

**AMENDMENT TWO
TO THE FEDERALLY FUNDED
COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY (CDBG-DR)
HOMETOWN REVITALIZATION PROGRAM
SUBRECIPIENT AGREEMENT**

On **April 14, 2022**, the State of Florida, Department of Commerce (“Commerce”), formerly known as the “Florida Department of Economic Opportunity,” and **the City of Chipley, Florida** (“Subrecipient”) entered into agreement **M0041** (“Agreement”). Commerce and the Subrecipient may individually be referred to herein as a “Party” or collectively as the “Parties.”

WHEREAS, Section 4, Modification of Agreement, of the Agreement provides that any amendment to the Agreement shall be in writing executed by the Parties thereto; and

WHEREAS the Agreement was previously amended on **June 16, 2022**; and

WHEREAS the Parties wish to amend the Agreement as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and obligations set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the following:

1. On July 1, 2023, the Florida Department of Economic Opportunity was renamed the “Florida Department of Commerce.” Effective July 1, 2023, all references throughout the Agreement to “Department of Economic Opportunity” or “DEO” are replaced with “Department of Commerce” or “Commerce” as appropriate.
2. **Section 3, Period of Agreement**, is hereby deleted in its entirety and replaced with the following:

(3) Period of Agreement. This Agreement begins **April 14, 2022**, (the “Effective Date”) and ends **September 30, 2025**, unless otherwise terminated as provided in this Agreement. Commerce shall not grant any extension of this Agreement unless Subrecipient provides justification satisfactory to Commerce in its sole discretion and Commerce’s Deputy Secretary of the Division of Community Development approves such extension.

3. **Section 27, Employment Eligibility Verification**, is hereby deleted in its entirety and replaced with the following:

(27) Employment Eligibility Verification

- A. E-Verify is an Internet-based system that allows an employer, using information reported on an employee’s Form I-9, Employment Eligibility Verification, to determine the eligibility of all new employees hired to work in the United States. There is no charge to employers to use E-Verify. The Department of Homeland Security’s E-Verify system can be found at: <https://www.e-verify.gov/>.
- B. In accordance with section 448.095, F.S., the State of Florida expressly requires the following:

- (1) Every public agency and its contractors and subcontractors shall register with and use the E-Verify system to verify the work authorization status of all newly hired employees. A public agency or a contractor or subcontractor thereof may not enter into a contract unless each party to the contract registers with and uses the E-Verify system.
 - (2) An employer shall verify each new employee's employment eligibility within three (3) business days after the first day that the new employee begins working for pay as required under 8 C.F.R. 274a. Beginning July 1, 2023, a private employer with 25 or more employees shall use the E-Verify system to verify a new employee's employment eligibility.
- C. If an entity does not use E-Verify, the entity shall enroll in the E-Verify system prior to hiring any new employee or retaining any contract employee after the effective date of this Agreement.
4. **Attachment A, Scope of Work**, is hereby deleted in its entirety and replaced with the attached:
 5. **Attachment G, Reports, Section 3**, is hereby deleted in its entirety and replaced with the following:
 3. The Subrecipient shall closeout its use of the CDBG-DR funds and its obligations under this Agreement by complying with the closeout procedures in 2 CFR § 200.344. Activities during this close-out period may include, but are not limited to making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances and accounts receivable to the Subrecipient) and determining the custodianship of records.

Notwithstanding the terms of 2 CFR 200.344, upon the expiration of this Agreement, the Subrecipient shall transfer to the recipient any CDBG-DR funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG-DR funds. Further, any real property under the Subrecipient's control that was acquired or improved in whole or in part with CDBG-DR funds (including CDBG-DR funds provided to the Subrecipient in the form of a loan) shall be treated in accordance with 24 CFR 570.503(b)(7).
 6. **Attachment G, Reports, Section 6**, is hereby deleted in its entirety and replaced with the following:
 6. Section 3 Quarterly Reporting Requirements. Reporting of labor hours for Section 3 projects must comply with 24 CFR §75.25(a). Subrecipients must report the following: (i) the total number of labor hours worked; (ii) the total number of labor hours worked by Section 3 workers; and (iii) the total number of labor hours worked by Targeted Section 3 workers. If Section 3 benchmarks are not met, the subrecipient's qualitative efforts must be reported in a manner required by 24 CFR §75.25(b).

