work in connection with the activity(ies) and will, at the direction of the Department, take appropriate action pursuant to the contract or subcontract upon a finding that the Jurisdiction or any contractor or subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR, Part 135 and, will not let any contract unless the Jurisdiction or contractor or subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
- 4) Compliance with the provisions of Section 3, the regulations set forth in 24 CFR, Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this Agreement shall be a condition of the federal financial assistance provided to the activity(ies), binding upon the Jurisdiction, its successors, and assigns. Failure to fulfill these requirements shall

subject the Jurisdiction, its contractors and subcontractors and its successors, to such sanctions as are specified by 24 CFR, Part 135 and those sanctions specified by this Agreement.

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

The Jurisdiction hereby agrees to place in every contract and subcontract for construction exceeding \$10,000 the Notice of Requirement for Affirmative Action to ensure Equal Employment Opportunity (Executive Order 11246), the Standard Equal Employment Opportunity, and the Construction Contract Specifications. The Jurisdiction furthermore agrees to insert the appropriate Goals and Timetables issued by the U.S. Department of Labor in such contracts and subcontracts.

26. Flood Disaster Protection

- A. This Agreement is subject to the requirements of the Flood Disaster Protection Act (FDPA) of 1973 (Public Law 93-234). No portion of the assistance provided under this Agreement is approved for acquisition or construction purposes as defined under FDPA, Section 3 (a) of said Act, for use in an area identified by the Secretary of HUD as having special flood hazards which is located in a community not then in compliance with the requirements for participation in the national flood insurance program pursuant to FDPA, Section 102(d) of said Act.
- B. The use of any assistance provided under this Agreement for such acquisition or construction in such identified areas in communities then participating in the national flood insurance program shall be subject to the mandatory purchase of flood insurance requirements of FDPA, Section 102(a) of said Act.
- C. Any contract or agreement for the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement shall contain certain provisions. These provisions will apply if such land is located in an area identified by the Secretary of HUD as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001 et seq.
- D. These provisions shall obligate the transferee and its successors or assigns to obtain and maintain, during the ownership of such land, such flood insurance as required with respect to financial assistance for acquisition or construction purposes under FDPA, Section 102(s) of the Flood Disaster Protection Act of 1973. Such provisions shall be required notwithstanding the fact that the construction on such land is not itself funded with assistance provided under this Agreement.

27. Federal Labor Standards Provisions

The Jurisdiction shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of:

- A. Davis-Bacon Act (40 U.S.C. 3141-3148) requires that workers receive no less than the prevailing wages being paid for similar work in their locality. Prevailing wages are computed by the Federal Department of Labor and are issued in the form of federal wage decisions for each classification of work. The law applies to most construction, alteration, or repair contracts over \$2,000.
- B. "Anti-Kickback Act of 1986" (41 U.S.C. 51-58) prohibits any person from (1) providing, attempting to provide, or offering to provide any kickback; (2) soliciting, accepting, or attempting to accept any kickback; or (3) including directly or indirectly, the amount of any kickback prohibited by clause (1) or (2) in the contract price charged by a subcontractor to a prime contractor or a higher tier subcontractor or in the contract price charged by a prime contractor to the United States.
- C. Contract Work Hours and Safety Standards Act - CWHSSA (40 U.S.C. 3702) requires that workers receive "overtime" compensation at a rate of one to one-half (1-1/2) times their regular hourly wage after they have worked forty (40) hours in one week.
- D. Title 29, Code of Federal Regulations CFR, Subtitle A, Parts I, 3 and 5) are the regulations and procedures issued by the Secretary of Labor for the administration and enforcement of the Davis-Bacon Act, as amended.

The Jurisdiction 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.

28. Procurement

The Jurisdiction shall comply with the procurement provisions in 24 CFR, Part 85.36: Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.

29. Non-Performance

The Department shall review the actual National Objective and/or Public Benefit achievements of the Jurisdiction. In the event that the National Objective and/or Public Benefit requirements are not met, the Department will require the recapture of the entire PI expended on that project/activity. Additional remedies

may include suspending the Jurisdiction's authority to use PI funds until the Jurisdiction has developed capacity to ensure future PI funds will be used for eligible activities that will meet a National Objective.

30. Relocation, Displacement, and Acquisition

The provisions of the Uniform Relocation Act, as amended, 49 CFR, Part 24, and Section 104(d) of the Housing and Community Development Act of 1974 shall be followed where any acquisition of real property is carried out by the Jurisdiction and assisted in whole or in part by funds allocated by CDBG.

31. Uniform Administrative Requirements

The Jurisdiction shall comply with applicable Uniform Administrative Requirements as described in 24 CFR, Section 570.502, including cited Sections of 24 CFR, Part 85.

32. Section 3

The Jurisdiction will comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing Regulations at 24 CFR, Part 135.

33. Affirmatively Furthering Fair Housing

The Jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the Jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

34. General Contract Conditions

The following conditions apply to all activities, including set aside activities. The Jurisdiction must meet the conditions within ninety (90) days of this Agreement's execution. Failure to meet the following Special Conditions may result in termination of this Agreement.

A. Environmental Compliance

The Jurisdiction shall have satisfied all National Environmental Policy Act (NEPA) requirements and California Environmental Quality Act (CEQA) requirements. CEQA shall be approved by the Jurisdiction. The level of compliance varies by activity. NEPA review must be completed by the Jurisdiction for each activity and approved in writing by Department staff prior to incurring costs on the activity(ies).

B. Acquisition/Relocation Compliance

The Jurisdiction must document its compliance with the Uniform Relocation Act, Section 104(d) before release of funds by the Department. The Jurisdiction must submit a specific relocation assistance Agreement for each activity which may result in temporary or permanent displacement. For projects where there will be temporary or permanent displacement, the Jurisdiction must submit signed General Information Notices (GINs) from each tenant who was residing in the project at the time of Application submittal. If the Jurisdiction believes that there will be no displacement as a result of their activities, they must submit a letter explaining why no displacement or relocation will occur, which will be subject to written approval by the Department.

C. Site Control

The Jurisdiction shall demonstrate site control of the proposed project property by submitting evidence of one or more of the following to the Department:

- 1) Fee title;
- 2) A leasehold interest on the project property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease shall permit compliance with all Program requirements;
- 3) An option to purchase or lease;
- 4) A disposition and development agreement with a public agency;
- 5) A land sale contract, or other enforceable agreement for the acquisition of the property; or,
- 6) All easements and right-of-ways (required for completion of the CDBG project) must be obtained.

D. Funding Commitments and Project Cost Estimates

All funding required for project completion must be documented and committed. If all funding is not committed, the Department shall terminate this Agreement. If the Jurisdiction has applied for other funding prior to the execution of this Agreement, the Jurisdiction must notify the Department as soon as that application is approved or denied. If the Jurisdiction must apply for other funding after the execution date of this Agreement, the Jurisdiction must apply at the earliest possible opportunity offered by the

other funding source(s) and notify the Department as soon as that application is approved or denied.

A current third-party cost estimate must be provided by the engineer or architect for the project.

E. Activity Administration Documentation

There are four methods of administering and/or completing RLF activities:

- 1) Use of in-house staff only;
- 2) Subrecipient agreement(s) with qualified non-profit(s);
- 3) Consultants/contractors/others obtained through federal procurement procedures; and,
- 4) Any combination of the above methods.

The Jurisdiction must provide the following documentation demonstrating that one or more of these methods were used for the GA of the RLF and for all activities carried out under this Agreement.

- 1) Use of in-house staff only: If not previously provided in the Application, submit staff resumes and duty statements that clearly identify that Jurisdiction staff has capacity and experience to complete administration of the proposed activities in the Application.
- 2) Subrecipient agreement(s) with qualified non-profit(s): Sub-recipients and their respective agreements with the Jurisdiction must adhere to all Program requirements. Submit the subrecipient agreement that was executed between the non-profit and the Jurisdiction. (Submitting draft documents for review prior to execution is recommended.) The scope of work in the subrecipient agreement must match the description of activity in this Agreement. Any parts of the activity description in this Agreement not covered by the subrecipient agreement must have separate procurement information. If the subrecipient is using CDBG funds to hire other consultants or subrecipients to do part or all of the Work then the procurement documentation or additional subrecipient agreements must be provided to the Department for review and approval.
- 3) Consultants: Submit procurement documentation that all third-party consultants are procured in accordance with Federal Procurement Procedures and the Grant Management Manual, as follows:

- a. A copy of the document used to notify prospective consultants, such as a Request for Proposal or similar document.
- b. A list of all bid respondents, showing respondents' contact information and the dollar amount of each proposal.
- c. A brief description of the process used to select the consultant/ contractor/other, including the rationale for the selection.
- d. Additional information may be found in the Grant Management Manual, Program Operators.

F. Compliance With All Loans and/or Grant Agreements

Pursuant to this Agreement, the Jurisdiction must comply with State and Federal Laws and Regulations that pertain to matters applicable to the Jurisdiction. Prior to disbursement of any funds under this Agreement, the Jurisdiction shall be in compliance with all loan and/or grant agreements to which it is a party, which are administered by the Department.

G. Easements and Rights-of-Way

If required for the completion of a CDBG project, the Jurisdiction must obtain all easements and rights-of-ways required for completion of the CDBG project within twelve (12) months of execution of this Agreement. Failure to obtain these may result in termination of this Agreement.

H. Section 504 Accessibility Requirements

- 1) Section 504 Regulations apply when CDBG funds are used on a new construction housing or public facility project or when an existing public facility or housing project with fifteen (15) or more units is being purchased and/or "substantially" rehabilitated. Qualified CDBG assisted housing projects are required to have a certain percentage of the units designed for and accessible to persons with mobility and sensory impairments.
- 2) For a federally assisted new construction housing project, Section 504 requires five percent (5%) of the dwelling units, or at least one unit, whichever is greater, to meet Uniform Federal Accessibility Standards or a standard that is equivalent or stricter, for persons with mobility disabilities. An additional two percent (2%) of the dwelling units, or at least one unit, whichever is greater, must be accessible for persons with hearing or visual disabilities.

