



Department of Commerce

Grant Contract with:

City of Stevenson

through

Community Development Block Grant (CDBG) Program

General Purpose Grant

For:

Housing Rehabilitation with Columbia Cascade Housing Corporation

Start date: 9/12/2018

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Attachment A, Scope of Work and Budget

Attachment B, State and Federal Requirements and Assurances

Attachment C, Letter to Incur Costs (if applicable)

FACE SHEET

Contract Number: 18-62210-037

**Washington State Department of Commerce
Local Government Division
Community Assistance and Research Unit
General Purpose Grant**

1. Grantee City of Stevenson PO Box 371 Stevenson, WA 98648		2. Grantee Doing Business As (optional) N/A	
3. Grantee Representative Leana Kinley, City Administrator Phone: (509) 427-5970 Fax: (509) 427-8202 Email: leana@ci.stevenson.wa.us		4. COMMERCE Representative Genny Matteson, Project Manager Address: Phone: (360) 725-3093 PO Box 42525 Fax: (360) 586-8440 1011 Plum Street SE genny.matteson@commerce.wa.gov Olympia, WA 98504	
5. Grant Amount \$400,000	6. Funding Source Federal: <input checked="" type="checkbox"/> State: <input type="checkbox"/> Other: <input type="checkbox"/> N/A: <input type="checkbox"/>	7. Start Date 9/12/2018	8. End Date 6/30/2021
9. Federal Funds (as applicable) \$400,000	Federal Agency: U.S. Department of Housing And Urban Development (HUD)	CFDA Number: 14.228	Indirect Rate (if applicable): N/A
10. Tax ID # 91-6001512	11. SWV # 0019082-00	12. UBI # 301-000-29	13. DUNS # 02-564-4105
14. Grant Purpose Housing Rehabilitation with Columbia Cascade Housing Corporation. A full description of the project is in Attachment "A" Scope of Work and Budget.			
COMMERCE, defined as the Department of Commerce, and the Grantee, as defined above, acknowledge and accept the terms of this Grant and attachments and have executed this Grant on the date below to start as of the date and year referenced above. The rights and obligations of both parties to this Grant are governed by this Grant and the following other documents incorporated by reference: Grant Terms and Conditions including Attachment "A" – Scope of Work and Budget, Attachment "B" – State and Federal Requirements and Assurances, Attachment "C" – Letter to Incur Costs (if applicable), and the following documents incorporated herein by reference: Grantee's application for funding and the Community Development Block Grant policies and procedures, prepared by Commerce.			
FOR GRANTEE _____ The Honorable Leana Johnson, Mayor City of Stevenson _____ Date		FOR COMMERCE _____ Mark K. Barkley, Assistant Director Local Government Division _____ Date APPROVED AS TO FORM ONLY BY ASSISTANT ATTORNEY GENERAL APPROVAL ON FILE – SEPTEMBER 25, 2018	

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SPECIAL TERMS AND CONDITIONS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

1. DEFINITIONS

- A. "Contractor" and "Grantee" in this Grant, and the term "subrecipient" found in the federal Community Development Block Grant (CDBG) rules and regulations, shall mean the same.
- B. "Low- and moderate-income" shall mean a household income equal to or less than 80 percent of area median income adjusted by family size.

2. ACKNOWLEDGEMENT OF FEDERAL FUNDING

Federal Award Identification Number (FAIN): B-18-DC-53-0001.

Total amount of federal award B-18-DC-53-0001 to Commerce: \$12,458,664.

Total amount of B-18-DC-53-0001 awarded to Grantee under this Grant is set forth in the Face Sheet at #5, Grant Amount.

Federal Award Date: To be determined.

Awarding Federal official: To be determined.

Federal Award Date and Awarding Federal Official will be stated in a cover letter from Commerce that will accompany a copy of the fully executed Grant provided to Grantee.

Funds distributed through this Grant are subject to CDBG regulations in 24 CFR Part 570.

The Grantee agrees that any publications (written, visual, or sound) but excluding press releases, newsletters, and issue analyses, issued by the Grantee describing programs or projects funded in whole or in part with federal funds under this Grant, shall contain the following statements:

"This project was supported by Grant No. B-18-DC-53-0001 awarded by the U.S. Department of Housing and Urban Development (HUD). Points of view in this document are those of the author and do not necessarily represent the official position or policies of HUD. Grant funds are administered by the Community Development Block Grant Program, Washington State Department of Commerce."

3. ACQUISITION AND DISPOSITION OF ASSETS

The Grantee will account for any tangible personal property acquired or improved with this Grant.

The use and disposition of real property and equipment under this Grant will be in compliance with the requirements of all applicable federal law and regulation, including but not limited to 24 CFR Part 84 and 24 CFR Part 570.489,570.502,570.503,570.504, and 570.505 as applicable, which include but are not limited to the following:

Real property that was acquired or improved, in whole or in part, with funds under this Grant in excess of \$25,000 shall be used to meet one of the CDBG national objectives for ten (10) years after the Grant is closed. Any exception must be made with COMMERCE approval and the Grantee will be responsible to pay COMMERCE an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of or improvement to the property. Such payment from the disposition of real property acquired with this Grant within ten (10) years of closeout of the Grant shall be treated as CDBG Program Income.

In cases in which equipment acquired in whole or in part with funds under this Grant is sold, the proceeds will be CDBG Program Income.

4. BILLING PROCEDURES AND PAYMENT

COMMERCE will pay Grantee upon acceptance of work provided and receipt of properly completed invoices, which shall be submitted to the COMMERCE Representative on a Washington State Invoice Voucher form not more than monthly.

The invoices shall describe and document, to COMMERCE's satisfaction, a description of the work performed, the progress of the project, and fees. The invoice shall include the Contract Number identified on the Face Sheet of this Grant. If expenses are invoiced, provide a detailed breakdown of each type.

Payment shall be considered timely if made by COMMERCE within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the Grantee.

COMMERCE may, in its sole discretion, terminate the Grant or withhold payments claimed by the Grantee for services rendered if the Grantee fails to satisfactorily comply with any term or condition of this Grant, including completion of the Environmental Review and the release of funds (if applicable).

No payments in advance or in anticipation of services or supplies to be provided under this Grant shall be made by COMMERCE.

COMMERCE shall not release the final five (5) percent of the total grant amount until acceptance by COMMERCE of project completion.

5. CLOSEOUT

COMMERCE will advise the Grantee to initiate closeout procedures when there are no impediments to closing and the following criteria have been met or soon will be met:

- A.** All costs have been incurred with the exception of closeout 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 Grantee has held a public hearing to review program performance.
- C.** The Grantee has submitted the Contract Closeout Report. Failure to submit a report will not preclude COMMERCE from effecting closeout if it is deemed to be in the state's interest. Any excess grant amount in the Grantee's possession shall be returned in the event of failure to finish or update the report.
- D.** Other responsibilities of the Grantee under this Grant and applicable laws and regulations appear to have been carried out satisfactorily or there is no further state interest in keeping this Grant open for the purpose of securing performance.

6. COMPENSATION

COMMERCE shall pay an amount not to exceed the amount identified on the Face Sheet of this Grant for the performance of all things necessary for or incidental to the performance of work as set forth in Attachment A, Scope of Work and Budget incorporated herein, and by reference the Grantee's application for funding.

Grantee shall receive reimbursement for travel and other expenses as authorized in advance by COMMERCE as reimbursable. Grantee shall receive compensation for travel expenses at current state travel reimbursement rates

7. ENVIRONMENTAL REVIEW

General Purpose, Housing Enhancement, and Economic Opportunity Grants

Funding in excess of the amount stipulated in **Attachment C, Letter to Incur Costs**, shall not be released to a Grantee by COMMERCE until the following conditions implementing 24 CFR part 58 are met:

- A.** The Grantee must complete an environmental review 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 seven (7) or fifteen (15) day period for public review and comment following publication of the notices unless exempt under the National Environmental Policy Act (NEPA) and the Washington State Environmental Policy Act (SEPA). When this review and comment period expires, the Grantee may, after considering any comments received, submit a request for release of funds to COMMERCE. Upon receipt of the request, COMMERCE must allow a fifteen (15) day period for public review and comment. When COMMERCE's public review and comment period expires, COMMERCE may, after considering any comments received, formally notify the Grantee in writing of the release of federal funds for the project.
- B.** This special condition is satisfied when the Grantee completes the environmental review and request for release of funds from COMMERCE. The special condition is effectively removed on the date COMMERCE provides the Grantee with written notice of release of funds.

Planning-Only Activities and Public Services Grants

Funding shall not be released to a Planning-Only or Public Services Grant recipient until the following conditions are met: The Grantee assures that assisted activities are exempt under NEPA (24 CFR 58.34) and categorically exempt under SEPA (RCW 43.21C.110). The Grantee further assures that the activities do not come under the purview of any other federal, state, and known local environmental laws, statutes, regulations or executive orders. In addition, the Grantee assures it will document, in writing, its determination that each activity or project is exempt and meets the conditions specified for such exemption under (NEPA) 24 CFR 58.34(3) (for Planning-Only) or 58.34(4) (for Public Services) and (SEPA) WAC 197-11-800.

8. GRANT MANAGEMENT

The Representative and contact information identified on the Face Sheet of this Grant for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Grant.

9. HISTORICAL OR CULTURAL ARTIFACTS, HUMAN REMAINS

In the event that historical or cultural artifacts are discovered at the project site during construction or rehabilitation, the Grantee shall immediately stop construction and notify the local historical preservation officer and the state historic preservation officer at the Department of Archaeology and Historic Preservation (DAHP) at (360) 586-3065. If human remains are discovered, the Grantee shall stop work, report the presence and location of the remains to the coroner and local law enforcement immediately, and contact DAHP and the concerned tribe's cultural staff or committee.

10. INSURANCE

All self-insured risk management programs or self-insured/liability pool financial reports must comply with Generally Accepted Accounting Principles (GAAP) and adhere to accounting standards promulgated by:

- i. Governmental Accounting Standards Board (GASB),
- i. Financial Accounting Standards Board (FASB), and
- ii. The Washington State Auditor's annual instructions for financial reporting.

Grantees participating in joint risk pools shall maintain sufficient documentation to support the aggregate claim liability information reported on the balance sheet. The State of Washington, its agents, and employees need not be named as additional insured under a self-insured property/liability pool, if the pool is prohibited from naming third parties as additional insured.

Unemployment and Industrial Insurance. The Grantee shall be in full compliance with all state unemployment and industrial insurance laws while performing work under this Contract. Commerce will not be responsible for payment of industrial insurance premiums or for any other claim or benefit for the Grantee, or any subcontractor or employee of the Grantee, which might arise under the industrial insurance laws during performance of this Contract.

Protection of Project Property, Grantee's Assumption of Risk. The Grantee shall continuously maintain adequate protection of all the project work from damage and shall protect the property from injury or loss arising in connection with this Contract. The entire work of the Grantee shall be at the sole risk of the Grantee. The Grantee may elect to secure fire, extended coverage, and vandalism insurance or all-risk insurance to cover the project work during the course of construction. The Grantee shall take all necessary precautions for the safety of its employees working on the project, and shall comply with all applicable provisions of federal, state, and local safety laws and building codes to prevent accidents or injuries to persons, on, about, or adjacent to the premises where the work is being performed.

11. PERFORMANCE REPORTING

The Grantee, at such times and in such forms as COMMERCE may require, shall furnish periodic progress and performance reports pertaining to the activities undertaken pursuant to this Contract. These reports may include environmental review records, publication affidavits, procurement and contracting records, documentation of compliance with federal civil rights requirements, job creation records, program income reports, reports of the costs and obligations incurred in connection therewith, the final closeout report, and any other matters covered by this Contract. Activities funded by this Contract providing income-qualified direct assistance or direct services under the limited clientele, housing, or job creation CDBG National Objectives, must submit quarterly beneficiary

reports as furnished by COMMERCE. Failure to submit these reports may result in COMMERCE withholding payment or terminating this Contract.

12. PROGRAM INCOME

Program income, as defined in 24 CFR 570.489(e), retains federal identity and will be used before drawing additional CDBG funds to complete activities included in the Scope of Work and Budget. The Grantee must maintain records of program income received and expended, and annually report program income received after closeout of this Grant. Program Income shall be used to continue the same activities to benefit low- and moderate-income persons or, with COMMERCE approval, for other activities to benefit low- and moderate-income persons. Interest earned in excess of \$100 on CDBG funds received to reimburse incurred costs must be remitted to COMMERCE for return to the U.S. Treasury.

13. SUBCONTRACTOR DATA COLLECTION

Grantee will submit reports, in a form and format to be provided by Commerce and at intervals as agreed by the parties, regarding work under this Grant performed by subcontractors and the portion of Grant funds expended for work performed by subcontractors, including but not necessarily limited to minority-owned, woman-owned, and veteran-owned business subcontractors. "Subcontractors" shall mean subcontractors of any tier.

14. SUBCONTRACTS FOR ENGINEERING SERVICES

Engineering firms must certify that they are authorized to do business in the state of Washington and are in full compliance with the requirements of the Board of Professional Registration. The Grantee shall require that engineering services providers be covered by errors and omissions insurance. The engineering firm shall maintain minimum limits of no less than \$1,000,000 per occurrence to cover all activities by the engineering firm and licensed staff employed or under contract to the engineering firm. The state of Washington, its agents, officers, and employees need not be named as additional insureds under this policy.

15. ORDER OF PRECEDENCE

In the event of an inconsistency in this Grant, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable federal and state of Washington statutes and regulations
- Special Terms and Conditions
- General Terms and Conditions
- Attachment A – Scope of Work and Budget
- Grantee's application for funding and the Community Development Block Grant policies and procedures, prepared by Commerce as incorporated by reference on the Face Sheet

GENERAL TERMS AND CONDITIONS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

1. DEFINITIONS

As used throughout this Grant, the following terms shall have the meaning set forth below:

- A. "Authorized Representative" shall mean the Director and/or the designee authorized in writing to act on the Director's behalf.
- B. "COMMERCE" shall mean the Department of Commerce.
- C. "Grant" or "Agreement" means the entire written agreement between COMMERCE and the Grantee, including any Exhibits, documents, or materials incorporated by reference. E-mail or Facsimile transmission of a signed copy of this contract shall be the same as delivery of an original.
- D. "Grantee" shall mean the entity identified on the face sheet performing service(s) under this Grant, and shall include all employees and agents of the Grantee.
- E. "Modified Total Direct Costs (MTDC)" shall mean all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000.
- F. "Personal Information" shall mean information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, other identifying numbers, and any financial identifiers.
- G. "State" shall mean the state of Washington.
- H. "Subgrantee/subcontractor" shall mean one not in the employment of the Grantee, who is performing all or part of those services under this Grant under a separate Grant with the Grantee. The terms "subgrantee/subcontractor" refers to any tier.
- I. "Subrecipient" shall mean a non-federal entity that expends federal awards received from a pass-through entity to carry out a federal program, but does not include an individual that is a beneficiary of such a program. It also excludes vendors that receive federal funds in exchange for goods and/or services in the course of normal trade or commerce.
- J. "Vendor" is an entity that agrees to provide the amount and kind of services requested by COMMERCE; provides services under the grant only to those beneficiaries individually determined to be eligible by COMMERCE and, provides services on a fee-for-service or per-unit basis with contractual penalties if the entity fails to meet program performance standards.

2. ACCESS TO DATA

In compliance with RCW 39.26.180, the Grantee shall provide access to data generated under this Grant to COMMERCE, the Joint Legislative Audit and Review Committee, and the Office of the State Auditor at no additional cost. This includes access to all information that supports the findings, conclusions, and recommendations of the Grantee's reports, including computer models and the methodology for those models.

3. ADVANCE PAYMENTS PROHIBITED

No payments in advance of or in anticipation of goods or services to be provided under this Grant shall be made by COMMERCE.

4. ALL WRITINGS CONTAINED HEREIN

This Grant contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Grant shall be deemed to exist or to bind any of the parties hereto.

5. AMENDMENTS

This Grant may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

6. AMERICANS WITH DISABILITIES ACT (ADA) OF 1990, PUBLIC LAW 101-336, also referred to as the "ADA" 28 CFR Part 35

The Grantee must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications.

7. ASSIGNMENT

Neither this Grant, nor any claim arising under this Grant, shall be transferred or assigned by the Grantee without prior written consent of COMMERCE.

8. ATTORNEY'S FEES

Unless expressly permitted under another provision of the Grant, in the event of litigation or other action brought to enforce Grant terms, each party agrees to bear its own attorney's fees and costs.

9. AUDIT

If the Grantee is a subrecipient and expends \$750,000 or more in federal awards from any and/or all sources in any fiscal year, the Grantee shall procure and pay for a single audit or a program-specific audit for that fiscal year. Upon completion of each audit, the Grantee shall:

1. Submit to COMMERCE the reporting package specified in OMB Super Circular 2 CFR 200.501, reports required by the program-specific audit guide (if applicable), and a copy of any management letters issued by the auditor.
2. Submit to COMMERCE follow-up and developed corrective action plans for all audit findings.

If the Grantee is a subrecipient and expends less than \$750,000 in federal awards from any and/or all sources in any fiscal year, the Grantee shall notify COMMERCE they did not meet the single audit requirement.

The Grantee shall send all single audit documentation to auditreview@commerce.wa.gov.

10. CERTIFICATION REGARDING DEBARMENT, SUSPENSION OR INELIGIBILITY AND VOLUNTARY EXCLUSION—PRIMARY AND LOWER TIER COVERED TRANSACTIONS

- A.** Grantee, defined as the primary participant and its principals, certifies by signing these General Terms and Conditions that to the best of its knowledge and belief that they:
1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency.
 2. Have not within a three-year period preceding this Grant, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public or private agreement or transaction, violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice;
 3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of federal Executive Order 12549; and
 4. Have not within a three-year period preceding the signing of this Grant had one or more public transactions (Federal, State, or local) terminated for cause of default.
- B.** Where the Grantee is unable to certify to any of the statements in this Grant, the Grantee shall attach an explanation to this Grant.
- C.** The Grantee agrees by signing this Grant that it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by COMMERCE.

- D. The Grantee further agrees by signing this Grant that it will include the clause titled “Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction,” as follows, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions:

LOWER TIER COVERED TRANSACTIONS

- a) The lower tier Grantee certifies, by signing this Grant that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- b) Where the lower tier Grantee is unable to certify to any of the statements in this Grant, such contractor shall attach an explanation to this Grant.
- E. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, person, primary covered transaction, principal, and voluntarily excluded, as used in this section, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact COMMERCE for assistance in obtaining a copy of these regulations.

11. CODE REQUIREMENTS

All construction and rehabilitation projects must satisfy the requirements of applicable local, state, and federal building, mechanical, plumbing, fire, energy and barrier-free codes. Compliance with the Americans with Disabilities Act of 1990 28 C.F.R. Part 35 will be required, as specified by the local building Department.

12. CONFIDENTIALITY/SAFEGUARDING OF INFORMATION

- A. “Confidential Information” as used in this section includes:
1. All material provided to the Grantee by COMMERCE that is designated as “confidential” by COMMERCE;
 2. All material produced by the Grantee that is designated as “confidential” by COMMERCE; and
 3. All personal information in the possession of the Grantee that may not be disclosed under state or federal law. “Personal information” includes but is not limited to information related to a person’s name, health, finances, education, business, use of government services, addresses, telephone numbers, social security number, driver’s license number and other identifying numbers, and “Protected Health Information” under the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- B. The Grantee shall comply with all state and federal laws related to the use, sharing, transfer, sale, or disclosure of Confidential Information. The Grantee shall use Confidential Information solely for the purposes of this Grant and shall not use, share, transfer, sell or disclose any Confidential Information to any third party except with the prior written consent of COMMERCE or as may be required by law. The Grantee shall take all necessary steps to assure that Confidential Information is safeguarded to prevent unauthorized use, sharing, transfer, sale or disclosure of Confidential Information or violation of any state or federal laws related thereto. Upon request, the Grantee shall provide COMMERCE with its policies and procedures on confidentiality. COMMERCE may require changes to such policies and procedures as they apply to this Grant whenever COMMERCE reasonably determines that changes are necessary to prevent unauthorized disclosures. The Grantee shall make the changes within the time period specified by COMMERCE. Upon request, the Grantee shall immediately return to COMMERCE any Confidential Information that COMMERCE reasonably determines has not been adequately protected by the Grantee against unauthorized disclosure.
- C. Unauthorized Use or Disclosure. The Grantee shall notify COMMERCE within five (5) working days of any unauthorized use or disclosure of any confidential information, and shall take necessary steps to mitigate the harmful effects of such use or disclosure.

13. CONFLICT OF INTEREST

Notwithstanding any determination by the Executive Ethics Board or other tribunal, COMMERCE may, in its sole discretion, by written notice to the Grantee terminate this Grant if it is found after due

notice and examination by COMMERCE that there is a violation of the Ethics in Public Service Act, Chapter 42.52 RCW; or any similar statute involving the Grantee in the procurement of, or performance under this Grant.

Specific restrictions apply to contracting with current or former state employees pursuant to Chapter 42.52 RCW. The Grantee and their subgrantee(s) must identify any person employed in any capacity by the state of Washington that worked on the Community Development Block Grant program including but not limited to formulating or drafting the legislation, participating in grant procurement planning and execution, awarding grants, and monitoring grants, during the past 24 month period preceding the start date of this Grant. Identify the individual by name, the agency previously or currently employed by, job title or position held, and separation date. If it is determined by COMMERCE that a conflict of interest exists, the Grantee may be disqualified from further consideration for the award of a Grant.

In the event this Grant is terminated as provided above, COMMERCE shall be entitled to pursue the same remedies against the Grantee as it could pursue in the event of a breach of the Grant by the Grantee. The rights and remedies of COMMERCE provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law. The existence of facts upon which COMMERCE makes any determination under this clause shall be an issue and may be reviewed as provided in the "Disputes" clause of this Grant.

14. COPYRIGHT PROVISIONS

Unless otherwise provided, all Materials produced under this Grant shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by COMMERCE. COMMERCE shall be considered the author of such Materials. In the event the Materials are not considered "works for hire" under the U.S. Copyright laws, the Grantee hereby irrevocably assigns all right, title, and interest in all Materials, including all intellectual property rights, moral rights, and rights of publicity to COMMERCE effective from the moment of creation of such Materials.

"Materials" means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. "Ownership" includes the right to copyright, patent, register and the ability to transfer these rights.

For Materials that are delivered under the Grant, but that incorporate pre-existing materials not produced under the Grant, the Grantee hereby grants to COMMERCE a nonexclusive, royalty-free, irrevocable license (with rights to sublicense to others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The Grantee warrants and represents that the Grantee has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to COMMERCE.

The Grantee shall exert all reasonable effort to advise COMMERCE, at the time of delivery of Materials furnished under this Grant, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this Grant. The Grantee shall provide COMMERCE with prompt written notice of each notice or claim of infringement received by the Grantee with respect to any Materials delivered under this Grant. COMMERCE shall have the right to modify or remove any restrictive markings placed upon the Materials by the Grantee.

15. DISPUTES

Except as otherwise provided in this Grant, when a dispute arises between the parties and it cannot be resolved by direct negotiation, either party may request a dispute hearing with the Director of COMMERCE, who may designate a neutral person to decide the dispute.

The request for a dispute hearing must:

- be in writing;
- state the disputed issues;
- state the relative positions of the parties;
- state the Grantee's name, address, and Contract number; and
- be mailed to the Director and the other party's (respondent's) Grant Representative within three (3) working days after the parties agree that they cannot resolve the dispute.

The respondent shall send a written answer to the requestor's statement to both the Director or the Director's designee and the requestor within five (5) working days.

The Director or designee shall review the written statements and reply in writing to both parties within ten (10) working days. The Director or designee may extend this period if necessary by notifying the parties.

The decision shall not be admissible in any succeeding judicial or quasi-judicial proceeding.

The parties agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal.

Nothing in this Grant shall be construed to limit the parties' choice of a mutually acceptable alternate dispute resolution (ADR) method in addition to the dispute hearing procedure outlined above.

16. DUPLICATE PAYMENT

COMMERCE shall not pay the Grantee, if the Grantee has charged or will charge the State of Washington or any other party under any other Grant, subgrant/subcontract, or agreement, for the same services or expenses.

17. GOVERNING LAW AND VENUE

This Grant shall be construed and interpreted in accordance with the laws of the state of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

18. INDEMNIFICATION

To the fullest extent permitted by law, the Grantee shall indemnify, defend, and hold harmless the state of Washington, COMMERCE, agencies of the state and all officials, agents and employees of the state, from and against all claims for injuries or death arising out of or resulting from the performance of the contract. "Claim" as used in this contract, means any financial loss, claim, suit, action, damage, or expense, including but not limited to attorney's fees, attributable for bodily injury, sickness, disease, or death, or injury to or the destruction of tangible property including loss of use resulting therefrom.

The Grantee's obligation to indemnify, defend, and hold harmless includes any claim by Grantee's agents, employees, representatives, or any subgrantee/subcontractor or its employees.

Grantee expressly agrees to indemnify, defend, and hold harmless the State for any claim arising out of or incident to Grantee's or any subgrantee's/subcontractor's performance or failure to perform the Grant. Grantee's obligation to indemnify, defend, and hold harmless the State shall not be eliminated by any actual or alleged concurrent negligence of State or its agents, agencies, employees and officials.

The Grantee waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless the state and its agencies, officers, agents or employees.

19. INDEPENDENT CAPACITY OF THE CONTRACTOR

The parties intend that an independent contractor relationship will be created by this Grant. The Grantee and its employees or agents performing under this Grant are not employees or agents of the state of Washington or COMMERCE. The Grantee will not hold itself out as or claim to be an officer or employee of COMMERCE or of the state of Washington by reason hereof, nor will the Grantee make any claim of right, privilege or benefit which would accrue to such officer or employee under law. Conduct and control of the work will be solely with the Grantee.

20. INDIRECT COSTS

The Grantee shall provide their indirect cost rate that has been negotiated between their entity and the Federal Government. If no such rate exists a de minimis indirect cost rate of 10% of modified total direct costs (MTDC) will be used.

21. INDUSTRIAL INSURANCE COVERAGE

The Grantee shall comply with all applicable provisions of Title 51 RCW, Industrial Insurance. If the Grantee fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees as may be required by law, COMMERCE may collect from the Grantee the full amount payable to the Industrial Insurance Accident Fund. COMMERCE may deduct the amount

owed by the Grantee to the accident fund from the amount payable to the Grantee by COMMERCE under this Grant, and transmit the deducted amount to the Department of Labor and Industries, (L&I) Division of Insurance Services. This provision does not waive any of L&I's rights to collect from the Grantee.

22. LAWS

The Grantee shall comply with all applicable laws, ordinances, codes, regulations, and policies of local, state, and federal governments, as now or hereafter amended, including, but not limited to:

United States Laws, Regulations and Circulars (Federal)

A. Audits

- 2 CFR Part 200.

B. Environmental Protection and Review

- Coastal Barrier Resources Act of 1982, 16 U.S.C. 3501 et seq.
- HUD's implementing regulations at 24 CFR parts 50 or 58, as appropriate.
- Lead Based Paint Poisoning Prevention Act, 42 U.S.C. 4821-4846 also 24 CFR 982.401(j).
- National Environmental Policy Act of 1969, 42 U.S.C. 4321 et seq. and the Implementing Regulations of 24 CFR 58 (HUD) and 40 CFR 1500-1508 (Council on Environmental Quality).
- Residential Lead-Based Paint Hazard Reduction Act of 1992, 42 USC 4851-4856.

B. Flood Plains

- Flood Disaster Protection Act of 1973, 42 USC 4001-4128.

C. Labor and Safety Standards

- Convict Labor, 18 U.S.C. 751, 752, 4081, 4082.
- Davis Bacon Act, 40 U.S.C. 276a-276a-5.
- Drug-Free Workplace Act of 1988, 41 USC 701 et seq.
- Federal Fair Labor Standards Act, 29 U.S.C. 201 et seq.
- Title IV of the Lead Based Paint Poisoning Prevention Act, 42 U.S.C 4831, 24 CFR Part 35.
- Work Hours and Safety Act of 1962, 40 U.S.C. 327-330 and Department of Labor Regulations, 29 CFR Part 5.

D. Laws against Discrimination

- Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101-07, 45 CFR Part 90 Nondiscrimination in Federally Assisted Programs.
- Americans with Disabilities Act of 1990, Public Law 101-336.
- Employment under Federal Contracts, Rehabilitation Act of 1973, Section 503, 29 U.S.C. 793.
- Equal Employment Opportunity, Executive Order 11246, as amended by Executive Order 11375 and supplemented in U.S. Department of Labor Regulations, 41 CFR Chapter 60.
- Executive Order 11246, as amended by EO 11375, 11478, 12086 and 12102.
- Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations at 24 CFR part 100.
- Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8.
- Fair Housing, Title VIII of the Civil Rights Act of 1968, Public Law 90-284, 42 U.S.C. 3601-19.
- Minority Business Enterprises, Executive Order 11625, 15 U.S.C. 631.
- Minority Business Enterprise Development, Executive Order 12432, 48 FR 32551.
- Nondiscrimination and Equal Opportunity, 24 CFR 5.105(a).
- Nondiscrimination in benefits, Title VI of the Civil Rights Act of 1964, Public Law 88-352, 42 U.S.C. 2002d et seq, 24 CFR Part 1.
- Nondiscrimination in employment, Title VII of the Civil Rights Act of 1964, Public Law 88-352.
- Section 3, Housing and Urban Development Act of 1968, 12 USC 1701u (See 24 CFR 570.607(b)).

E. Office of Management and Budget Circulars

- 2 CFR 200

F. Other

- Anti-Kickback Act, 18 U.S.C. 874; 40 U.S.C. 276b, 276c; 41 U.S.C. 51-54.
- Governmental Guidance for New Restrictions on Lobbying; Interim Final Guidance, Federal Register 1, Vol. 54, No. 243\Wednesday, December 20, 1989.
- Hatch Political Activity Act, 5 U.S.C. 1501-8.
- Lobbying and Disclosure, 42 USC 3537a and 3545 and 31 USC 1352. (Byrd Anti-Lobbying Amendment). 31 U.S.C. 1352 provides that Grantees who apply or bid for an award of \$100,000 or more must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or other award covered by 31 U.S.C. 1352. Each tier must disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient.
- Non-Supplanting Federal Funds.

G. Privacy

- Privacy Act of 1974, 5 U.S.C. 552a.

H. Relocation

- Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970 and implementing regulations at 49 CFR part 24.
- Section 104(d) of the Housing and Community Development Act of 1974 and the implementing regulations at 24 CFR part 570.

Washington State Laws and Regulations

- A.** Affirmative action, RCW 41.06.020 (1).
- B.** Boards of directors or officers of non-profit corporations – Liability - Limitations, RCW 4.24.264.
- C.** Disclosure-campaign finances-lobbying, Chapter 42.17A RCW.
- D.** Discrimination-human rights commission, Chapter 49.60 RCW.
- E.** Ethics in public service, Chapter 42.52 RCW.
- F.** Housing assistance program, Chapter 43.185 RCW
- G.** Interlocal cooperation act, Chapter 39.34 RCW.
- H.** Noise control, Chapter 70.107 RCW.
- I.** Office of minority and women's business enterprises, Chapter 39.19 RCW and Chapter 326-02 WAC.
- J.** Open public meetings act, Chapter 42.30 RCW.
- K.** Prevailing wages on public works, Chapter 39.12 RCW.
- L.** Public records act, Chapter 42.56 RCW.
- M.** Relocation assistance - real property acquisition policy, Chapter 8.26 RCW.
- N.** Shoreline management act of 1971, Chapter 90.58 RCW.
- O.** State budgeting, accounting, and reporting system, Chapter 43.88 RCW.
- P.** State building code, Chapter 19.27 RCW and Energy-related building standards, Chapter 19.27A RCW, and Provisions in buildings for aged and handicapped persons, Chapter 70.92 RCW.
- Q.** State Coastal Zone Management Program, Publication 01-06-003, Shorelands and Environmental Assistance Program, Washington State Department of Ecology.
- R.** State environmental policy, Chapter 43.21C RCW.

23. LICENSING, ACCREDITATION AND REGISTRATION

The Grantee shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements or standards necessary for the performance of this Grant.

24. LIMITATION OF AUTHORITY

Only the Authorized Representative or the Authorized Representative's delegate by writing (delegation to be made prior to action) shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this Grant. Furthermore, any alteration, amendment, modification, or waiver or any clause or condition of this Grant is not effective or binding unless made in writing and signed by the Agent.

25. NONCOMPLIANCE WITH NONDISCRIMINATION LAWS

During the performance of this Grant, the Grantee shall comply with all federal, state, and local nondiscrimination laws, regulations and policies. In the event of the Grantee's non-compliance or refusal to comply with any nondiscrimination law, regulation or policy, this Grant may be rescinded, canceled or terminated in whole or in part, and the Grantee may be declared ineligible for further Grants with COMMERCE. The Grantee shall, however, be given a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with the "Disputes" procedure set forth herein.

26. NOTIFICATION OF TENANT RIGHTS/RESPONSIBILITIES

The Grantee shall provide all tenants, if any, with information outlining tenant rights and responsibilities under the Washington State Landlord Tenant laws, Title 59, Revised Code of Washington.

The Grantee shall also provide all occupants of property acquired with U.S. Department of Housing and Urban Development (HUD) funds notice regarding their eligibility for relocation assistance. Such notices will be provided as required by the Uniform Relocation Assistance and Real Property Acquisition Act of 1970, as amended and referenced in 49 CFR part 24 and Section 104(d) of the Housing and Community Development Act of 1974, as amended and referenced in 24 CFR 570 and noted in HUD's Handbook No. 1378. Notifications will include but not be limited to:

- General Information Notice
- Notice of Displacement/Non-Displacement

27. PAY EQUITY

The Grantee agrees to ensure that "similarly employed" individuals in its workforce are compensated as equals, consistent with the following:

- a. Employees are "similarly employed" if the individuals work for the same employer, the performance of the job requires comparable skill, effort, and responsibility, and the jobs are performed under similar working conditions. Job titles alone are not determinative of whether employees are similarly employed;
- b. Grantee may allow differentials in compensation for its workers if the differentials are based in good faith and on any of the following:
 - (i) A seniority system; a merit system; a system that measures earnings by quantity or quality of production; a bona fide job-related factor or factors; or a bona fide regional difference in compensation levels.
 - (ii) A bona fide job-related factor or factors may include, but not be limited to, education, training, or experience that is: Consistent with business necessity; not based on or derived from a gender-based differential; and accounts for the entire differential.
 - (iii) A bona fide regional difference in compensation level must be: Consistent with business necessity; not based on or derived from a gender-based differential; and account for the entire differential.

This Grant may be terminated by the Department, if the Department or the Department of Enterprise services determines that the Contractor is not in compliance with this provision.

28. POLITICAL ACTIVITIES

Political activity of Grantee employees and officers are limited by the State Campaign Finances and Lobbying provisions of Chapter 42.17A RCW and the Federal Hatch Act, 5 USC 1501 - 1508.

No funds may be used for working for or against ballot measures or for or against the candidacy of any person for public office.

29. PREVAILING WAGE LAW

The Grantee certifies that all contractors and subcontractors performing work on the project shall comply with state Prevailing Wages on Public Works, Chapter 39.12 RCW, as applicable to the project funded by this Grant, including but not limited to the filing of the "Statement of Intent to Pay Prevailing Wages" and "Affidavit of Wages Paid" as required by RCW 39.12.040. The Grantee shall maintain records sufficient to evidence compliance with Chapter 39.12 RCW, and shall make such records available for COMMERCE's review upon request.

30. PROCUREMENT STANDARDS FOR FEDERALLY FUNDED PROGRAMS

A Grantee which is a local government or Indian Tribal government must establish procurement policies and procedures in accordance with 2 CFR Part 200, for all purchases funded by this Grant.

A Grantee which is a nonprofit organization shall establish procurement policies in accordance with 2 CFR Part 200, for all purchases funded by this Grant.

The Grantee's procurement system should include at least the following:

1. A code or standard of conduct that shall govern the performance of its officers, employees, or agents engaged in the awarding of contracts using federal funds.
2. Procedures that ensure all procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition.
3. Minimum procedural requirements, as follows:
 - a. Follow a procedure to assure the avoidance of purchasing unnecessary or duplicative items.
 - b. Solicitations shall be based upon a clear and accurate description of the technical requirements of the procured items.
 - c. Positive efforts shall be made to use small and minority-owned businesses.
 - d. The type of procuring instrument (fixed price, cost reimbursement) shall be determined by the Grantee, but must be appropriate for the particular procurement and for promoting the best interest of the program involved.
 - e. Contracts shall be made only with reasonable subgrantees/subcontractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement.
 - f. Some form of price or cost analysis should be performed in connection with every procurement action.
 - g. Procurement records and files for purchases shall include all of the following:
 - 1) Contractor selection or rejection.
 - 2) The basis for the cost or price.
 - 3) Justification for lack of competitive bids if offers are not obtained.
 - h. A system for contract administration to ensure Grantee conformance with terms, conditions and specifications of this Grant, and to ensure adequate and timely follow-up of all purchases.
4. Grantee and Subgrantee/subcontractor must receive prior approval from COMMERCE for using funds from this Grant to enter into a sole source contract or a contract where only one bid or proposal is received when value of this Grant is expected to exceed \$5,000.

Prior approval requests shall include a copy of proposed contracts and any related procurement documents and justification for non-competitive procurement, if applicable.

31. PROHIBITION AGAINST PAYMENT OF BONUS OR COMMISSION

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

32. PUBLICITY

The Grantee agrees not to publish or use any advertising or publicity materials in which the state of Washington or COMMERCE's name is mentioned, or language used from which the connection with the state of Washington's or COMMERCE's name may reasonably be inferred or implied, without the prior written consent of COMMERCE.

33. RECAPTURE

In the event that the Grantee fails to perform this Grant in accordance with state laws, federal laws, and/or the provisions of this Grant, COMMERCE reserves the right to recapture funds in an amount to compensate COMMERCE for the noncompliance in addition to any other remedies available at law or in equity.

Repayment by the Grantee of funds under this recapture provision shall occur within the time period specified by COMMERCE. In the alternative, COMMERCE may recapture such funds from payments due under this Grant.

34. RECORDS MAINTENANCE

The Grantee shall maintain books, records, documents, data and other evidence relating to this Grant and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Grant.

The Grantee shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the Grant, shall be subject at all reasonable times to inspection, review or audit by COMMERCE, personnel duly authorized by COMMERCE, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

35. REGISTRATION WITH DEPARTMENT OF REVENUE

If required by law, the Grantee shall complete registration with the Washington State Department of Revenue.

36. RIGHT OF INSPECTION

The Grantee shall provide right of access to its facilities to COMMERCE, or any of its officers, or to any other authorized agent or official of the state of Washington or the federal government, at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance under this Grant.

37. SAVINGS

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Grant and prior to normal completion, COMMERCE may terminate the Grant under the "Termination for Convenience" clause, without the ten calendar day notice requirement. In lieu of termination, the Grant may be amended to reflect the new funding limitations and conditions.

38. SEVERABILITY

The provisions of this Grant are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the Grant.

39. SITE SECURITY

While on COMMERCE premises, Grantee, its agents, employees, or subcontractors shall conform in all respects with physical, fire or other security policies or regulations.

40. SUBGRANTING/SUBCONTRACTING

The Grantee may only subcontract work contemplated under this Grant if it obtains the prior written approval of COMMERCE.

If COMMERCE approves subcontracting, the Grantee shall maintain written procedures related to subcontracting, as well as copies of all subcontracts and records related to subcontracts. For cause, COMMERCE in writing may: (a) require the Grantee to amend its subcontracting procedures as they relate to this Grant; (b) prohibit the Grantee from subcontracting with a particular person or entity; or (c) require the Grantee to rescind or amend a subcontract.

Every subcontract shall bind the Subgrantee to follow all applicable terms of this Grant. If any Subgrantee fails to comply with any applicable term or condition of this Grant, including the Scope of Work and Budget in Attachment A, the Grantee shall be responsible for completing the work itself, or contracting with another Subgrantee as approved by COMMERCE. The Grantee shall appropriately monitor the activities of the Subgrantee to assure fiscal conditions of this Grant. In no event shall the existence of a subcontract operate to release or reduce the liability of the Grantee to COMMERCE for any breach in the performance of the Grantee's duties.

Every subcontract shall include a term that COMMERCE and the State of Washington are not liable for claims or damages arising from a Subgrantee's performance of the subcontract.

41. SURVIVAL

The terms, conditions, and warranties contained in this Grant that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Grant shall so survive.

42. TAXES

All payments accrued on account of payroll taxes, unemployment contributions, the Grantee's income or gross receipts, any other taxes, insurance or expenses for the Grantee or its staff shall be the sole responsibility of the Grantee.

43. TERMINATION FOR CAUSE

In the event COMMERCE determines the Grantee has failed to comply with the conditions of this Grant in a timely manner, COMMERCE has the right to suspend or terminate this Grant. Before suspending or terminating the Grant, COMMERCE shall notify the Grantee in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the Grant may be terminated or suspended.

In the event of termination or suspension, the Grantee shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original Grant and the replacement or cover Grant and all administrative costs directly related to the replacement Grant, e.g., cost of the competitive bidding, mailing, advertising and staff time.

COMMERCE reserves the right to suspend all or part of the Grant, withhold further payments, or prohibit the Grantee from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the GRANTEE or a decision by COMMERCE to terminate the Grant. A termination shall be deemed a "Termination for Convenience" if it is determined that the Grantee: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence.

The rights and remedies of COMMERCE provided in this Grant are not exclusive and are, in addition to any other rights and remedies, provided by law.

44. TERMINATION FOR CONVENIENCE

Except as otherwise provided in this Grant, COMMERCE may, by ten (10) business days written notice, beginning on the second day after the mailing, terminate this Grant, in whole or in part. If this Grant is so terminated, COMMERCE shall be liable only for payment required under the terms of this Grant for services rendered or goods delivered prior to the effective date of termination.

45. TERMINATION PROCEDURES

Upon termination of this Grant, COMMERCE, in addition to any other rights provided in this Grant, may require the Grantee to deliver to COMMERCE any property specifically produced or acquired for the performance of such part of this Grant as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

COMMERCE shall pay to the Grantee the agreed upon price, if separately stated, for completed work and services accepted by COMMERCE, and the amount agreed upon by the Grantee and COMMERCE for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by COMMERCE, and (iv) the protection and preservation of property, unless the termination is for default, in which case the Authorized Representative shall determine the extent of the liability of COMMERCE. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this Grant. COMMERCE may withhold from any amounts due the Grantee such sum as the Authorized Representative determines to be necessary to protect COMMERCE against potential loss or liability.

The rights and remedies of COMMERCE provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Grant.

After receipt of a notice of termination, and except as otherwise directed by the Authorized Representative, the Grantee shall:

1. Stop work under the Grant on the date, and to the extent specified, in the notice;
2. Place no further orders or subgrants/subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the Grant that is not terminated;
3. Assign to COMMERCE, in the manner, at the times, and to the extent directed by the Authorized Representative, all of the rights, title, and interest of the Grantee under the orders and subgrants/subcontracts so terminated, in which case COMMERCE has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subgrants/subcontracts;
4. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Authorized Representative to the extent the Authorized Representative may require, which approval or ratification shall be final for all the purposes of this clause;
5. Transfer title to COMMERCE and deliver in the manner, at the times, and to the extent directed by the Authorized Representative any property which, if the Grant had been completed, would have been required to be furnished to COMMERCE;
6. Complete performance of such part of the work as shall not have been terminated by the Authorized Representative; and
7. Take such action as may be necessary, or as the Authorized Representative may direct, for the protection and preservation of the property related to this Grant, which is in the possession of the Grantee and in which COMMERCE has or may acquire an interest.

46. TREATMENT OF ASSETS

Title to all property furnished by Commerce shall remain in COMMERCE. Title to all property furnished by the Grantee, for the cost of which the Grantee is entitled to be reimbursed as a direct item of cost under this Grant, shall remain in Grantee. Title to other property, the cost of which is reimbursable to the Grantee under this Grant, shall remain in Grantee. Provided however, the foregoing shall not be interpreted to relieve Grantee of any other obligations in this Agreement regarding use and continued ownership of property improved or acquired with funds under this Agreement.

- A. Any property of COMMERCE furnished to the Grantee shall, unless otherwise provided herein or approved by COMMERCE, be used only for the performance of this Grant.
- B. The Grantee shall be responsible for any loss or damage to property of COMMERCE that results from the negligence of the Grantee or which results from the failure on the part of the Grantee to maintain and administer that property in accordance with sound management practices.

- C. If any COMMERCE property is lost, destroyed or damaged, the Grantee shall immediately notify COMMERCE and shall take all reasonable steps to protect the property from further damage.
- D. The Grantee shall surrender to COMMERCE all property of COMMERCE prior to settlement upon completion, termination or cancellation of this Grant

All reference to the Grantee under this clause shall also include Grantee's employees, agents or Subgrantees/Subcontractors.

47. WAIVER

Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Grant unless stated to be such in writing and signed by Authorized Representative of COMMERCE.

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Section B: Project Activities, Milestones and Budget (continued)			
CDBG Budget Code	Budget Amount	Project Activities	Performance Milestones
14H Rehabilitation Administration	\$ 80,000	<p>*Must complete each bulleted project activity to meet the corresponding milestone.</p> <ul style="list-style-type: none"> ▪ Complete the first tier environmental review, including any required consultation and public notices, and prepare an environmental review record in compliance with NEPA requirements for CDBG. ▪ Establish CDBG housing rehabilitation assistance program policies and procedures, incorporating CDBG income qualification and beneficiary reporting requirements. ▪ Conduct outreach and market the rehabilitation assistance program. ▪ Verify contractors do not have an active exclusion record in the federal award system (SAM.gov) and include documentation in CDBG file. ▪ Establish pre-approved list of contractors. ▪ Monitor program progress and compliance with applicable federal and state regulations. ▪ Review and process applications for rehabilitation assistance and determine CDBG eligibility. ▪ Complete a second tier, site-specific environmental review for any rehabilitation activities outside the original NEPA determination. ▪ Conduct housing inspection. ▪ Develop scope of work and cost estimate. ▪ Approve scope of work and process housing rehabilitation contract document with homeowner. ▪ Establish financial management systems for tracking CDBG eligible housing rehabilitation costs and grant receipts. ▪ Monitor rehabilitation progress. ▪ Conduct final inspection and receive homeowner acceptance of completed work. ▪ Approve costs, and prepare and submit payment request and project status report to Grantee. 	<p>Before release of funds</p> <p>Before approving applications for CDBG housing rehabilitation assistance</p> <p>Before each housing rehabilitation contract is finalized/executed</p> <p>Before each payment request for rehabilitation services</p>
14A Rehab: Single Unit Residential	\$315,000	<ul style="list-style-type: none"> ▪ Complete housing rehabilitation based approved scope of work, final inspection and homeowner acceptance of completed work. ▪ Meet the CDBG national objective of principally benefiting low- and moderate-income households. ▪ Accomplish HUD's outcome of increasing housing affordability to achieve HUD's objective of providing decent affordable housing. 	<p>Complete each housing rehabilitation project</p> <p>Approx. 16 LMI households will begin receiving a benefit by June 30, 2021</p>
TOTAL:			\$400,000

STATE AND FEDERAL REQUIREMENTS AND ASSURANCES

In addition to laws listed in the general terms and conditions of this Grant, the Grantee assures compliance with the following laws and regulations as they pertain to the local project. Contact the CDBG program if you want assistance in obtaining a copy of any of these.

FEDERAL

A. HOUSING AND COMMUNITY DEVELOPMENT

1. Executive Order 11063, as amended by Executive Order 12259 (24 CFR Part 107).
2. The Housing and Community Development Act of 1974, as amended through 1992: Sections 109; 104 (b) 4; 104 (d); and 104 (l), which prohibit discrimination and require identification of housing and community development needs; a “residential anti-displacement and relocation assistance plan”; and adoption and enforcement of policies prohibiting the use of excessive force.

B. LABOR

1. Prohibition of Use of CDBG for Job-Pirating Activities, 24 CFR Part 570.482(f), revised June 2006.

C. ENVIRONMENTAL AND CULTURAL

1. The Clean Air Act, as amended, 42 U.S.C. 7401 et seq.
2. Executive Order 11990, May 24, 1977, as amended by Executive Order 11990: Protection of Wetlands, 42 FR 26961 et seq.
3. The Wild and Scenic Rivers Act of 1968, as amended, 16 U.S.C. 1271 et seq.
4. Executive Order 11988, May 24, 1977: Floodplain Management and Wetland Protection, 42 FR 26951 et seq.
5. Coastal Zone Management Act of 1972, as amended, 16 U.S.C. 1451 et seq.
6. The Endangered Species Act of 1973, as amended, 16 U.S.C. 1531 et seq.
7. The Reservoir Salvage Act of 1960, as amended by the Archaeological and Historic Preservation Act of 1974, 16 U.S.C.469 et seq.
8. The Safe Drinking Water Act of 1974, as amended, 42 U.S.C. 300f et seq., 21 U.S.C. 349, as amended, and 40 CFR Part 149.
9. 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.
10. The Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901 et seq.
11. The Fish and Wildlife Coordination Act of 1958, as amended, 16 U.S.C. Section 661 et seq.
12. The National Historic Preservation Act of 1966, 16 U.S.C. 470
13. The Archaeological and Historical Data Preservation Act of 1974, 16 U.S.C. 469a-1 et seq.
14. Executive Order 11593, Protection and Enhancement of the Cultural Environment, May 13, 1971.
15. Farmland Protection Policy Act of 1981, 7 U.S.C. 4201 et seq., and 7 CFR Part 658.
16. Environmental Justice (Executive Order 12898), as amended by Executive Order 12948.
17. Explosive and Flammable Operations (Section 2 of the Housing Act of 1949, as amended, 42 U.S.C. 1441; Section 7(d) of the HUD Act of 1965, 42 U.S.C. 3535(d); Section 2 of the HUD Act of 1969, 42 U.S.C. 1441(a); and 24 CFR Part 51 Subpart C).
18. Airport Clear Zones and Accident Potential Zones (Section 2 of the Housing Act of 1949 as amended, 42 U.S.C. 1441), affirmed by Section 2 of the HUD Act of 1969, P.L. No 90-448, Section 7(d) of the HUD Act of 1965, 42 U.S.C. 3535(d), and 24 CFR Part 51 Subpart D.

- 19.** Toxic Chemicals and Radioactive Materials (Comprehensive Environmental Response, Compensation, and Liability Act of 1980 as amended by Superfund Amendments and Reauthorization Act and 24 CFR 58.5(i)).
- 20.** Determining Conformity of Federal Actions to State or Federal Implementation Plans (Environmental Protection Agency – 40 CFR Parts 6, 51, and 93).

STATE

- 1.** Relocation Assistance and Real Property Acquisition Policy, Chapter 8.26 RCW.



STATE OF WASHINGTON
DEPARTMENT OF COMMERCE

1011 Plum Street SE • PO Box 42525 • Olympia, Washington 98504-2525 • (360) 725-4000
www.commerce.wa.gov

September 12, 2018

The Honorable Scott Anderson, Mayor
City of Stevenson
PO Box 371
Stevenson, WA 98648

Dear Mayor Anderson:

I am pleased to inform you that the city of Stevenson has been selected by Commerce to receive up to \$400,000 in federal Community Development Block Grant (CDBG) funds. This award is based on the jurisdiction's CDBG General Purpose Grant application for housing rehabilitation with Columbia Cascade Housing Corporation.

Prior to grant contract execution, this letter allows you to begin incurring costs not to exceed ten percent of your award as of the date of this letter, for only the following activities:

- Administration including staffing, travel and training
- Review of environmental laws and authorities, including Section 106 of the National Historic preservation Act of 1996
- Preliminary engineering design work and consultations needed for completion of the environmental review
- Subrecipient agreements or professional service contracts for any of the above activities

CDBG procurement requirements must be followed before hiring professional services or contractors to be funded by this CDBG award. These requirements are described in Sections 5 and 7 of the CDBG Management Handbook, which is available electronically at www.commerce.wa.gov/cdbg

CDBG-specific compliance with National Environmental Policy Act (NEPA) must be completed before any construction bid advertising or property acquisition activity can occur. These procedures are described in Section 6 of the CDBG Management Handbook.

Eligible costs will be reimbursed by Commerce after a grant contract between the jurisdiction and Commerce is executed and the environmental review is complete (see enclosure for further explanation). All costs to be reimbursed must comply with applicable state and federal requirements.

The Honorable Scott Anderson

September 12, 2018

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A CDBG contract management webinar will be scheduled for the fall of 2018. The jurisdiction's project manager and consultant directly engaged in the project are to participate in the webinar. Registration materials for this free webinar will be forthcoming.

Before Commerce signs the grant contract, the jurisdiction must develop and adopt a policy to reduce greenhouse gas emissions.

If your project is not ready to proceed, resulting in the contract's execution being delayed over 90 days from the date of this letter, the CDBG award may be rescinded with an invitation to reapply.

Genny Matteson has been assigned to develop this contract. If you have any questions about this letter or grant award, please contact Genny at (360) 725-3093 or Genny.matteson@commerce.wa.gov.

I congratulate you and others for your efforts thus far. We look forward to working with you on this worthwhile project.

Sincerely,



Mark K. Barkley
Assistant Director

Enclosure

cc via email: Leana Kinley, City Administrator

TIMING of CDBG FUNDING and NEPA RESTRICTIONS

No costs incurred prior to the CDBG award letter can be funded by CDBG. Eligible costs will be reimbursed by Commerce after a grant contract has been formally executed and the CDBG-specific procedures under NEPA and SEPA are completed. Executing the grant contract and completing the environmental review can occur concurrently.

In the meantime the local government grantee, subrecipients, contractors and all other participants may NOT commit CDBG or non-CDBG funds if the activity would have an adverse environmental impact or limit the choice of reasonable alternatives, such as:

- Finalizing design and bid specifications
- Advertising for construction bids
- Property acquisition, including sales and purchase agreements
- Site Preparation
- Demolition

Portions of preliminary design work needed for completion of the environmental review are allowable. Unless the activity is exempt or categorically excluded/not subject to 24 CFR 58.5 under NEPA, this restriction applies to activities as of the date the CDBG program receives the grant application.

Title 1 of the Housing and Community Development Act of 1974 as amended and the environmental review procedures found in 24 CFR 58.22 apply to any activities as part of a CDBG project. The environmental review activities completed for other federal or state funding can contribute towards but not entirely meet the CDBG-specific procedure for NEPA and SEPA. Section 6 of the CDBG Management Handbook provides further detail and the necessary CDBG forms.

Project Phase	Restrictions on Eligible Activities
<p>Before CDBG contract is executed and environmental review is complete</p>	<p>With the award letter, the grantee can begin to incur costs up to 10% of award for the following activities which don't require an environmental review IF the grant application requested CDBG funding of these costs:</p> <p>Administration: Executing the CDBG contract. Establishing administrative, financial, reporting, and record keeping systems, including staffing, travel and training.</p> <p>Environmental Review: Review of environmental laws and authorities, including 24 CFR 58.5 and Section 106 of the National Historic Preservation Act of 1996, such as:</p> <ul style="list-style-type: none"> • Soil surveys • Floodplain/wetland determination • Cultural resource survey • Consultation letters to affected tribes <p>Preliminary engineering feasibility studies for the environmental assessment, such as:</p> <ul style="list-style-type: none"> • Load bearing studies • Geophysical analysis (excluding ground-disturbing activity of over one cubic sq. ft.) <p>Subcontracting: Subrecipient agreements or professional service contracts for any of the above activities</p>
<p>After CDBG contract execution</p>	<p>All eligible costs will be reimbursed after:</p> <ol style="list-style-type: none"> 1. The applicable level of environmental review is documented and complete, and funds have been released (see environmental review guidance below); 2. <i>If applicable</i>, the subrecipient agreement is executed; 3. Procurement requirements are met; and 4. Adequate back-up documentation is submitted with the payment request. <p>To be eligible for CDBG funding, all costs must be allowable under federal cost principles and CDBG regulations, and identified in grant application's project budget</p>

<p>While completing the environmental review</p>	<p>as to be funded by CDBG.</p> <p>The local government grantee must complete the applicable environmental review procedures depending on the type of project:</p> <ol style="list-style-type: none"> 1. Activities <u>documented</u> by the grantee, and confirmed by Commerce, as exempt or Categorically Excluded and <u>without impact</u> to 24 CFR 58.5 laws, historical structures or culturally sensitive land may proceed with commitment of CDBG and non-CDBG funds. 2. Activities that are Categorically Excluded and impact 24 CFR 58.5 laws, or activities requiring an environmental assessment and a Finding of Non-Significance (FONSI), must be <u>documented</u> appropriately with a request for release of CDBG funds submitted to Commerce. Only after the Commerce comment period is ended and <u>funds are released</u>, may CDBG and non-CDBG funds be committed for activities such as: <ul style="list-style-type: none"> • Finalizing design and bid specifications • Advertising for construction bids • Property acquisition, including sales and purchase agreements • Site Preparation • Demolition <p>Section 6 of the CDBG Management Handbook provides further detail and the necessary CDBG forms to complete the environmental review.</p>
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4/2018