

Grant Agreement

Economic Development
 Community Development
 Planning

State of Alaska
Department of Commerce, Community, and Economic Development
Division of Community and Regional Affairs
Community Development Block Grant (CDBG)

Grant Agreement Number 11-CDBG-003	Federal Award Number B-11-DC-02-0001	Amount of Federal Funds \$720,000.00
CFDA 14.228	Project Title: Emergency Youth Shelter	
Grantee		Department Contact Person
Name City of Fairbanks	Name Judy Haymaker	
Street/P.O. Box 800 Cushman Street	Title Grants Administrator II	
City/State/Zip Fairbanks, AK 99701	Street/P.O. Box 211 Cushman Street	
Contact Person Margarita Bell	City/State/Zip Fairbanks, AK 99701	
Phone 459-6788	Fax 459-6722	Phone Fax 451-2731 451-2742

Agreement

The Alaska Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs (hereinafter 'Department') and City of Fairbanks (hereinafter 'Grantee') agree as set forth herein.

Section I. The Department shall pay the Grantee for the performance of the project work under the terms outlined in this agreement. The amount of payment is based upon project expenses incurred which are authorized under this agreement. In no event shall the payment exceed **\$720,000.00**.

Section II. The Grantee shall perform all of the work required by this agreement.

Section III. The work to be performed under this agreement begins **July 9, 2012** and shall be completed no later than **December 31, 2013**.

Section IV. The agreement consists of this page and the following:

ATTACHMENT A – Scope of Work

1. Project Description
2. Project Budget
3. Budget Narrative
4. Project Management/Reporting
5. CDBG Forms Packet

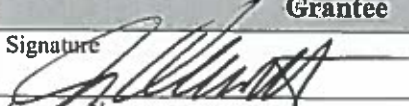

APPENDICES:

- Appendix A - Audit Regulations
- Appendix B - Insurance
- Appendix C - State Laws and Regulations
- Appendix D - Special Requirements and Assurances for Federally Funded Projects

ATTACHMENT B – Payment Method

ATTACHMENT C – Standard Provisions

AMENDMENTS – Any fully executed amendments to this agreement

Grantee	Department
Signature 	Signature 
Grantee Name Jerry Cleworth, Mayor	Printed Name and Title Janet Davis, Grants Administrator III
Date JULY 16, 2012	Date 7.17.12

GRANTEE COPY

Attachment A

Scope of Work

Background

The Community Development Block Grant program is funded by the U.S. Department of Housing and Urban Development. The Federal Award Number is B-11-DC-02-0001. Catalog of Federal Domestic Assistance (CFDA) number is 14.228. This award is not for research and development. Recipients of state of Alaska CDBG program funds must obtain a Dun and Bradstreet Data Universal Number System (DUNS) number (<http://www.dnb.com>) and register with the Central Contractor Registration (CCR) (<http://www.ccr.gov>) database. This information must be kept current during the term of the grant.

1. Project Description

Fairbanks is located in the heart of Alaska's Interior, on the banks of the Chena River in the Tanana Valley. Every day in Alaska young people are faced with the same issues that affect youth across the nation. Estimates indicate that 2.8 million young people runaway each year in the United States. This number includes youth from all socio-economic backgrounds. Young people may know that running away is only a temporary solution, but they are desperately seeking immediate relief. In 2002, the Department of Justice reported that nearly three-quarters of these children were "endangered" from physical threats, drugs or sexual abuse while missing. Of these endangered children, the report states, it is estimated that 2% had spent some period of time while they were missing with a sexually exploitative person and another 1% were sexually assaulted or someone attempted to sexually assault them while a runaway.

Fairbanks North Star Borough School District Homeless Liaison, reports that 436 students were identified as homeless during the 2010/2011 school year. This only represents students in school; they also identified 50 out of school homeless youth. On January 26, 2011, the school district counted 296 homeless students. According to the National Coalition for the Homeless, one out of every three homeless persons is under the age of 18, meaning that 1.6 to 1.7 million people under the age of 18 will experience homelessness this year in the United States.

In 2010, the Fairbanks Housing and Homeless Coalition Youth Task Force conducted a survey of the faith community, youth service agencies, correctional facility leaders, law enforcement leaders, and other community stakeholders to seek information about the programs for young people in the community. They all expressed a similar sentiment, "When Family Focus closed their doors, they left a gap in our community that no one has filled." Family Focus operated an emergency shelter for youth, staffed 24 hours a day, 7 days a week, year round. This shelter was utilized well and is severely missed by community agencies.

The City of Fairbanks is working in partnership with Clearwater Ministries (d/b/a Fairbanks Youth Advocates). Clearwater Ministries has been an active member of the Fairbanks Housing and Homeless Coalition and networks regularly with other youth service providers. Clearwater Ministries purchased a three-story house in downtown Fairbanks in hopes of converting it to an emergency shelter for homeless youth. The house was chosen for its accessibility to the target population and proper zoning. In addition, the house is centrally located near major transportation arteries and accessible to health care and other social services.

The existing building was constructed in 1952 of light frame construction, and the effects of age and heavy depreciation are evident throughout the building interior, exterior and systems. As part of the preliminary review, the City of Fairbanks Building Official has directed that complete renovation of the facility will require that all aspects of the construction be brought up to current codes, including architectural, structural, mechanical and electrical. Complete code compliance and thermal modernization will require time and money that appears to exceed the cost/benefit analysis appropriate for a sixty year old building. Therefore, the superstructure would be razed while preserving the concrete foundation and basement for building the new emergency youth shelter.

This project will provide immediate physical needs for homeless youth and protect them from physical threats, including protection from harm due to exposure to cold. The shelter will also provide individual, family, and group counseling, including family mediation, as appropriate. These services will be offered to all runaway, homeless, and street youth with the goal of increasing their safety, well-being, resilience and self-sufficiency, and helping them build permanent connections with caring adults.

This project will provide Community Development Block Grant (CDBG) funds to the City of Fairbanks for labor and fringe benefits; contractual services; and administration for the design, demolition of the existing building, and new construction of the emergency youth shelter. A copy of the State Fire Marshal Approval will be submitted to the Department once obtained.

This project will be contracted out and federal labor standards apply. All contractors for this project must comply with all federal labor standard requirements and will require the payment of the Davis-Bacon wage rate issued by the U.S. Department of Labor for the specific geographic region in which the project is located. Federal labor standards and other federal provisions must be included in any contracts under this project. The City must verify contractor/subcontractor(s) eligibility prior to awarding the contract(s), making sure the contractor is not on the Debarment and Suspension list. Any contractor/subcontractor(s) hired for this project must sign the Debarment and Suspension Form and the City needs to provide the Department a signed copy.

It is the City's responsibility to monitor their construction contract to ensure that all required notices and the wage rate decision are posted prominently at the construction site for the full duration of the project. The City must receive and verify the accuracy of the contractor/subcontractor's certified weekly payroll reports and compliance with applicable labor standards. The City is responsible for conducting confidential on-site interviews with the contractors' employees and maintains a record file of the interviews. Any discrepancies found should be reported by the City and corrected before the close-out of the project.

The City is required to maintain and provide proof of appropriate insurance coverage for the full duration of the project. Any contractors/subcontractors hired to work on the project must be licensed, bonded and insured for at least the amount of the project. It is the City's responsibility to make sure any contractor/subcontractor hired maintains the appropriate insurance coverage on the project.

Documentation of site control was reviewed for the Emergency Youth Shelter project and is in the Department's file.