- 3) Under Section 504, alterations are substantial (i.e. substantially rehabilitated) if they are undertaken to a housing project that has 15 or more units and the cost of the alterations is seventy-five percent (75%) or more of the replacement cost of the completed facility; and require that a minimum of five percent (5%) of the dwelling units, or at least one unit, whichever is greater, shall be made accessible to persons with mobility disabilities and an additional two percent (2%) of the dwelling units, or at least one unit, whichever is greater, shall be made accessible to persons with hearing or visual disabilities.
- 4) The Jurisdiction shall provide documentation satisfactory to the Department verifying that the required housing units or public facility described in the project comply with the accessibility standards. CDBG funds will not be released until the necessary documentation is provided. All CDBG funded programs must, to the greatest degree possible, be conducted in buildings which meet Section 504 accessibility standards.

I. Grantee's Data Universal Numbering System (DUNS)

The Jurisdiction shall provide the Department with a DUNS number for any contractor or subcontractor prior to release of any funds under this Agreement.

35. Community Development Activity Conditions

A. Homeownership Assistance

If the Work to be performed under this Agreement involves Homeownership Assistance, the following additional special conditions apply:

- 1) Program Guidelines: The Jurisdiction must submit a copy of its Homeownership Assistance Program Guidelines and its PI Re-Use Agreement to the Department for review and approval within ninety (90) days of the execution date of this Agreement.
- 2) If the Jurisdiction proposed to assist homebuyers to purchase newly constructed units in its CDBG application under the Homeownership Assistance activity, the following requirements must be met:
 - a) The units must have been available for sale to the general public;

- b) Development of the new subdivision must not be dependent upon the funding of the homebuyer loan;
- c) CDBG funds shall not be used for construction; and,
- d) Homeownership Assistance loans will not be approved prior to the foundation of the housing being in place.

B. Housing Rehabilitation

If the Work to be performed under this Agreement involves Housing Rehabilitation, the following additional special conditions apply:

- 1) Program Guidelines: The Jurisdiction must submit a copy of its Housing Rehabilitation Program Guidelines and its PI Re-Use Agreement to the Department for review and approval.
- 2) Affordable Rent: If the Jurisdiction's Housing Rehabilitation Program provides for rehabilitating rental properties, the Jurisdiction must submit to the Department its provisions for assuring affordable rent for the LMI occupants. Jurisdiction may include this information as part of the Housing Rehabilitation Program Guidelines.

36. Economic Development Activity-Specific Conditions

A. Restrictions on CDBG-Assisted Public Property

CDBG funds can be used by the Jurisdiction to purchase or rehabilitate public property. The change of use of real property provisions contained in 24 CFR 570.489(i) apply to real property within the unit of general local government's control (including activities undertaken by subrecipients), which was acquired or improved in whole or in part using CDBG funds in excess of the threshold for small purchase procurement (currently \$100,000). The restrictions shall apply from the date CDBG funds are first expended for the property until five (5) years after completion of the project. See the Federal Regulations for the full text of this regulation. The Jurisdiction must provide documentation of proper restriction on assisted property.

B. Business Assistance Activity

- 1) Jurisdictions implementing Business Assistance (BA) Loans, shall submit program guidelines that ensure compliance with CDBG underwriting requirements as described in 24 CFR 570, Appendix

A, "Guidelines and Objectives for Evaluating Project Costs and Financial Requirements" and with public benefit requirements contained in 24 CFR 570.482(f).

- 2) Jurisdictions implementing a BA loan shall provide a written Employment Agreement required to be executed between the Jurisdiction and the business owner [requirements of the Employment Agreement are described in 24 CFR 570.506 (b), (5), and (6)]. The written Employment Agreement must include a commitment by the business that the jobs are to be created or retained by the termination date of this Agreement and that at least fifty-one percent (51%) of all jobs created or retained (on a FTE basis) will be held by LMI persons. The Employment Agreement shall specify that, prior to receiving assistance, the business shall agree to:
 - a) Provide a listing, by job title, of the permanent jobs projected to be created;
 - b) Identify which jobs, if any, are part-time and the annual hours of work for each position;
 - c) Identify which jobs are projected to be filled by LMI; and,
 - d) Provide periodic reporting (semi-annual) not limited to: listing jobs, by job title, of all the permanent jobs actually filled, and which of those jobs are held by members of the LMI.

C. Microenterprise Assistance Activities

- 1) Jurisdictions implementing a Microenterprise Assistance activity for technical assistance and/or microenterprise loans, shall submit program guidelines that ensure compliance with CDBG requirements. Specifically, guidelines must ensure that all beneficiaries of the program are eligible micro enterprises, per HUD definitions. A microenterprise must:
 - a) Have all owners of the business documented as meeting HUD family income eligibility standards; and,
 - b) Have documentation that the business's owners and employees are five (5) or fewer in number.
- 2) When implementing a Microenterprise Program, the program guidelines shall include the proposed benefits, eligible activities and ongoing evaluation of program services. The guidelines will include

a Beneficiary Tracking Agreement, which defines the goals; identifies the roles and responsibilities of the service providers; identifies the market and focuses the outreach; defines the screening and referral process; and, tracks the beneficiaries through the program's level of service. The Beneficiary Tracking Agreement shall also describe the roles and responsibilities of the Jurisdiction and/or program operator for meeting the reporting requirements of the State CDBG Program.

- 3) When implementing a Microenterprise Program that is part of an integrally-related component of a larger project where non-LMI persons will be extended training and supportive services, shall submit guidelines including the methodology describing how CDBG funds will only be used towards the assistance of LMI to LMI persons under the Jurisdiction's activity.
- 4) Jurisdictions implementing a Microenterprise activity for loans to microenterprises made with Grant funds or PI funds, shall submit guidelines that ensure compliance with CDBG underwriting requirements as described in 24 CFR, Part 570, Appendix A, "Guidelines and Objectives for Evaluating Project Costs and Financial Requirements."
- 5) If under this Agreement, a Microenterprise Façade Improvement activity is being implemented, the Jurisdiction shall submit program guidelines that ensure compliance with CDBG National Objective requirements, as described in 24 CFR 570, Appendix A, "Guidelines and Objectives for Evaluating Project Costs and Financial Requirements."

D. Required Agreements for Assisted Businesses

The Jurisdiction shall execute a written agreement between the Jurisdiction and the business receiving CDBG funds (loans or grants) under this Agreement to ensure compliance with CDBG State and federal regulations. The written agreement shall contain language to ensure each business complies with the terms of this Agreement, Exhibit A, as well as each of the criteria as set forth in 24 CFR 570.506 (b)(4) and (c).

- 1) Each agreement between the Jurisdiction and the business(es) shall be submitted to the Department for review and written approval, prior to execution by the business and the Jurisdiction.
- 2) Each agreement shall require the business to report employee information periodically to the Jurisdiction, so that the Jurisdiction can comply with its reporting requirements to the Department. The

report shall list each job position by job title and number of annual hours worked and LMI status. The report shall list all the permanent jobs actually created or retained, and identify which of those job positions are held by members of the LMI. Additionally, the report shall include the demographics of job holders (ethnicity/race, disability, status, gender, and head of household status).

- 3) Each agreement shall require the business(es) submit a Data Universal Numbering System (DUNS) number and be verified as not being on the current federal debarred list, prior to receiving any CDBG financial assistance. The agreement shall require proof of proper insurance for secured collateral and protecting the Jurisdiction. The agreement shall reference this Agreement between the Department and the Jurisdiction. The agreement shall contain all other special conditions as directed by the Department or local loan committee.

37. Community and Economic Development Agreement Activities

Non Implementation Activities and Planning activities are not allowed under this agreement using PI.

A. Implementation Activity

Implementation Activities are not permitted under this Agreement using PI GA funds.

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please continue to the next page.**

Certified Approving Resolution Is Attached

I certify that the foregoing is true and correct and the will follow all requirements of this agreement. I understand that my certification also acknowledges that serious compliance issue with the above requirements could result in the State suspending the authority of the to expend PI or may require the State until the to return unused PI to clears the serious compliance issues.

Signature of Authorized Representative

Date Signed

Name and Title of Authorized Representative

Signature of CDBG Section Chief

Date Signed

Name of CDBG Section Chief

Memo
CDBG Program Income
and 13-CDBG-8968

To: Randy Johnsen, Dunsmuir City Manager

Date: 21 April 2015

Re: CDBG grant and Program Income

For a number of years the City of Dunsmuir had revolving business and housing rehabilitation loan funds funded by program income. Program Income (PI) are the funds that are returned to the City as part of previous grant program loan repayments. At some time approximately a year ago, Dave Edmondson (Salt and Savour) who runs a sauerkraut production business in Dunsmuir asked the City Manager for a business loan from those funds.

The City Manager clearly supported that request and enlisted my assistance with the City review and underwriting of the proposed project. Before the City Manager could take the proposal to the business loan committee the CDBG program made some dramatic modification to the City's use of program income.

As of July 1, 2014 all funds that have been received in the past by the city as loan repayments are considered PI, all existing Business or Housing Rehabilitation Loan Fund accounts were abolished.

The City was given several options to select from related to their PI:

1. The City can decide not to do anything in which case the PI will go into the open grant and eventually the remaining funds, if any, would be returned to the State.
2. The City can add an activity to your existing CDBG grant and use those PI funds to pay for that activity.
3. The City can decide to create revolving loan funds, business and/or housing, and move the appropriate program income into those accounts.

