

ORIGINAL



**COBB COUNTY
COMMUNITY
DEVELOPMENT
BLOCK GRANT
PROGRAM**

PROGRAM YEAR 2021

**SUBRECIPIENT
AGREEMENT**

CITY OF SMYRNA

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PY2021
COBB COUNTY
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
SUBRECIPIENT AGREEMENT

NAME OF SUBRECIPIENT: **CITY OF SMYRNA**

SUBRECIPIENT AGREEMENT (CONTRACT) NUMBER: **CD21-C21SA-A**
CD21-C21S8-F

HUD GRANT NO: **B-21-UC-21-0002**

THIS AGREEMENT, made and entered into on the 1st day of January 2021 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 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] 2021 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 **\$308,481.00 (\$254,784.80 for Public Facility Projects and \$53,696.20 for Administration & Planning)** from Program Year 2021 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 5; with the Lease Agreement requirements included as Exhibit 6, if applicable; with the property use requirements included as Exhibit 7, if applicable; with the HUD regulations included as Exhibit 8; and, with the Subrecipients CDBG Application included as Exhibit 9;

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 March 31, 2022.**

Item 2: Duration of Agreement

The duration of the Subrecipient Agreement is as follows:

Agreement Effective Date	1/1/2021
Deadline for Expenditure of Funds	3/31/2022
Agreement Termination Date	3/31/2022
Deadline for Receipt of Final Reimbursement Request	4/30/2022

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 - 570.614, 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. 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 5. 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 6. 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 2 CFR § 200.302 (3) and 24 CFR § 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 22 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 3, 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 13 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 (Exhibit 14).
- 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: Two consecutive months of paycheck stubs, award letters, pension account statements.
 - 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 7. 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 8. "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 9. 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 Chairwoman 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) 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 10. 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 Item 11 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, 4, 6, and/or 7.

Item 11. 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 an 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. 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.

C. 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.

D. 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 6. 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).
- E. 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.
- F. 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 7.

Item 12. "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 13. 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 14. 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 15. “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 16. 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 17. 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 18. 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 19. 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 20. Effective Date and Termination Date

The effective date of this Agreement is the date specified on Page 4 of this Agreement. The termination date of this Agreement is December 31, 2021.

Item 21. 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 22. 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 23. 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 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 Agreement, 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. 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 26. 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 27. 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 28. 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 CD 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 29. 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 30. Reimbursement Process

Cobb County utilizes a "reimbursement process" for all subrecipients participating in the CDBG, HOME & ESG 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

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 Subrecipient 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 Subrecipients 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 hereto have affixed their signatures on the dates specified below:

For City of Smyrna:



For Cobb County:



Signature of Authorized Person

Lisa Cupid, Chairwoman
Cobb County Board of Commissioners

Derek Norton, Mayor

Typed or printed name and title

March 1, 2021

Date of Signature

Date of Signature

Attest: _____
Signature

Attest: _____
County Clerk's Office

Heather K. Peacon-Corn, City Clerk

Typed or printed name and title

Date of Signature

March 1, 2021

Date of Signature

Kimberly Roberts, Managing Director
Cobb County 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)

EXHIBIT 1
COMMUNITY DEVELOPMENT BLOCK GRANT
GRANTEE CERTIFICATIONS

In accordance with the Housing and Community Development Act of 1974, as amended, ("the Act") and with 24 CFR §570 of the Community Development Block Grant regulations, the Subrecipient certifies that:

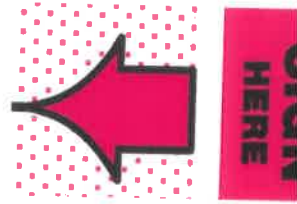
- (a) It possesses legal authority to accept and execute a Community Development Block Grant award from Cobb County;
- (b) Its governing body has duly adopted or passed, by at least a majority vote, as an official act a resolution, motion or similar action authorizing the acceptance of this grant for the purposes specified in this Agreement and directing and authorizing its appropriate personnel to execute and implement this Agreement and to provide to the County such additional information as may be required;
- (c) Provides for and encourages citizen participation, with particular emphasis on participation by persons of low- and moderate income who are residents of slum and blighted areas and of areas in which funds are proposed to be used, and provides for participation of residents in low- and moderate-income neighborhoods, as defined by the County;
- (d) Provides citizens with reasonable and timely access to local meetings, information, and records relating to the Subrecipient's use of funds, as specified in this Agreement,
- (e) Provides for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, which hearings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation for persons with disabilities;
- (f) Identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate;
- (g) The grant will be conducted and administered in compliance with:
 - 1. Title VI of the Civil Rights Act of 1964 (Public Law 88-352, 42 U.S.C. Sec. 2000d et seq.); and
 - 2. The Fair Housing Act (42 U.S.C. 3601-20);
- (h) It will affirmatively further fair housing;
- (i) It will carry out the activities specified in this Agreement consistent with the goals, objectives, and strategies of the Cobb County Consolidated Plan;
- (j) It will not attempt to recover any capital costs of public improvements assisted in whole or in part with funds provided under section 106 of the Act or with amounts resulting from a guarantee under section 108 of the Act by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless:
 - 1. Funds received under section 106 of the Act are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under Title I of the Act; or
 - 2. For purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient funds received under section 106 of the Act to comply with the requirements of subparagraph (1) above;

- (k) Its notification, inspection, testing and abatement procedures concerning lead-based paint will comply with 24 CFR §570.608;
- (l) It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, as required under 24 CFR §570.606;
- (m) It has adopted and is enforcing:
1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
 2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;
- (n) To the best of its knowledge and belief:
1. 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;
 2. 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
 3. It will require that the language of paragraph (n) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly;
- (o) It will or will continue to provide a drug-free workplace by:
1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 2. Establishing an ongoing drug-free awareness program to inform employees about -
 - (a) The dangers of drug abuse in the workplace;
 - (b) The grantee's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will
 - (a) Abide by the terms of the statement; and
 - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
6. Taking one of the following actions, within thirty (30) calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted -
 - (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.
8. The site(s) for the performance of work done in connection with the specific grant:

Place of Performance: 2800 King St SE, Smyrna, GA 30080

It will comply with the other provisions of the Act and with other applicable laws.



Signature - Subrecipient Chief Elected Official or Board Chair

Derek Norton

Typed Name - Subrecipient Chief Elected Official or Board Chair

Mayor

Title

March 1, 2021

Signature Date

ATTEST:

Signature of Person Attesting Signature by Subrecipient's Chief Elected Official or Board Chair

Heather K. Peason-Corn

Name - Person Attesting Signature by Subrecipient's Chief Elected Official or Board Chair

City Clerk

Title - Person Attesting Signature by Subrecipient's Chief Elected Official or Board Chair

March 1, 2021

Date of Attesting Person's Signature

INSTRUCTIONS CONCERNING LOBBYING, DRUG-FREE WORKPLACE, AND
DEBARMENT AND SUSPENSION REQUIREMENTS:

A. Lobbying Certification - Paragraph n

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1552, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

B. Drug-Free Workplace Certification - Paragraph o

1. By signing and executing this Agreement, the Subrecipient is providing the certification set out in paragraph (o).
2. The certification set out in paragraph (o) is a material representation of fact upon which reliance is placed when the County awards the grant. If it is later determined that the Subrecipient knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act OF 1988 [42 USC 701], as set forth at 24 CFR Part 21.
3. Workplaces under this Agreement shall be identified in this Agreement. Failure to identify all known workplaces constitutes a violation of the Subrecipient's drug-free workplace requirements.
4. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place.
5. If the workplace identified to the County changes during the performance of the grant, the Subrecipient shall inform the County of the change(s), if it previously identified the workplaces in question (see paragraph three).
6. Definitions of terms in the Drug-Free Workplace common rule apply to this certification. Subrecipient's attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C.812) and as further defined by regulation (21 CFR § 1508.11 through 1508.15);

"Conviction" means a finding of guilt (including a plea of *nolo contendere*) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a Subrecipient directly engaged in the performance of work under a grant provided through this Agreement, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are not on the Subrecipient's payroll. This definition does not include workers not on the payroll of the Subrecipient (e.g., volunteers, even if used to meet a matching requirement; consultants or independent

contractors not on the Subrecipient's payroll; or employees of subrecipients or subcontractors in covered workplaces).

7. Subrecipients shall comply with the government-wide non-procurement debarment and suspension requirements in 2 CFR Part 2424. These government-wide requirements restrict subcontractors and contractors with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance program or activities.

EXHIBIT 2
SCOPE OF SERVICES

The following activities and/or projects shall be carried out by the Subrecipient, under the terms of this Agreement and its accompanying certifications and reporting requirements:

Agency: **City of Smyrna**

<u>Activity Name(s):</u>	<u>Activity Number:</u>	<u>Amount:</u>
Administration & Planning	CD21-C21SA-A	\$53,696.20
Public Facility Projects	CD21-C21S8-F	\$254,784.80

The total PY2021 CDBG budget for this activity shall not exceed a total of **\$308,481.00**. The Agreement shall be effective on the date specified on Page 4 of this Agreement and terminate on December 31, 2021, unless extended by the CDBG Program Office. The activity shall be completed by March 31, 2022. After that date, Cobb County reserves the right to recapture the funds for use on other eligible projects. Reporting requirements shall continue until December 31, 2027.

Scope of Work:

The City of Smyrna will utilize \$254,784.80 in CDBG funding for various Public Facility projects in low-to-moderate income areas. The City will also utilize \$53,696.20 in CDBG funding for Planning and Administration.

GENERAL REQUIREMENTS:

Budget Modifications

Subject to written approval from the CDBG Program Office, Subrecipients may transfer funds between approved budget line items during the grant year. However, the CDBG Program Office will only accept budget modification requests once a quarter for each Subrecipient, **for a maximum of four (4) requests per program year**.

Activity Delivery Costs/Direct Costs

Activity Delivery Costs/ Direct costs - are those costs that can be directly assigned to eligible CDBG activities under the funded program relatively easily with a high degree of accuracy. These costs are allowable costs incurred for implementing and carrying out eligible CDBG activities. The activity delivery costs cover the costs of staff directly carrying out the activity in addition to equipment and supplies that are necessary for successful completion of the activity. Activity delivery costs must be allocable to a CDBG-assisted activity or an activity that is CDBG-eligible, meet a national objective, and meet all other CDBG program requirements at 24 CFR § 570.

This standard applies equally to such items as salaries and administrative services contracts, as well as to real property and equipment purchases or leases, travel, and other administrative expenditures. If the Subrecipient submits monthly reports to the CDBG Program Office that reflect no CDBG-eligible service activity has been undertaken, then the Subrecipient will not be reimbursed for direct costs.

Reporting Requirements

Monthly Services Reports [see the form which follows] shall be filed with the Cobb County CDBG Program Office beginning with the 1st date of operation of the vehicle and/or the activity (s), and shall be submitted for a total of 5 years, following the initial month of operation.

Special Stipulations for Non-Real Property Acquisitions

The Subrecipient shall file the Non-Real Property Inventory Form [copy enclosed] for the non-real property with the Cobb County CDBG Program, upon completion of the purchase of each item. The form shall be filed by January 15 of each year, thereafter, for as long as the property shall remain in use as a CDBG-assisted activity.

EXHIBIT 3: CDBG MONTHLY SERVICES REPORT**CDBG MONTHLY SERVICE REPORT INSTRUCTIONS**

**CDBG Monthly Service Reports are due by the 15th of every month.
Please follow these instructions for an accurate report submission:**

1. Under Section 1, you will report each new client based on the household's annual median income percentage.
 - a. The first column in Section 1 lists the income percentage categories, which are defined in the chart provided. You will utilize this first column and the income limit chart to decipher which income category the client falls under based on their verified income.
 - b. In the second column, please report the total number of new clients served during this month based on the income documentation that has been verified by your organization.
 - c. In the third column, please report the cumulative total number of clients served during this Program Year.
 - d. In the fourth column, please report the total number of new families/households served during this month.
 - e. In the fifth column, please report the total number of families/households served during this Program Year. This number should match the number of files that are kept for this Program Year.
2. Under Section 2, you will report each individual client served based on their race and ethnicity.
 - a. The first column in Section 2 lists each race category. You will utilize this first column and the client's racial self-identification to decipher which category the client falls under.
 - b. In the second column, please report all new Hispanic or Latino clients served during this reporting period based on their self-identified race.
 - c. In the third column, please report all new Non-Hispanic and Non-Latino clients served during this reporting period based on their self-identified race.
 - d. In the fourth column, please total all new clients served during this reporting period based on their self-identified race.
 - e. In the fifth column, please report the cumulative total of clients served during this Program Year.
3. Under Section 3, you will report each individual client served based on their gender.
 - a. In the second column in Section 3, please report all new Male clients served during the reporting period.
 - b. In the third column, please report all new Female clients served during this reporting period based.
 - c. In the fourth column, please total all new clients served during this reporting period based on their self-identified race.
 - d. In the fifth column, please report the cumulative total of clients served during this Program Year.
4. Under Section 4, you will report each individual client served that lives in a Female-Headed Household.
 - a. In the first column in Section 4, please report all new clients served during this reporting period who live in a Female-Headed Household.
 - b. In the second column, please report the cumulative total of clients served during this Program Year who live in a Female-Headed Household.
5. Under Section 5, you will report each individual client that is eligible under one of the CDBG presumed benefit categories. **DO NOT** complete this section unless one of these categories was used to qualify your activity for CDBG funding.
 - a. The first column in Section 5 lists the six CDBG presumed benefit categories.
 - b. In the second column, please report the total number of new clients served during this reporting period based on their eligible presumed benefit category.
 - c. In the third column, please report the cumulative total of clients served for each category during this Program Year.

The total number of new clients must be consistent throughout this report.

The cumulative total of clients served for this Program Year also must be consistent throughout this report.

**COBB COUNTY CDBG PROGRAM OFFICE
CDBG MONTHLY SERVICES REPORT**

Agency Name:
Activity Name:
Submitted by:
Month/Year of Submission:



CDBG MAXIMUM HOUSEHOLD INCOME LIMITS
FY2020 Income Limits
Effective: July 1, 2020

Household Size	Extremely Low 30%	Very Low Income 50%	Low Income 80%
1	\$17,400	\$28,950	\$46,350
2	\$19,850	\$33,100	\$52,950
3	\$22,350	\$37,250	\$59,550
4	\$24,800	\$41,350	\$66,150
5	\$26,800	\$44,700	\$71,450
6	\$28,800	\$48,000	\$76,750
7	\$30,800	\$51,300	\$82,050
8	\$32,750	\$54,600	\$87,350

*Source: U.S. Department of Housing & Urban Development [HUD]

NEW CLIENTS SERVED THIS MONTH

1. New Clients and Households Served – Reported by Median Household Income	New Clients Served this Month	Cumulative Total of Clients Served this Year	New Households Served this Month	Cumulative Total of Households Served this Year
Extremely Low Income (0%-30% Median Household Income)				
Very Low Income (31%-50% Median Household Income)				
Low Income (51%-80% Median Household Income)				
Total of CDBG Eligible Clients				
Over 80% Median Household Income (Non CDBG Eligible)				
Total Clients Served				
Calculate Percentage of CDBG Eligible Clients	%	%	%	%
2. New Clients Served – Reported by Race/Ethnicity	New Hispanic/Latino Clients	New Non-Hispanic/ Latino Clients	New Clients Served this Month	Cumulative Total Served this Year
White				
Black/African American				
Asian				
American Indian/Alaskan Native				
Native Hawaiian/Pacific Islander				
American Indian/Alaskan Native & White				
Asian & White				
Black/African American & White				
American Indian/Alaskan Native & Black/African American				
Other/Multi-Racial				
TOTAL				
3. New Clients Served – Reported by Gender	New Male Clients	New Female Clients	Total New Clients Served this Month	Cumulative Total Served this Year
TOTAL				
4. New Female Head of Households				
5. Presumed Benefit Categories – Only Complete This Section if a Category is Used to Qualify your Activity for CDBG Funding			New Clients	Cumulative Total
Elderly - Age 62 and Older - Number of New Clients Served				
Adults with Disabilities - Number of New Clients Served				
Homeless Persons - Number of New Clients Served				
Abused Spouses - Number of New Clients Served				
Abused/Neglected Children - Number of New Clients Served				
Elderly - Age 62 and Older - Number of New Clients Served				
TOTAL				

Provide a list of clients/families that were served during the reporting period (if there is not enough room in the text box below, please attach a separate list):

Provide a description of significant events and activities during the reporting period:



HERE

Mayor

March 1, 2021

Signature/Position Title for CDBG Subrecipient

Date Signed

Signature – Reviewed/Approved

Date Signed

Cobb County CDBG Program Office

EXHIBIT 4
NON- REAL PROPERTY INVENTORY
[USE SEPARATE PAGES FOR EACH INDIVIDUAL PIECE OF EQUIPMENT]

Date of Inventory: _____

Name of Agency: _____

Agency Address: _____

City: _____ State: _____ Zip Code: _____

Address Where Asset Located: _____

Program Year: 2021

Project Name: _____ Project No.: _____

Date Acquired: _____ Agency Asset No.: _____

Serial No.: _____

Description of Asset: Brand Name, Model No., Color/Size, etc.

Agency Accounting System Identification Information:

Your Purchase Order No.: _____

Check Issued for Payment: _____ Subrecipient Check No.: _____

Date of Subrecipient Check: _____

Unit Cost of Item: \$ _____

Quantity _____

Total Cost of Item: \$ _____

Person Preparing This Form _____ Date: _____

EXHIBIT 5

AGREEMENT AMENDMENTS

[Add Amendments If Applicable]

EXHIBIT 6

LEASE AGREEMENT

[Add If Applicable]

EXHIBIT 7

PROPERTY USE REQUIREMENTS

[Add If Applicable]

EXHIBIT 8

HUD REGULATIONS

HUD REGULATIONS CAN BE FOUND AT THE FOLLOWING LINKS:

24 CFR Part 570:

<https://www.hudexchange.info/resource/3689/24-cfr-part-570-cdbg/>

OMB CIRCULARS

Title 2: Grants and Agreements

PART 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS

[http://www.ecfr.gov/cgi-](http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=ec44a1b4a61359a0293c3a6a6ae60c8e&mc=true&n=pt2.1.200&r=PART&ty=HTML)

[bin/retrieveECFR?gp=&SID=ec44a1b4a61359a0293c3a6a6ae60c8e&mc=true&n=pt2.1.200&r=PART&ty=HTML](http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=ec44a1b4a61359a0293c3a6a6ae60c8e&mc=true&n=pt2.1.200&r=PART&ty=HTML)

GUIDE TO NATIONAL OBJECTIVES AND ELIGIBLE ACTIVITIES FOR CDBG ENTITLEMENT COMMUNITIES

https://www.hudexchange.info/resources/documents/CDBG_Guide_National_Objectives_Eligible_Activities.pdf

CHAPTER 5: DETERMINING INCOME & CALCULATING RENT – HUD

<https://www.hud.gov/sites/documents/43503c5HSGH.pdf>

EXHIBIT 5-1: INCOME INCLUSIONS AND EXCLUSIONS – HUD

https://www.hud.gov/sites/documents/DOC_35699.pdf

EXHIBIT 9

CDBG APPLICATION

[On File at the Cobb County CDBG Program Office]

**EXHIBIT 10
CDBG BUDGET**

PROJECT BUDGET	Original Budget	Line Item Revision	Revised Budget
I. Personnel			
WARD 5 CODE MARSHAL SALARY Salaries and Wages ADMIN + PLAN	\$ 53,696.20		
Fringe Benefits			
Consultants and Contract Services			
Subtotal			
II. Non-Personnel			
Space Costs			
Rental, Lease, or Purchase of Equipment			
Travel			
Other Costs			
Subtotal			
III. Architectural/ Engineering Design			
IV. Acquisition of Real Property			
V. Construction/ Rehabilitation			
PUBLIC FACILITIES VI. Other (Explain)	\$ 254,784.80		
TOTAL COSTS			

Mary K. Owen / Mary K. Owen

EXHIBIT 11
GENERAL ASSURANCES

The Contractor and Subrecipient shall comply with the following requirements:

I. IMMIGRATION COMPLIANCE

(a) INDEPENDENT CONTRACTOR STATUS AND COMPLIANCE WITH THE IMMIGRATION REFORM AND CONTROL ACT OF 1986.

The Owner acknowledges that it is responsible for complying with the provisions of the Immigration Reform and Control Act of 1986, located at 8 U.S.C. Section 1324, *et seq.*, and regulations relating thereto. Failure to comply with the above provisions of this Agreement shall be considered a material breach and shall be grounds for immediate termination of the Agreement.

(b) GEORGIA SECURITY AND IMMIGRATION COMPLIANCE ACT OF 2006.

The Owner acknowledges that it is responsible for complying with the provisions of the Georgia Security and Immigration Compliance Act of 2006 located at O.C.G.A. §13-10-90 *et seq.* and Georgia Department of Labor Rule 300-10-1-.02.

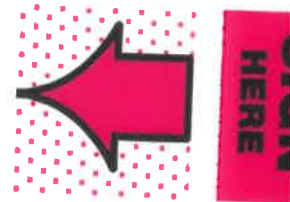
- A. That affidavits in the required form be executed from the Owner (and any subcontractors, regardless of tier) and notarized, showing compliance with the requirements of O.C.G.A. § 13-10-91 and that such be made part of any Owner contract and/or subcontract;
- B. That the Owner (and any subcontractors, regardless of tier) fully comply with the requirements for completing and submitting the "Immigration Compliance Certification" and that such certification be received by the County prior to the commencement of any work under this Agreement or subcontract which is to be paid for with County funds;
- C. That the Owner (or any subcontractor, regardless of tier) notify the County within five (5) business days of entering into a contract or other agreement for hire with any subcontractor(s), regardless of tier to be paid for with County funds;
- D. That the Owner be responsible for obtaining and providing to the COUNTY the "Subcontractor Affidavit & Agreement" and "Immigration Compliance Certification" required under the County "Procedures & Requirements" from each subcontractor, regardless of tier, employed or retained for work under this Agreement prior to the commencement of any work under the contract or any subcontract;
- E. That County reserves the right to dismiss, or require the dismissal of, any consultant or subcontractor for failing to provide the required affidavit or certification and/or for failure to comply with the statutory requirements of O.C.G.A. §13-10-91 and/or for providing false or misleading information upon the required affidavit(s) or certification(s);
- F. That Owner and/or subcontractor retaining any other subcontractor to perform services under the contract provide legal notice to any subcontractor of the requirements of Cobb County for immigration compliance and further provide notice that the County reserves the right to require the Owner to dismiss, or require the dismissal of, any consultant or subcontractor for failing to provide the required affidavit or certification and/or for failure to comply with the statutory requirements of O.C.G.A. § 13-10-91 and/or for providing false or misleading information upon the required affidavit(s) or certification(s);
- G. That failure to comply with any of the requirements and procedures of the County (i.e., failure to timely supply required affidavits or compliance certification documents; failure to utilize federal work authorization procedures;

failure to permit or facilitate audits or reviews of records by County or State officials upon request; and/or failure to continue to meet any of the statutory or County obligations during the life of the Agreement) shall constitute a material breach of the Agreement and shall entitle the County to require the dismissal of any subcontractor or sub/subcontractor (irrespective of tier) for failing to fully comply with these requirements or entitle the County to terminate this Agreement;

H. That upon notice of a material breach of these provisions, the Owner (or subcontractor, regardless of tier) shall be entitled to cure the breach within ten (10) days and provide evidence of such cure. Should the breach not be cured, the County shall be entitled to all available remedies, including termination of the Agreement, the requirement that a subcontractor be dismissed from performing work under the contract, and any and all damages permissible by law.

(c) S.A.V.E VERIFICATION O.C.G.A. § 50-36-1 et seq.

The Owner acknowledges and agrees as an applicant for a public benefit, as referenced in O.C.G.A. § 50-36-1, from Cobb County that the Owner shall comply with all requirements, including but not limited to, executing a S.A.V.E. affidavit with respect to this agreement.



Signature - Subrecipient

Derek Norton

Typed Name - Subrecipient

Title

Mayor

Title

March 1, 2021

Signature Date

Signature Date

**GEORGIA SECURITY AND IMMIGRATION COMPLIANCE ACT
E-VERIFY**

Senate Bill 529 is the "Georgia Security and Immigration Compliance Act" of 2006 (Act 457). Section 2 of SB 529 enacted new work eligibility verification requirements that apply to Georgia's public employers, and the contractors and subcontractors of Georgia's public employers. Under Section 2 of SB 529, "Public Employers, Their Contractors and Subcontractors are Required to Verify New Employee Work Eligibility Through a Federal Work Authorization Program".

The new rules designate the "Employment Eligibility Verification (EEV) / Basic Pilot Program" operated by the U.S. Citizenship and Immigration Services Bureau of the U.S. Department of Homeland Security as the electronic federal work authorization program to be utilized for these purposes. The EEV/Basic Pilot Program can be accessed at <https://e-verify.uscis.gov/enroll>.

By executing the attached Contractor Affidavit, Contractor verifies its compliance with O.C.G.A. 13-10-91 stating affirmatively that the individual, firm or corporation which is contracting with Cobb County has registered and is participating in this federal work authorization program in accordance with the applicability provisions and deadlines established in this Statute.

Contractor further agrees that should it employ or contract with any Sub-Contractor(s) for the physical performance of services pursuant to the contract with Cobb County, Contractor will secure from the Sub-Contractor(s) verification of compliance with O.C.G.A. 13-10-91 on a Sub-Contractor Affidavit and shall provide a copy of each such verification to Cobb County at the time the Sub-Contractor(s) is retained to perform such services.

Please Complete the Attached Affidavit

**Georgia Security & Immigration Compliance Act
CONTRACTOR AFFIDAVIT AND AGREEMENT**

Contractor Name: City of Smyrna

STATE OF GEORGIA
County: Cobb

By executing this affidavit, the undersigned contractor verifies its compliance with O.C.G.A. 13-10-91, stating affirmatively that the individual, firm, or corporation which is contracting with Cobb County has registered with and is participating in the federal work authorization program known as "E-Verify", web address <https://e-verify.uscis.gov/enroll> operated by the United States Citizenship and Immigration Services Bureau of the United States Department of Homeland Security to verify information of newly hired employees, pursuant to the Immigration Reform and Control Act of 1986 (IRCA), P.L. 99-603], in accordance with the applicability provisions and deadlines established in O.C.G.A. 13-10-91.

The undersigned further agrees that, should it employ or contract with any subcontractor(s) in connection with the physical performance of services pursuant to this contract with Cobb County, contractor will secure from such subcontractor(s) similar verification of compliance with O.C.G.A. 13-10-91 on the Subcontractor Affidavit provided in Rule 300-10-01-.08 or a substantially similar form. Contractor further agrees to maintain records of such compliance and provide a copy of each such verification to the Cobb County at the time the subcontractor(s) is retained to perform such service.

47800

E-Verify Employment Eligibility Verification User Identification Number

City of Smyrna

Name of Contractor

Carol B. Sicaud

Signature of Authorized Officer or Agent of Contractor

HR Director

Title of Authorized Officer or Agent of Contractor

Carol B. Sicaud

Printed Name of Authorized Officer or Agent

SUBSCRIBED AND SWORN

BEFORE ME ON THIS THE

22 DAY OF February, 2021

Victoria Lynn Brown

Notary Public



My Commission Expires: 09/16/2024

* any of the electronic verification of work authorization programs operated by the United States Department of Homeland Security or any equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, pursuant to the Immigration Reform and Control Act of 1986 (IRCA), P.L. 99-603.

*See <https://e-verify.uscis.gov/enroll/StartPage.aspx?JS=YES> to access your EEV/E-Verify Identification Number.

EXHIBIT 12
CONFLICT OF INTEREST POLICY & CERTIFICATION
PROGRAM YEAR 2021

In the procurement of supplies, equipment, or Professional Services [i.e. Architect, Engineer, General Contractor] by Subrecipients, the Conflict of Interest provisions in, 200.318 (c) (1)., shall apply. HUD Regulations stipulate that no person who is an employee, agent, consultant, officer, elected or appointed official of a Subrecipient can do the following:

- exercises any function or responsibilities with respect to CDBG activities;
- is in a position to participate in the decision making [hiring] process;
- or gains inside information with regard to such activities:

May obtain a financial benefit from the CDBG activity or have a financial interest in any contract with respect to CDBG activities or its proceeds for themselves or those they have business or immediate family ties with. [24 CFR § 570.611 (b) & (c)]

Non-Competitive Activity:

No person who is an employee, agent, consultant, officer, elected or appointed official of a Subrecipient who receives CDBG funds should engage in any activities that are or may be perceived as non-competitive, including but not limited to the following activities:

- Agreeing with a competitor to share market segments or regions; to set prices or terms of a sale; or to boycott a third party;
- Discussing production quantity with a competitor;
- Making false or misleading statements about a competitor's products or services.

No person who is an employee, agent, consultant, officer, elected or appointed official of a Subrecipient who receives CDBG funds should engage in any activities that interfere or may be perceived as interfering with an existing contract or project between a customer (or potential customer) and a competitor.

Examples of such activities include, but are not limited to, making disparaging remarks to the customer about the competitor's performance for the customer with the intention of inducing the customer to terminate its contract with the competitor in favor of the company.

Political Contributions:

Employees, agents, consultants, officers, elected or appointed officials of a Subrecipient may not use company assets or CDBG funds to make political contributions to candidates running for a political office (i.e. in a federal, state or local election). Examples of prohibited contributions may include, but are not limited to cash, gifts, loans, tickets, or trips.

Conflict of Interest:

The Subrecipient agrees to abide by the provisions of 24 CFR § 84.42 and § 570.611, which include (but are not limited to) the following:

- a. The Subrecipient shall maintain a written code or standard of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.
- b. No employee, officer or agent of the Subrecipient shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.
- c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, 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 in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee, the Subrecipient, or any designated public agency.

Confidential Information:

Employees, agents, consultants, officers, elected or appointed officials of a Subrecipient may not disclose to a third party the confidential information of the company or the company's customers. Such information may include, but is not limited to, company procedures, processes, financial information, business plans and customer lists.

Violation of Policy:

Employees, agents, consultants, officers, elected or appointed officials of a Subrecipient who violate this policy will be subject to discipline that may include suspension or termination and loss of CDBG funds.

Employees etc. who become aware of any apparent violations of this policy should notify their department managers, who in turn, should notify the CDBG Program Office.

PROGRAM YEAR 2021
CONFLICT OF INTEREST
CERTIFICATION

TO BE COMPLETED BY THE SUBRECIPIENT:

The City of Smyrna, GA certifies that we have read and disseminated the CDBG Conflict of Interest Policy. In addition, we hereby certify the following (check one):



To the best of our knowledge and belief, we do not presently have any conflicts of interest that might interfere with any CDBG assisted activity.



We have an actual or potential conflict of interest and have described the parties, activities, and/or situation to the best of my ability below:

EXPLANATION:



HERE

Signature: _____ Title: Mayor
(Executive Director or Board Chair)

Date: March 1, 2021

Exhibit 13
Record-Keeping Checklist for Tracking Activities

This form should be initiated when Cobb County awards a subgrant to a Subrecipient

Date Checklist Last Updated: _____

Documents to be Maintained	Document Source		Status		Location
	Source	Date	Complete?		
Project Application			Y	N	
<input type="checkbox"/> Original Application	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Amendments to Application	<input type="checkbox"/> Subrecipient/Grantee	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Approval of Amendments	<input type="checkbox"/> Grantee	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Notice of Award	<input type="checkbox"/> Grantee	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Correspondence	<input type="checkbox"/> Subrecipient/Grantee	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
Pre-Award Documentation			Y	N	
<input type="checkbox"/> Articles of Incorporation/Bylaws	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Non-profit Determination	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> List of Board of Directors	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Authorization to Request Funds	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Authorized Official	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Organizational Chart	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Resumes of Chief Admin. and Chief Fiscal Officers	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Financial Statement and Audit	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Conflict of Interest Statement	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Plan for Compliance with National Objectives	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Lobbying Statement	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
Subrecipient Agreement			Y	N	
<input type="checkbox"/> Subgrant/Subaward Amount	<input type="checkbox"/> Grantee	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Date of Subgrant/Subaward	<input type="checkbox"/> Grantee	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Statement of Work	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Budget by Task/Activity	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Schedule by Task/Activity	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Standard Provisions Included?	<input type="checkbox"/> Grantee	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Amendments (Dates)	<input type="checkbox"/> Grantee	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____

Documents to be Maintained	Document Source		Status		Location
	Source	Date	Complete?		
Financial Records			Y	N	
<input type="checkbox"/> Current Approved Budget	<input type="checkbox"/> Subrecipient/Grantee	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Authorization Letter/Signatures	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Financial Management Systems (accounting books, software, reporting systems)	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Chart of Accounts	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> List of Source Documents to be Maintained	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Financial Status Report (total budget, amount expended, unliquidated obligations, unobligated balance)	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Drawdown Request Forms	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Drawdown Request Reports	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Executed Contracts/Bid Docs	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Board Minutes for Approval of Contracts or Bids	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Copy of Most Recent Audit Report	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Certification of Insurance Coverage/Bonding	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> CDBG Payroll Records	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Certified Construction Payroll Records (Davis-Bacon applicable)	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Approved Cost Allocation Plan	<input type="checkbox"/> Subrecipient/Grantee	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Relevant Financial Correspondence	<input type="checkbox"/> Subrecipient/Grantee	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
Project Monitoring and Control			Y	N	
<input type="checkbox"/> Completed Monitoring Reports	<input type="checkbox"/> Grantee	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> National Objectives Documentation	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Eligible Activities Documentation	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Activity Status Report (scope, cost, schedule/actual vs. agreement)	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Drawdown Requests/Reports	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Subrecipient Staffing	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Meeting Minutes	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Telephone Log/Notes	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Correspondence	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____

Documents to be Maintained	Document Source		Status	
	Source	Date	Complete?	Location
<input type="checkbox"/> HUD Monitoring Results	<input type="checkbox"/> HUD/Grantee	_____	<input type="checkbox"/> <input type="checkbox"/>	_____
<input type="checkbox"/> Real Property Inventory, Management and Change of Use	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/> <input type="checkbox"/>	_____
<input type="checkbox"/> Anti-discrimination, Fair Housing, EEO, ADA/504 Certifications	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/> <input type="checkbox"/>	_____
<input type="checkbox"/> Procurement, Bonding, Insurance	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/> <input type="checkbox"/>	_____
<input type="checkbox"/> Labor Standards	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/> <input type="checkbox"/>	_____
<input type="checkbox"/> Acquisition, Displacement, Relocation, Replacement Housing	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/> <input type="checkbox"/>	_____
<input type="checkbox"/> Environmental Review	<input type="checkbox"/> Grantee	_____	<input type="checkbox"/> <input type="checkbox"/>	_____
<input type="checkbox"/> Loan Status Reports (Economic Development, Rehabilitation)	<input type="checkbox"/> Subrecipient/Grantee	_____	<input type="checkbox"/> <input type="checkbox"/>	_____
<input type="checkbox"/> Administrative Activities	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/> <input type="checkbox"/>	_____
<input type="checkbox"/> Flood Insurance Purchase	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/> <input type="checkbox"/>	_____
Other Project/Activity Files			Y N	
<input type="checkbox"/> Plans and Specs (rehabilitation, historic preservation)	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/> <input type="checkbox"/>	_____
<input type="checkbox"/> Orientation and Training	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/> <input type="checkbox"/>	_____
<input type="checkbox"/> Special Case Records	<input type="checkbox"/> Subrecipient	_____	<input type="checkbox"/> <input type="checkbox"/>	_____

EXHIBIT 14
INCOME INCLUSIONS/EXCLUSIONS

Exhibit 5-1

4350.3 REV-1

Exhibit 5-1: Income Inclusions and Exclusions

24 CFR 5.609(b) and (c)

Examples included in parentheses have been added to the regulatory language for clarification.

INCOME INCLUSIONS

- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) The net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
- (3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (2) above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;
- (4) The full amount of periodic amounts received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a ****periodic amount (e.g., Black Lung Sick benefits, Veterans Disability, Dependent Indemnity Compensation, payments to the widow of a serviceman killed in action). See paragraph (13) under Income Exclusions for an exception to this paragraph;****
- (5) Payments in lieu of earnings, such as unemployment, disability compensation, worker's compensation, and severance pay, except as provided in paragraph (3) under Income Exclusions;
- (6) Welfare Assistance.
 - (a) Welfare assistance received by the family.
 - (b) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as

Exhibit 5-1

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income shall consist of:

- (c) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
- (d) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.
- (7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling; and
- (8) All regular pay, special pay, and allowances of a member of the Armed Forces, except as provided in paragraph (7) under Income Exclusions.
- (9) For Section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph "financial assistance" does not include loan proceeds for the purpose of determining income.
(Note: This paragraph also does not apply to a student who is living with his/her parents who are applying for or receiving Section 8 assistance.)

INCOME EXCLUSIONS:

- (1) Income from employment of children (including foster children) under the age of 18 years;
- (2) Payments received for the care of foster children or foster adults (usually persons with disabilities unrelated to the tenant family, who are unable to live alone);
- (3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses, except as provided in paragraph (5) under Income Inclusions;
- (4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- (5) Income of a live-in aide, as defined in 24 CFR 5.403;
- (6) The full amount of student financial assistance paid directly to the student or to the educational institution (see Income Inclusions (9), above, for students receiving Section 8 assistance);
- (7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire (e.g., in the past, special pay included Operation Desert Storm);
- (8) (a) Amounts received under training programs funded by HUD (e.g., training received under Section 3);

Exhibit 5-1

4350.3 REV-1

- (b) Amounts received by a person with a disability that are disregarded for a limited time for purposes of supplemental security income eligibility and benefits because they are set-aside for use under a Plan to Attain Self-Sufficiency (PASS);
 - (c) Amounts received by a participant in other publicly assisted programs that are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
 - (d) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the owner, on a part-time basis, that enhances the quality of life in the project. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident-initiative coordination. No resident may receive more than one such stipend during the same period of time; or
 - (e) Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as a resident management staff person. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program.
- (9) Temporary, nonrecurring, or sporadic income (including gifts);
 - (10) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era. (Examples include payments by the German and Japanese governments for atrocities committed during the Nazi era);
 - (11) Earnings in excess of \$480 for each full-time student 18 years or older (excluding the head of household and spouse);
 - (12) Adoption assistance payments in excess of \$480 per adopted child;
 - (13) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump-sum amount or in prospective monthly amounts;
 - (14) Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;
 - (15) Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
 - (16) Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the *Federal Register* and distributed to housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary.

The following is a list of income sources that qualify for that exclusion:

- (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 [b]);
- (b) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058) (employment through AmeriCorps, Volunteers in Service to America [VISTA], Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions);
- (c) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626[c]);
- (d) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);
- (e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624[ff]);
- (f) Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552[b]); (effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 [29 U.S.C. 2931], e.g., employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, veterans employment programs, state job training programs, career intern programs, Americorps);
- (g) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04);
- (h) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court and the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408);
- (i) Amounts of scholarships funded under title IV of the Higher Education Act of 1965, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu);
- (j) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056[ff]), e.g., Green Thumb, Senior Aides, Older American Community Service Employment Program;
- (k) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent*-product liability litigation, M.D.L. No. 381 (E.D.N.Y.);
- (l) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721);
- (m) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q);
- (n) Earned income tax credit (EITC) refund payments received on or after January 1, 1991, including advanced earned income credit payments (26 U.S.C. 32[j]);
- (o) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433);
- (p) Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637[d]);

Exhibit 5-1

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- (q) Any allowance paid under the provisions of 28 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran (38 U.S.C. 1805);
- (r) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10802); and
- (s) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931).