Section 3 is a Housing and Urban Development (HUD) requirement which applies to recipients receiving financial assistance exceeding \$200,000 that is used for public construction projects. The Grantee and any contractors/subcontractors are required to comply with the Section 3 regulation; 24 CFR Part 135. The Section 3 Clause must be included in all contracts or subcontracts related to your project.

The City of Fairbanks and Clearwater Ministries, Inc. have entered into a Memorandum of Understanding for the design and construction of an emergency shelter for homeless youth. The emergency shelter for homeless youth, which will be constructed with CDBG funds, shall be dedicated to a public purpose for its useful life, and any disposal of the property will be in accordance with 24 CFR 570.489(j)(2).

In the event the facility cannot remain as an emergency shelter for homeless youth for its useful life, the Grantee will be responsible for notifying the Department. The Grantee may still meet the national objective of the CDBG program by benefitting a group of people the majority of whom are low and moderate income, through the limited clientele criteria. A limited clientele project must benefit one of these specific groups: abused children; elderly persons; battered spouses; homeless persons; severely disabled adults; illiterate adults; migrant farm workers; persons living with the disease AIDS. In the event the facility cannot remain dedicated to a public purpose at any point during its useful life, the provisions of 24 CFR 570.489(j)(2) shall control and supersede any remedy provided in Article 21 of the Standard Provisions, and the Grantee may retain or dispose of the property. In either case, the Grantee shall reimburse the Department in the amount of the current fair market value of the property, less any portion of the value attributable to the expenditures of non-CDBG funds for acquisition of, and improvements to, the property.

This project is considered eligible for CDBG funding under Title I of the Housing & Community Development Act of 1974, as amended, Section 105(a)(2) which provides for the "acquisition, construction, reconstruction, or installation of public works, facilities, and site or other improvements..."

This project meets the national objective of the Community Development Block Grant Program, by benefitting a group of people the majority of whom are low and moderate income, through the limited clientele criteria. This project meets the limited clientele criteria by serving homeless youth, ages 12-17 in the Fairbanks community.

2. Project Budget

Cost Category	CDBG Grant Funds	Other Funds	Total Project Cost
Labor/Fringe Benefits	\$ 40,000.00	\$ -	\$ 40,000.00
Materials		\$ 66,500.00	\$ 66,500.00
Contractual	\$ 670,000.00	\$ 3,500.00	\$ 673,500.00
Other	\$ -	\$ 16,450.00	\$ 16,450.00
Administration	\$ 10,000.00	\$ -	\$ 10,000.00
TOTAL	\$ 720,000.00	\$ 86,450.00	\$ 806,450.00

3. Budget Narrative (explain the CDBG budget numbers listed above, and how computed):

Labor/Fringe Benefits: Funds will be used for labor and fringe benefits to pay the City of Fairbanks Property Manager who will be responsible for construction oversight. Based on similar projects, it is anticipated 500 hours for this project (500 x \$80). Costs will include regular and overtime wages, benefits for Medicare, worker's compensation, retirement, health insurance, and life insurance.

Contractual: Funds will be used for the contractual services to prepare the designs, demolish the existing building, and to construct a new emergency youth shelter. All contractors/subcontractors for this project must comply with all federal labor standard requirements and will require the payment of the Davis-Bacon wage rate issued by the U.S. Department of Labor for the specific geographic region in which the project is located. Federal labor standards and other federal provisions must be included in any contracts under this project.

Administration: Funds will be used to assist with the administration of this grant and other administrative costs directly related to this project.

Matching:

State & Local Funds: Clearwater Ministries will provide \$1,000 to be used towards construction of the project. In-Kind match consists of \$16,450, which is the value of the land that the new emergency youth shelter will be located on. Landmark, Inc. provided an assessment of the facility with a value of \$3,500, which was used to determine that the building will have difficulty meeting code and that it would be cost effective to demolish the existing building and to build a new structure. Fairbanks Neighborhood Housing Association will provide flooring materials and bathroom hardware, which is valued at \$65,500.

4. Project Management/Reporting

This project will be managed by the City, with signatory authority for execution of the grant agreement and subsequent amendments granted to the Mayor. The Mayor may delegate signatory authority for executing the grant agreement and amendments to others within the City government via the Signatory Authority Form. The Mayor may also designate financial and progress reporting, via the Signatory Authority Form. Such delegation is limited to others within the City government unless otherwise approved.

The Grantee must establish and maintain separate accounting for the use of CDBG grant funds. The use of CDBG grant funds in any manner contrary to the terms and conditions of this Grant Agreement may result in the subsequent revocation of the grant and any balance of funds under the grant. It may also result in the Grantee being required to return such amounts to the State.

The Grantee shall submit a **CDBG Financial Report Form** and a **CDBG Progress Report Form** (see attached examples) each quarter during the life of the Grant Agreement. CDBG Financial Report Forms and Progress Report Forms are **due fifteen (15) days** after the end of the quarter being reported. The report period is the first of the month through the last day of the quarter.

5. CDBG Forms Packet

The following two pages, which include the CDBG Financial Report Form and the CDBG Progress Report Form, are to be used by the Grantee for monthly reporting. Additional copies of these forms are available from the Department.

CDBG Financial Report

State of Alaska
Department of Commerce, Community, and Economic Development
Division of Community and Regional Affairs
Community Development Block Grant (CDBG) Program

Grantee: City of Fairbanks Grant Number: 11-CDBG-003

Report Dates: From: _____ To: _____

(Note: Financial Report/Request for Reimbursement must be accompanied by Progress Report.)

Cost Category	Authorized Budget	Expenditures This Period	Total Expenditures to Date	Balance of Funds
Labor/Fringe	\$ 40,000.00			
Contractual	\$ 670,000.00			
Administration	\$ 10,000.00			
TOTAL	\$ 720,000.00			
EXPENDITURES				Advance Balance
LESS ADVANCE				
NET BILLING				

GRANTEE CERTIFICATION: I certify that the above information is true and correct, and that expenditures have been made for the purpose of, and in accordance with applicable grant agreement terms and conditions.

Jerry Cleworth, Mayor
 Grantee Name and Title

 Authorized Signature

DCCED Staff Use:

Encumbrance No: _____

Payment Amount: _____

DCCED Approval: _____

DCCED Signature **Date**

CDBG Progress Report

State of Alaska
Department of Commerce, Community, and Economic Development
Division of Community and Regional Affairs
Community Development Block Grant (CDBG) Program

Grantee: City of Fairbanks

Grant Number: 11-CDBG-003

Progress

Report Period:

From: _____

TO: _____

REPORT ON PROJECT ACTIVITIES:

Describe activities which have occurred during the last month/months on this project. Include a discussion of any problem areas you may be experiencing. Attach additional pages if necessary.

Attachment B

Payment Method

1. Reimbursement Payment

Grant funds shall be released monthly to the Grantee or Grantee's designee on a cost reimbursable basis, upon receipt and approval of monthly CDBG Financial and Progress Report Forms, accompanied by source documentation to include vendor billings, timesheets, payroll tax forms and other documentation, as requested by the Department. The Department shall issue payment to the Grantee or Grantee's designee for costs incurred during the reporting period in accordance with this Grant Agreement. In no case shall the total amount of payments exceed the total amount of this Grant Agreement. Under no circumstances shall the Department release funds to the Grantee or Grantee's designee unless all required financial and progress report forms are current.

2. Advance Payment

In most instances, the Department will make payment to a Grantee on a cost reimbursable basis. If cost reimbursement significantly inhibits the Grantee's ability to implement the project, the Department may advance to the Grantee an amount not to exceed a projected thirty (30) day cash need, or twenty percent (20%) of the amount in Section I, whichever is less.