Ms Bains reviewed the options and seemed to have selected creating at least a business loan fund. However, before she could discuss this in public with the City Council she resigned. Mr. Harvey reviewed the process and (I believe) determined to go forward with the creation of the revolving loan funds. Since the current grant 13-CDBG-8968 was in the design phase I suggested that the engineering consultants and I not be paid until the Revolving Loan Fund(s) had

been created, thereby conserving those PI funds. I discussed this extensively with Paul Reuter of PACE and briefly with staff at Schlumpberger Engineering since we all assumed that this would only take a couple of months to complete the process and “protect” the City loan funds the City began hold invoices. (Apparently someone (Harvey or Marconi) did approve some payments from some source.) Then before the City could make any official decisions Mr. Harvey resigned.

Using the guidance of the previous City Managers I began to move the process forward getting a public hearing on the agenda so that the Council could discuss the process and options. A hearing was held at a regular City Council meeting and the Council indicated that they were interested in forming revolving loan funds; unfortunately, the exact amount in PI needs to be referenced in all documentation so the process has not been able to move forward. In the mean time the CDBG grant engineers and myself continue to work on the projects and bill the City, and Dave Edmondson continues to wait for some action on his loan request.

At some point in the very near future the City will award a Community Center renovation construction bid and will no longer have the option of holding payment and will be forced to utilize the PI for the existing grant.

So now we come to today. I would respectfully request that you review the options available to the City. In my estimation, there are only two viable options available to the City. Utilize the PI on the expenses for the existing grant 13-CDBG-8968 or create revolving loan fund(s) and, once those funds are created, request CDBG funds to pay 13-CDBG-8968 costs. If you determine to create a business loan fund, Mr. Edmondson could apply for a business loan.

Attached should be a spread sheet indicating funds, billed, submitted to CDBG and outstanding for the grant. as well as the PI information developed by the CDBG staff

Thank you for your review

Jim Cook

(530) 598-5693

	CDoC	month	GA	waterline	CC	PACE	waterline	PTA	Schlump	CC
march		\$1,170	\$1,170							
april		\$3,120	\$3,120							
may		\$2,763	\$2,763							
june		\$1,625	\$1,625							
july		\$1,755	\$1,755							
august		\$4,225	\$1,040	\$2,470	\$715					
september		\$2,405	\$390	\$1,300	\$715	\$1,974				
october		\$1,365	\$390	\$260	\$715	\$3,584		\$546		\$3,250
november		\$1,430	\$390	\$325	\$715	\$17,313				\$2,800
december		\$1,365	\$520	\$520	\$325	\$3,718		\$2,601		
january		\$1,235	\$520	\$520	\$195	\$2,453		\$7,379		\$5,040
february		\$1,755	\$1,300	\$260	\$195	\$5,822		\$1,034		
march		\$2,600	\$130	\$975	\$1,495					
total		\$26,813	\$15,113	\$6,630	\$5,070	\$34,864	\$11,560			\$11,090
outstanding		\$6,955				\$29,306				\$5,040

double payment to CDoC 5-31 July 14 \$1,755

paid by city
paid by city and collected from CDBG

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE****Community Development Block Grant Program**

2020 W. El Camino Ave, Suite 500
Sacramento, CA 95833
P. O. Box 952054, MS 500
Sacramento, CA 94252-2054
(855) 333-CDBG (2324) / FAX (916) 263-2762

**CDBG MANAGEMENT MEMORANDUM
Community Development Block Grant Program - Memorandum Number 14-05**

June 16, 2014

MEMORANDUM FOR: Non-Entitlement Jurisdictions Eligible for the State Community Development Block Grant (CDBG) Program

FROM: Thomas Brandeberry, CDBG Section Chief

SUBJECT: Program Income (PI) Rule Changes

This Management Memo (Memo) supersedes the following Program Income Memos: 10-03, 11-04 and 12-03. However, Memo 14-02 is still applicable.

Note: *The applicability of this memo also includes cities and counties that have gained entitlement status and cities within urban county agreements which have elected to continue to report their State CDBG PI to the State. See, "Jurisdictions Leaving or Entering the State CDBG Program with Program Income," page 11, for specific requirements/limitations.*

REGULATORY/STATUTE CITATIONS

- Section 104(j) Housing and Community Development Act (HCDA)
- §570.489 (e) Program Income
- §570.489 (f) Revolving funds

Introduction

This Memo outlines changes, **effective July 1, 2014**, to PI and RLA policies in the State CDBG Program.

Based on direction from HUD and technical assistance from HUD contractors, the Department has determined the State's present rules on Program Income (PI) and Revolving Loan Accounts (RLA) are out of compliance with CDBG federal statute and regulations. Policy and procedure changes must be made to resolve existing programmatic compliance issues related to the CDBG Final Rule (effective May, 2012), and with the State's current PI/RLA rules.

The changes that are necessary for the Department to operate in compliance are significant and range from changes in policy, to fully restructuring CDBG PI accounting and reporting

practices at both the State and local levels. These changes will impact all of our grantees in varying degrees, grantee with large PI balances most significantly.

For this reason, the Department completed six Roundtable meetings and two Advisory Committee meetings which: 1) discussed the significance of the changes; 2) gathered feedback on corrective options, and; 3) discussed how the options may be implemented so the HUD required Department policy can be formulated. The Department has also been in extensive consultation with HUD and HUD TA providers to ensure the policy will be in compliance and to make certain our grantees have the best available options to continue to complete valuable CDBG activities with their CDBG PI and RLA funds.

HUD understands the Department has a very large task to complete and that we cannot create the PI policy retroactively. Therefore, any changes in policies and procedures herein will have a **July 1, 2014 effective date**.

NOTE: The most significant rule change, effective July 1, 2014, is:

- ***Funds on-hand determined to be PI must be used prior to drawing down any awarded grant funds.***

Also Note: Based on the CDBG federal Final Rule change, all PI/RLF expenditures, along with activity accomplishments, must be entered into the Integrated Disbursements & Information System (IDIS) beginning July 1, 2011.

<i>NEW POLICY - Revolving Loan Fund</i>
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REVOLVING LOAN FUND - HUD uses the term *Revolving Loan Fund* (RLF), not *Revolving Loan Account* (RLA), (which is a State term). The Department, to distinguish between past practices and those implemented with this Management Memo, effective July 1, 2014, is now using the HUD term "RLF."

As of July 1, 2014, all State RLAs are cancelled since HUD has determined the State's RLAs do not meet the RLF definition. This means that until a grantee follows the steps to create an eligible RLF outlined below *and receives the Department's approval for the RLF*, ***all funds on hand and within the grantee's loan portfolio are considered PI*** and, therefore, must be used prior to drawing down grant funds from any CDBG contracts.

REVOLVING LOAN FUNDS:

Grantees have the option to establish RLFs under these two RLF definitions only:

1. **Housing RLF:** Activities are limited to Homebuyer Assistance (13), Owner Occupied Rehab (14A), and Tenant Occupied Rehab (14B), and are limited to 1-4 Units. (Multi-family activities, or those with 5 or more units, are *not* considered part of the Housing RLF activities.)

-
- 2. Economic Development RLF:** Activities are limited to Microenterprise Financial Assistance (18C) (no grants), and Business Assistance (18A) (limited to Special ED).

The above defined RLFs will allow grantees the maximum number of activities to capitalize the RLF and ensure the RFL will have sufficient funds to revolve.

RLF RULES:

- a. RLFs can only use financing instruments that revolve. Therefore, RLFs cannot fund **projects** that are **solely** grants or forgivable loans.
- b. A grantee cannot establish a RLF unless:
 - 1) the grantee has made loans in the past for the same RLF activity; **and**,
 - 2) the grantee has received loan payments from the same RLF activity.
- c. Funds within a RLF can only be from activities defined by the RLF, as listed above. This means RLF monies must go out in loans and come back as payments for the same RLF activity. Funds received for RLF activities cannot be "diverted."
- d. Once a RLF has been established and approved by the Department, no funds can be used for any other CDBG activity, committed to any contract to supplement a grant funded project, or transferred to another RLF(except as noted below).
- e. Moving funds out of an RLF requires Department approval and will only be allowed under limited circumstances (for a natural disaster, for example). Once approved, the funds will be considered PI; and, therefore, must be used prior to drawing down grant funds. Additionally, this action could result in the Department cancelling the grantee's RLF due to a lack of ability to revolve (insufficient funding).
- f. When calculating the 17% General Admin (21A) funds on the received PI in a given year, funds received for an RLF may not be included in this calculation.
- g. Associated Activity Delivery (AD) costs can only be reported and included in the definition of "revolving" when actual accomplishments are reported within the fiscal year. This means no AD may be charged to the RLF within a fiscal year if no loans were made within that fiscal year.
- h. When a grantee has been approved for an RLF, those funds must be placed within a separate set of accounts (grantee will be required to create a separate fund/ transaction number) for each approved RLF. *This will also require all other CDBG funds received from CDBG activities be accounted for as PI.*
- i. If a grantee has awarded grant funds for the same activity as their approved RLF and there are insufficient RLF monies to fund an entire activity, the grantee can "split-fund" a project (RLF funds first) when the project needs additional funds beyond the amount of RLF monies on-hand.

- j. *Projects funded solely with grants are not considered RLF and, therefore, can be funded with awarded grant funds. To qualify as an RLF eligible activity, there must be the possibility of repayment, so only deferred loans and performing loans are eligible.*
- k. Grantees cannot "bank" RLF monies. To remain eligible, a RLF must revolve. Thus, a grantee cannot have more than \$100,000 on hand in a RLF within a given fiscal year, without making at least one loan. Additionally, grantees may not have more than \$500,000 on hand even if making loans, each fiscal year. The Department will address these issues by issuing finding letters to the grantee which could result in the Department cancelling the grantee's RLF, which immediately converts the funds to PI; and, therefore, must be used prior to drawing down grant funds.

