



# COBB COUNTY CDBG PROGRAM OFFICE

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PROGRAM YEAR 2019

## **COBB COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

### **SUBRECIPIENT AGREEMENT**

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**PY 2019  
COBB COUNTY  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
SUBRECIPIENT AGREEMENT**

NAME OF SUBRECIPIENT: CITY OF SMYRNA

SUBRECIPIENT AGREEMENT (CONTRACT) NUMBER: CD19-C19SA

HUD GRANT NO: B-19-UC-19-0002

THIS AGREEMENT, made and entered into on the 1<sup>st</sup> day of January 2019 by and between Cobb County, a political subdivision of the State of Georgia acting by and through its duly elected Board of Commissioners [BOC], hereinafter referred to as the "County", and The City of Smyrna, a CDBG subrecipient organization (either a participating municipality in the Cobb County Urban County CDBG Program, a quasi-local government agency, a local housing authority, or a private non-profit organization), hereinafter referred to as the "Subrecipient," located within the confines of the Cobb County, Georgia, and serving CDBG-eligible residents of Cobb County;

WITNESSETH:

WHEREAS, Cobb County has received a Program Year [PY] 2019 Community Development Block Grant [CDBG], hereinafter referred to as "CDBG" under Title I of the Housing and Community Development Act [HCDA] of 1974, as amended, to carry out various housing and community development activities in its unincorporated areas and in municipalities participating in the County CDBG Program; and

WHEREAS, a total of **\$327,618.00 (\$270,094.44 for Public Facilities and \$57,523.56 for Administration and Planning)** from Program Year 2019 CDBG funds has been appropriated by the Cobb County Board of Commissioners for award to the Subrecipient for the implementation of activities determined to be CDBG-eligible by the County; and

WHEREAS, the Subrecipient agrees to assume certain responsibilities for the implementation of its CDBG assisted activities, and certifies that it will comply with the applicable certifications contained in Exhibit 1; with the Scope of Services provided in Exhibit 2; with any amendments to this Agreement, included as Exhibit 3; with the Lease Agreement requirements included as Exhibit 4, if applicable; with the property use requirements included as Exhibit 5, if applicable; with the HUD regulations included as Exhibit 6; and, with the Subrecipients CDBG Application included as Exhibit 7;

NOW, THEREFORE, the parties hereunto do hereby agree as follows:

**Item 1: Use of Funds**

The Subrecipient shall expend all or any part of its CDBG allocation only on those activities contained in the Scope of Services of this Agreement, which activities the Cobb County CDBG Program Office shall determine to be eligible for CDBG funds, and shall notify the Subrecipient in writing, via this Agreement and/or subsequent amendments to this Agreement, of such determination of eligibility. **CDBG funds provided through this Agreement must be fully expended no later than December 31, 2019.**

**Item 2: Duration of Agreement**

The duration of the Subrecipient Agreement is as follows:

Agreement Effective Date	1/1/2019
Deadline for Expenditure of Funds	12/31/2019
Agreement Termination Date	12/31/2019
Deadline for Receipt of Final Reimbursement Request	1/30/2019

**Item 3. Uniform Administrative Requirements**

The Uniform Administrative Requirements, as promulgated in [2 CFR Part 200], shall apply to all activities undertaken by the Subrecipient with CDBG assistance provided via this Agreement and any subsequent amendments.

**Other Program Requirements** - The Subrecipient shall comply with all the requirements of 24 CFR 570.600 - 570.615, as applicable to the Subrecipient's activity(s) to include: § 570.603 Labor standards; § 570.604 Environmental standards; § 570.605 National Flood Insurance Program.; § 570.606 Displacement, relocation, acquisition, and replacement of housing; § 570.607 Employment and contracting opportunities; § 570.608 Lead-based paint; § 570.609 Use of debarred, suspended or ineligible contractors or subrecipients; § 570.610 Uniform administrative requirements, cost principles, and audit requirements for Federal awards; § 570.611 Conflict of interest; § 570.612 Executive Order 12372; § 570.613 Eligibility restrictions for certain resident aliens; § 570.614 Architectural Barriers Act and the Americans with Disabilities Act.

**Item 4. Procurement**

The Subrecipient shall be responsible for procurement of all supplies, equipment, services, and construction necessary for implementation of its activity(s). Procurement shall be carried out in accordance with 2 CFR 200.320.

**The governing board of the Subrecipient shall formally adopt written procurement procedures which are at least as restrictive as those required in 2 CFR 200.320, as applicable] and shall provide a copy of said procurement procedures and evidence of governing board adoption to the County at the time that this Subrecipient Agreement shall be returned to the County for signature by the Chairman of the Cobb County Board of Commissioners.**

The Subrecipient shall prepare, or cause to be prepared, all advertisements, negotiations, notices, and documents; enter into all contracts; and conduct all meetings, conferences, and interviews as necessary to ensure compliance with the procurement requirements described below:

**§ 2 CFR 200.320 Methods of procurement to be followed.** The Subrecipient must use one of the following methods of procurement.

**(a) Procurement by micro-purchases** (\$3,000 or less). Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§200.67 Micro-purchase). To the extent practicable, the Subrecipient must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the Subrecipient considers the price to be reasonable.

**(b) Procurement by small purchase procedures.** Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold (\$150,000). If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

**(c) Procurement by sealed bids (formal advertising).** Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply.

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

- (i)** A complete, adequate, and realistic specification or purchase description is available;
- (ii)** Two or more responsible bidders are willing and able to compete effectively for the business; and
- (iii)** The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

- (2) If sealed bids are used, the following requirements apply:
- (i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;
  - (ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
  - (iii) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
  - (iv) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
  - (v) Any or all bids may be rejected if there is a sound documented reason.
- (d) **Procurement by competitive proposals.** The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:
- (1) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
  - (2) Proposals must be solicited from an adequate number of qualified sources;
  - (3) The Subrecipient must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
  - (4) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
  - (5) The Subrecipient may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

(e) [Reserved]

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

- (1) The item is available only from a single source;
- (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (3) The Subrecipient or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the Subrecipient; or
- (4) After solicitation of a number of sources, competition is determined inadequate.