Before the Department will issue an advance, the Grantee must provide in writing, and the Department must approve a "Request for Advance Payment" form which includes:

- a. justification of the need for the advance,
- b. documentation of anticipated line item costs associated with the advance.

All advances will be recovered with the Grantee's next CDBG Financial/Progress Report form. Should earned payments during the terms of this Grant Agreement be insufficient to recover the full amount of the advance, the Grantee will repay the unrecovered amount to the Department when requested to do so by the Department, or at termination of the Grant Agreement.

3. Withholding of Ten Percent (10%)

The Department may withhold ten percent (10%) of the amount in Section I until the Department determines that the Grantee has satisfactorily completed the terms of this grant agreement, including all required reporting.

Attachment C

Standard Provisions

Article 1. Definition

“Department” refers to the Department of Commerce, Community, and Economic Development within the State of Alaska.

Article 2. Indemnification

It is understood and agreed that this Grant Agreement is solely for the benefit of the parties to the Grant Agreement and gives no right to any other party. No joint venture or partnership is formed as a result of this Grant Agreement.

The Grantee, its successors and assigns, will protect, save, and hold harmless the Department and the State of Alaska and their authorized agents and employees, from all claims, actions, costs, damages, or expenses of any nature whatsoever by reason of the acts or omissions of the Grantee, its subcontractors, assigns, agents, contractors, licensees, invitees, employees, or any person whomever arising out of or in connection with any acts or activities authorized by this Grant Agreement. The Grantee further agrees to defend the Department and the State of Alaska and their authorized agents and employees in any litigation, including payment of any costs or attorney’s fees for any claims or actions commenced thereon arising out of or in connection with acts or activities authorized by this grant agreement. This obligation shall not include such claims, costs, damages, or expenses which may be caused by the sole negligence of the Department or the State of Alaska or their authorized agents or employees, provided, that if the claims or damages are caused by or result from the concurrent negligence of (a) the Department and the State of Alaska and their agents or employees, and (b) the Grantee, its agents or employees, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Grantee, or Grantee’s agents or employees.

Article 3. Legal Authority

The Grantee certifies that it possesses legal authority to accept grant funds under the State of Alaska and to execute the project described in this Grant Agreement by signing the Grant Agreement document. The Grantee’s relation to the Department and the State of Alaska shall be at all times as an independent Grantee.

Article 4. Waivers

No conditions or provisions of this Grant Agreement can be waived unless approved by the Department in writing. The Department’s failure to insist upon strict performance of any provision of the Grant Agreement, or to exercise any right based upon a breach thereof, or the acceptance of any performance during such a breach, shall not constitute a waiver of any right under this Grant Agreement.

Article 5. Access to Records

The Department and duly authorized officials of the State of Alaska shall have full access and the right to examine, excerpt, or transcribe any pertinent documents, papers, records, and books of the Grantee, and of persons or organizations with which the Grantee may contract, involving transactions related to the project and this Grant Agreement.

Article 6. Reports

The Grantee, at such times and in such forms as the Department may require, shall furnish the Department with such periodic reports as it may request pertaining to the activities undertaken pursuant to this Grant Agreement, including the final close-out report, the costs and obligations incurred in connection therewith, and any other matters covered by this Grant Agreement.

Article 7. Retention of Records

The Grantee shall retain financial and other records relating to the performance of this Grant Agreement permanently. Records will also be necessary for final resolution of any audit findings, claims, or litigation related to the grant.

Article 8. Assignability

The Grantee shall not assign any interest in this Grant Agreement and shall not transfer any interest in the same (whether by assignment or notation).

Article 9. Financial Management and Accounting

The Grantee shall establish and maintain a financial management and accounting system that conforms to generally accepted accounting principles.

Article 10. Program Income

Program income will be used first by the Grantee before drawing additional funds to complete activities included in the Project Summary and referenced application unless otherwise specified in an approved lump sum agreement. Unanticipated program income shall be used to increase the overall project budget. Program income received after close-out of this Grant Agreement shall be used to continue a program of eligible community development activities of benefit to low and moderate income persons, as described in the close-out performance report.

Interest earned on federal or state funds shall not be retained by the Grantee. The Grantee must remit such interest to the Department so that it can be returned to the U.S. Treasury or, in the case of state funds, to the State of Alaska, Community Development Block Grant Program.

Article 11. Amendments and Modifications

The Grantee or the Department may request an amendment or modification of this Grant Agreement. However, such amendment or modification shall not take effect until approved, in writing, by the Department and the Grantee.

Article 12. Recordkeeping

The Grantee agrees to keep such records as the Department may require. Such records will include information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays and income. They will also include information pertaining to project performance and efforts to comply with the provisions of the Grant Agreement.

Article 13. Obligations Regarding Third-Party Relationships

None of the work specified in this Grant Agreement shall be contracted by the Grantee without prior approval of the Department. No permission for subcontracting shall create, between the Department or State of Alaska and the subcontractor, any contract or any relationship.

The Grantee shall remain fully obligated under the provisions of this Grant Agreement notwithstanding its designation of any third party or parties of the undertaking of all or any part of the project described herein. Any subcontractor that is not the Grantee shall be required by the Grantee to comply with all lawful requirements of the Grantee necessary to ensure that the project is carried out in accordance with the provisions of this Grant Agreement.

The Grantee shall bind all subcontractors to each and every applicable Grant Agreement provision. Each subcontract for work to be performed with funds granted under this Grant Agreement shall specifically include a provision that the Department and the State of Alaska are not liable for damages or claims from damages arising from any subcontractor's performance or activities under the terms of the subcontracts.

Article 14. Conflict of Interest

No officer or employee of the Department; no member, officer, or employee of the Grantee or its designees or agents; no member of the governing body of the jurisdiction in which the project is undertaken or located; and no other official of such locality or localities who exercises any functions or responsibilities with respect to the project during his or her tenure, shall have any personal or pecuniary gain or interest, direct or indirect, in any contract, subcontract, or the proceeds thereof, for work to be performed in connection with the project assisted under this Grant Agreement.

The Grantee shall incorporate, or cause to incorporate, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this provision.

Article 15. Political Activity

No portion of the funds provided hereunder shall be used for any partisan political activity or to further the election or defeat of any candidate for public office or influence the approval or defeat of any ballot issue.

Article 16. Notices

The Grantee shall comply with all public notices or notices to individuals required by applicable state and federal laws and shall maintain a record of this compliance.

Article 17. Prohibition against Payment of Bonus or Commission

The assistance provided under this Grant Agreement shall not be used in payment of any bonus or commission for the purpose of obtaining approval or concurrence under this contract provided, however, that reasonable fees of bona fide technical consultant, managerial, or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as project costs.

Article 18. Termination by Mutual Agreement

This Grant Agreement may be terminated, in whole or in part, prior to the completion of contract project activities when both parties agree that continuation is not feasible or would not produce beneficial results commensurate with the further expenditure of funds. The Department will determine whether an environmental review of the cancellation is required under State and/or Federal law. The parties must agree on the termination conditions, including effective date and the portion to be terminated. The Grantee shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The Department shall make funds available to the Grantee to pay for allowable expenses incurred before the effective date of termination.

Article 19. Termination for Cause

If the Grantee fails to comply with the terms of this Grant Agreement, or fails to use the grant for only those purposes set forth herein, the Department may take the following actions:

- A. Suspension - After notice in writing by certified mail to the Grantee, suspend the grant and withhold any further payment or prohibit the Grantee from incurring additional obligations of grant funds, pending corrective action by the Grantee or a decision to terminate. Response must be received within fifteen (15) days of receipt of the written notice.
- B. Termination - Terminate the grant in whole or in part, at any time before the final grant payment is made. The Department shall promptly notify the Grantee in writing of its determination to terminate, the reason for such termination, and the effective date of the termination. Payments made to the Grantee or recoveries by the Department shall be in accordance with the legal rights and liabilities of the parties.

Article 20. Withdrawal of Funds

In the event funding from the state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Grant Agreement and prior to normal completion, the Department may terminate the agreement, reduce funding, or re-negotiate subject to those new funding limitations and conditions. A termination under this article shall be implemented under the same conditions as a termination under Article 19 of this Attachment.

Article 21. Recovery of Funds

In the event of a default or violation of the terms of the Grant Agreement by the Grantee, the Department may institute actions to recover all or part of the project funds paid to the Grantee. Repayment by the Grantee of grant funds under this recovery provision shall occur within thirty (30) days of demand.

All remedies conferred on the Department by this agreement or any other instrument or agreement are cumulative, not exclusive, and may be exercised concurrently or consecutively at the Department's option.

Article 22. Disputes

Except as otherwise provided in this agreement, any dispute concerning a question of fact arising under this agreement that is not disposed of by mutual agreement shall be decided by the Department, which shall reduce its decision to writing and mail, or otherwise furnish a copy thereof, to the Grantee. The decision of the Department shall be final and conclusive.

This "Disputes" clause does not preclude the consideration of questions of law in connection with the decision provided for in the preceding paragraph provided that nothing in this Grant Agreement shall be construed as making final the decisions of any administrative official, representative, or board on a question of law.

Article 23. Jurisdiction

This Grant Agreement shall be governed by the laws and statutes of the State of Alaska. The venue of any suit hereunder may be in the Superior Court for the First Judicial District, Juneau, Alaska.

Article 24. Ownership of Project/Capital Facilities

The Department makes no claim to any capital facilities or real property improved or constructed with funds under this Grant Agreement and, by this grant of funds does not and will not acquire any ownership interest or title to such property of the Grantee. The Grantee shall assume all liabilities arising from the ownership and operation of the project and agrees to hold the Department and the State of Alaska harmless from any and all causes of action arising from the ownership and operation of the project.

Article 25. Site Control

If the grant project involves the occupancy and use of real property, the Grantee assures that it has the legal right to occupy and use such real property for the purposes of the grant, and further that there is legal access to such property.

Article 26. Insurance

The Grantee is responsible for obtaining any necessary liability insurance. In addition, the Grantee shall provide and maintain Workers' Compensation Insurance as required by AS 23.30 for all employees engaged in work under this Grant Agreement. The Grantee shall require any contractor to provide and maintain Workers' Compensation Insurance for its employees as required by AS 23.30. The Grantee shall require any contractor hired to work on the project be licensed, bonded and insured for at least the amount of the project and if appropriate provide and maintain Professional Liability Insurance.

Article 27. Subcontracts for Engineering Services

In the event that the Grantee subcontracts for engineering services, the Grantee will require that the engineering firm certify that it is authorized to do business in the State of Alaska. In the event that the engineering firm is also the project administrator, the Grantee shall require that the bond or insurance shall be for not less than the amount of the entire project.

Article 28. Governing Law

This Grant Agreement is governed by the laws of the State of Alaska. The Grantee shall perform all aspects of this project in compliance with all appropriate laws and regulations. It is the responsibility of the Grantee to ensure that all permits required for the construction and operation of this project by the Federal, State or Local governments have been obtained.

Article 29. Budget Flexibility

Notwithstanding the provisions of Article 11, Attachment C, the Grantee may revise the project budget in Attachment A without a formal amendment to this agreement. Such revisions are limited within each line item to a maximum of 10% of the line item or \$10,000, whichever is less, over the entire term of this agreement. Such budget revisions shall be limited to changes to existing budget line items. Budget revisions may not be used to increase any budget item for project administrative expenses. Changes to the budget beyond the limits authorized by this provision may only be made by a formal amendment to this agreement.

Article 30. Equal Employment Opportunity (EEO)

The Grantee may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood. The Grantee shall post in a conspicuous place, available to employees and applicants for employment, a notice setting out the provisions of this paragraph.

The Grantee shall state, in all solicitations or advertisements for employees to work on state funded projects, that it is an equal opportunity employer (EEO) and that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood.

The Grantee shall include the provisions of this EEO article in every contract relating to this Grant Agreement and shall require the inclusion of these provisions in every agreement entered into by any of its contractors, so that those provisions will be binding upon each contractor and subcontractor.

Article 31. Public Purposes

The Grantee agrees that the project to which this Grant Agreement relates shall be dedicated to public purposes for its useful life. The benefits of the project shall be made available without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood.

If the Grantee is a non-municipal entity and if monies appropriated under this grant constitute the sole or principal funding source for the acquisition of equipment or facilities, the Grantee agrees that in the event a municipal corporation is formed which possesses the power and jurisdiction to provide for such equipment or facilities, the Grantee shall offer, without compensation, to transfer ownership of such equipment or facilities to the municipal corporation.

If the Grantee is a non-profit corporation that dissolves, the assets and liabilities from the grant project are to be distributed according to statutory law, AS 10.20.290 - 10.20.452.

Article 32. Operation and Maintenance

Throughout the useful life of the project, the Grantee shall be responsible for the operation and maintenance of any facility, equipment, or other items acquired under this grant.

Article 33. Assurance

The Grantee shall spend monies awarded under this grant only for the purposes specified in this Grant Agreement.

Article 34. Current Prevailing Rates of Wage

Certain grant projects are constrained by the provisions of AS 36. PUBLIC CONTRACTS. To the extent that such provisions apply to the project which is the subject of this Grant Agreement, the Grantee shall pay the current prevailing rates of wage to employees as required by AS 36.05.010. The Grantee shall also require any contractor to pay the current prevailing rates of wage as required by AS 36.05.010.

Article 35. Severability

If any provision under this Grant Agreement or its application to any person or circumstance is held invalid by any court of rightful jurisdiction, this invalidity does not affect other provisions of the contract agreement which can be given effect without the invalid provision.

Article 36. Performance

The Department's failure to insist upon the strict performance of any provision of this Grant Agreement or to exercise any right based upon breach thereof or the acceptance of any performance during such breach, shall not constitute a waiver of any rights under this Grant Agreement.

Article 37. Sovereign Immunity

If the Grantee is an entity which possesses sovereign immunity, it is a requirement of this grant that the Grantee irrevocably waive its sovereign immunity with respect to state enforcement of this Grant Agreement. The waiver of sovereign immunity, effected by a resolution of the entity's governing body, is hereby incorporated into this Grant Agreement.

Article 38. Audit Requirements

The Grantee shall comply with the audit guidelines under U.S. Office of Management and Budget Circular A-133.

Article 39. Close-Out

The Department will advise the Grantee to initiate close-out procedures when the Department determines, in consultation with the Grantee, that there are no impediments to close-out and that the following criteria have been met or soon will be met:

- A. All costs to be paid with grant funds have been incurred with the exception of close-out costs and any unsettled third-party claims against the Grantee. Costs are incurred when goods and services are received or contract work is performed.
- B. The last required performance report has been submitted. The Grantee's failure to submit a report will not preclude the Department from effecting close-out if it is deemed to be in the State's interest. Any excess grant amount that may be in the Grantee's possession shall be returned by the Grantee in the event of the Grantee's failure to finish or update the report.
- C. Other responsibilities of the Grantee under this contract agreement and any close-out agreement and applicable laws and regulations appear to have been carried out satisfactorily or there is no further State interest in keeping the grant open for the purpose of securing performance.

Article 40. Change of Use of Real Property

The standards described in this section apply to real property within the Grantee's control which was acquired or improved in whole or part using CDBG funds in excess of the threshold for small purchase procurement. These standards shall apply from the date CDBG funds are first spent for the property until five years after closeout of the grant. The grantee may not change the use or planned use of any such property (including the beneficiaries of such use) from that for which the acquisition or improvement was made, unless the Grantee provides affected citizens with reasonable notice of and opportunity to comment on any proposed change, and receives written approval for the proposed change from the Department. The new use of property must qualify as meeting one of the national objectives and must not be for the general conduct of government.

Appendix A

Audit Regulations

CFDA Number 14.228, Community Development Block Grant Program (CDBG), Department of Housing and Urban Development, Office of Community Planning and Development.

These Community Development Block Grant funds are subject to U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments.

Appendix B Insurance

Article 1. Insurance

Without limiting contractor's indemnification, it is agreed that the contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the contractor's policy contains higher limits, the State shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the Contracting Officer prior to beginning work and must provide for a thirty (30) day prior notice of cancellation, non-renewal or material change. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach and grounds for termination of the contractor's services.

1.1 Worker's Compensation Insurance: The contractor shall provide and maintain, for all employees of the contractor engaged in work under this contract, Worker's Compensation Insurance as required by AS 23.30.045. The contractor shall be responsible for Worker's Compensation Insurance for any subcontractor who directly or indirectly provides services under this contract. This coverage must include statutory coverage for states in which employees are engaging in work and employer's liability protection is not less than \$100,000.00 per occurrence. Where applicable, coverage for all federal acts (i.e., USL &H and Jones Acts) must also be included.

1.2 Comprehensive (Commercial) General Liability Insurance: With coverage limits not less than \$300,000.00 combined single limit per occurrence and annual aggregates where generally applicable and shall include premises-operations, independent contractors, products/completed operations, broad form property damage, blanket contractual and personal injury endorsements.

1.3 Comprehensive Automobile Liability Insurance: Covering all owned, hired, and non-owned vehicles with coverage limits not less than \$100,000.00 per person/\$300,000.00 per occurrence bodily injury and \$50,000.00 property damage.

1.4 Professional Liability Insurance: Covering all errors, omissions or negligent acts of the contractor, subcontractor or anyone directly or indirectly employed by them, made in the performance of this contract which result in financial loss to the State. Limits required are per the following schedule:

Contract Amount	Minimum Required Limits
Under \$100,000	\$100,000 per occurrence/annual aggregate
\$100,000-\$499,999	\$250,000 per occurrence/annual aggregate
\$500,000-\$999,999	\$500,000 per occurrence/annual aggregate
\$1,000,000 or over	Negotiable - Refer to Risk Management

Appendix C

State Laws and Regulations

Historic Preservation Act—AS 41.35

This chapter of the Alaska Statutes applies to public construction of any nature undertaken by the State, or by a governmental agency of the State, or by a private person under contract with or licensed by the State or a governmental agency of the State. The Department of Natural Resources must be notified if the construction is planned for an archaeological site. The department may stop the construction to determine the extent of the historic, prehistoric, or archaeological values.

Fire Protection—AS 18.70

This chapter of the Alaska Statutes requires the Department of Public Safety (the State Fire Marshal) to adopt regulations (currently in the form of Uniform Fire Code, as amended) establishing minimum standards for:

1. Fire detection and suppression equipment;
2. Fire and life safety criteria in commercial, industrial, business, institutional, or other public buildings used for residential purposes containing four or more dwelling units;
3. Any activity in which combustible or explosive materials are stored or handled in commercial quantities;
4. Conditions or activities carried on outside a building described in (2) or (3) likely to cause injury to persons or property.

Environmental Conservation—AS 46.03

This chapter of the Alaska Statutes applies to municipalities and could subject them to enforcement actions instituted by the Alaska Department of Environmental Conservation for air, land and water nuisances, and water and air pollution in a municipality of 1,000 or more, and may establish a local air pollution control program.

Permits and Environmental Procedures

The Alaska Department of Environmental Conservation (ADEC) regulates all activities in Alaska that might pollute the air, water or soil. There are dozens of ADEC permits related to constructing and operating public buildings. The law requires the following permits, including others designated by the commissioner. The following list is not intended to be all-inclusive.

- Air Emissions Permit—AS 46.14.140, 18 AAC 50.030**
- Anadromous Fish Protection Permit—AS 41.14.870, 11 AAC 195.010**
- Authorization for Tidelands Transportation—AS 38.05.035, 11 AAC 51.015**
- Brine or Other Salt Water Waste Disposal Permit—AS 31.05.030**
- Burning Permit during Fire Season—AS 41.15.060, 11 AAC 95.410**
- Coal Development Permit—AS 27.21.030, 11 AAC 85.110**
- Critical Habitat Area Permit—AS 16.20.510, 05 AAC 95.420**
- Dam Construction Permit—AS 46.17.040, 11 AAC 93.171**
- Driveway Permit—AS 19.05.040, 17 AAC 10.020**
- Encroachment Permit—AS 19.25.200, 17 AAC 10.012**
- Miscellaneous State Land Use Permit—AS 38.05.035, 11 AAC 96.010**
- Mineral and Geothermal Prospecting Permits—AS 38.05.181, 11 AAC 82.100**
- Occupied Tide and Submerged Land—AS 38.05.820, 11 AAC 62.010**
- Open Burning Permit—AS 46.03.020, 18 AAC 50.065**
- Permit for Use of Timber or Materials—AS 38.05.110, 11 AAC 71.025**
- Permit to Appropriate Water—AS 46.15.040, 11 AAC 93.120**
- Pesticides Permit—AS 46.03.320, 18 AAC 90.300**
- Preferred Use Permit—AS 46.15.150, 11 AAC 93.240**
- Right-of-Way and Easement Permits—AS 38.05.850, 11 AAC 58.740**
- Solid Waste Disposal—AS 46.03.100, 18 AAC 60.200**
- Special Land Use Permit—AS 38.05.850, 11 AAC 58.210**
- State Game Refuge Land Permit—AS 16.20.050 - 16.20.060**
- State Park Incompatible Use Permit—AS 41.21.020, 11 AAC 18.010**
- Surface Oiling Permit—AS 46.03.740, 18 AAC 75.700**
- Surface Use Permit—AS 38.05.255, 11 AAC 86.600**
- Tide and Submerged Lands Prospecting Permit—AS 38.05.250, 11 AAC 62.700**
- Tidelands Permit—AS 38.05.035**
- Tidelands Right-of-Way or Easement Permit—AS 38.05.820**
- Utility Permit—AS 19.25.010, 17 AAC 15.011**
- Waste Water Disposal Permit—AS 46.03.100, 18 AAC 72.010**
- Water Well Permit—AS 31.05.030, 11 AAC 93.140**

Appendix D

Special Requirements and Assurances for Federally Funded Projects

The Grantee assures compliance with the following laws, regulations, and requirements as they pertain to the design, implementation, and administration of the approved local project.

I. HISTORIC PRESERVATION

1. **The National Historic Preservation Act of 1966 (16 U.S.C. 470)**
Prior to undertaking any activity under this contract, the Grantee shall evaluate the effects of the activity on any district, site, building structure, and object listed in, or eligible for, the National Register of Historic Places; and shall give the Alaska State Historic Preservation Office a reasonable opportunity to comment on the proposed activity.
2. **Executive Order 11593, Protection and Enhancement of the Cultural Environment, May 13, 1971**
The Grantee shall assure that plans for federally funded projects contribute to the preservation and enhancement of sites, structures, and objects of historical, architectural, or archaeological significance.