Note: The Department reserves the right to cancel the grantee's RLF and require the funds to be returned to the Department as a corrective action for significant, ongoing non-compliance with RLF rules.

STEPS: MOVING FROM RLA TO RLF

As of July 1, 2014, grantees do not have Revolving Loan Funds until the following has been completed. Thus, as of July 1, 2014, all funds on hand are considered PI and must be used prior to drawing down any grant funds.

As of July 1, 2014, the following steps must be followed to establish an RLF:

1. Grantee must decide if they wish to create one or both of the RLFs as replacement for their present RLAs. If not, the grantee must begin the new process of accounting for all current RLA funds and PI on hand as PI.
2. If the grantee decides to create one or both of the RLFs, they must:
 - a. Certify the amount of funds currently on hand which are from the same activity that the grantee wishes to fund each RLF;
 - b. Certify the amount of funds in their loan portfolio which have come from the same activity and will continue within the RLF when payments are received; and,
 - c. Certify the amount of funds, both on hand and within the loan portfolio, which are not from the same activity. This includes funds on hand, funds within the RLA, or funds within the loan portfolio where the grantee cannot identify the activity that generated the funds; these funds will be considered PI and must be accounted for as such.
3. The grantee must have approved guidelines for each activity within the RLF, as listed below. These RLFs are consistent with the CDBG Program's "Combo" Activities:

Housing RLF:

- Owner Occupied Rehabilitation
- Tenant Occupied Rehabilitation (if allowed in the grantee's program)

➤ Homebuyer Assistance

Economic Development RLF:

- Microenterprise Financial Assistance
- Special Economic Development Business Assistance

Note: Once the grantee has identified portfolio loans as being within an RLF, the loans must be individually coded to indicate they are part of the RLF, which will ensure any payments are correctly accounted for and reported into the RLF.

4. Complete all needed Board Resolutions and Citizen Participation requirements.

Note: Certification must be made, in writing on the grantee's letterhead, be signed by the Authorized Representative, and must be submitted to the Department with all supporting documentation.

5. The Department will provide a written decision on the RLF request. Until grantees receive the Department's written approval, the RLF does not exist and all CDBG revenue is considered PI and must be spent prior to requesting a draw of grant funds.

<i>NEW POLICY - Program Income When the Grantee has an <u>Active Contract</u></i>
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For the purpose of this section, an Active Contract means the grantee has an executed Standard Agreement (contract) for CDBG activities and the expenditure deadline has not passed.

ANNUAL PROGRAM INCOME RECEIVED THAT IS LESS THAN \$35,000

In May 2012 the CDBG federal Final Rule changed this amount from \$25,000 on all funds received by the grantee to \$35,000, *but clarified that it only applies to PI*. Any RLF funds must stay RLF and cannot be included in the \$35,000 calculation. The \$35,000 rule is found in the CDBG federal regulations defining when proceeds received from a CDBG activity are *not* considered PI. The \$35,000 is based on a fiscal year and since it applies only to PI, the rule now requires that grantees certify at the beginning of each fiscal year whether or not they intend to utilize the \$35,000 rule.

If a grantee does intend to use the \$35,000 rule, they must:

- a. When requesting grant funds, certify the amount of PI on hand that have been received during that fiscal year;
- b. Not expend any of these funds until the fiscal year is over, unless they received greater than \$35,000, at which point the grantee must expend the PI first prior to requesting any grant funds Use all PI carried over from the prior year;
- c. Use the PI once the amount of PI received reaches \$35,000 within the fiscal year; and,

- d. Have adequate accounting records to verify, to the Department's satisfaction, they received less than \$35,000 in CDBG PI in a given fiscal year. This must be reported on the semi-annual PI Reports.

If a grantee does not intend to use the \$35,000 rule, all revenue received (even if under the \$35,000 limit) is CDBG PI and must be used prior to requesting any grant funds.

Revised Funds Request forms are necessary to document the grantee's certification regarding the \$35,000 rule. Therefore, the Department will be releasing the Revised Funds Request forms under a separate Memo.

PI RETURNED TO THE STATE

Jurisdictions that have PI on hand and have not applied for or been awarded CDBG funds with the past three NOFAs will be required to submit a PI Expenditure Plan for their PI on hand. The plan must be submitted via the CDBG PI Waiver process, and if they do not initiate the request, the Department will send the grantee a letter requiring submission within a set time frame. If the grantee does not respond to the Department's letter, the grantee will be required to return all PI on hand to the Department, regardless of the amount of PI.

NEW PI RULES – (PI Revenue; not revenue from an approved RLF)

1. Program Income must be used prior to requesting a draw of grant funds from any contract. For example, if a grantee incurs costs on a grant funded project *and* has PI on hand, the PI must be used first and the grantee cannot request grant funds until all PI has been paid out.
2. Grantees cannot "commit" (or set aside) PI to an active contract; PI funding must be applied to the next CDBG cost to be paid.
3. PI Waiver projects (set aside PI funds) can only be approved if there is no active contract.
4. If the revenue cannot be associated with an approved, defined RLF, the funds will be considered PI and, therefore, must be used first.

STEPS: ACTIVE 2012 OR 2013 CONTRACTS

Approving PI waivers when a grantee has an active contract is out of compliance with CDBG federal regulations because PI Waivers are funded with PI and PI must be spent first.

As of July 1st, the Department will allow grantees to amend their current active contracts to add "Supplemental Activities." This will allow awarded grant funds that have been supplanted by PI to be used for programs and projects identified by the grantee. Since the

requirement of using PI first will likely result in contract funds being “left over” in the contract, “left over” funding will roll to the grantee’s Supplemental Activities, allowing the grantee an opportunity to complete additional CDBG eligible activities so that they do not lose the awarded funds due to having PI.

To initiate Supplemental Activities

- a. The grantee must complete and submit to the Department a “Supplemental Activity Inquiry Form,” signed by the Authorized Representative, along with any necessary supporting documentation.
- b. The Department will review the Supplemental Activity Inquiry Form for eligibility and meeting National Objective.
- c. If approved, the grantee will be required to complete the citizen participation process and submit a final resolution approving:
 - 1) the submission of the PI Supplemental Activity(ies); and,
 - 2) the amending of the grantee’s contract.
- d. Any approved waiver activities that have not been fully expended by July 1, 2014 must be added as “Supplemental Activities” through a contract amendment.

2014 CONTRACTS

Once a jurisdiction receives an award letter, the above steps must be taken to add any Supplemental Activities and/or existing waiver projects that have not been fully expended and are not identified as being added to an active 2012 or 2013 contract.

STEPS: FOR 2015 CONTRACTS

When a jurisdiction applies for funding under the 2015 CDBG NOFA, “Supplemental Activities” will be identified in the application if the jurisdiction wishes to have grant funds (if awarded) available to complete activities that would have been funded with PI . Including these activities in the contract will allow grant funds (if awarded) to roll to the Supplemental Activities, since if a jurisdiction has any PI on hand it must be used to complete the active contract activities before grant funds can be drawn. The amount of grant funds equal to the PI paid funds can be rolled into funding the Supplemental Activities. The 2015 NOFA will include the steps necessary to add “Supplemental Activities” to the application.

From 2015 and forward, PI waivers will not be added to active contracts. This means any PI waiver projects must be completed prior to drawing down grant funds since waivers are funded by PI, and PI must be expended first.

NEW POLICY - Program Income When the Grantee Does Not Have an Active Contract

When a jurisdiction does not have an active contract, the PI Waiver process will remain as it is. However, if a jurisdiction has an open PI Waiver and is awarded a contract, going forward after the CDBG 2015 NOFA, the PI Waiver will need to be completed **prior to** drawing down grant funds.

However, grantees must have an approved Reuse Plan to expend PI and/or RLF monies if the grantee has no active CDBG contract.

NEW POLICY – Additional Considerations

Note: The Department reserves the right, for any significant on-going non-compliance with RLF and/or Program Income rules, to cancel any RLFs and require the funds, both RLF and PI, to be returned to the Department.

GENERAL ADMINISTRATION (GA)

As of July 1, 2014:

Grantee can carry forward the GA balance from Fiscal Year PI Report covering Fiscal Year 2013-2014. The balance forwarded will be used to determine the **maximum available GA** funding cap in the next step below.

For PI funds received after July 1, 2014, grantees may calculate 17% of PI received (again, excluding RLF monies). This amount can be added to the amount on hand as of July 1, 2014 and will be considered as part of the **maximum available GA** funding cap.

No Active Contract

The grantee can expend the funds calculated above, with an approved Reuse Plan, up to the established **maximum available GA** funding cap, and may roll over this amount between fiscal years.

Active Contract

While grantees can continue to have a **maximum available GA** funding cap balance, they will not be able to “set-a-side” the funds as GA since PI must be used first. So that the grantee doesn’t lose this calculated GA, the Department will increase the grant GA when PI Waivers (being added to 2012-2014 contracts) and Supplemental Activities are approved.

While the grantee may continue to maintain a **maximum available GA** funding cap with active contracts, these funds may not be set aside to remain on hand given that all PI must be spent first.

Note: Planning (PTA) Studies cannot be funded with PI GA, Supplemental Activities or Waivers, because Planning and Technical Assistance (PTA) funding is included in the federal 20% Administration Cap and must meet a National Objective to be eligible. Thus, PTA studies can only be done through an awarded contract.

AGREEMENTS BETWEEN THE STATE AND THE GRANTEE

Per the CDBG Final Rule, no funds (PI, RLF or grant funds) may be spent unless an agreement (contract) has been established and executed. All PI Reuse Plans, effective immediately, must be voided since they are not in compliance with HUD PI and RLF rules. The following actions are being implemented to permit the expenditure of PI and RLF monies.