**Item 5. Property Acquisition and Relocation Services**

The Subrecipient shall be responsible for carrying out the acquisition of all real property necessary for the implementation of the activity(s), if applicable. The Subrecipient shall conduct all such acquisitions in its name and shall hold title to all properties purchased, [except in such cases as with long term leases (minimum term of 15 years). [Lease requirements are addressed in Section 18 of this Agreement]]. The Subrecipient shall be responsible for the preparation of all notices, appraisals, and documentation required in conducting acquisitions under the latest applicable regulations of the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 and of the CDBG Program. The Subrecipient shall also be responsible for providing all relocation notices, counseling, and services required by said regulations. Should the Subrecipient find it necessary to change the use of or dispose of the property acquired with CDBG funding assistance, the requirements of 24 CFR Part 570.505 governing change of use and/or property disposition shall apply. Such a change in use may also require an amendment to this Agreement, including changes in Exhibits 2, 3, 4, and/or 5.

**Item 6. "Force Account" Work**

The Subrecipient (limited to participating municipalities) may undertake public facility construction or renovation activities using municipal labor and equipment. Eligible costs of labor and equipment may be reimbursed by the County using CDBG funds, based upon submission of proper and acceptable invoice(s) and documentation of all costs - as prescribed by the County.

**Item 7. Record Keeping/Reporting**

Every Subrecipient is required to establish and maintain **at least three major categories** of records:

**Administrative records:** These are files and records that apply to the overall administration of the Subrecipient's CDBG activities. They include the following:

- Subrecipient Agreement
- Agreement Amendment (*if applicable*)
- Budget Revisions (*if applicable*)
- Notice to Proceed
- Grant Application for Funding
- Environmental Review must be completed by the CDBG Program Office prior to commencing project (*if applicable*)
- Project Eligibility Documentation (Provided by CDBG Program Office for CDBG Projects)
- CDBG Program Office Communications

**Financial records:** These include the chart of accounts, a manual on accounting procedures, accounting journals and ledgers, source documentation (purchase orders, invoices, canceled checks, etc.), procurement files, bank account records, financial reports, audit files, etc.

The Subrecipient shall maintain financial records of the expenditure of all CDBG funds it receives, such records to be maintained in accordance with 24 CFR 200.302 (3) and 24 CFR Part 570.490, as applicable. All records shall be made available, upon County request, for inspection(s) and audit(s) by the County, or by its representatives. If a financial audit(s) determines that the Subrecipient has improperly expended CDBG funds, resulting in the disallowance of such expenditures by the County and/or by the U.S. Department of Housing and Urban Development, the County reserves the right to recover from the Subrecipient other non-CDBG monies to fund such disallowed CDBG expenditures. Audit procedures for the Cobb County CDBG Program are specified in Item 19 of this Agreement.

**Project/case files:** These files document the activities undertaken with respect to specific individual beneficiaries, income, property owners, and/or properties.

For limited clientele (including "Direct Service" and "Presumed Benefit") activities the Subrecipient shall provide, on a monthly basis, sufficient information to the County on services carried out for all persons served and on CDBG-eligible persons served by activities receiving CDBG assistance under this Agreement. The purpose of the monthly reporting is to enable the County to prepare and submit periodic and annual reports to the U.S. Department of Housing and Urban Development.

**These Subrecipient-prepared reports shall be submitted in a format provided by the County [See Exhibit 2, if applicable to this Agreement] and at a time no later than the 15th calendar day of each month of each year until all CDBG funds for the activity(s) shall be fully expended, plus five (5) years. The five (5) year reporting period should not be confused with the "continued use" provisions of this agreement, as specified in Exhibit 2, "Scope of**



**Services."** The County shall provide reporting forms and technical assistance to the Subrecipient on the procedures to be followed to collect and report these programmatic data.

**File Organization and Maintenance**

Subrecipient should structure its project/case files and other records to comply with the general **CDBG standard for record keeping** which that records must be *accurate, complete and orderly*. Records should demonstrate that each activity undertaken meets one of the **National Objectives** for the CDBG program (24 CFR 570.208 and particularly the record-keeping requirements at 570.506(b)(1) - (12)) as reflected in Exhibit 12 of this Agreement. All Subrecipient must comply with 24 CR 5.609: Annual Income to determine the anticipated annual income of all adults in the household in accordance with the Part 5 definition of annual income.

**Case File Organization**

Subrecipient case files should include at minimum:

- Case File Checklist
- Application for services
- Consent Forms
- Proof of Identification
- Proof of Residency
- Income Verification Documents
- Income Limits
- Environmental Review
- Housing Eligibility Documentation
- Additional Services Documentation

***Documents should be placed in order of checklist. Each project should have a separate case file.***

**Documenting Eligibility**

**Application for Services Minimum Requirements**

- Intake Date
- Applicant Information:
  - Name, Address, Phone Number, DOB, SSN, Citizenship Status, Ethnicity/Race, Gender
- Household Member(s) Information:
  - Name, DOB, SSN, Relationship to Application
  - Intake Date
- Intake Worker Signature & Verification
- Proof of US Citizenship or Legally Admitted Alien

- Copy of State Issued ID
- Copy of Social Security Cards for all household members over age 6.
- Proof of Cobb County Residency
  - Copy of State Issued ID, Utility Bill, Current Check Stub
  - Must clearly show a Cobb County address
- Required consent by assistance applicants and participants (24 CFR Part 5, Subpart B)
  - Each member of the family of an assistance applicant or participant who is at least 18 years of age, and each family head and spouse regardless of age.
  - Required at initial evaluation & each recertification.
- Income Documentation for all household members over the age of 18 is required.
  - Inclusions: Earned Income, Interest/Dividend Income, Pension/Retirement Income, Unemployment & Disability Income, TANF/Public Assistance, Alimony/Child Support Income, Armed Forces Income
  - Exclusions: Income of Children, Inheritance/Insurance Income, Medical Expense Reimbursements, Income of Live-In Aides, Student Financial Aid, Armed Forces Hostile Fire Pay

Regulation: Anticipated annual income of all adults in the family should be determined by using **24 CFR 5.609** definition of annual income (See Exhibit 13).
- Sources of Income Verification
  - Third Party

*Requests for verification from third parties must be accompanied by a Consent to Release form.*

    - Written – a certified letter verifying the source of income.
    - Oral – For all oral verification, file documentation must include facts, time and date of contact, and name and title of third party.
  - Source Documents Provided by Applicant

*Examples: W-2 forms, paycheck stubs, award letters, pension account statements, 1040 form.*
  - Self Declaration

*Not always appropriate.*
- Calculating Income

- ❑ Analyze hourly, weekly or monthly income information as appropriate to calculate the annual income. Must include overtime pay.
- ❑ Compare against Area Median Income (AMI)
- ❑ Keep documentation in case file for both accepted and denied program participants
- ❑ Earned income is projected for the next 12 months
- ❑ Subrecipients may use the HUD Income Calculator found at: <https://www.hudexchange.info/incomecalculator> (Registration Required)

**Retention of Records**

All accounting records, reports, and evidence pertaining to all costs, expenses and the CDBG funds of Subrecipient and all documents related to this Agreement shall be maintained and kept available at the Subrecipient's office or place of business for the duration of the Agreement and thereafter for five (5) years after completion of an audit in conformity with the CDBG regulations. Records which relate to (a) complaints, claims, administrative proceedings or litigation arising out of the performance of this Agreement, or (b) costs and expenses of this Agreement to which the County or any other governmental agency takes exception, shall be retained beyond the five (5) years until complete resolution or disposition of such appeals, litigation claims or exceptions.

**Item 8. Subrecipient's Obligation**

The Subrecipient shall be responsible for carrying out its actions in accordance with the certifications contained in Exhibit 1 of this Agreement. The Subrecipient shall take all necessary actions to comply with the requirements of the certifications/assurances in Exhibit 1, and to comply with any requests by the County in this connection; it being understood that the County has responsibility to the U.S. Department of Housing and Urban Development for insuring compliance with such requirements. The Subrecipient will also promptly notify the County of any changes in the scope or character of the activity(s) assisted through this Agreement.

**Item 9. "Hold Harmless"**

The Subrecipient does hereby agree to release, indemnify, and hold harmless the County, its employees and agents from and against all costs, expenses, claims, suits, or judgments arising from or growing out of any injuries, loss or damage sustained by any person or corporation, including employees of Subrecipient and property of Subrecipient, which are caused by or sustained in connection with the tasks carried out by the Subrecipient under this Agreement.

**Item 10. Funding**

The County agrees to provide the Subrecipient with CDBG funds in such amounts as agreed upon in this Agreement to enable the Subrecipient to carry out its CDBG-eligible activity(s). It is understood that the County shall be held accountable to the U.S. Department of Housing and Urban Development for the lawful expenditure of CDBG funds under this Agreement. Therefore, the County shall make no reimbursement of CDBG funds to the Subrecipient and draw no funds from HUD/U.S. Treasury on behalf of a Subrecipient activity(s), prior to having received proper invoice(s) and copies of supporting documentation from the Subrecipient for the expenses incurred, to ensure that the Subrecipient has complied with all applicable regulations and requirements.

**Item 11. Environmental Clearance**

The CDBG Program Office shall be responsible for carrying out environmental reviews and clearances on all activities. The Subrecipient shall be responsible for providing necessary information, in a timely manner, to the County to accomplish this task.

Funding provided through this agreement is "conditionally approved" subject to the completion of the Environmental Review process conducted by the CDBG Program Office. Notwithstanding any provision of this Agreement, the parties hereto agree and acknowledge that this Agreement does not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt by the CDBG Program Office of a release of funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58. The parties further agree that the provision of any funds to projects/activities included in this Agreement is conditioned on the County's determination to proceed with, modify, or cancel the projects/activities based on the results of a subsequent environmental review.

**THE SUBRECIPIENT MAY NOT OBLIGATE OR EXPEND ANY FUNDS PROVIDED THROUGH THIS AGREEMENT UNTIL THE COUNTY PROVIDES TO THE SUBRECIPIENT A "NOTICE TO PROCEED," WHICH SHALL REPRESENT, IN PART, THE COMPLETION OF THE ENVIRONMENTAL REVIEW PROCESS, AND THE NOTICE FOR RELEASE OF FUNDS BY HUD FOR THE PROJECTS/ACTIVITIES IDENTIFIED IN THIS AGREEMENT.**

**Item 12. Wage Rates**

The CDBG Program Office shall be responsible for the preparation of all requests for wage rate determinations on CDBG activities, on behalf of the Subrecipient. The Subrecipient shall notify the CDBG Program Office prior to initiating any activity, including advertising for contractual services, which will include costs likely to be subject to the provisions of the Davis-Bacon Act and its

implementing regulations. The CDBG Program Office will provide technical assistance to the Subrecipient to ensure compliance with these requirements.

**Item 13. Technical Assistance**

The County agrees to provide technical assistance to the Subrecipient in the form of oral and/or written guidance and on-site assistance regarding CDBG procedures and project management. This assistance will be provided as requested by the Subrecipient, and at other times, at the initiative of the County, or when the County provides new or updated CDBG Program information to the Subrecipient.

**Item 14. Review Authority**

The County shall have the authority to review any and all procedures and all materials, notices, documents, etc., prepared by the Subrecipient in implementation of this Agreement. The Subrecipient agrees to provide all information required by any person authorized by the County to request such information from the Subrecipient, for the purpose of reviewing the same.

**Item 15. Suspension and Termination**

In accordance with 2 CFR Part 200 Subpart D §338-339, Cobb County may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to), the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission by the Subrecipient to the Grantee reports that are incorrect or incomplete in any material respect.

In accordance with 2 CFR Part 200 Subpart D §339, this Agreement may also be terminated for convenience by either Cobb County or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, and Cobb County determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the County may terminate the award in its entirety.

This Agreement may be terminated with or without cause by either party, hereto, by giving thirty (30) calendar days written notice of such termination. However, CDBG funds allocated to the Subrecipient under this Agreement may not be obligated or expended by the Subrecipient following such date of termination. Any funds allocated to the Subrecipient under this Agreement which remain unobligated or unspent upon such date of termination shall automatically revert back to the County.

**Item 16. Agreement Amendment(s)**

This Agreement may be modified or amended by mutual agreement of the parties; however, no waiver, modification or amendment of any terms, conditions or provisions of this agreement will be valid, or of any force or effect, unless made in writing, approved by the respective parties' governing bodies and properly executed by the authorized representatives of the parties. All amendments to this Agreement shall be made a part of the Agreement by inclusion in Exhibit 3, which will be attached at the time of any amendment(s). If the Subrecipient seeks an amendment to this agreement, the request for such amendment shall be submitted in writing form to the Cobb County CDBG Program Office in a format prescribed by the CDBG Program Office. If an amendment to the Cobb County Consolidated Plan is required, the Subrecipient shall be informed of such requirement and the steps required to effectuate such a Consolidated Plan amendment.

**Item 17. Effective Date and Termination Date**

The effective date of this Agreement is the date specified on Page 2 of this Agreement. The termination date of this Agreement is December 31, 2019.

**Item 18. Program Income**

Subrecipients can generate program income from **client fees** charged to its program participants. If the Subrecipient generates any program income as a result of the expenditure of CDBG funds, the provisions of 24 CFR 570.504(c) shall apply, as well as the following specific stipulations:

- A. The Subrecipient acknowledges, by the executing this Agreement, the Subrecipient shall **report monthly all program income** (as defined at 24 CFR 570.500(a)) generated by activities carried out with CDBG funds made available under this contract. When CDBG program income is generated by an activity that is only partially assisted with CDBG funds (i.e., other funds were also used to carry out the project activity), the program income shall be prorated to reflect the percentage of CDBG funds used and deducted from the Subrecipients monthly reimbursement request.

- B. The use of program income by the Subrecipient shall comply with the requirements set forth at 24 CFR 570.504. By way of further limitations, the Subrecipient may use such income during the contract period for activities permitted under this contract and shall reduce requests for additional funds by the amount of any such program income balances on hand.
- C. The Subrecipient further acknowledges, by executing this Agreement, that the County has the responsibility for monitoring and reporting to the U.S. Department of Housing and Urban Development (HUD) on the generation of any such program income. The Subrecipient acknowledges its responsibility for appropriate record keeping and reporting to the County on the generation and/or receipt of such program income.
- D. In the event of close-out or change in status of the Subrecipient, any program income that is on hand or received subsequent to the close-out or change in status shall be paid to the County within 30 calendar days of the official date of the close-out or change in status. The County agrees to notify the Subrecipient in writing, should closeout or change in status of the Subrecipient occur as a result of changes in CDBG Program statutes, regulations, and/or instructions.

***CALCULATING THE PERCENTAGE OF CDBG INVESTMENT***

Subrecipient's Operating Budget Divided by CDBG Grant Award Equals the Investment  
Percentage

EX: \$318,222 (Op. Budget) ÷ \$25,000 (Grant) = 13% (Investment)

***CALCULATING CDBG EARNED INCOME***

Monthly Income Earned from Client Fees Multiplied by the CDBG Investment Percentage Equals  
the *Amount of CDBG Earned Income*

EX: \$4,784 (Fees) x 13% (Investment) = \$609.00 (CDBG Earned Income)

Note: The Subrecipient should calculate the CDBG earned income and deduct that amount from the monthly reimbursement request.

***REPORTING EARNED INCOME***

The Subrecipient should submit a monthly Profit/Loss Statement documenting earned income with monthly reimbursement request.

**Item 19. Repayments**

Any CDBG funds invested in activities that does not meet the applicable CDBG eligibility requirements, or in the event a project is deemed ineligible, or terminated before completion, either voluntarily or otherwise, all funds must be repaid to the Cobb County CDBG Program Office by the Subrecipient within 30 days of notification by the CDBG Program Office. If Cobb County is no

longer a CDBG Program participating jurisdiction when the repayment is made, the funds must be remitted to HUD.

**Item 20. Real Property / Non-Real Property [Non-Expendable] Continued Use**

The following standards shall apply to real property/*non-real property* (within the control of the Subrecipient) acquired or improved, in whole or in part, using CDBG funds. The standards are:

A. Change in Real Property Status:

1. Sale of Property:

The Subrecipient may sell the property acquired or improved with CDBG assistance at any time. If the Subrecipient sells the property or otherwise transfers ownership [title] to another entity that continues to use the property for an activity that meets a CDBG National Objective and is an eligible activity, the County will not require the Subrecipient to repay funds to the County's CDBG Program. If the Subrecipient sells the property or transfers ownership [title] to another entity that **does not continue** to use the property for an activity that meets a CDBG National Objective and is a eligible CDBG activity, the County will require the Subrecipient to repay to the County CDBG Program the fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of and improvements to the property. However, prior to such sale of CDBG-assisted property, the Subrecipient shall notify the County in writing of its intent to sell the property and shall determine the fair market value of the property by obtaining at least one review appraisal of the property performed by separate appraisers who are licensed by the State of Georgia.

If the Subrecipient sells or transfers the ownership [title] to the property at a point in time five [5] years after the County receives its last increment of CDBG funding, the County will not require the Subrecipient to reimburse the County's CDBG Program.

2. Change in Use of Property:

The Subrecipient may change the use of the property at any time provided it complies with the following stipulations:

- (a) If the Subrecipient proposes to change the use of the property to an activity **that meets** a CDBG National Objective and is an eligible CDBG activity, the County will **not** require the Subrecipient to repay funds to the County's CDBG Program.



However, prior to such change in use the Subrecipient shall notify the County in writing of its intent to change the use of the property to permit the County to notify affected citizens with reasonable notice and opportunity to comment on the proposed change in use, as required by 24 CFR 570.505.

- (b) If the Subrecipient proposes to change the use of property to an activity that **does not meet** a CDBG National Objective or is not an eligible activity, the County will require the Subrecipient to reimburse the County's CDBG Program the fair market share of the property as adjusted for non-CDBG funds.

However, prior to such change in use, the Subrecipient shall notify the County in writing of its intent to change the use of the property and shall determine the fair market value of the property by obtaining at least one appraisal and at least one review appraisal of the property performed by separate appraisers who are licensed by the State of Georgia.

- (c) If the Subrecipient proposes to change the use of the property at a point-in-time five [5] years after the County receives its last increment of CDBG funding, the County will not require the Subrecipient to reimburse the CDBG Program.

#### B. Reversion of Assets Provision

Cobb County, under the Reversion of Assets Provision at 570.503 (7) and Section 18 (b)(1)(2)(a)(b) of the agreement, herein, can waive the repayment obligation by the Subrecipient providing a current fair market "like-amount" of funds at another facility which serves the eligible clientele, by "**transferring**" the "eligible use" of the existing property to a newly acquired property so that the original CDBG funds will continue to carry out eligible CDBG activities. In the event that a Subrecipient should dispose of a CDBG-funded real property which has increased in value, and chooses to acquire a property of less than the current fair market value of the existing property, the Subrecipient shall repay Cobb County, from non-CDBG funds, the difference between the existing real property current fair market value and the lesser value transferred to another "eligible" property site where eligible CDBG activities are to be carried out.

C. The Subrecipient shall inform the County, in writing, 30 calendar days prior to any modification or change in the use of real property from that specified in this Agreement, at the time of acquisition or improvements, including disposition.

D. Any Program Income generated from the disposition or transfer of property prior to or subsequent to the closeout, change of status or termination of the Subrecipient Agreement between the County and the Subrecipient shall be repaid to the County at the time of disposition or transfer of the property.

E. A lease agreement, in a format prescribed by the County, must be executed between the County and the Subrecipient for any County CDBG-assisted Subrecipient activity which is to be carried out wholly, or in part, on County-owned real property. The lease agreement shall be included in this Subrecipient Agreement as Exhibit 4. Said lease agreement must contain, at a minimum, the following items and any other items determined by the County to be applicable to the specific lease:

1. The beginning and ending dates of the lease (at least 15 years to be eligible for CDBG funding assistance (applicable for new acquisition activities only)).
2. Identification of the parties to the lease; i.e., the Lessor shall be the County and the Lessee shall be the Subrecipient.
3. Identification of the precise land parcel(s) and/or structure(s) which constitute the subject of the lease.
4. Identification of the CDBG-eligible use of the real property(s) and/or structure(s).
5. A termination statement acceptable to the County and the U.S. Department of Housing and Urban Development.
6. The lease must contain a regulatory compliance statement indicating that the terms are in conformance with all applicable Federal, State, and Cobb County rules, regulations, and requirements.
7. The lease must contain a maintenance of property statement indicating that the property(s) and/or structure(s) which is the subject of the lease agreement will be maintained in conformance with all applicable Federal, State, and Cobb County rules, regulations, and requirements.
8. The lease must contain a non-assignability clause indicating that the lease may not be assigned to any other party(s) without prior written approval by the County and subsequent execution of an amendment to the lease and to this Subrecipient Agreement.

9. The lease must contain an insurance certification statement indicating that the lessee will maintain appropriate types of insurance, as specified in the lease, on the property(s) and/or structure(s), which is the subject of the lease.
  10. The lease must contain an indemnification statement, as specified by the County.
  11. The lease must contain a statement as to governance, performance, and enforcement under the laws of the State of Georgia.
  12. The lease may contain special conditions unique to the specific lessor/lessee circumstances and/or unique to the specific property(s) and/or structure(s).
- F. If the Subrecipient wishes to carry out its CDBG-assisted activity on real property(s) and/or in a structure(s) which is owned neither by the Subrecipient nor by the County, a long-term lease (minimum 15 years) must be executed which meets the standards specified above in Section A. However, prior to execution of said lease, the County must approve the form and content of the Lease Agreement to insure its compliance with the terms of this Agreement.
- G. Private non-profit subrecipient organizations must also execute a real property use document(s) with the County, if required by the County. Such a document(s) provides the County with a mechanism to insure its fiduciary interest in the property(s) and/or structure(s) for which the County provided CDBG funds to the private non-profit organization via this Agreement.

In the event of the dissolution or change in status of the private non-profit organization or change in scope of the CDBG-assisted activity -- resulting in the CDBG-assisted activity becoming an ineligible CDBG activity, as defined by CDBG rules and regulations applicable at the time of such dissolution or change in status -- the County shall, at its option, exercise its right to obtain its appropriate share of the value of the CDBG-assisted property, as permitted by the rules and regulations governing the CDBG Program at the time of such an occurrence, and as specified by this Agreement. The real property use documents referenced, herein, shall be appended to this Agreement and shall constitute Exhibit 5.

#### **Item 21. Audits**

The Subrecipient agrees to comply with the requirements of:

- A. The Office of Management and Budget (OMB) released new guidance on *Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. As described in 2 CFR §200.110 Effective/applicability date, this part supersedes the following OMB guidance documents and regulations under Title 2 of the Code of Federal Regulations contained in OMB Circulars A-21, A-50, A-87, A-89, A-102, A-110, A-122 and A-133.

- B. Subrecipients shall comply with the following audit requirements as listed in 2 CFR 200.501.

**§200.501 Audit requirements.**

(a) *Audit required.* A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of this part.

(b) *Single audit.* A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single audit conducted in accordance with §200.514 Scope of audit except when it elects to have a program-specific audit conducted in accordance with paragraph (c) of this section.

(c) *Program-specific audit election.* When an auditee expends Federal awards under only one Federal program (excluding R&D) and the Federal program's statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement audit of the auditee, the auditee may elect to have a program-specific audit conducted in accordance with §200.507 Program-specific audits. A program-specific audit may not be elected for R&D unless all of the Federal awards expended were received from the same Federal agency, or the same Federal agency and the same pass-through entity, and that Federal agency, or pass-through entity in the case of a subrecipient, approves in advance a program-specific audit.

(d) *Exemption when Federal awards expended are less than \$750,000.* A non-Federal entity that expends less than \$750,000 during the non-Federal entity's fiscal year in Federal awards is exempt from Federal audit requirements for that year, except as noted in §200.503 Relation to other audit requirements, but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office (GAO).

(e) *Federally Funded Research and Development Centers (FFRDC).* Management of an auditee that owns or operates a FFRDC may elect to treat the FFRDC as a separate entity for purposes of this part.

(f) *Subrecipients and Contractors.* An auditee may simultaneously be a recipient, a subrecipient, and a contractor. Federal awards expended as a recipient or a subrecipient are subject to audit under this part. The payments received for goods or services provided as a contractor are not Federal awards. Section §200.330 Subrecipient and contractor determinations sets forth the considerations in determining whether payments constitute a Federal award or a payment for goods or services provided as a contractor.

(g) *Compliance responsibility for contractors.* In most cases, the auditee's compliance responsibility for contractors is only to ensure that the procurement, receipt, and payment for goods and services

comply with Federal statutes, regulations, and the terms and conditions of Federal awards. Federal award compliance requirements normally do not pass through to contractors. However, the auditee is responsible for ensuring compliance for procurement transactions which are structured such that the contractor is responsible for program compliance or the contractor's records must be reviewed to determine program compliance. Also, when these procurement transactions relate to a major program, the scope of the audit must include determining whether these transactions are in compliance with Federal statutes, regulations, and the terms and conditions of Federal awards.

(h) *For-profit subrecipient.* Since this part does not apply to for-profit subrecipients, the pass-through entity is responsible for establishing requirements, as necessary, to ensure compliance by for-profit subrecipients. The agreement with the for-profit subrecipient must describe applicable compliance requirements and the for-profit subrecipient's compliance responsibility. Methods to ensure compliance for Federal awards made to for-profit subrecipients may include pre-award audits, monitoring during the agreement, and post-award audits. See also §200.331 Requirements for pass-through entities.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75887, Dec. 19, 2014]

C. Cobb County audit standards:

Because Cobb County is responsible for any grant funds provided to all participating cities and other subrecipients, any organization or city which expends a total of CDBG funds between \$0.00 and \$750,000.00 in any fiscal year from this agreement must have an audit of those funds performed annually, or shall follow procedures specified, herein, as if all funds were subject to the requirements below.

- 1) The Subrecipient shall have an annual audit conducted by a qualified auditor in keeping with the standards of OMB Circular 2 CFR 200.501, Audits of States, Local Governments and Nonprofit Institutions, and a copy of the audit findings, or independent auditor's statement, shall be submitted to the Cobb County CDBG Program Office, ATTN: CDBG Coordinator, within 120 days of the end of the Subrecipient's fiscal year;
- 2) All requests to the County for CDBG reimbursements shall be approved by an individual at least one level above that person that prepares the reimbursement request. If the reimbursement request is prepared by the Chief Financial Administrator of the organization, the request shall be approved by the Executive Director or a member of the governing board;
- 3) Requests for reimbursement submitted to the County shall attach a copy of the appropriate invoice and canceled check for each expense for which reimbursement is being requested. If bank checks are not returned to the Subrecipient, a copy of the bank statement identifying the check may be substituted for the check;

- 4) Cobb County shall periodically perform program reviews of Subrecipient financial records, generally at least once during the period covered by this Agreement. This review will, at a minimum, include procedures to verify documentation of expenditures requested in one or more reimbursement requests;
- 5) Any appropriate corrective action for instances of noncompliance as a result of these program reviews has been taken within six (6) months of notification by Cobb County that these reportable conditions exist; and
- 6) If the Subrecipient receives only CDBG funds and no other Federal funds, and if the total CDBG funds received is less than \$25,000, the Subrecipient may indicate by checking and signing here that the Subrecipient is requesting authority from Cobb County to submit a separate schedule covering CDBG funds within the General Audit of the Subrecipient.

Subrecipient, herein, requests authority to submit separate CDBG schedule as a part of its General Audit:

The above procedures will provide the County's independent auditor with sufficient information to determine whether the Subrecipient has materially complied with the applicable laws and regulations, as they govern their programs. If any of the above procedures provide less information than is already required by this agreement, then the applicable procedures already stated in the agreement shall govern the Subrecipient's responsibilities to Cobb County.

The Subrecipient further agrees to send one copy of the independent auditor's report or its financial statements to the County within 120 days following the close of the Subrecipient's fiscal year.

**Item 22. Compliance with all CDBG Regulations at 24 CFR 570**

The Subrecipient shall comply with all the applicable requirements of 24 CFR 570 [CDBG Regulations] and OMB Circular 2 CFR 200, as applicable. These documents are incorporated as a part of this Agreement by reference, herein. Upon request, the referenced documents are also available from the Cobb County CDBG Program Office.

**Item 23. Use of CDBG funds by Faith Based Organizations**

A. ELIGIBLE & INELIGIBLE USES:

1. A subrecipient organization **may not** use direct CDBG funds to support inherently religious activities, such as worship, religious instruction, or proselytization. If the participating organization engages in these activities, the activities must be offered separately, in time or location, from the programs or services directly funded with HUD assistance, and participation must be voluntary for the beneficiaries of the HUD-funded program or service.

2. Faith Based organizations may use space in their facilities to provide HUD funded services, without removing religious art, icons, sculptures, or other religious symbols. In addition, a faith based organization may retain religious terms in its organizations name, select its board members on a religious basis, and include religious references in its organization mission statements and other governing documents.
3. Faith Based organizations that participate in a HUD sponsored program, **shall not**, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion, or religious belief.
4. Faith-Based organizations **cannot use** CDBG funds for the acquisition, construction, or rehabilitation of structures to the extent those structures are used for inherently religious activities. **However, HUD funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under the specific HUD program.** In the event a structure is used for both eligible and inherent religious activities, HUD funds **may not exceed the cost of the portion of the acquisition, construction, or rehabilitation that are attributable to eligible activities.**

#### **Item 24. Disputes, Default, and Termination**

If the Subrecipient fails in any manner to fully perform and carry out any of the terms, covenants, and conditions of the Agreement (as amended), and more particularly if the entity refuses or fails to proceed with the work with such diligence as will ensure its completion within the time fixed by the schedule set forth in ITEM 2 of this amendment, such a determination being made by the CDBG Program Office, the Subrecipient shall be in default and notice in writing shall be given to the entity of such default by the CDBG Program Office. If the entity fails to cure such default within such time as may be required by such notice, the CDBG Program Office may at its option terminate and cancel the contract. In the event of such termination, all grant funds awarded to the entity pursuant to this agreement shall be immediately revoked and any approvals related to the projects described in this agreement shall immediately be deemed revoked and canceled. In such event, the Subrecipient will no longer be entitled to receive any compensation for work undertaken after the date of the termination of this agreement, as the grant funds will no longer be available for these projects. Such termination shall not effect or terminate any of the rights of the CDBG Program Office as against the entity then existing, or which may thereafter accrue because of such default, and the foregoing provision shall be in addition to all other rights and remedies available to the CDBG Program Office under the law and the note and mortgage (if in effect),

including but not limited to compelling the entity to complete the project in accordance with the terms of this agreement, in a court of equity.

**Item 25. Performance**

The subrecipient, while utilizing these CDBG funds to increase capacity, services, or expansion of services for Low/Moderate Income households through those activities deemed eligible by HUD, will continue, on an on-going basis, to meet or exceed the performance goals as indicated in **Exhibit 2 [Scope of Services]. Failure to maintain an adequate level of service or provide a quantifiable increase in services over the specified time period as defined by this agreement shall make the Subrecipient subject to various disciplinary actions that include, but are not limited to, the following: suspension or probation of current grant activities; termination of current grant agreement with CDBG funds being reimbursed to the County; and debarment from participating in future years CDBG application cycles until measurable improvement can be achieved and sustained.**

**Item 26. Recognition of Cobb County Board of Commissioners, and the CDBG Program Office**

The Subrecipient shall insure that the Cobb County CDBG Program Office, the Cobb County Board of Commissioners, the County Manager, and HUD are provided proper recognition for the following types of activities.

1. All CDBG Public Facilities and Capital Public Services Projects will affix proper signage in a prominent position inside/outside of its administrative offices and outside of all Project Sites which includes language recognizing the role the CDBG Program, the Cobb County Board of Commissioners, County Manager, and HUD have provided.
2. Provide the CDBG Program Office, the Cobb County Board of Commissioners, and the County Manager with adequate lead time to assist in the planning and implementation of any Groundbreakings, Dedication Ceremonies, and Special Events [i.e., Cobb County Celebration of National CDBG Week] in Projects funded in whole or in part with CDBG funds.
3. Copies of all reports, newspaper feature stories and articles, brochures, newsletters, advertisements, and other published materials shall contain statements which provide adequate recognition of the support provided by the CDBG Program Office, the Cobb County Board of Commissioners, the County Manager, and HUD in the funding assistance provided to the Subrecipient.



4. Attend and/or hold such meetings, hearings, and related gatherings as the CDBG Program Office, the Cobb County Board of Commissioners, the County Manager, and HUD require.

**Item 27. Allowable Costs for Pre-Award**

The CDBG/HOME Pre-Award process, allows subrecipients to incur costs prior to the receipt and execution of future years Subrecipient Agreements. The subrecipient must "**front-end**" all costs related to the pre-award amount incurred for the activity mentioned herein this agreement.

Cobb County will reimburse the subrecipient annually upon allocation and receipt of the current year CDBG and/or HOME entitlement award. Please understand that Cobb County will reimburse the subrecipient only if Congress continues to appropriate CDBG and/or HOME funds at the current funding levels and if the project continues to meet all CDBG and/or HOME requirements.

**Item 28. Reimbursement Process**

Cobb County utilizes a "reimbursement process" for all subrecipients participating in the CDBG, HOME & ESG Grant Programs. All Program funds will be paid by Cobb County to subrecipients upon submission of acceptable payment documentation to the Cobb County CDBG Program Office by the subrecipient in a timeframe required by the Cobb County CDBG Program Office. **Subrecipients cannot hold request for reimbursements for more than two months.** Reimbursement payments by the CDBG Program Office will be made using the normal 30 day payment schedule for all subrecipient disbursements.

In no case will COBB COUNTY reimburse any portion of any cost determined to be ineligible under this Agreement or under CDBG regulations, regardless of any mistaken determination of eligibility at the time the costs were incurred, nor will COBB COUNTY reimburse any cost which has been or will be reimbursed from another source.

Submit Reimbursement requests to: [cobbcdbgpayers@cobbcountycdbg.com](mailto:cobbcdbgpayers@cobbcountycdbg.com)

**Item 29. Contracting with Small or Minority/Women Owned Businesses**

It is national policy that recipients take those steps necessary to assure that minority business enterprises (MBE), women's business enterprises (WBE) and labor surplus area firms are used whenever possible. Thus, recipients are encouraged to adopt policies and procedures that will promote the use of small, minority, women-owned, labor surplus area and local businesses (hereafter referred to as "MBE/WBE firms") as sources for supplies, equipment, construction and professional services.

The Subrecipient will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of

this contract. As used in this contract, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

**Item 30. "Section 3" Clause**

A. Compliance

Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 155, and all applicable rules and orders issued hereunder prior to the execution of this contract, shall be a condition of the Federal financial assistance provided under this contract and binding upon the Grantee, the Subrecipient and any of the Subrecipient's subrecipients and subcontractors. Failure to fulfill these requirements shall subject the Grantee, the Subrecipient and any of the Subrecipient's subrecipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The Subrecipient certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.

The Subrecipient further agrees to comply with these "Section 3" requirements and to include the following language in all subcontracts executed under this Agreement:

"The work to be performed under this Agreement is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located."

The Subrecipient further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low- and very low-income persons

residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low- and very low-income residents within the service area or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs.

The Subrecipient certifies and agrees that no contractual or other legal incapacity exists that would prevent compliance with these requirements.

#### **B. Subcontracts**

The Subrecipient will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. The Subrecipient will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 155 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

#### **Item 31: Conflict of Interest**

A conflict of interest situation is defined as one in which an employee, officer or agent or any member of his/her immediate family, or his/her partner or an organization that employs or intends to employ any of the aforementioned, has a financial or other interest in the selected contractor. A person who may potentially receive benefits from a CDBG/HOME assisted procurement activity shall not participate in the decision making process. These provisions are effective for the length of their tenure and for one (1) year thereafter if they have exercised any functions or responsibilities with respect to the federally funded activity or are in a position to participate in the decision making process or gain inside information related to such activity. Recipients must adopt guidelines to ensure that each procurement decision is free from actual, potential or an appearance of conflict of interest.

Per 2 CFR 200.318(c)(1), the guidelines must include a written code of standards of conduct which govern the performance of its officers, employees or agents who engage in the award and administration of contracts supported by federal funds. The following items must be included.

- No employee, officer or agent of the recipient shall participate in the selection, award or administration of a contract supported by federal funds if there is a real or an appearance of conflict of interest.
- The subrecipient's officers, employees or agents may not solicit or accept gratuities, favors or items of monetary value from contractors, potential contractors or sub-recipients. However, a recipient may include additional guidance for situations when the financial interest is insubstantial or an unsolicited gift is of nominal value.

- To the extent allowed by state or local laws and regulations, such standards of conduct shall provide for penalties, sanctions or disciplinary actions for violations.
- The Subrecipient may provide for additional prohibitions.

In addition to procurement and contracting, conflict of interest regulations covers other activities funded by CDBG:

- Acquisition and disposition of real property.
- Recipient or sub-recipient assistance to individuals, businesses or other private entities for rehabilitation, preservation or other improvements of private properties or facilities.
- Grants, loans or other assistance provided to businesses, individuals or other private entities such as neighborhood based organizations, small business investment companies and local development corporations engaged in special economic development activities.
- These provisions apply to the following:
  - any person who is an employee, agent, consultant, officer, elected official or appointed official
  - of the recipient;
  - any member of the above mentioned parties' immediate family;
  - a partner of the above mentioned parties;

**Item 32. Hatch Act**

The Subrecipient agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

**Item 33. Lobbying**

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

c. It will require that the language of paragraph (d) of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all Sub-Recipients shall certify and disclose accordingly.

**Item 34. Insurance**

Subrecipient shall furnish Cobb County insurance certificates from its workers compensation insurance carrier certifying that it carries such insurance and that the policy shall not be canceled nor the coverage reduced thirty (30) days' notice thereof has been given in writing to the Cobb County CDBG Program Office at the address specified in this Agreement.

Subrecipient shall obtain, at its sole cost, a comprehensive general liability and auto insurance policy or policies insuring against liability for any and all claims and suits for damage or injuries to persons or property resulting from or arising out of operations of Subrecipient, its officers, agents, or employees. Said policy or policies of insurance shall provide coverage for both bodily injury and property damages in not less than the following minimum amounts: One Million Dollars (\$1,000,000) combined single limit or its equivalent. Said policy or policies shall also contain a provision that no termination, cancellation or change of coverage of any insured or additionally insured shall be effective until thirty (30) days' notice thereof has been given in writing to the Cobb County CDBG Program Office at the address specified in this Agreement, and maintain for the period covered by this Agreement, a policy or policies of general liability insurance or certificate of such insurance, satisfactory to the County naming Cobb County as an additional insured.

Subrecipient shall give the County prompt and timely notice of any claim made or suit instituted. Subrecipient shall procure and maintain, at its own cost and expense, any additional kinds and amounts of insurance, which in its own judgement may be necessary for its proper protection in the prosecution of the work.

**Item 35. Registration.**

Subrecipient agrees to maintain a current registration in the federal System Award Management ("SAM") database (<http://www.sam.gov>) pursuant to the Federal Funding Accountability and Transparency Act, P.L. 109-282, as amended by section 6202(a) of P.L. 110-252. If Subrecipient is not currently registered, it must do so within ten (10) days of the date Subrecipient executes this Agreement. A Dun and Bradstreet Data Universal Numbering System (DUNS) Number (<http://www.dnb.com>) is required for registration. Subrecipient shall also provide proof of registration within fourteen (14) days of the Effective Date.

IN WITNESS WHEREOF, the parties hereunto have affixed their signatures on the dates specified below:

**For City of Smyrna:**

**For Cobb County:**

\_\_\_\_\_  
Signature of Authorized Person

\_\_\_\_\_  
Michael H. Boyce, Chairman

Cobb County Board of Commissioners

\_\_\_\_\_  
Typed or printed name and title

\_\_\_\_\_  
Date of Signature

\_\_\_\_\_  
Date of Signature

Attest: \_\_\_\_\_  
Signature

Attest: \_\_\_\_\_  
County Clerk's Office

\_\_\_\_\_  
Typed or printed name and title

\_\_\_\_\_  
Date of Signature

\_\_\_\_\_  
Date of Signature

\_\_\_\_\_  
Kimberly Roberts, Managing Director,  
CDBG Program Office

Date Approved by Subrecipient Governing  
Body: \_\_\_\_\_

\_\_\_\_\_  
Date of Signature

Imprint Subrecipient Corporate Seal Here:

Board Action Date: \_\_\_\_\_

Approved As To Form:

\_\_\_\_\_  
Cobb County Attorney's Office

*See Also Attached Exhibit(s)*