II. ENVIRONMENTAL

1. **The National Environmental Policy Act of 1969 (42 U.S.C. Section 4321 et seq., & 24 CFR Part 58)**
The Grantee shall comply with the provisions of the National Environmental Policy Act of 1969. The purpose of this Act is to attain the widest use of the environment without degradation, risk to health or safety, or other undesirable and unintended consequences. Environmental review procedures, including determining and publishing a Finding of Significance or of No Significance for a proposal, are a necessary part of this process. Pursuant to these provisions, the Grantee must also submit environmental certifications to the Department when requesting that funds be released for the project. The Grantee must certify that the proposed project will not significantly impact the environment and that the Grantee has complied with environmental regulations and fulfilled its obligations to give public notice of the funding request, environmental findings, and compliance performance.
2. **HUD Environmental Criteria and Standards (24 CFR Part 51)**
The Grantee shall comply with HUD noise abatement and control standards, which prohibit HUD support for most new construction of noise-sensitive uses on sites having unacceptable noise exposure. HUD assistance for the construction of new noise-sensitive uses is prohibited in general for projects with unacceptable noise exposure and is discouraged for projects with normally unacceptable noise exposure.
3. **Title IV of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831b)**
The Grantee shall comply with the provisions of Title IV of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831), which prohibits the use of lead-based paint in residential structures constructed or rehabilitated with federal assistance of any kind.
4. **The Reservoir Salvage Act of 1960, As Amended by the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. 469 et seq.)**
Under the Reservoir Salvage Act, the Grantee must comply with provisions for the preservation of historical and archaeological data (including relics and specimens) that might otherwise be irreparably lost or destroyed as a result of any alteration of the terrain caused as a result of any federal construction project or federally licensed activity or program. Whenever any federal agency finds, or is notified in writing by an appropriate historical or archaeological authority, that its activities in connection with any federal construction project or federally licensed project, activity, or program may cause irreparable loss or destruction of significant scientific, prehistoric, historical, or archaeological data, the federal agency must notify the U.S. Secretary of the Interior in writing and provide appropriate information concerning the project or program activity.

5. **Flood Disaster Protection Act of 1973, As Amended**
The Grantee shall comply with the flood insurance purchase requirement of Section 102(a) of the Flood Disaster Protection Act of 1973, Public Law 93-234, 87 Stat. 975, approved December 31, 1973. Section 102(a) requires, on and after March 2, 1974, the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Federal Emergency Management Agency as an area having special flood hazards. The phrase "federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any form of direct or indirect federal assistance.
6. **Executive Order 11988, May 24, 1977 Floodplain Management (42 F.R. 26951 et seq.)**
The Grantee shall comply with the provisions of Executive Order 11988. The extent of this Executive Order is to (1) avoid, to the extent possible, adverse impacts associated with the occupancy and modification of floodplains and (2) avoid direct or indirect support of floodplain development wherever there is a practical alternative. If the Grantee proposes to conduct, support, or allow an action to be located in a floodplain, the Grantee must consider alternatives to avoid adverse effects and incompatible involvement in the floodplain. If sitting in a floodplain is the only practical alternative, the Grantee must, prior to taking any action, (1) design or modify its actions in order to minimize any potential harm to the floodplain and (2) prepare and circulate a notice containing an explanation of why the action is proposed to be located in a floodplain.
7. **Executive Order 11990, May 24, 1977 Protection of Wetlands (42 F.R. 26951 et seq.)**
The Grantee shall comply with Executive Order 11990. The intent of this Executive Order is to (1) avoid, to the extent possible, adverse impacts associated with the destruction or modification of wetlands and (2) to avoid direct or indirect support of new construction in wetlands wherever there is a practical alternative. The Grantee, to the extent permitted by law, must avoid undertaking or providing assistance for the new construction located in wetlands unless (1) there is no practical alternative to such construction and (2) the proposed action includes all practical measures to minimize harm to wetlands which may result from such use. In making this determination, the Grantee may take into account economic, environmental, and other pertinent factors.
8. **Coastal Zone Management Act of 1972, As Amended (16 U.S.C. 1451 et seq.)**
The Grantee shall comply with the Coastal Zone Management Act of 1972, as amended. The intent of this is to preserve, protect, develop, and where possible, restore or enhance the resources of the nation's coastal zone. Federal agencies cannot approve assistance for proposed projects that are inconsistent with the State's Coastal Zone Management program except upon a finding by the U.S. Secretary of Commerce that such a project is consistent with the purpose of this chapter or necessary in the interests of national security.
9. **Coastal Barrier Resources Act, as Amended (16 U.S.C., Sections 3504 and 3505)**
The Grantee shall comply with the Coastal Barrier Resources Act of 1982, as amended. The intent of this is to minimize the loss of human life, wasteful expenditure of Federal revenues, and the damage to fish, wildlife, and other natural resources associated with coastal barriers by restricting future Federal expenditures and financial assistance which have the effect of encouraging development of coastal barriers, by establishing a Coastal Barriers Resources System, and by considering the means and measures by which the long-term conservation of these fish, wildlife, and other natural resources may be achieved. Questions pertaining to this Act should be directed to the Secretary, Department of the Interior.
10. **The Safe Drinking Water Act of 1974, As Amended (42 U.S.C. Section 201, 300(f) et seq., and U.S.C. Section 349)**
The Grantee must comply with the Safe Drinking Water Act, as amended, which is intended to protect underground sources of water. No commitment for federal financial assistance, according to this Act, shall be entered into for any project which the U.S. Environmental Protection Agency determines may contaminate an aquifer which is the sole or principal drinking water source for an area.
11. **The Endangered Species Act of 1973, As Amended (16 U.S.C. 1531 et seq.)**
The Grantee shall comply with the Endangered Species Act of 1973, as amended. The intent of this Act is to ensure that all federally assisted projects seek to preserve endangered or threatened species. Federally authorized and funded projects must not jeopardize the continued existence of endangered and threatened species or result in the destruction of or modification of habitat of such species which is determined by the U.S. Department of the Interior, after consultation with the state, to be critical.

12. **The Wild and Scenic Rivers Act of 1968, As Amended (16 U.S.C. 1271 et seq.)**
The Grantee shall comply with the Wild and Scenic Rivers Act. The purpose of this Act is to preserve selected rivers or sections of rivers in their free-flowing condition, to protect the water quality of such rivers and to fulfill other vital national conservation goals. Federal assistance by loan, grant, license, or other mechanism cannot be provided to water resources construction projects that would have a direct and adverse effect on any river included or designated for study or inclusion in the National Wild and Scenic River System.
13. **The Clean Air Act, As Amended (42 U.S.C. 7401 et seq.)**
The Grantee shall comply with the Clean Air Act, which prohibits (1) engaging in, (2) supporting in any way or providing financial assistance for, (3) licensing or permitting, or (4) approving any activity which does not conform to the state implementation plan for natural primary and secondary ambient air quality standards. The Grantee shall ensure that the facilities under its ownership, lease, or supervision which shall be utilized in the accomplishment of the program are not listed on the U.S. Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the Agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by EPA.
14. **Farmland Protection Policy Act of 1981, As Amended (7 U.S.C. 4201 et seq.)**
The Grant minimize the extent to which Federal programs contribute the unnecessary and irreversible conversion of farmland to non-agricultural uses, and to assure that Federal programs are administered in a manner that, to the extent practicable, will be compatible with State, unit of local government, and private programs and policies to protect a farmland. Questions pertaining to this Act should be directed to the Secretary, Department of Agriculture.
15. **The Archaeological and Historical Data Preservation Act of 1974 (16 U.S.C. 469 a-1 et seq.)**
The Grantee shall comply with the Archaeological and Historical Data Preservation Act, which provides for the preservation of historic and archaeological information that would be lost due to development and construction activities as a result of federally funded activities.
16. **The Federal Water Pollution Control Act of 1972, As Amended including the Clean Water Act of 1977, Public Law 92-212 (33 U.S.C. Section 1251 et seq.)**
The Grantee must assure compliance with the Water Pollution Control Act, as amended, which provides for the restoration of chemical, physical, and biological integrity of the nation's water.
17. **The Solid Waste Disposal Act, As Amended by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901 et seq.)**
The Grantee must assure compliance with The Solid Waste Disposal Act, as amended. The purpose of this Act is to promote the protection of health and the environment and to conserve valuable material and energy resources.
18. **The Fish and Wildlife Coordination Act of 1958, As Amended (16 U.S.C. Section 661 et seq.)**
The Grantee must assure compliance with the Fish and Wildlife Coordination Act, as amended. The Act assures that wildlife conservation receives equal consideration and is coordinated with other features of water resources development programs.
19. **EPA List of Violating Facilities**
The Grantee must ensure that the facilities under its ownership, lease, or supervision which shall be utilized in the accomplishment of the program are not listed on the U.S. Environmental Protection Agency's (EPA) List of Violating Facilities and that it will notify the Agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by EPA.

III. CIVIL RIGHTS

1. **Public Law 88-352, Title VI, Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) (24 CFR Part 1)**
The Grantee must comply with the provisions of Public Law 88-352 which refers to Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.). The law provides that no person in the United States shall, on the grounds of race, color, or national origin, be denied the benefits of, be excluded from participation in, or be subjected to discrimination under any program or activity receiving federal financial assistance.

2. **Public Law 90-284, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.)**
The Grantee shall comply with the provisions of Public Law 90-284 which refers to Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.). The law states that it is the policy of the United States to provide within constitutional limitation, for fair housing throughout the United States and prohibits any person from discriminating in the sale or rental of housing, the financing of housing, or the provisions of brokerage services, including in any way making unavailable or denying a dwelling to any person, because of race, color, religion, sex, or national origin. The Grantee must also administer programs and activities relating to housing and urban development in a manner that affirmatively promotes fair housing and furthers the purposes of Title VIII.
3. **Executive Order 11063, as Amended by Executive Order 12259 (24 CFR Part 107)**
The Grantee must comply with the provisions of Executive Order 11063, as amended by Executive Order 12259, which directs the Grantee to take all action necessary and appropriate to prevent discrimination because of race, color, religion, creed, sex, or national origin, in the sale, leasing, rental, and other disposition of residential property and related facilities (including land to be developed for residential use), or in the use or occupancy thereof, if such property and related facilities are, among other things, provided in whole or in part with the aid of loans, advances, grants, or contributions from the federal government.
4. **Section 109 of the Housing and Community Development Act of 1974, as Amended through 1992**
Section 109 of the Housing and Community Development Act requires that no person in the United States shall on the ground of race, national origin, religion, or sex, be excluded from participation in, be denied benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with community development funds made available under the Act. Section 109 of the Act further provides that any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) or with respect to an otherwise qualified handicapped person(s) as provided in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) shall also apply to any program or activity funded in whole or in part with funds made available pursuant to the Act. HUD regulations implementing the Age Discrimination Act are contained in 24 CFR Part 146 and the regulations implementing Section 504 are contained in 24 CFR Part 8 and are applicable.
5. **Age Discrimination Act of 1975, as Amended (42 U.S.C. 6101 et seq.)**
The Grantee shall comply with the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) as amended, which provides that no person shall be excluded from participation, denied program benefits, or subjected to discrimination on the basis of age under any program or activity receiving federal funding assistance.
6. **Section 504 of the Rehabilitation Act of 1973, as Amended (29 U.S.C. 794)**
The Grantee must comply with Section 504 of the Rehabilitation Act of 1973, as amended which provides that no otherwise qualified individual shall, solely by reason of his or her handicap, be excluded from participation (including employment), denied program benefits, or subjected to discrimination under any program or activity receiving federal assistance funds.
7. **Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4630)**
The Grantee shall comply with Sections 301 and 302 of Title III (Uniform Real Property Acquisition Policy) of the Uniform Relocation Assistance and Real Property Policies Act of 1970, and will comply with Sections 303 and 304 of Title III, and HUD implementing instructions contained in 24 CFR Part 42. The Grantee shall inform affected persons of their rights and the acquisition policies and procedures set forth in the regulations of 49 CFR, Part 24. The Grantee shall comply with Title II (Uniform Relocation Assistance) of the Uniform Relocation Assistance and Property Acquisition Act of 1970 and HUD implementing regulations of 49 CFR Part 42 which requires the Grantee to provide relocation payments and offer relocation assistance as described in Section 205 of the Uniform Relocation Assistance Act to all persons displaced as a result of acquisition of real property for an activity assisted under the Community Development Block Grant Program. Such payments and assistance shall be provided in a fair and consistent and equitable manner that ensures that the relocation process does not result in a different or separate treatment of such persons on account of race, color, religion, national origin, sex, or source of income. The Grantee shall assure that, within a reasonable period of time prior to displacement, decent, safe, and sanitary replacement dwellings will be available to all displaced families and individuals, and that the range of choices available to such persons will not vary on account of their race, color, religion, national origin, sex, or source of income.

8. **Section 104(d) of the Housing and Community Development Act of 1974, as Amended**
The Grantee shall comply with Section 104(d) of the Housing and Community Development Act of 1974 and Federal implementing regulations at 24 CFR 570.496a(c) governing the residential anti-displacement and relocation assistance plan under Section 104(d) of the Act (including a certification that the Grantee is following a plan) and the relocation requirements of 24 CFR 570.496a(d) governing optional relocation assistance under section 104(d)(2)(A)(iii) of the Act.
9. **Executive Order 11246, As Amended by Executive Order 11375**
The Grantee must comply with Executive Order 11246 as amended by Executive Order 12086, and the regulations issued pursuant thereto (41 CFR Chapter 60) which apply to all federally assisted construction contracts and subcontracts. The Grantee and subcontractors, if any, shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Grantee and subcontractors, if any, shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship. The Grantee and subcontractors must post in conspicuous provisions of this nondiscrimination clause. For contracts over \$10,000 the Grantee and subcontractors will send to each applicable labor union a notice of the above requirements. The Grantee and subcontractors, if any, will comply with relevant rules, regulations, and orders of the U.S. Secretary of Labor. The Grantee or subcontractor will make their books and records available to state and federal officials for purposes of investigation to ascertain compliance.
10. **Section 104(b)4 of the Housing and Community Development Act of 1974, as Amended through 1983**
The Grantee must comply with the provisions of Section 104(b) of the Housing and Community Development Act of 1974, as amended through 1983 which requires that the Grantee will identify its community development and housing needs including the needs of low and moderate income persons, and the activities to be undertaken to meet those needs.
11. **Section 3 of the Housing and Urban Development Act of 1968, as Amended by the Housing and Community Development Act of 1992 (12 U.S.C. 1701u) (24 CFR Part 135)**
The Grantee shall comply with the provisions of Section 3 of the Housing and Urban Development Act of 1968 which require, in connection with the planning and carrying out of any project assisted under the Act, to the greatest extent feasible, opportunities for training, employment, and other economic opportunities be given to low and very low income persons residing within the unit of local government or the non-metropolitan county in which the project is located, and contracts for work in connection with the project be awarded to eligible business concerns that are located in, or owned in substantial part by, persons residing in the project area. The Grantee must assure good faith efforts toward compliance with the statutory directive.
12. **Exec. Orders 11625, 12432, and 12138**
Provides that the unit of general local government should administer its activities funded with assistance under this part in a manner to encourage use of minority and women's business enterprises.
13. **The Fair Housing Act (2-HUD)**
The Fair Housing Act (42 U.S.C. 3601-19) states that it is the policy of the United States to provide, within constitutional limitations, for fair housing throughout the United States, and prohibits any person from discriminating in the sale or rental of housing, the financing of housing, or the provision of brokerage services, including otherwise making unavailable or denying a dwelling to any person, because of race, color, religion, sex, national origin, handicap or familial status. HUD's implementing regulations at 24 CFR Part 100 are applicable.

IV. LABOR STANDARDS

1. **Davis-Bacon Act, as Amended (40 U.S.C. 276a–276a-5)**

Section 110 of the Housing and Community Development Act requires that all laborers and mechanics employed by contractors or subcontractors on construction work financed in whole or in part with assistance received under the Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended. The Grantee shall comply with the provisions of the Davis-Bacon Act as amended. This Act mandates that all laborers and mechanics be paid unconditionally and not less often than once a week, and without subsequent deductions, the full the amounts due at the time of payments, computed wage rates not less than those contained in the wage determination issued by the U.S. Department of Labor. Weekly certified payrolls are required to be submitted to the federally-funded recipient by the Grantee. These requirements apply to rehabilitation of residential property only if such property is designed for residential use for eight or more families.

2. **Copeland Act (Anti-Kickback Act) (40 U.S.C. 276c)**

The Grantee shall comply with the Copeland Act, which makes it a criminal offense for any person to induce, by any manner whatsoever, any other person employed in the construction, prosecution, completion, or repair of any public building, or work financed in whole or in part by loans or grants from the United States, to give up any part of the compensation to which he or she is entitled under his or her contract of employment. Compensation shall consist of wages and approved fringe benefits.

3. **Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.)**

The Grantee shall comply with the provisions of the Contract Work Hours and Safety Standards Act. According to this Act, no contract work may involve or require laborers or mechanics to work in excess of 40 hours in a work week, unless compensation of not less than one and one-half times the basic rate is paid for the overtime hours. If the Act is violated, the Grantee or subcontractor is liable to any affected employee for unpaid damages as well as to the United States for liquidated damages. These requirements apply to rehabilitation of residential property only if such property is designed for residential use for eight or more families.

V. FINANCIAL

1. **U.S. Office of Management and Budget Circular A-87, Principles for Determining Costs Applicable to Grants and Contracts with State, Local, and Federally Recognized Indian Tribal Governments**

The Grantee shall comply with the guidelines of Federal Circular A-87, which sets forth principles and standards for determining the costs allowable under grants and contracts involving federal funds.

2. **U.S. Office of Management and Budget Circular A-102, Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments**

The Grantee shall comply with the requirements of Federal Circular A-102 and 24 CFR 85, also termed "grants management common rule", or any equivalent procedures and requirements that the state may prescribe. The Circular is the basis for a number of specific requirements on the financial management and recordkeeping of CDBG funds. The directive applies to cash depositories, bonding and insurance, recordkeeping, program income, property management, procurement, close-out, and other requirements.

3. **U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments**

The Grantee shall comply with the requirements of Federal Circular A-133, which requires that any Grantee receiving \$500,000 or more in a year in federal funds to have an audit made for that year. Grantees receiving less than \$500,000 a year in federal funds shall be exempt from compliance with the circular and other federal audit requirements.

4. **The HUD Reform Act**

Portions of Section 102 of the Department of Housing and Urban Development Reform Act of 1989 are applicable to the State CDBG Program. The applicable requirements do not apply to grants from HUD to states, but apply to grants made by states to units of general local government. Subpart C of the implementing regulations (24 CFR 12, published March 14, 1991) describes what states must do to comply with the HUD Reform Act.

VI. ENVIRONMENTAL REVIEW

- 1. Environmental Review and Request for Release of Funds for General Purpose Grants**
Funding in excess of the amount stipulated on the cover page of this Grant Agreement shall not be released to a general purpose grantee by the Department until the following condition is met: The Grantee must prepare an environmental assessment of the project and make a finding of environmental impact. A notice of this finding must be published along with a notice of the Grantee's intent to request release of funds for the project unless the project is exempt from the publication requirements as described. The Grantee must allow a fifteen (15) day period for public review and comment following publication of the notices unless exempt in the National Environmental Policy Act and State Environmental Policy Act. When this review and comment period expires, the Grantee may, after considering any comments received, submit a request for release of funds to the Department. Upon receipt of the request, the Department must allow a fifteen (15) day period for public review and comment. When the Department's public review and comment period expires, the Department may, after considering any comments received, formally notify the Grantee in writing of the release of federal funds for the project. This special condition is satisfied when the Grantee completes the environmental review and request for release of funds from the Department. The special condition is effectively removed on the date the Department provides the Grantee with written notice of release of funds.
- 2. Environmental Review and Assessment Process Exemption for Imminent Threat Grantee**
Funding shall not be released to an Imminent Threat Grantee until the following condition is met: The Grantee assures that assisted activities are for temporary or permanent improvements limited to the protection, repair, or arrest of imminent threats to public health and safety or physical deterioration. The Grantee further assures that assisted activities will result in either no change or minimal change in the environmental conditions which existed prior to the emergency. In addition, the Grantee assures it will document, in writing, its determination that each activity or project is exempt and meets the condition specified for such exemption under Section 58.34 of 24 CFR, Environmental Review Procedures for Title I Community Development Block Grant Programs. In cases where Grantees must take action immediately, or within a time too short to allow full compliance with SEPA, to prevent an imminent danger to public or private property, or to prevent an immediate threat of serious environmental degradation, such actions are exempt from SEPA pursuant to WAC 197-10-180.

VII. REGISTRATION REQUIREMENTS

- 1.** As required by the Federal Funding Accountability and Transparency Act of 2006 (FFATA) (2 CFR part 25), information on subawards made by Federal grantees must be made publicly available. Therefore, recipients of these Community Development Block Grant (CDBG) Funds, the grantee shall comply with requirements established by the Office of Management and Budget (OMB) concerning the Dun and Bradstreet Data Universal Numbering System (DUNS) (<http://www.dnb.com>) and the Central Contractor Registration (CCR) (<http://www.ccr.gov>) database.
- 2.** Grantees, first-tier subgrantees, and subcontractors must maintain current registrations in the Central Contractor Registration (CCR) at all times during which they have an active federal award. A Dun and Bradstreet Data Universal Number System (DUNS) number is one of the requirements for registration in the Central Contractor Registration.

VIII. GRANTEE CERTIFICATIONS

By executing this Grant Agreement, the Grantee certifies that: 1) It will minimize displacement as a result of activities assisted with CDBG funds; 2) It will conduct and administer its program in conformance with Title VI of the Civil Rights Act of 1964, and Title VIII of the Civil Rights Act of 1968, and affirmatively further fair housing; 3) It will provide opportunities for citizen participation comparable to the state's requirements (those described in Section 104(a)(2) of Title I of the Housing and Community Development Act of 1974, as amended); and 4) It will not use assessments or fees to recover the capital costs of CDBG-funded public improvements from low- and moderate-income owner-occupants.