- For grantees amending 2012 and 2013 contracts: with the addition of Waivers and/or Supplemental Activities, all PI and RLF rules and requirements will be added to the contract during the amendment process.
- For 2014 Contract and forward: all PI and RLF rules and requirements will be included prior to contract execution.
- For jurisdictions with no Active Contracts: the Department will make available an updated PI Reuse Plan by July 30, 2014, which must be fully executed in order to spend any PI or RLF monies outside of an Active Contract.

CITIZEN PARTICIPATION

Federal regulations require grantees to address all projected activities for the upcoming NOFA application submission during the pre-submission Public Hearing. This includes all grant funded activities and PI/RLF activities and expenditures. All Public Notices and Agendas for the hearings must include PI and RLF proposed activities and expenditures, in addition to all proposed grant and Supplemental activities.

- For active 2012, 13 and 14 contracts where Waivers and Supplemental Activities will be added/included, a separate Public Hearing must be held for the projected activities and expenditures being added to the contract, and documentation of such must be submitted to the Department to complete the contract amendment process.
- Beginning with the 2015 NOFA and going forward, the pre-application submission Public Hearing must include all proposed activities and expenditures including grant funded activities, PI and RLF activities, and Supplemental Activities.

PROGRAM INCOME REPORTING

For fiscal 2013/14, the current PI Report Form, along with Grant Performance Reports (GPR) must be used. The reporting changes reflected in this memo will begin concurrent with the 2014/15 fiscal year.

The current PI Report Form will be used to close out this fiscal year (2013/14), along with a GPR that reports the PI/RLF accomplishments.

Beginning with fiscal 2014/15 new Setup/Completion Reports will be incorporated into the PI/RLF and Grant reporting requirements, as well as into the 2014 Standard Agreement. A Management Memo will be released separately on this subject in the near future.

All of the above will be will be addressed in trainings.

NEW POLICY – Jurisdictions Leaving or Entering the State CDBG Program with Program Income

Pursuant to 24 CFR 570.489(e)(3)(iii) and (iv) the Department is implementing the following policy and procedures for jurisdictions that have State CDBG PI.

24 CFR 570.489(e)(3)(iii) Transfer of program income to Entitlement program.

Jurisdictions that are entitlement communities or part of an urban agreement, or grantees that at a later date become an entitlement community or join a urban agreement, have the following options for PI and RLFs:

PI not associated with a RLF, the jurisdiction must:

1. Complete the process to certify they will be reporting the State PI into the Entitlement Programs process, including receipting the CDBG proceeds into IDIS, or,
2. Return all State CDBG Program Income to the Department, the amounts on hand as of July 1, 2014 and as it is received until all PI generated by State CDBG funding has been returned.

PI in an approved RLF:

Entitlement jurisdictions and those who are part of an urban agreement may keep their RLF(s) and monies within an RLF as long as the following is met:

1. They have a State Reuse Plan (agreement) signed by the Department and the City/County Authorized Representative.
2. Agree to immediately implement the RLF rules within this Memo and execute updated the Reuse Plan, as provided by the Department.

Note: the above must be complete prior to October 31, 2014 or all funds on-hand and within the loan portfolio that is from State CDBG activities will be consider PI and must be returned to the Department.

24 CFR 570.489(e)(3) (iv) *Transfer of program income of grantees losing Entitlement status.*

Upon entry into the State CDBG program, a unit of general local government that has lost or relinquished its Entitlement status must submit a letter to the department, signed by the Authorized Representative stating which of the following options the jurisdiction will be implementing. Keep in mind, that retaining Entitlement PI while participating in the State CDBG program will require PI reporting for both sets of funding. Entitlement PI and any PI generated by State CDBG fund cannot be comingled.

Within 90 days of leaving the Entitlement Program to join the State CDBG program, the jurisdiction must certify that it will either:

1. Retain program income generated under Entitlement grants and continue to comply with Entitlement program requirements for program income, including reporting it into IDIS or the urban county; or
2. Retain the program income and transfer it to the State CDBG program, in which case the jurisdiction must comply with the State's rules for PI and RLF address within this Memo, the Reuse Plan and Chapter 14 of the Grant Management Memo.

Establishing a RLF Decision Flow

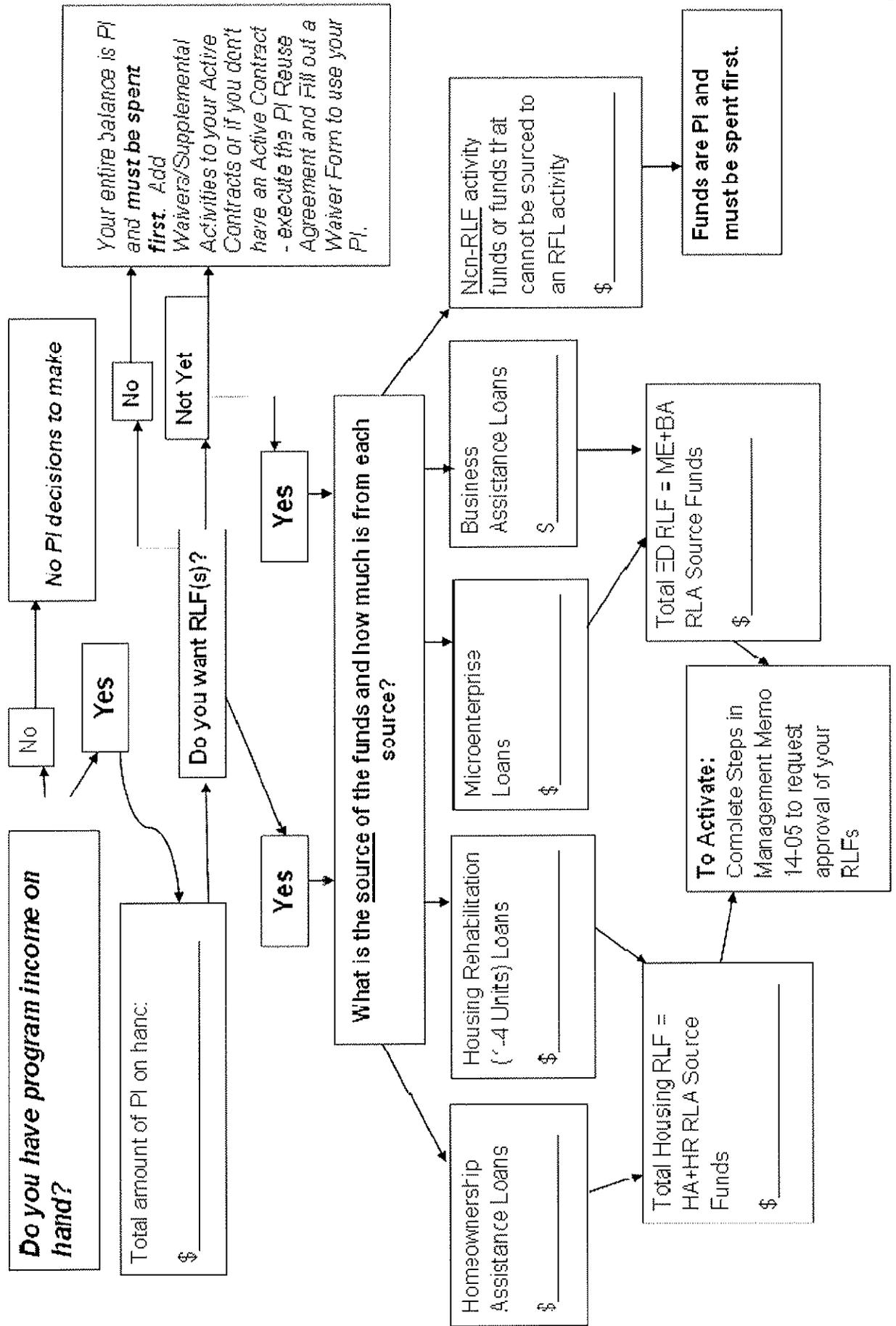
Decision Making

With a number of choices and decisions to make, the Department has a one page document that allows grantees to walk through the process. Please see Establishing a RLF Decision Flow, below.

Additionally, it is recommended that grantees contact the CDBG Representative with any questions regarding their particular circumstances:

<http://www.hcd.ca.gov/fa/cdbq/ContactUs.html>

ESTABLISHING A REVOLVING LOAN FUND - DECISION FLOW CHART



12
City Council Agenda Item 12.B

continued from May 21, 2015 regular meeting.

Date: May 21, 2015
To: Mayor and City Council
From: Dan Padilla
Subject: CalOES MOU for payment of portal to portal

Recommendation:

Staff respectfully requests the City Council consider adopting proposed Resolution 2015-__ CalOES – Governor’s Office of Emergency Services Memorandum of Understanding (MOU) for payment of portal to portal.

Background & Summary:

Dunsmuir Fire Department provides personnel and/or fire apparatus to participate in the California Master Mutual Aid System to assist in mitigating severe wildfires and other emergencies. Dunsmuir Fire Department members, when responding to emergency incidents under California Fire Assistance Agreement (CFAA), shall be reimbursed to the Dunsmuir Fire Department, based on the respective employee classification/title (i.e. Firefighter, Engineer, Captain) at the time and one half rate, for a complete twenty four (24) hour period or all time on the incident including portal to portal.

Financial Impact:

Increase in funds in the Fire Assessment District fund resulting from the additional 8 hours per day payment for fire apparatus.