Subrecipients shall provide Section 3 Reporting quarterly to Commerce by the 10th of each quarter (January 10, April 10, July 10, and October 10). For Section 3 Reporting, Subrecipients should complete and return the Project Implementation Plan template to Commerce.
 7. All other terms and conditions of the Subrecipient Agreement not otherwise amended remain in full force and effect.

IN WITNESS HEREOF, by signature below, the Parties agree to abide by the terms, conditions, and provisions of Commerce Agreement Number **M0041**, as amended. This Amendment is effective on the date the last Party signs this Amendment.

CITY OF CHIPLEY, FLORIDA.	FLORIDA DEPARTMENT OF COMMERCE
SIGNED:	SIGNED:
TRACY L. ANDREWS	J. ALEX KELLY
MAYOR	SECRETARY
DATE:	DATE:

Approved as to form and legal sufficiency, subject only to full and proper execution by the Parties.

**OFFICE OF GENERAL COUNSEL
FLORIDA DEPARTMENT OF COMMERCE**

By: _____

Approved Date: _____

Attachment A – Scope of Work

1. PROGRAM DESCRIPTION:

Commerce has allocated \$60,406,429 in funding for the Rebuild Florida Hometown Revitalization Program through the Community Development Block Grant – Disaster Recovery (CDBG-DR) Program by the U.S. Department of Housing and Urban Development (HUD) to address unmet disaster recovery needs related to damage from Hurricane Michael. Federal Register requirements clearly state that funds may be used only for disaster relief and long-term recovery in communities affected by the specified disaster. Requirements provide those funds be directed to areas with the greatest need. All CDBG-DR funded eligible activities must tie to storm damage as specified in and not prior to the Presidential Disaster Declaration 4399 for Hurricane Michael on October 11, 2018.

Projects must meet a CDBG-DR National Objective such as: Benefit LMI persons, Slum and Blight or address an Urgent Need. Additional information can be found in the Federal Register, Volume 85, No.17.

Projects eligible for funding under this program include:

- Public facility improvements, including streetscapes, lighting, sidewalks, and other physical improvements.
- Acquisition, demolition, site preparation, or rehabilitation or commercial structures carried out by a unit of local government.
- Assistance to small businesses for rehabilitation and physical improvements to their places of business. Façade improvements to private or public structures in commercial area.

2. PROJECT DESCRIPTION:

The City of Chipley, Florida has been awarded Eight Hundred Fifty-Two Thousand and Eight Hundred Dollars (\$852,800.00) in CDGB-DR (Community Development Block Grant- Disaster Recovery) funding. This project will address unmet damage needs that exist in Downtown Chipley while simultaneously creating an aesthetically pleasing area to attract potential customers to the surrounding commercial district. This will be accomplished by acquiring and demolishing the building known as the “Mongoven Building” which remains in a state of irreversible disrepair since Hurricane Michael. The footprint will then be turned into a “pocket park.”

3. SUBRECIPIENT RESPONSIBILITIES:

A. CDBG-DR Hometown Revitalization Policies, Procedures and Implementation

City of Chipley will conduct the program design and implementation services necessary to mobilize and launch its production implementation systems to support the programs and projects to help people, properties and communities recover from storm related damage due to Hurricane Michael as follows:

1. Complete and submit to Commerce within forty-five (45) days of agreement execution, a staffing plan for the City of Chipley CDBG-DR Program that includes:
 - a) Organizational chart; and,

- b) Job descriptions for Subrecipient's employees, contracted staff, vendors, and contractors.
 - c) Scope of work and procurement plan for all contracted staff, vendors, and contractors.
- 2. Develop and submit a copy of the following policies and procedures to the Commerce Agreement Manager within forty-five (45) days of agreement execution:
 - a) Procurement policies and procedures that incorporate 2 CFR Part 200.317-327.
 - b) Administrative financial management policies, which must comply with all applicable HUD CDBG- DR and State of Florida rules.
 - c) Quality assurance and quality control system policies and procedures that comply with all applicable HUD CDBG-DR and Commerce Policies
 - d) Policies and procedures that at a minimum, include information about the Hometown Revitalization Program application process, application requirements, underwriting criteria, compliance requirements, and reporting methodology.
 - e) Policies and procedures to detect and prevent fraud, waste and abuse that describe how the subrecipient will verify the accuracy of applicant information, monitoring policy indicating how and why monitoring is conducted, the frequency of monitoring, and which items will be monitored, and procedure for referring instances of fraud, waste and abuse to HUD Office of Inspector General (OIG) Fraud Hotline (phone: 1-800-347-3735 or email: hotline@hudoig.gov).
 - f) Policies and procedures for the requirements under 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award.
- 3. Establish and administer a system of record and production and grants management reporting systems within forty-five (45) days of agreement execution.
- 4. Complete and submit a Project Detail Budget (Attachment B) for approval by Commerce no later than thirty (30) days after the execution of the subrecipient agreement.
- 5. Complete and submit an Activity Work Plan (Attachment C) for approval by Commerce no later than thirty (30) days after the execution of the subrecipient agreement.
- 6. Maintain organized subrecipient agreement files and make them accessible to Commerce or its representatives upon request.
- 7. Comply with all terms and conditions of the subrecipient agreement, Hometown Revitalization Program Guidelines and Design, Action Plan, Action Plan Amendments, and Federal, State and local laws.
- 8. Attend fraud related training by HUD OIG to assist in the proper management of CDBG- DR grant funds when available.
- 9. Update all applicable Hometown Revitalization Program policies and procedures as needed and upon Commerce request.
- 10. Complete procurement of all vendors for internal grants management and compliance and direct program and project production, including:
 - a) Selection of vendors, subrecipients, and/or staff that will be responsible for managing applicant intake and related operations, compliance, finance and administration.
 - b) Selection of vendors, subrecipients, and/or staff that will be responsible for managing demolition and/or construction.
 - c) Selection of vendors, subrecipients, and/or staff that will be responsible for managing Land and Structure Buyout; and,

- d) Selection of vendors, subrecipients, and/or staff that will be responsible for Appraisal, Environmental Review, title services, and legal services.
- 11. Meet or exceed federal underwriting standards. Subrecipients must establish underwriting criteria that, at a minimum, complies with CDBG underwriting criteria found at 24 CFR 570.209. Project costs must be demonstrated to be reasonable. All other sources of financing must be committed or otherwise unavailable to the applicant. Project costs must be need-based, and documentation must be sufficient to prove that CDBG funds will not supplant non-federal financial funding or support.
- 12. Include the following statement on all program materials and applications “Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729.”
- 13. Ensure all projects seeking assistance under the current CDBG-DR funds for Hurricane Michael, and any future funds allocated for Hurricane Michael, provided by Commerce, receive the required Environmental Clearance from Commerce prior to the Subrecipient being able to commit CDBG-DR funds.¹⁴
- 14. Evaluate each grant applicant for the potential for duplication of benefits and decline any grant amount that would constitute such a duplication.
- 15. Develop and submit a monthly revised detailed timeline for implementation consistent with the milestones outlined in the Hometown Revitalization Program guidelines and report actual progress against the projected progress.
- 16. Develop and submit both a monthly and quarterly report to Commerce by the 10th day of the following month or quarter, that outlines the progress made to date, the projected activities to be completed in the upcoming month or quarter, and any risks or issues identified for the delivery of the project. The reports must include metrics that demonstrate the implementation costs to date with projected spending, and any other information Commerce determines is necessary.
- 17. Obtain approval from Commerce and FEMA before conveying ownership.
- 18. Provide scope of land use in accordance with Commerce’s direction, prior to closing.
- 19. Enforce the proper land use according to *83 Fed. Reg. 5863* in perpetuity for a use that is compatible with open space, recreational, or floodplain and wetlands management practices.
- 20. Enforce and monitor all deed restrictions.
- 21. Approve the conveying of property and the proper use of land.
- 22. Utilize a certified appraiser for each property that is eligible to be acquired.
- 23. Utilize a certified damage inspector, insurance adjuster reports, or similar documentation to assess damages of each property to assure that damages were caused by Hurricane Michael.

4. ELIGIBLE TASKS AND DELIVERABLES:

A. Deliverable No 1 – Program Implementation.

The following tasks are eligible for reimbursement under this deliverable:

- 1. Paid application preparation costs.

2. Develop policies for the Recipient to adopt related to special conditions listed in this subgrant agreement.
3. Prepared list of minority and women business enterprise (MBE/ WBE) firms that operate in the Recipient's area.
4. Prepared and submitted public notices for publication.
5. Conducted HUD-related Uniform Act Relocation activities related to acquisition of properties.
6. Maintained financial records related to project activities on-site.
7. Conducted a Fair Housing Activity.
8. Attended Prebid conference, bid opening, and preconstruction meeting.
9. Reviewed contractor payroll(s) and interview employees to determine compliance with the Davis-Bacon Act, the Contract Work Hours, Safety Standards Act, and the Copeland "Anti-Kickback" Act.
10. Maintained client files.
11. Attended meetings of the Recipient's local governing body to provide progress reports on subgrant activities.
12. Prepared documentation for and attend on-site monitoring visits by Commerce.
13. Prepared request for funds and submission by the Recipient's authorized employee.
14. Prepared subgrant modification documents for the Recipient.
15. Prepare and submit detailed quarterly progress report.
16. Section 3 of MBE/WBE report to Commerce.
17. Responded to citizen complaints.
18. Prepared responses to monitoring findings and concerns for Recipient to submit to Commerce or HUD.
19. Paid advertising costs of public notices and invitations to bid.
20. Paid permit fees and legal fees.
21. Paid CDBG portion of required audit.
22. Submitted request for funds to Commerce.
23. Conduct complete environmental review/ assessment in accordance with 24 CFR Part 58 (includes Paid invoices for environmental review activities other than advertising).

B. Deliverable No. 2- Engineering Services

The following tasks are eligible for reimbursement under this deliverable:

1. Contract with a Florida licensed Engineer / Architect to provide engineering services to the following location:
 - a. Mongoven Building
2. Contract with Florida Licensed Engineer / Architect to provide Preliminary Engineering Services:
 - a. Provide a cost estimate of the project.
 - b. Assess sites for the project.
3. Contract with a Florida licensed Engineer / Architect to provide Basic Engineering Services

- a. Develop the plan drawings.
 - b. Develop specifications.
 - c. Create bid documents for the project.
 - d. Prepare permit applications.
 - e. Attend Prebid and preconstruction conference.
 - f. Prepare change orders.
 - g. Review construction bid and make recommendations to the Recipient.
4. Contract with a Florida licensed Engineer / Architect to provide additional Engineering Services
- a. Conduct site surveys for construction, buildings and other similar special surveys as may be required, such as route surveys.
 - b. Conduct laboratory tests, well test, borings, and specialized geological soils, hydraulic, or other studies recommended by the engineer.
 - c. Conduct property surveys, detailed description of sites, maps, drawings, or estimates related to them.
 - d. Conduct redesigns ordered by the owner after final plans have been accepted by the owner and the local government, accept redesigns to reduce the project cost to within the funds available and projects which received "readiness to proceed" points or a planning and design grant.
 - e. Appear before courts or boards on matters of litigation or hearings related to the project.
 - f. Conduct environmental assessments or environmental impact statements. (different than Environmental Review)
 - g. Perform detailed staking necessary for construction of the project in excess of the control staking.
 - h. Provide an operation and maintenance manual for a facility.
 - i. Conduct activities required to obtain state and federal regulatory agency construction permits.
 - j. Design hookups (water, electrical)
 - k. The cost of engineering specialties such as electrical, hydro-geological services, biologists, heating, ventilation and air conditioning (HVAC)).
 - l. Perform Resident Inspection services (inspected construction activities or consistency with plans and specifications, reviewed construction invoices and certify costs)

C. Deliverable No. 3- Construction

- 1. Project shall be an open space constructed on the site of the Mongoven Building, Florida in accordance with plans and specifications as approved by Commerce.
 - a. Mobilization and Bonds.
 - b. Site preparation.
 - c. Turfgrass Installation
 - d. Fence Installation
 - e. Seating Installation
 - f. Tree Installation
 - g. Sidewalk Installation
 - h. Irrigation Installation
 - i. Signage, Façade Restoration, and Landscaping.
- 2. Acquisition and demolition of the existing building at Parcel ID 000000000-00-144-90000, City of Chipley formally known as the Mongoven Building.

5. COMMERCE RESPONSIBILITIES:

- A. Monitor the ongoing activities of Subrecipient to ensure all activities are being performed in accordance with the Agreement to the extent required by law or deemed necessary be Commerce in its discretion.
- B. Assign a Grant Manager as a point of contact for Subrecipient.
- C. Review Subrecipient's invoices described herein and process them on a timely basis.
- D. Commerce shall monitor progress, review reports, conduct site visits, as Commerce determines necessary at Commerce's sole and absolute discretion, and process payments to Subrecipient.

6. DELIVERABLES

Subrecipient agrees to provide the following services as specified:

Deliverable No. 1 – Program Implementation		
Tasks	Minimum Level of Service	Financial Consequences
Subrecipient shall provide project implementation activities as identified in Section 4.A. of this Scope of Work.	Subrecipient may request reimbursement upon completion of a minimum of one (1) Project Implementation task on a per completed task basis as detailed in Section 4.A, Attachment A – Project Description and Deliverables; evidenced by invoice(s) noting completed tasks as well as payroll and other supporting documentation, as applicable.	Failure to complete the Minimum Level of Service as specified shall result in non-payment for this deliverable for each payment request.
Deliverable No. 1 Cost: \$47,600.00		
Deliverable No. 2 – Engineering and Architectural Services		
Tasks	Minimum Level of Service	Financial Consequences
Subrecipient shall complete task as detailed in Section 4.B. of this Scope of Work	Subrecipient may request reimbursement upon completion of a minimum of one (1) task in accordance with Section 4.B of this Scope of Work, evidenced by submittal of the following documentation: <ol style="list-style-type: none"> 1) Documentation from a Professional Engineer licensed in Florida to verify design percentage completed, if applicable. 2) Copies of all required permits, if applicable; and 3) Invoice package in accordance with Section 7 of this Scope of Work. 	Failure to complete the Minimum Level of Service as specified shall result in non-payment for this deliverable for each payment request.

Deliverable No. 2 Cost: \$62,500.00		
Deliverable No. 3 – Construction		
Tasks	Minimum Level of Service	Financial Consequences
Subrecipient shall complete task as detailed in Section 4.C of this Scope of Work	Subrecipient may request reimbursement upon completion of activities in accordance with Section 4.C of this Scope of Work in the following increments: 10%, 20%, 30%, 40%, 50%, 60%, 70%, 80%, 90%, and 100%, evidenced by submittal of the following documentation: 1) AIA forms G702 and G703, or similar accepted Commerce form, completed by a licensed professional certifying to the percentage of project completion. 2) Photographs of project in progress and completed; and 3) Invoice package in accordance with Section 7 of this Scope of Work.	Failure to complete the Minimum Level of Service as specified shall result in non-payment for this deliverable for each payment request.
Total Deliverable 3 Cost: \$742,700.00		
TOTAL PROJECT COST NOT TO EXCEED \$852,800.00		

COST SHIFTING: The deliverable amounts specified within the Deliverables table above are established based on the Parties' estimation of sufficient delivery of services fulfilling grant purposes under the Agreement in order to designate payment points during the Agreement Period; however, this is not intended to restrict Commerce's ability to approve and reimburse allowable costs the City of Chipley incurred providing the deliverables herein. Prior written approval from Commerce's Grant Manager is required for changes to the above Deliverable amounts that do not exceed **10%** of each deliverable total funding amount. Changes that exceed **10%** of each deliverable total funding amount will require a formal written amendment request from the City of Chipley, as described in **MODIFICATION** section of the Agreement. Regardless, in no event shall Commerce reimburse costs of more than the total amount of this Agreement.

7. INVOICE SUBMITTAL:

Commerce shall reimburse the Subrecipient in accordance with Section 6, above. In accordance with the Funding Requirements of s. 215.971(1), F.S. and Section 20 of this Agreement, the Subrecipient and its subcontractors may only expend funding under this Agreement for allowable costs resulting from obligations incurred during this Agreement. To be eligible for reimbursement, costs must be in compliance with laws, rules and regulations applicable to expenditures of State funds, including, but not limited to, the Reference Guide for State Expenditures (<https://www.myfloridacfo.com/docs-sf/accounting-and-auditing-libraries/state-agencies/reference-guide-for-state-expenditures.pdf>).

- A. Subrecipient shall provide invoice(s) for services rendered during the applicable period of time as defined in the deliverable table. In any month no deliverable has been completed, the subrecipient will provide notice that no invoicing will be submitted.
- B. The following documents shall be submitted with the itemized invoice:
 - 1. A cover letter signed by Subrecipient's Agreement Manager certifying that the costs being claimed in the invoice package are: (1) specifically for the project represented to the State in the budget appropriation; (2) are for one or more of the components as stated in Section 5, DELIVERABLES, of this SCOPE OF WORK; (3) have been paid; and (4) were incurred during this Agreement.
 - 2. Subrecipient's invoices shall include the date, period in which work was performed, amount of reimbursement, and work completed to date.
 - 3. A copy of all supporting documentation for vendor payments; and
 - 4. A copy of the bank statement that includes the cancelled check or evidence of electronic funds transfer. The State may require any other information from Subrecipient that the State deems necessary to verify that the services have been rendered under this Agreement.
- C. If the Subrecipient is a county or municipality that is a rural community or rural area of opportunity as those terms are defined in section 288.0656(2), F.S., the payment of submitted invoices may be issued for verified and eligible performance that has been completed in accordance with the terms and conditions set forth in this Agreement to the extent that federal or state law, rule, or other regulations allows such payments. Upon meeting either of the criteria set forth below, the subrecipient may elect in writing to exercise this provision.
 - 1. A county or municipality that is a rural community or rural area of opportunity as those terms are defined in section 288.0656(2), F.S., that demonstrates financial hardship; or
 - 2. A county or municipality that is a rural community or rural area of opportunity as those terms are defined in section 288.0656(2), F.S., and which is located in a fiscally constrained county, as defined in section 218.67(1), F.S. If the Subrecipient meets the criteria set forth in this paragraph, then the Subrecipient is deemed to have demonstrated financial hardship.

The Subrecipient's invoice and all documentation necessary to support payment requests must be submitted into Commerce's Subrecipient Enterprise Resource Application (SERA). Further instruction on SERA invoicing and reporting, along with a copy of the invoice template, will be provided upon execution of the agreement.

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