Attachments:

1. 2015 Salary Survey
2. Proposed Resolution

RESOLUTION 2015-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DUNSMUIR
OUTLINING THE DUNSMUIR FIRE DEPARTMENT PERSONNEL AND
APPARATUS REIMBURSEMENT FOR PARTICIPATING IN MUTUAL AID
ACTIVITIES TO OUTSIDE AGENCIES**

WHEREAS, the Dunsmuir Fire Department actively participates in Statewide Master Mutual Aid activities; and

WHEREAS, the State of California, Federal Fire Agencies, or other local government agencies, at times of severe wildfire conditions, and/or other emergencies often have the need for additional emergency personnel and/or fire apparatus to provide fire protection or perform other tasks during emergency incidents; and

WHEREAS, the requirements for responding to emergencies under “Agreement for Local Fire and Emergency Assistance to the State of California and Federal Fire Agencies,* hereinafter referred to as the “California Fire Assistance Agreement (CFAA);” and

WHEREAS, the Dunsmuir Fire Department provides personnel and/or fire apparatus to participate in the California Master Mutual Aid System to assist in mitigating severe wildfires and other emergencies; and

WHEREAS, THE Dunsmuir Fire Department must maintain minimum staffing standards to protect its citizens and Dunsmuir Fire Department members must be compensated under the terms and agreements as outlined in Resolution 2015- .

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Dunsmuir, that Dunsmuir Fire Department members when responding to emergency incidents under California Fire Assistance Agreement (CFAA) shall be reimbursed to the Dunsmuir Fire Department based on the respective employee classification/title (i.e. firefighter, engineer, captain) at a time and one half rate, for a complete twenty four (24) hour period or all time on the incident, including portal to portal.

BE IT FURTHER RESOLVED, a salary survey will be completed in June of each year detailing the rate of pay per classification/title, submitted to the State of California, Office of Emergency Services (Fire and Rescue Branch).

PAGE 2 RESOLUTION 2015-

IT IS HEREBY CERTIFIED that the foregoing Resolution 2015- was introduced and duly adopted by the City Council of the City of Dunsmuir at a regular meeting held on the 21st day of May, 2015, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Mayor Keisler

ATTEST:

City Clerk

California Governor's Office of Emergency Services (Cal OES) - Fire and Rescue Division
2015 SALARY SURVEY / ACTUAL ADMINISTRATIVE RATE
for the
AGREEMENT FOR LOCAL GOVERNMENT FIRE AND EMERGENCY ASSISTANCE TO
THE STATE OF CALIFORNIA AND FEDERAL FIRE AGENCIES
(California Fire Assistance Agreement)

Please complete and/or correct this salary survey information sheet (all fields on this form that pertain to your agency are required or survey may be returned due to lack of information). Return your completed survey as soon as possible to:

California Governor's Office of Emergency Services / Fire and Rescue Division
3650 Schriever Ave Mather, California 95655
Or
FAX: (916) 845-8396

(To ensure receipt of your salary survey, we recommend mailing it to us "Certified with Return Receipt Requested")

Agency 3-Letter MACS I.D.:	DUN
Agency / Department Name:	Dunsmuir Fire Department
Physical Address, City, State, Zip:	5902 Dunsmuir Ave Dunsmuir, CA 96025
Mailing Address, City, State, Zip:	5915 Dunsmuir Ave Dunsmuir, CA 96025
Telephone Number:	(530)235-2551
FAX Number:	(530)2350617
Email Address*:	dpadilla@ci.dunsmuir.ca.us
Federally Recognized Tribe? Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	Federal Fire Dept.? Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/> Dept. of Defense? Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>

* Email is for the individual responsible for reviewing and processing the Salary Survey, Administrative Rate, and invoices.

All information provided on this form is subject to audit by Cal OES, CAL FIRE, and the Federal Fire Agencies signatory to the California Fire Assistance Agreement.

Please provide the hourly "Average Actual Rate" for each classification used by your agency that is reflected in the chart below. Instructions for completing the Cal OES 2015 Salary Survey / Actual Administrative Rate form.

Classification Title	Base Rates as of 01/01/2015	Avg. Actual Rate (Straight Time) as of:	Above B/C w/ a MOA/MOU for above Straight Time (OT)		MOU/MOA/GBR for Portal-to-Portal	
			Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>			
Chief	\$34.97 /per hour	\$37.50 /per hour	Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>			
Deputy Chief	\$34.97 /per hour	\$37.50 /per hour	Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>			
Division Chief	\$34.97 /per hour	\$37.50 /per hour	Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>			
Assistant Chief	\$34.97 /per hour	\$37.50 /per hour	Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>			
Battalion Chief	\$34.97 /per hour	\$37.50 /per hour			Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>
Co. Officer/Capt./Lt.	\$28.42 /per hour	\$30.50 /per hour			Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>
App. Officer/Engineer	\$28.42 /per hour	\$28.50 /per hour			Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>
Firefighter/FF-PMedic	\$28.42 /per hour	\$28.50 /per hour			Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>
Actual Administrative Rate** (due by July 1st):			0.1		<i>(Enter as Decimal)</i>	
Workers Compensation Insurance Rate:			.063		<i>(Enter as Decimal)</i>	
Unemployment Insurance Rate:			.000		<i>(Enter as Decimal)</i>	
Agency Federal Taxpayer I.D. Number or Federal Employee I.D. Number:			94-6000324			
Agency Data Universal Numbering System (DUNS) Number:			004952586			

NOTE: These rates are not effective until the date they are received by Cal OES.

****If your Actual Administrative Rate is on file, you are required to update the rate by July 1st, 2015. After that date, the rate will default back to 10%. If you provide an Actual Admin Rate, you are required to complete an Actual Administrative Rate Calculation Sheet on Page 2.**

What is reported on this form constitutes direct salary costs for employees.

I am the Chief Financial Officer, and I have reviewed the information provided by my Agency/Dept., and certify to the best of my knowledge and belief that this information is correct.

Print Name

Chief Financial Officer Signature

Date



TO: CALIFORNIA FIRE AND RESCUE MUTUAL AID SYSTEM AGENCY RESPONDERS

SUBJECT: "AGREEMENT FOR LOCAL GOVERNMENT FIRE AND EMERGENCY ASSISTANCE TO THE STATE OF CALIFORNIA AND FEDERAL FIRE AGENCIES"

Dear Chief:

The following reimbursement rates apply to responses under the terms and conditions of the Agreement for Local Government Fire and Emergency Assistance (*The California Fire Assistance Agreement*) for the period beginning January, 1, 2015.

Personnel Base Rates: These rates ONLY apply if your agency does NOT have rates on file.

- Overhead at or above Strike Team/Task Force Leader: **\$34.97** per hour
- Engine Company and Overhead at or below Strike Team/Task Force Leader (Trainee): **\$28.42** per hour

NOTE: The above base rates include an overtime component within the developed formula (CFAA, Exhibit A, Pg A-5). As a result, the base rates will not include a time and one half component at invoicing.

Apparatus Rates:

There is a 16-hour maximum allowable charge per 24-hour period from time of dispatch.

<u>GPM</u>	<u>Hourly</u>
0001-1000	\$70.00
1001-1250	\$80.00
1251-1500	\$85.00
1501-2000+	\$90.00

Support Equipment Rates:

Government Owned Vehicles:

Sedan	\$47.00 per day
Pickup	\$86.00 per day
Van	\$109.00 per day
SUV	\$96.00 per day
Other	\$96.00 per day (3/4 ton & above)

POV Rate:

Privately Owned Vehicles:

\$0.575 per mile

Default Administrative Rate: 10.00 %

Administrative Rate Change: If you have provided your Actual Administrative Rate, you are required to update this rate by July 1, of each year. After this date, the rate will default back to the base 10% until an actual rate has been received.

MOU/MOA, Governing Body Resolution (GBR) or equivalent requirement:

Exhibit "A", section A-8.2 of the 2015 CFAA requires, any agency seeking reimbursement of personnel for more than actual hours worked on the incident must file an MOU/MOA, governing body resolution (GBR) or equivalent document with Cal OES Fire and Rescue Division, and have it approved by the committee. The MOU/MOA, GBR or equivalent document shall indicate how personnel will be paid. This documentation is due to Cal OES May 31, 2015. If an F-42 is submitted, and the above documentation is not on file with Cal OES, the local agency has the option to have Cal OES hold the F-42 for processing for up to 90 days to allow for the agency seeking reimbursement to submit the necessary documentation. Upon verification that an MOU/MOA, GBR or equivalent document is not on file, Cal OES will notify the local agency in writing. If the local agency does not submit an MOU/MOA, governing body resolution or equivalent document within the allowable 90 days, the F-42 will be processed, and the local agency will be paid for actual hours worked. It should be noted that by placing the F-42 on hold for up to the 90 days allowed to submit the MOU/MOA, GBR or equivalent document, will greatly increase the time to process the claim. This option of providing an MOU/MOA, GBR or equivalent document to Cal OES will sunset December 31, 2015, and in no way changes the terms of the 2015 CFAA.

If you have any questions or concerns with the 2015 CFAA Rate Letter, please feel free to contact Lori Lopez at (916) 845-8722, or by email at lori.lopez@caloes.ca.gov. If Lori is unavailable, please contact the Fire and Rescue Division main telephone number at (916) 845-8711.

Sincerely,

original on file

KIM ZAGARIS
State Fire and Rescue Chief

C: file

California Governor's Office of Emergency Services (Cal OES) - Fire and Rescue Division
2015 SALARY SURVEY / ACTUAL ADMINISTRATIVE RATE
for the
AGREEMENT FOR LOCAL GOVERNMENT FIRE AND EMERGENCY ASSISTANCE TO
THE STATE OF CALIFORNIA AND FEDERAL FIRE AGENCIES
(California Fire Assistance Agreement)

Department Name: Dunsmuir Fire Department

FY 13 / 14 Data for use in 2015 Fire Agreements
Year

Actual Administrative Rate (Include ONLY allowable costs and use whole numbers)

PROGRAM	INDIRECT	DIRECT	TOTAL
Emergency Medical Services			\$0
General Administration			\$0
Information Technology			\$0
Logistics / Procurement / Supply / Minor Fire Equipment			\$0
Public Information Office			\$0
Telecommunications			\$0
Arson Investigation			\$0
Community Education			\$0
Facilities			\$0
Fire Comm. Center / Dispatch / Comm. & Control Center			\$0
Fire Hazard Reduction Program			\$0
Fleet			\$0
Hazardous Materials Response Program			\$0
Mapping			\$0
Operations			\$0
Prevention			\$0
Training			\$0
Urban Search and Rescue			\$0
GRAND TOTALS	\$0	\$0	\$0

ADMINISTRATIVE RATE (INDIRECT COST/DIRECT COST):

I am the Chief Financial Officer, and I have reviewed the information provided by my Agency/Dept., and certify to the best of my knowledge and belief that the Actual Administrative Rate above is correct, and is established in accordance with OMB Circular A-87, using the "Instructions for Completing Actual Administrative Rate Calculations" & "ICRP Definitions."

Print Name _____

Chief Financial Officer Signature _____

Date _____

City Council Agenda Item
Interim City Manager Staff Report
Old Business

Item No: 12.C.
Date: June 4, 2015
Subject: Consider request for title report on city property south of Manfredi's proposed for use as Bent Rail Park

Staff has been advised by Dunsmuir Recreation and Parks District staff that the Bent Rail Park proposal has been reviewed by them and their engineer and no further work can be done to evaluate the Bent Rail Park proposal until a title report is provided that shows easements and other restrictions that may limit access options. The city's property is surrounded by river, railroad, highway, etc. There will undoubtedly be restrictions because of these "boundary" uses. It is felt such will be shown on a title report. City staff has contacted Mt. Shasta Title Company in Yreka and the response is attached.

Recommendation:

Julie Iskra

From: Judkins, Sheila A. <SJudkins@firstam.com>
Sent: Friday, May 29, 2015 2:10 PM
To: Julie Iskra
Subject: Full Title Report

Hi Julie,

This is in response to your phone call regarding a Title search on a parcel of land in the City of Dunsmuir:

We can provide a full Preliminary Title Report for you, the cost would be at most \$500.00.

If you have any questions please let me know.

Thanks you,

Sheila Judkins
V.P./CTO/Title Department Manager



Mt. Shasta Title & Escrow Company
1252 S. Main Street
Yreka, CA 96097

sjudkins@firstam.com
T 530.842.4333 ext. 1021
F 866.440.8768

This message may contain confidential or proprietary information intended only for the use of the addressee(s) named above or may contain information that is legally privileged. If you are not the intended addressee, or the person responsible for delivering it to the intended addressee, you are hereby notified that reading, disseminating, distributing or copying this message is strictly prohibited. If you have received this message by mistake, please immediately notify us by replying to the message and delete the original message and any copies immediately thereafter.

If you received this email as a commercial message and would like to opt out of future commercial messages, please let us know and we will remove you from our distribution list.

Thank you.~

FAFLD

City Council Agenda Item

Interim City Manager Staff Report

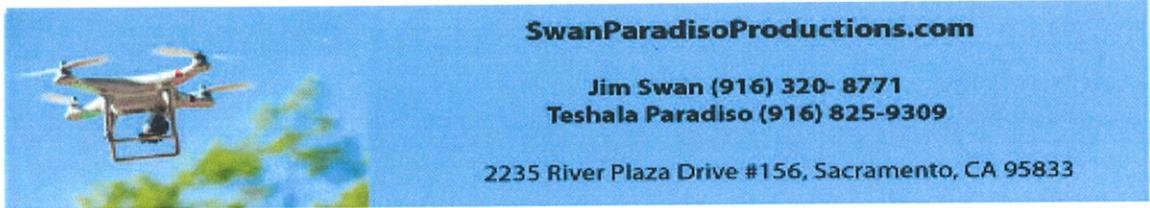
New Business

Item No: 13.A.
Date: June 4, 2015
Subject: Consider proposal from Swan Paradiso Productions to market Dunsmuir

Staff has received this request following your last meeting and discussion on City View proposal for marketing. As an aside, staff did receive a phone call from City View asking if their proposal had been approved. Message left that it had not.

Based on the perceived cost of this effort being between \$5,000 and \$19,800, you may want to have Tourism and Economic Development committee prepare specifications for the project and accept proposals by a certain deadline. Based on this proposal and others being discussed verbally, staff recommends this be tabled until after beginning of next fiscal year and understanding of fiscal position of city is better known when budget had been adopted.

Recommendation: Motion to table.



SERVICE PROPOSAL

TO: City of Dunsmuir/ Chamber of Commerce

SERVICES PROVIDED BY SPP:

*Ground and Aerial footage taken of Railroad Days weekend / 90 sec web-based commercial (dates for next year left open) Some footage will be placed into the Dunsmuir compilation and 30 minute Wayne Meredith marketing video. **3 days onsite.**

*Ground and Aerial footage taken of Dunsmuir city compilation, recreation areas and hot spots / 30 sec Web-based commercial / Front page placement of Dunsmuir Video Guide

* 20-30 minute video hosted and marketed by Wayne Meredith. To be marketed at all out of town events per Fudge booth. Approx.: 24 events per/year. Placement of 10-12 business commercials, looped

*Social media marketing - Posting to business Facebook, Twitter, Vimeo, YouTube, Pinterest Places, SPP Website and all SPP Social Media Link Sharing PLUS city/chamber video guide placement.

*1 CD copy of RAW Railroad Days footage / 1 CD copy of Dunsmuir City compilation

PRICING:

\$5000

(90 sec) Railroad Days web-based commercial / CD footage

(30 sec) Dunsmuir City web-based compilation / CD footage

Marketing video / Wayne Meredith

\$100 discount for the first 10 businesses that sign up before TBD

Expenses of travel, hotel, food, included

Alterations to this proposal can only be made by both parties and must be placed in writing. Both parties will receive a printed copy of this agreement, and will be responsible for upholding its terms.

Swan Paradise Productions / Jim Swan and Associates

May 18, 2015

WAYNE - 524-7276

City Council Agenda Item
Interim City Manager Staff Report
New Business

Item No: 13.B.
Date: June 4, 2015
Subject: Consider appointment of Carolyn Rivard to Big Fish committee

Staff received the attached application following your last meeting. There are currently 6 members on the committee. She attended one meeting of the committee but not the May 27 meeting, which was not well attended (2 members).

Recommendation:

**INTEREST/APPLICATION FORM
TO SERVE ON COMMISSIONS OR COMMITTEES**

**City of Dunsmuir
2015**

1. Are you at this time over 18 years of age? Yes No

2. Are you are resident of the City of Dunsmuir? Yes No

If yes, please provide address where you reside 4421 Glades Ave

3. Please indicate the commission/committee on which you are willing to serve

Fish Program

4. Please indicate why you wish to serve on the commission/committee you have indicated above.

would hope I could help =
something

5. Please indicate why you feel qualified to serve on the commission/committee you have indicated above.

I am very qualified in record keeping
and am very detail oriented.

Name: Carolyn Rivard

Signature: Carolyn Rivard

RECEIVED
MAY 26 2015

CITY OF DUNSMUIR

11:25

City Council Agenda Item
Interim City Manager Staff Report
New Business

Item No: 13.C.
Date: June 4, 2015
Subject: Consider Dunsmuir Depot Society request to place porta-potties on Sacramento Avenue during City wide events so as not so as not to overload Amtrak Depot Restroom

Depot Society apparently suffers restroom challenge during major events. Staff is also aware that the public restroom at the Amtrak building is often needing repairs which are provided by City staff. Normal clean up and supplies are provided by the Depot Society.

The Amtrak building restroom is often stressed by the public usage it receives.

Porta-potties may relieve the stress during events if participants don't have the option of the Amtrak Building restroom. If the choice were between the two most would not use the porta-potties. So it may be better to close the public restroom during major events.

If the event is causing the bathroom to be overstressed, then perhaps the event should be required to provide porta-potties.

Recommendation:



May 26, 2015

To: Dunsmuir City Staff

The Dunsmuir Depot Society has noticed at our and city events that the crowds are too much for the Amtrak Depot rest room.

Therefore, we are requesting that the City place two porta-potties ^{on Sacramento} ~~in the Amtrak~~ ^{avenue} parking lot during June 12-14 Railroad Days.

Thank you,

Neil Chisholm
Neil Chisholm
Depot Society

RECEIVED

MAY 26 2015

CITY OF DUNSMUIR

City Council Agenda Item
Interim City Manager Staff Report
Old Business

Item No: 13.D.
Date: June 4, 2015
Subject: Consideration of request by Don Harley to exempt green businesses from trash charges

Due to time commitments, this research is yet to be completed by Interim City Manager.

Recommendation: Move to continue consideration of request to June 18, 2015 regular meeting

City Council Agenda Item

Interim City Manager Staff Report

New Business

Item No: 13.E.
Date: June 4, 2015
Subject: Consider and approve agreement for transfer of entitlement funds for airport capital improvements

Staff was recently made aware of an entitlement grant to be used for capital improvements at Mott Airport. These FAA moneys were appropriated in 2012 and to be spent by 2015. The grant must be spent on approved projects almost immediately. Dunsmuir's Mott airport does not have eligible projects, approved for these moneys by FAA, ready to go. State representatives have suggested that the moneys be transferred to other airport(s) in California instead of the moneys being returned to FAA and not spent in California.

As Airport Manager I have been contacted by several airport managers requesting the moneys be transferred to their airport. There was no offer of any compensation to the City of Dunsmuir until one airport offered to transfer back to Dunsmuir \$50,000 from next grant cycle. Negotiations continued with more airports until Oakdale offered to transfer \$100,000 out of the next grant cycle.

Dunsmuir needs to update and file a capital improvements plan for Mott Airport. This could actually be done by consultant hired with these funds. Once CIP updated and filed and approved by FAA, City could use next round of \$150,000 entitlement grants and add \$100,000 to the project(s).

Recommendation: Move to authorize transfer of 2015 entitlement grant from FAA to City of Oakdale.

City Manager

From: Ford Aviation <ford@airportgrants.com>
Sent: Wednesday, May 27, 2015 3:22 PM
To: City Manager
Cc: Michael Renfrow; Bryan Whitemyer
Subject: Transfer FAA Funds
Attachments: FAA-Duns OAK-5100-110-Agreement-for-Transfer-of-Entitlements.docx

Hi Randy,

Thank you for the conversation.

My understanding is that the City of Dunsmuir is willing to transfer \$150,000 of expiring FAA entitlement funds to the City of Oakdale for future transfer/s of \$100,000 from the City of Oakdale to the City of Dunsmuir.

I have copied the City Manager the City of Oakdale, Bryan Whitemyer, as well as the Senior Engineering Technician, Michael Renfrow.

Find attached the Transfer Document necessary.
Thank you for your willingness to help not only Oakdale, but the entire FAA region.

Best,
Carol

--

Ford Aviation Consultants
650-591-8308
650-400-9408 cell
ford@airportgrants.com

City Manager

From: Ford Aviation <ford@airportgrants.com>
Sent: Thursday, May 28, 2015 3:07 PM
To: maverick.douglas@faa.gov
Cc: Michael Renfrow; Bryan Whitemyer; Abel Tapia FAA; City Manager
Subject: Transfer Funds from Dunsmuir to Oakdale

Hi Maverick,

The City of Dunsmuir {City Manager, Randy Johnsen} is kindly aiding City of Oakdale and the FAA Western Pacific Region by agreeing to transfer Entitlement Funds which would otherwise expire. The City of Dunsmuir expects to have this matter before the City Council June 4th and signed by the City Attorney June 5th.

I have suggested emailing it to us then.
They will then make copies and send the original to you at:

Maverick Douglas, Assistant Manager
FAA, San Francisco Airports District Office
1000 Marina Boulevard, Suite 220
Brisbane, California 94005 -1853

I understand that you can turn this paperwork around in 48 hours.

The City of Oakdale will next submit sf 424/ 5100-100 Grant App for Fence Construction by mid June, go to Bid July 1st, and Receive approved Grant and Award letter by Aug 15th.

(Oakdale is preparing a promissory note for \$100,000 to be given in the future to Dunsmuir.)

Thanks.

Best regards,
Carol

--

Ford Aviation Consultants
650-591-8308
650-400-9408 cell
ford@airportgrants.com



U.S. Department
of Transportation
**Federal Aviation
Administration**

AGREEMENT FOR TRANSFER OF ENTITLEMENTS

In accordance with section 47117(c)(2) of Title 49 U.S.C. (hereinafter called the "Act).

City of Dunsmuir

(Name of Transferor Sponsor)

Hereby waives receipt of the following amount of funds apportioned to it for each fiscal year specified under section 47114(c)(1) of the Act.

	<u>Amount</u>	<u>Fiscal Year</u>
	\$ 150,000	2015
	\$	
	\$	
TOTAL	\$ <u>150,000</u>	

On the condition that the Federal Aviation Administration makes the waived amount available to:

City of Oakdale

(Name of Transferee Sponsor)

for eligible projects under section 47104(a) Act. This waiver shall expire on earlier of _____
(date) or when the availability of apportioned funds would lapse under section 47117(b) of the Act.

**FOR THE UNITED STATES OF
AMERICA
FEDERAL AVIATION ADMINISTRATION**

FOR

(Signature)
Maverick Douglas
(Typed Name)
**Asst. Manager, San Francisco Airports District
Office**
(Title)

(Date)

(Signature)

(Typed Name)

(Title)

(Date)

CERTIFICATE OF SPONSOR'S ATTORNEY

I, _____, acting as Attorney for the Sponsor do hereby certify:
That I have examined the foregoing Agreement and find that the Sponsor has been duly authorized to make such transfer and that the execution thereof is in all respects due and proper and in accordance with the laws of the State of _____ and the Act.
Dated at _____ this _____ day of _____, _____.

By: _____
(Signature of Sponsor's Attorney)

June 4 13. Fe

JOHN SULLIVAN KENNY
KELLY J. SNOWDEN*
JONZ NORINE
LINDA R. SCHAAF
PATRICK HENSLEIGH

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*Member - American Board
Of Trial Advocates

MEMORANDUM

To: Randy Johnsen, Interim City Manager
CITY OF DUNSMUIR

From: John Sullivan Kenny, City Attorney

Date: May 28, 2015

Re: City Health Officer

Health & Safety Code section 101460 requires that every city appoint a health officer, unless the city has made other arrangements for the county to exercise the powers that the city health officer would exercise. Health & Safety Code section 101375 says the county health officer can perform the services that would otherwise be performed by the city health officer.

I was unable to find a statute that provides that the county automatically provides health officer services for a city that does not appoint a health officer. You advise that you could not find in the city files a resolution appointing the Siskiyou County Health Officer as the city health officer. This does not necessarily mean that no such resolution was passed.

In any event, the wise course would seem to be to adopt a resolution authorizing the Siskiyou County Health Officer to provide the services as a city health officer.

Attached is a proposed Resolution achieving that end.

JSK;jll/6736

RESOLUTION NO. 2015-

A RESOLUTION OF THE CITY OF DUNSMUIR
CONSENTING TO THE ENFORCEMENT OF ALL HEALTH LAWS
WITHIN THE CITY OF DUNSMUIR BY THE
SISKIYOU COUNTY HEALTH OFFICER

WHEREAS, California Health & Safety Code section 101460 requires a city to appoint a health officer unless the city consents to the county health officer exercising the powers of a city health officer within the city; and

WHEREAS, the city may consent to the county health officer enforcing all health laws within the city limits pursuant to the provisions of Health & Safety Code section 101375.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Dunsmuir consents to allow the Health Officer of Siskiyou County to enforce and observe: (a) orders and quarantine regulations prescribed by the State Department of Health Services and the Siskiyou County Health Department and all other regulations issued under the Health & Safety Code; and (b) all statues, ordinances, regulations, and rules relating to public health, as may be provided by the California Health & Safety Code.

BE IT FURTHER RESOLVED, this Resolution will be effective on the date of adoption and will remain in full force and effect until amended or repealed by the City Council.

ADOPTED, this 4th day of June, 2015 by the following vote:

AYES:
NOES:
ABSENT:
ABSTENTIONS:

APPROVED:

By: _____
Dave Keisler, MAYOR

ATTEST:

Kathryn Wilson, CITY CLERK

City Council Agenda Item
Interim City Manager Staff Report
New Business

Item No: 13.G.
Date: June 4, 2015
Subject: Consider and adopt Resolution No. 2015- approving funding for Trophy Trout event

The Big Fish committee has recommended that the event be renamed Trophy Trout event.

As presented at your previous meeting, the committee is requesting \$7,500 to subsidize the event in 2015. This is less than prior years when \$10,000 was provided.

The event will tentatively begin with stocking on June 11 and continue with stocking every other week for 10 weeks. The committee proposes to not stock extremely large fish as has happened in the past but instead to stock more regular size and large size trout. It is hoped this will facilitate more catches by more fishermen and women and children.

It is reported that several California rivers usually fished for trout have already been shut down for fishing this year due to the low water levels and high temperatures in river. Catch and keep fishing areas including Dunsmuir and immediate surroundings will not have these restrictions. Marketing for this year's event will reach out to those farther away, thus more chance of staying overnight and eating in local restaurants.

The budget is essentially \$5,000 for fish and \$2,500 for marketing and prizes.

Recommendation: Move to adopt Resolution No. 2015- approving funding for Trophy Trout event

RESOLUTION NO. 2015-

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF DUNSMUIR APPROVING
FUNDING FOR THE 2015 TROPHY TROUT EVENT**

WHEREAS, the Dunsmuir City Council has since 2011 supported and operated a Big Fish program that intends to promote tourism and improve the local economy; and

WHEREAS, the committee of citizens organizing and facilitating the Big Fish program have requested it be done again in 2015 and be renamed the Trophy Trout event; and

WHEREAS, the committee has requested a budget of up to \$7,500 with \$5,000 intended to purchase trout to be stocked in the Sacramento River within the city limits of Dunsmuir; and

WHEREAS, the committee will use up to \$2,500 to market this event and purchase prizes for those who catch Trophy Trouts.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Dunsmuir that \$7,500 is authorized from the 2014-15 fiscal year for expenditures related to the Trophy Trout program.

IT IS HEREBY CERTIFIED that this Resolution was introduced and duly adopted by the City Council of the City of Dunsmuir at a regular meeting held on June 4, 2015 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Dave Keisler, Mayor

ATTEST:

Kathryn Wilson, City Clerk

City Council Agenda Item
Interim City Manager Staff Report
New Business

Item No: 13.H.
Date: June 4, 2015
Subject: Consider request from staff to increase summer housing allowance for Interim City Manager

Staff is requesting an increase in the summer housing allowance for the Interim City Manager. The Employment Agreement for Interim City Manager Services with the City of Dunsmuir includes a provision for temporary housing while Mr. Johnsen is serving as Interim City Manager. Since February 20, 2015, the commencement date of the agreement, the City has paid \$1000 a month for housing for Mr. Johnsen. Due to the increase of summer housing rates and the limited availability of housing, city staff is asking for an increase of \$500 for a total of \$1500 a month for temporary housing for the duration of the agreement.

Recommendation: