CHAPTER 1
GETTING STARTED

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CHAPTER 1
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The Getting Started Chapter summarizes the key considerations and important administrative steps that local officials and staff should keep in mind as they begin the implementation of their Community Development Block Grant (CDBG) projects. It addresses the grant agreement, administrative plan and accessing funds.

GRANT AGREEMENT

The grant agreement is the legal document that governs the relationship between the Recipient and the Office of Community Renewal (OCR). The agreementincludes, but is not limited to, the following items:

- Provisions common to all NYS CDBG program grant agreements pertaining to default, termination, modification and amendment, disbursement, subcontracts, program income, records, reports, and compliance with applicable laws and regulations.
    - Recipients must ensure they have a clear understanding of all applicable federal and state laws and regulations and take the steps necessary to ensure compliance. The sole responsibility of compliance lies with the recipient. References to the applicable federal and state laws and regulations are in the grant agreement and in Exhibit 1-2 Applicable Laws and Regulations of this Manual.

- Grant Agreement Term:
    - **Competitive Round: 25 months**
    - **Economic Development Open Round: 25 months**
    - **Imminent Threat: 25 months**
    - **Technical Assistance/Community Planning: 13 months**
    - **CARES: 12 months**

- Provisions specific to a Recipient's grant agreement with OCR, such as those regarding the activities funded, the project budget, the proposed accomplishments, project implementation schedule, and any special grant conditions.

Each provision of the grant agreement is legally enforceable.. OCR recommends that the Recipient's attorney review the agreement to ensure that it is consistent with the community's legal authority. Grant agreements must be processed according to the instructions outlined in the grant agreement cover letter.

GRANT AGREEMENT EXECUTION

Several steps are involved in the execution of the contract and startup. These administrative steps include, but are not limited to:

- Executing the grant agreement.
- Completing authorized signature and depository forms.
- Complying with special grant conditions, as specified in Schedule A of the Grant Agreement.
- Developing an administrative plan and a program manual
- Opening a checking account for the deposit and disbursement of CDBG funds.
- Establishing a clear understanding of the applicable laws and regulations.
- Establishing project files; and
- Accessing funds

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I. PROJECT SCHEDULE

When the grant agreement is executed, the following general schedule applies to the administration of the CDBG activities:

Pre-Application	1st Public Hearing
Day 0	Grant Award
Day 45	Grant Agreement
Day 60	Release of Funds/Concurrence
6 Months	1st Disbursement
12 Months	Annual Performance Report (APR)
Project expends 75% funds	2nd Public Hearing
25 Months	Project Termination
26 Months	Final APR
TBD	Monitoring- Scheduled by OCR staff upon completion
TBD	Audit (As Applicable) – Based on federal expenditures
TBD	Closeout

II. ADMINISTRATIVE STAFFING

Recipients must determine the best method of administering their NYS CDBG project. Local administration of CDBG projects can take several forms. In some cases, Recipients may designate an existing public agency or employee, such as a planning board, planning director, public works superintendent, or clerk, as the project manager, or they may hire new employees to manage the grant activities project. In other instances, recipients may contract with a private individual, not-for-profit agency, or consulting firm. If a Recipient chooses not to directly administer the CDBG project, they must enter into a contract for services that describes the division of grant management responsibilities. Recipients that contract for administration and program delivery services must take a hands-on approach to ensure the funded activities are accomplished as proposed and to remain informed of the project status throughout the term of the grant agreement with OCR.

Regardless of the option selected, direct responsibility for completion of grant activities, compliance with federal and state requirements, and proper financial management of NYS CDBG funds rests with the Recipient's governing body. If a Recipient decides to hire a private individual or firm to administer its CDBG funded activities, the Recipient must follow the all-applicable procurement guidelines. Refer to Chapter 4: Procurement Standards, for guidance on procurement requirements.

Two of the most important functions undertaken by a Recipient are the monitoring of the grant and grant administration oversight. There are four primary components that Recipients should monitor, regardless of who is administering the program: progress of activities, program management, fiscal management, and regulatory compliance. Recipients should maintain regular contact with administrators, contractors, and others involved in the successful completion of the project. This can be conducted by frequent

discussions and site visits, as well as formal communication, assessment, and evaluation.

A. Consultants

If a consultant will be retained to assist with the management of the project, local officials or community employees should work closely with the consultant to gain a better understanding of the management issues involved. In cases where the community turns the entire project over to the consultant, *all the detailed knowledge about the project is lost when the project is completed and the consultant leaves*. Establishing a close working relationship with the consultant will also provide an excellent opportunity for the community to learn how to administer a grant, and will help improve communication between the community, the consultant, and OCR.

When opting to contract for professional services for grant administration, Recipients are required to follow the federal procurement standards. The procurement process must provide for “free and open” competition. Most professional service contracts are executed through “competitive proposal” procedures utilizing requests for proposals. These procedures are designed to protect the community and ensure that it selects a competent contractor at a reasonable cost. Refer to Chapter 4: Procurement, for guidance on procurement requirements.

B. Subrecipients

Recipients may elect to sub-grant all or portions of their CDBG funds to a Subrecipient for administration of a specific activity, i.e. homebuyer assistance. A sample Subrecipient Agreement can be found in Exhibit 1-4 of this Chapter. **A Subrecipient is an organization that is provided CDBG funds directly from an OCR Recipient for use in carrying out previously agreed upon eligible activities.** Such an organization is authorized, by virtue of its articles of incorporation, charter, and/or experience, to undertake the activities for which it will receive CDBG funding.

Subrecipients support recipients in the achievement of their community development goals by providing the knowledge, expertise, and work hours that the Recipient itself cannot provide. NYS CDBG funds are passed to the Subrecipient **from the Recipient** so that it can undertake agreed upon eligible activities. In many instances, the Subrecipient is able to undertake activities that the recipient could not, or would not, complete on its own. Sometimes the Subrecipient will request an eligible CDBG community to apply on its behalf; other times, the community requests the Subrecipient to act on its behalf. **Regardless of the manner in which a Subrecipient undertakes the Recipient's administrative responsibilities, under no conditions should the NYS CDBG account and/or checkbook be turned over to the Subrecipient, nor should funds be electronically transferred to the Subrecipient from OCR.**

There are typically three types of Subrecipients:

- Governmental non-profits, which are public agencies, commissions, or authorities that have been created by the Recipient, such as a housing authority or water supply district. They also may have been created by a consortium of municipalities, such as a county or multi-county sewer authority.

- Private non-profits, which are incorporated under the non-profit statutes of state law, and, frequently having IRC 501(c)(3) status, providing specific services in specific areas, such as job training, day care, housing, community development, homeless shelters, mental health centers, industrial development, etc.; or

- Less frequently, a private for-profit that can carry out special activities, such as economic development or housing construction.

Federal procurement standards do not apply to the selection of a Subrecipient, but they must be adhered to for the selection of a consultant.

The Recipient and the Subrecipient must enter into a written agreement. The agreement must remain in effect during any period that the Subrecipient has control over NYS CDBG funds, including program income.

At a minimum, the written agreement with the Subrecipient must include provisions concerning the following items:

1. Statement of work – The agreement must include a description of the work to be performed, a schedule for completing the work, and a budget. These items shall be in enough detail to provide a sound basis for the Recipient to effectively monitor performance under the agreement.

2. Records and reports – The Recipient must specify in the agreement the particular records the Subrecipient must maintain and the particular reports the Subrecipient must submit in order to assist the Recipient in meeting its recordkeeping and reporting requirements.

    a. The agreement must specify that at least on a semi-annual basis, the Subrecipient shall provide in hard copy or electronic copy, all documents related to the grant.

3. Program Income – The agreement must include the program income requirements set forth in 24 CFR 570.504 (c). The agreement must also specify that, at the end of the NYS Fiscal Year, Recipients will require remittance of all program income balances (including investments thereof) held by the Subrecipient.

4. Uniform Administrative Requirements – The agreement shall require the Subrecipient to comply with applicable uniform administrative requirements, as described in 24 CFR 570.502.

5. Other Program Requirements – The agreement shall require the Subrecipient to carry out each activity in compliance with all federal laws and regulations excluding the Recipient's environmental responsibilities and responsibility for initiating the review process under the provisions of 24 CFR Part 52.

6. Conditions for Religious Organizations - Where applicable, the conditions prescribed by HUD for the use of CDBG funds by religious organizations must be included in the agreement.

7. Suspension and Termination – The agreement must specify that, in accordance with 2 CFR 200.339-342, suspension or termination may occur if the Subrecipient materially fails to comply with any term of the award, and that the award may be terminated for convenience.

8. Reversion of Assets – The agreement must specify that upon its expiration the Subrecipient shall transfer to the Recipient any NYS CDBG funds on hand at the time of expiration and any accounts receivable that are attributable to the use of NYS CDBG funds. It shall also include provisions designed to ensure that any real property under the Subrecipient's control that was acquired or improved in whole or in part with NYS CDBG funds, including NYS CDBG funds provided to the Subrecipient in the form of a loan, in excess of $25,000 is either:

a. Used to meet one of the national objectives until five (5) years after expiration of the agreement, or for such longer period of time as determined to be appropriate by the Recipient; or

b. Not used in accordance with meeting a national objective, in which event the Subrecipient shall pay to the Recipient an amount equal to the current market value of the property, less any portion of the value attributable to expenditures of non-NYS CDBG funds for the acquisition of, or improvements to, the property. The payment is program income to the Recipient. (No payment is required after period of time specified in 8.)

Since OCR's contract is with the Recipient, it is the Recipient's performance that will be monitored. It is the Recipient's responsibility to ensure that its Subrecipient is carrying out the project in conformance with the certifications and requirements that it inherited because of receiving and administering NYS CDBG funds. To ensure compliance, Recipients must conduct a formal monitoring of the Subrecipient during the administration of the grant, and periodically evaluate the performance of the Subrecipient. Refer to Chapter 10: Monitoring.

III. LOCAL RECIPIENT ADMINISTRATIVE PLAN

Once an administrative approach for your project has been determined, local officials should meet with the designated project manager and other key staff to discuss their individual roles and responsibilities to finalize the Local Recipient Administrative Plan, available in Exhibit 1-1 of this chapter. The administrative plan is a required document **that must be submitted by the recipient to the OCR prior to requesting funds for the first time**. The administrative plan provides an opportunity to outline operating procedures, compliance measures, reporting requirements, and responsible parties for all the key administrative tasks, such as conducting the environmental review, preparing and submitting reports, conducting site inspections, monitoring contractors, interviewing workers for labor standards requirements, and requesting funds. **The project manager should use the Administrative Plan as a written record of the project components and major tasks and identify the people who will be responsible for implementing each of them.** The Administrative Plan is intended to be used for all stages of project implementation including organizing for on-site monitoring visits conducted by OCR staff.

Each person involved in the project should have a copy of the Administrative Plan and the project implementation schedule. In the event of staff turnover, the plan will help familiarize new staff with the responsibilities and operating procedures required for project administration to the extent that the transfer of responsibilities should be seamless.

Please keep in mind that the recipient is ultimately responsible for assuring compliance with all the applicable regulations and requirements governing the NYS CDBG Program. A very common problem in the administration of a NYS CDBG project is that local officials or staff assume that someone else is taking care of a requirement or work task. To assure compliance recipients must ensure that the appropriate person(s) is fully aware and understand the requirements of the

program and take the necessary steps to ensure compliance. Recipients must oversee the implementation of the project and the adherence of program requirements.

The submission of an Administrative Plan is required before requesting funds for the first time. The Plan will, at a minimum, include the following items and will aid in a successful monitoring visit and the completion of a successful project. For additional guidance on the contents and format of the Administrative Plan, refer to Exhibit 1-1 NYS CDBG Program Recipient Administrative Plan

1. **Local Program Summary**

   This section of the plan provides an overview of the project and persons responsible for overall project management. This section must include:

   - An overall description of the project/scope of work
   - The program/project budget
   - Project Schedule
   - Projected Accomplishments

   Project Team - describe how a Recipient will integrate project management into its existing organizational structure. This section of the plan must include a description of the role of key persons who will be involved in supervising the administration of the grant and those who will have a direct role in administering the grant, including the Chief Elected Official, the Recipient's financial officer, any officials who will be authorized to sign requests for CDBG funds, the Recipient's attorney, consultant, Subrecipients, etc.

Hint: You can choose to supplement this section using forms generated for the CDBG Grant Agreement

2. **Program Requirements and Policies**

   This section of the plan will describe the steps to be taken to ensure documentation of the Recipient's compliance with all applicable laws, regulations, and contractual requirements, such as the environmental review process, civil rights, procurement, labor standards, preparation of performance, and closeout reports. This includes:

   - Eligible activities to be undertaken
   - National Objectives that will be met
   - Civil Rights – Evidence of compliance with the following items must be submitted with the Administrative Plan prior to requesting funds for the first time. Please see Exhibit 1-1 for further information on satisfying these items:
     - Fair Housing
     - Section 504 Accessibility
     - Section 3
     - Local Procurement Policy
     - Equal Employment Opportunity (EEO)
     - Minority/Women Owned Business (M/WBE)

3. Grant Administrative Cycle

This Section of the Plan provides dates for certain milestones reached in the life of the project. Note that some of these items will not have been completed at the time of submission of the plan. In this case, only draft completion dates can be entered. Grant cycle items include:

- Contract execution and start-up
- Financial set-up
- Environmental Review
- Project Implementation
    - Labor/wage documentation
    - Marketing/Project selection
    - Real Property management
    - Construction monitoring and compliance
- File Maintenance and Reporting

IV. STEPS REQUIRED TO ACCESS FUNDS

Recipients may not commit CDBG funds prior to the effective date of their grant agreement. Any expenditure prior to such date cannot be reimbursed with CDBG funds.

Required Steps

The following steps must be completed before a Request for d will be approved by OCR.

1. Grant Agreement/Special Conditions – Submit a signed grant agreement and provide evidence of compliance with Schedule A requirements, with the special conditions, if applicable.

2. Checking Account – **Recipients must open a checking account in the name of the municipality for the electronic deposit** of NYS CDBG funds and for Recipients to disburse payment for activities covered by NYS CDBG funds. If a Recipient has an existing that was open for prior-year NYS CDBG projects, the Recipient may use that existing account, but separate financial records must be maintained. If possible, the funds should be deposited in a bank located within the project area (defined as the jurisdiction of the Recipient's local government).

3. Signature Authorization and Designation of Depository Forms - Before any NYS CDBG funds can be requested, the following forms must be completed and submitted to OCR to establish the mechanisms for requesting (drawdown) and receiving (disbursement) NYS CDBG funds:

- **Authorized Signature Form** designates the **local officials** authorized as signatories for requests for payment. The Chief Elected Official (CEO) must designate at least two municipal employees to sign each payment request (drawdown) to safeguard that grant funds are being used for allowable and authorized costs. The CEO cannot be an authorized signatory. The authorized signatories also cannot be a signatory to the local CDBG check for expenditure of NYS CDBG funds.

- **ACH/Direct Deposit Authorization Form** authorizes the deposit of NYS CDBG funds directly in the **Recipient's designated bank account** for the project. The Designation of Depository Form must indicate the name and number of the account (general depository) to which OCR will authorize the direct deposit of NYS CDBG funds. The account must be in the name of the recipient (i.e., Village of ABC). A new Designation of Depository Form must be submitted for each grant awarded to a Recipient.

E-mail the fully executed forms to the assigned Project Maanger and retain the original in the local Financial Management File. If there is a need for the Recipient to change the authorized signatories or depository, a new set of forms must be submitted to OCR prior to requesting funds.

4. **Environmental Review** - The National Environmental Policy Act of 1969 ("NEPA") requires Recipients to conduct an environmental review of their projects and establish a written record of their findings, known as an Environmental Review Record. Until a Recipient has completed the environmental and historic requirements covering all project activities (Refer to Chapter 2) and has obtained OCR's approval of its Request for Release of Funds, if applicable, **a Recipient cannot expend or encumber CDBG funds for any activity** except those listed as exempt under 24 CFR 58.34, or which fall under the categorical exclusions set forth in 24 CFR 58.35(b). Complete the environmental and historic review for each activity proposed and submit it with the Request for Release of Funds, if applicable. Refer to Chapter 2, Environmental and Historic Review. Consult your OCR Community/Economic Developer for guidance if you have a question regarding whether or not a particular activity is exempt under NEPA.

5. **Release of Funds** - To request a release of funds, a Request for Release of Funds and Certification Form must be submitted (except for exempt activities) along with the following for each activity type:

   - **NEPA Exempt Activities** - [Exempt under 24 CFR Part 58.34 or categorically excluded under 24 CFR 58.35(b)] A Request for Release of Funds is not required for this determination, but Recipients must comply with the requirements in Chapter 2 of the Grant Administration Manual. Once this determination has been made, the Recipient may then begin incurring costs exempt activities. The form may be submitted with the first request for funds. **If the exempt activities are to be paid in part by other funding sources,**

the other funds must be committed to the project before NYS CDBG funds can be drawn down. Documentation of the determination that each activity or project is exempt must be submitted to OCR and retained in the Recipient's file.

- **NEPA Non-Exempt Activities** - The following steps must be completed before a Request for Release of Funds can be considered for authorization of activities that are not exempt under 24 CFR 58.34(a) nor categorically excluded under 24 CFR 58.35.

  a. Completion of all state and federal environmental reviews required forms, and the environmental review record, including publishing of all required notices. (See Chapter 2, Environmental and Historic Review.)

  b. Submittal of the Request for Release of Funds Form and the corresponding environmental review forms to the assigned Program Staff.

After review of the required documents a release of funds will be issued.

When the Recipient receives approval of the Recipient's Certification and Request for Release of Funds, the Recipient may begin committing and drawing down NYS CDBG activity funds. **For projects requiring other funding sources, the non-NYS CDBG funds must be committed to the project before NYS CDBG funds can be obligated.**

Request for Funds - Requests for Funds Forms 1-4, 1-5 and 1-6 must be emailed to OCR for processing at Disbursements@nyshcr.org. **All requests for funds must include supporting documentation for all expenditures requesting reimbursement.** Supporting documentation, such as invoices and/or payroll documentation of labor, materials, equipment, closing costs, services, and other expenses, must be submitted for each CDBG expenditure, including program delivery and administration. For microenterprise projects, information describing the business use of funds, type of job(s) and number of job(s) must be submitted. The supporting documentation must be dated and include the name of the vendor/contractor/consultant, address of the project/property/business, and the name of the property or business owner.

6. It may be necessary for additional materials or information to be requested before processing a request for funds. NYS CDBG funds that have been approved for release will be electronically transferred to the Recipient's bank account within 7-10 business days. Recipients will be notified if their request for a drawdown is denied or requires corrections.

   For projects where Davis-Bacon and New York State wage requirements are applicable, Recipients must submit a copy of the bid package prior to requesting funds for construction for review by the assigned Project Manager. Once a determination has been made regarding

compliance with the applicable labor standard requirements, the Recipients will be notified of the determination.

- Recipients must minimize the time elapsing between the receipt of NYS CDBG funds and the disbursement of funds for NYS CDBG activities. In determining when to request funds, Recipients must comply with the OCR-approved project schedule and the Recipient's ability to disburse funds in a timely manner, typically within 5 days.

- **Recipients may request reimbursement of funds for exempt activities that were completed prior to receiving a release of funds, in accordance with their program schedule.**

- **OCR will process requests for funds in accordance with Recipients' program schedule. Requests for administration and program delivery expenditures that exceed the budgeted amount accumulated for that quarter or exceed 20% of the program activity expended will not be processed for payment.**

V. PUBLIC RELATIONS MATERIALS

OCR invites all Recipients to submit photographs of their projects at various stages of development for use on the OCR website and in promotional materials and presentations.

Before submitting photographs to OCR, Recipients must comply with Section 50 of NYS Civil Rights Law, which provides for a "right of privacy. To comply, Recipient must maintain a copy of the Release and License Agreement (Exhibit 1-3) for all projects undertaken by the Recipient. The Release and License Agreement (Exhibit 1-3) must be included in any written agreements entered by the Recipient.

If a person, firm, or corporation uses for advertising purposes, or for the purposes of trade, the name, portrait or picture of any living persons or privately-owned structures without having the signed Release and License Agreement that individual or entity may be guilty of a misdemeanor.

VI. EXHIBITS

1-1 DRAFT/LOCAL RECIPIENT ADMINISTRATIVE PLAN
1-2 APPLICABLE LAWS AND REGULATIONS
1-3 PHOTOGRAPH RELEASE AND LICENSE AGREEMENT
1-4 SUBRECIPIENT AGREEMENT TEMPLATE

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EXHIBIT 1-1

APPLICABLE LAWS AND REGULATIONS

The following is a list of applicable federal and state laws and regulations that may impact your CDBG funded activities. This list is not an all-inclusive list of the applicable state and federal laws and regulations. It is the responsibility of the Recipient to understand the applicability of all laws and regulations. Recipients are responsible for complying with and obtaining copies of all applicable federal and state laws and regulations. For additional information regarding the federal laws and regulations and for copies of federal regulations, refer to HUD's website, www.HUD.gov and the Code of Federal Regulations website, https://www.ecfr.gov.

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A. Civil Rights

Several federal and state statutes, portions of the NYS CDBG regulations, and three Presidential Executive Orders contain civil rights and affirmative action provisions that apply to all programs funded with federal monies. Civil rights compliance and monitoring responsibilities are outlined in the following summary of federal and state laws, Executive Orders, and NYS CDBG program regulations.

Title VI of the Civil Rights Act of 1964 (42 USC 2000d et seq. 24 CFR Part 1)
Title VI provides that no person shall be excluded from participation in, be denied program benefits of, or be subjected to discrimination on the basis of race, color, or national origin under any program activity receiving federal financial assistance.

National Affordable Housing Act of 1990 (42 USC 12832)
The nondiscrimination clause of the National Affordable Housing Act of 1990 states:

> *"No person in the United States shall on the grounds of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this subchapter. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 USC 6101 et seq.) or with respect to an otherwise qualified handicapped individual as provided in section shall also apply to any such program or activity."*

Rehabilitation Act of 1973, Section 504, as amended (29 USC 794)
Section 504 is explicitly incorporated into Title II, Subtitle F, Section 282 of the *National Affordable Housing Act* of 1990. It states:

> *"No otherwise qualified handicapped individual in the United States, as defined in section 705(20) shall, solely by reason of his or her handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance."*

Although similar in wording, Section 504 of the Rehabilitation Act differs conceptually from Title VI of the Civil Rights Act and Section 282 of the National Affordable Housing Act. The premise of Title VI and Section 282 is that there are no inherent differences or inequalities between the general public and the persons protected by these provisions; therefore, there should be no differential treatment in the administration of federal programs. The premise of Section 504 is that affirmative steps must be taken to ensure that persons who are inherently unequal (the handicapped) are not discriminated against as a result of administrative procedures or NYS CDBG project activities. Handicapped persons may need different treatment in order to be afforded equal access to federally assisted programs and activities; thus, identical treatment may in fact constitute discrimination.

24 CFR Part 8, Nondiscrimination Based on Handicap in Federally assisted Programs and Activities of the Department of Housing and Urban Development.

Americans with Disabilities Act (ADA) of 1990 (42 USC 12101 et seq.)
The Americans with Disabilities Act (ADA) of 1990 guarantees equal opportunity in employment, public accommodations, transportation, state and local government services, and telecommunications, for individuals with disabilities.

Architectural Barriers Act of 1968 (42 USC 4151-4157)
HUD implementing regulations at 24 CFR Part 40, prescribe standards for the design, construction, and alteration of ***publicly owned*** residential structures to ensure that physically handicapped persons will have ready access to, and use of, such structures.

The Age Discrimination Act of 1975 (42 USC 6101 et seq.)
This act is explicitly incorporated into Title II, Subtitle F of the *National Affordable Housing Act* of 1990. The *Age Discrimination Act* states:

> *"No person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity receiving federal financial assistance."*

Equal Employment Opportunities under HUD Assisted Contracts, Executive Order 11246, as amended by Executive Order 11375 Implementing regulations at 41 CFR Chapter 60
Nondiscrimination in employment is required for all federally assisted contracts.

Title VIII of the Civil Rights Act of 1968 (42 USC 3601 et seq.) as amended by the Fair Housing Amendments Act of 1988 [the Fair Housing Act], provides for fair housing throughout the United States.

Fair Housing Act, Executive Order 11063, as amended by Executive Order 12259 (Equal Opportunity in Housing)
The Fair Housing Act requires HUD to take all actions necessary and appropriate to prevent discrimination in housing and related facilities that are funded in whole or in part with federal financial assistance. Federally funded activities that fall under these provisions include mortgage insurance, guaranty programs, and grants used to acquire, clear, relocate, or otherwise prepare a housing site. The Act's provisions are also binding on housing related practices of lending institutions, insofar as such practices relate to loans ensured and guaranteed by the federal government. Implementing regulations in 24 CFR Part 107.

Housing and Community Development Act of 1968, Section 3 (12 USC 1701u), as amended, 24 CFR Part 135
This law provides that, to the greatest extent feasible, opportunities for training and employment must be given to lower-income residents of NYS CDBG assisted projects

and that contracts for work in connection with such projects should be awarded to business concerns located in or owned in substantial part by project-area residents.

Women Business Enterprise and Minority Business Enterprise, Executive Order 12138, 11625, and 12432
These regulations establish the development of Women and Minority Business Enterprises (DBEs) as a national priority.

Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 CFR Part 200
This federal regulation establishes procurement standards to be followed in federal assistance programs. 2 CFR 200.321 requires the Recipient and any Subrecipient to take all necessary affirmative steps to ensure that DBEs in labor surplus areas are used, when possible, in the procurement of goods and services for NYS CDBG funded activities.

B. Conflict of Interest

Refer to Chapter 7 of the Grant Administration Manual, Other Federal Requirements.

C. Environmental and Historic

Section 104(g) of the Housing and Community Development Act of 1974 (42 USC 5304)
This section of the Act expresses the intent that the policies of the National Environmental Policy Act of 1969 (NEPA) and other provisions of law which further the purpose of NEPA be effectively implemented in connection with the expenditure of funds under NYS CDBG. Other such provisions of law which further the purpose of NEPA are specified in regulations contained in 24 CFR Parts 51 and 58.

National Environmental Policy Act of 1969 (42 USC 4321, et seq.)
Implementing regulations can be found at 24 CFR Part 50, 40 CFR Parts 1500-1508). The purpose of this Act is to attain the widest use of the environment without degradation, risk to health or safety, or other undesirable and unintended consequences. The federal environmental review procedures are a part of this process.

24 CFR Part 58 - Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities (April 30, 1996)
This provides guidance to Recipient for the implementation of NEPA for NYS CDBG projects. It defines the Recipient's and the state's responsibilities in conducting an environmental review and details the procedures necessary to ensure compliance with the applicable regulations.

24 CFR Part 51 - Environmental Criteria and Standards: Subpart B, Noise Abatement and Control; Subpart C, Citing of HUD-Assisted Projects Near Hazardous Operations Handling Conventional Fuels or Chemicals of an Explosive or Flammable Nature; and Subpart D, Citing of HUD Assisted Projects in Runway Clear Zones at Civil Airports and Clear Zones and Accident Potential Zones at Military Airfields
These regulations provide standards for determining whether the proposed location of a HUD-assisted project will be in an unacceptable proximity to sources of noise or hazardous operations, which pose risk to human health and welfare. In addition, these regulations prohibit the use of HUD assistance in areas determined to have high risk potential near airports. With respect to noise and hazardous operations, guidance is provided for establishing mitigation procedures that, in some cases, will reduce the noise level or danger from hazardous operations to an acceptable level or degree.

Clean Air Act (42 USC 7401 et seq.) as amended, particularly sections 7506(c) and (d)
This Act prohibits engaging in, supporting in any way, or providing financial assistance for, licensing or permitting, or approving any activity which does not conform to the state implementation plan for national primary and secondary ambient air quality standards.

Determining Conformity of Federal Actions to State or Federal Implementation Plans (EPA. 40 CFR parts 6, 51, 93)

Flood Disaster Protection Act of 1973, (42 USC. 4001-4128)
Section 102(a) required, on and after March 2, 1974, the purchase of flood insurance, as a condition for the receipt of any federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of HUD as an area having special flood hazards.

Executive Order 11988, May 24, 1977: Floodplain Management (42 FR 26951, et seq.), as interpreted in 24 CFR part 55
The intent of this Executive Order is to avoid, to the greatest extent possible, adverse impacts associated with the occupancy and modification of floodplains, as well as to avoid direct or indirect support of floodplain development wherever there is a practical alternative.

Executive Order 11990, May 24, 1977: Protection of Wetlands (42 FR 26961, et seq.)
The intent of this Executive Order is to avoid adverse impacts associated with the destruction or modification of wetlands and to avoid direct or indirect support of new construction in wetlands, wherever there is a practical alternative. The grant Recipient must avoid undertaking or providing assistance for new construction in wetlands unless there is no practical alternative to such construction and the proposed action includes all practical measures to minimize harm to wetlands.

Executive Order 11738, September 10, 1973: Administration of the Clean Air Act and The Federal Water Pollution Control Act with Respect to Federal Contracts, Grants or Loans (38 FR 25161, et seq.)

Section 106 and Section 110 of the National Historic Preservation Act of 1966 (16 USC 470 and 470h-2) through completion of the procedures outlined in 36 CFR Parts 800 and 63

Compliance with these procedures should include consulting with the State Historic Preservation Office (SHPO) to identify properties listed in or eligible for inclusion in the National Register of Historic Places that may exist within a proposed NYS CDBG project's area of potential environmental impact. Compliance also includes consulting with, as needed, the SHPO, the keeper of the National Register of Historic Places, and the Advisory Council on Historic Preservation to evaluate the significance of historic or prehistoric properties that could be affected by NYS CDBG work and to determine how to avoid or mitigate adverse effects to significant properties from project activities.

Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 (42 USC 6901, et seq.)

The purpose of this Act is to promote the protection of health and the environment and to conserve valuable material and energy resources.

The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) (42 USC 9601 et seq.) as amended

The CERCLA established a tax on the chemical and petroleum industries and provided broad Federal authority to respond directly to releases or threatened releases of hazardous substances that may endanger public health or the environment.

Safe Drinking Water Act of 1974 (42 USC 201, 300(f) et seq. and 21 USC 349), as amended

Particularly Section 1424(e) (42 USC 300h-3(e)) is intended to protect underground sources of water. No commitment for federal financial assistance can be entered into for any project that the U.S. Environmental Protection Agency (EPA) determines may contaminate an aquifer that is the sole or principal drinking water source for an area.

Sole Service Aquifers (EPA, 40 CFR part 149); Section 508 of the Federal Water Pollution Control Act of 1972, as amended (33 USC 1368)

This provides for the restoration and maintenance of the chemical, physical and biological integrity of the nation's water.

Endangered Species Act of 1973, (16 USC 1531 et seq.) as amended, particularly section 7 (16 USC 1536)

The intent of this Act is to ensure that all federally assisted projects seek to preserve endangered or threatened species. Federally authorized and funded projects must not jeopardize the continued existence of endangered and threatened species or result in the destruction of or modification of the habitat of such species that is determined by the U.S. Department of the Interior, after consultation with the state, to be critical.

Fish and Wildlife Coordination Act of 1958 (16 USC 661 et seq.), as amended

This Act requires that wildlife conservation receive consideration and is coordinated with other features of water resource development programs.

Wild and Scenic Rivers Act of 1968 (16 USC 1271 et seq.), as amended, particularly section 7(b) and (c) [16 USC 1278(b) and (c)]
The purpose of this Act is to preserve selected rivers or sections of rivers in their free-flowing condition, to protect the water quality of such rivers, and to fulfill other vital national conservation goals. Federal assistance by loan, grant, license, or other mechanism cannot be provided to water resource construction projects that would have a direct and adverse effect on any river included or designated for study or inclusion in the National Wild and Scenic River System.

The Coastal Zone Management act of 1972 (16 USC 1451 et seq.), as amended, particularly sections 307 (c) and (d) [16 USC 1456 (c) and (d)]

Coastal Barrier Resources Act (16 USC 3501 et seq.), as amended by the Coastal Barrier Improvement Act of 1990 (P.L. 101-591)

HUD Notice 79-33 Policy Guidance to Address the Problems Posed by Toxic Chemicals and Radioactive Materials, September 10, 1979

Farmland Protection Policy Act of 1981 (7 USC 4201 et seq.) and applicable regulations at 7 CFR Part 658
The purpose of this Act is to establish compliance procedures for any federally assisted project that will convert farmlands designated as prime, unique, statewide or locally important, to non-agricultural uses.

Executive Order 12898 - Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, February 11, 1994 (59 FR 7629)

Executive Order 11593 - Protection and Enhancement of the Cultural Environment, May 13, 1971 (36 FR 8921) particularly section 2(c)

National Flood Insurance Reform Act of 1994 (Pub. L. 103-325) and implementing regulations at 44 CFR Parts 59 through 79

Executive Order 11288 - Prevention, Control, and Abatement of Water Pollution by Federal Activities, July 2, 1966 (31 FR 9261)

Executive Order 11514 - Protection and Enhancement of Environmental Quality, March 5, 1970 (35 FR 4247)

Reservoir Salvage Act of 1960 as amended by the Archeological and Historic Preservation Act of 1974 (16 USC 469 et seq.) particularly section 3 (16 USC 499c-1)

State Environmental Quality Review Act (SEQRA)
Regulations at 6 NYCRR Part 617 require state agencies to consider environmental factors prior to any decisions to undertake, approve, or fund an action

State Historic Preservation Office (SHPO)
Reviews all state or federally funded new construction or rehabilitation projects to determine whether the proposed project is of historic, architectural, or archaeological value, or would adversely affect any district, site, building, or other structure that is listed or eligible to be listed, in the National Register of Historic Places.

D. Labor Standards

Section 110, Title I, Housing and Community Development Act of 1974, as amended (42 USC 5310)
All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with grants received under this title shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended, provided that this section shall apply to the rehabilitation of residential property only if such property is designed for residential use of eight or more units.

Davis-Bacon Act (40 USC 276a - 276a-5)
Workers shall receive no less than the prevailing wages being paid for similar work in their locality. Prevailing wages are computed by the Department of Labor and are issued in the form of federal wage decisions for each classification of work. The law applies to most construction, alteration, or repair contracts over $2,000. (Residential rehabilitation contracts involving structures with less than eight (8) units are exempt.) For all projects requiring compliance with Davis-Bacon, the Recipient must contact their Community/ Economic Developer and submit a Request for Wage Rate Determination, Form 5-I-4, no more than 90 days prior to the anticipated bid opening date.

Copeland Anti-Kickback Act (18 USC 874)
Workers are required to be paid at least once a week without any deductions or rebates except permissible deductions. Permissible deductions include taxes, deductions the worker authorizes in writing, and deductions required by court processes. The Act also requires contractors to submit payroll records weekly along with Statements of Compliance to the contracting agency. The Copeland Act applies to all contracts covered by Davis-Bacon.

Contract Work Hours and Safety Standards Act (40 USC 327 - 333)
Workers shall receive overtime compensation at a rate of 1.5 times their regular hourly wage after they have worked 40 hours in one week. Overtime pay is not required for single contracts under $100,000 under this act; however, contractors must comply with the overtime requirements under the Fair Labor Standards Act.

Fair Labor Standards Act - FLSA (29 USC 201 et seq.)
Act establishes a minimum wage rate, overtime, record keeping, and other regulations that affect employers and laborers. The FLSA is enforced by the U.S. Department of Labor (DOL), and DOL is authorized to investigate any violations and to initiate court

action against employers that may result in fines and/or jail terms, payment of double back pay, and payment of attorneys' fees.

29 CFR Parts 1, 3, 5, and 7 are the regulations and procedures issued by the Secretary of Labor for the administration and enforcement of the Davis-Bacon Act, as amended.

Federal Labor Standards Compliance in Housing and Community Development Programs Administration and Enforcement Handbook (HUD Handbook No. 1344.1)
Policies and procedures contained within are to be used by Recipient, contractors and subcontractors who are recipients of federal (NYS CDBG) funds to ensure compliance with applicable federal labor standards, statutes, and regulations. Copies may be available by calling HUD at (800) 767-7468.

New York State Labor Law, Article 8 Public Works

New York State Executive Law, Article 15 –A and the regulations promulgated there under by the Division of Minority and Women's Business Development of the NYS Department of Economic Development

● **Lead-Based Paint**

Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 USC 4851-4856)
Requires sellers, landlords, and agents to warn homebuyers and tenants of lead-based paint and lead-based paint hazards in pre-1978 housing.

Lead-Based Paint Poisoning Prevention Act (42 USC 4821-4846)
Its focus is to reduce the threat of childhood lead poisoning in housing owned, assisted, or transferred by the federal government.

24 CFR Part 35, subparts A, B, J K and R
These are the implementing regulations for the above cited statues.

24 CFR 570.608 Lead-Based Paint

- **National Objectives**

24 CFR 570.483
Criteria for National Objectives

24 CFR 570.484
Overall benefit to low- and moderate-income persons

- **Procurement**

2 CFR Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards

This establishes administrative requirements for federal grants to local governments and their subrecipients. 2 CFR 200.316-.326 specifically addresses procurement.

- **Anti-Displacement and Relocation**

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended by the Uniform Relocation Act Amendments of 1997 (URA) (42 USC 4601-4655)
This contains requirements for carrying out real property acquisition or the displacement of a person, regardless of income status, for a project or program for which HUD financial assistance (including NYS CDBG) is provided. The implementing regulations in 49 CFR Part 24 includes steps which must be taken with tenant-occupants including those who will not be relocated even temporarily.

Section 104(d) of the Housing and Community Development Act of 1974 (42 USC 5304), as amended
Provides that, as a condition for receiving assistance under NYS CDBG, the grantee must certify that it is following a residential anti-displacement plan and relocation assistance plan. Section 104(d) further requires relocation benefits to be provided low-income persons who are displaced as the result of a NYS CDBG-assisted project and establishes requirements for the replacement of low-income occupied housing which is demolished or converted.

HUD Handbook 1378, Tenant Assistance Relocation and Real Property Acquisition
Consolidates the basic statutory and regulatory requirements of the URA and Section 104(d) and related implementing regulations. It is a comprehensive and valuable reference for all jurisdictions participating in the State NYS CDBG program.

- **Financial Management**

2 CFR 200 – Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards
This establishes uniform administrative rules for federal grants and sub-awards to state, local, and Indian tribal governments and their subrecipients.

24 CFR 570.489
Sets requirements for fiscal controls and accounting procedures.

24 CFR 570.490
Establishes general record keeping and retention requirements.

Treasury Circular 1075
Sets the policy for sound cash management practices.

OMB Management Circular A-87, Cost Principles for State and Local Governments
Establishes principles and standards for determining costs applicable to grants, contracts, and other agreements with State and local governments.

OMB Circular A-102, Grants and Cooperative Agreements with State and Local Governments
Describes the auditing requirements for local jurisdictions.

OMB Circular A-122: Cost Principles for Non-profit Organizations

OMB Circular A-200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

OMB Circular A-110: Grants and Agreements with Institutions of Higher Education, Hospitals and other nonprofit organizations

New York State's Financial Management Guide for Local Governments, Volumes I and II

New York State's Uniform System of Accounts for Cities and Villages

New York State's Uniform System of Accounts for Counties

The Single Audit Act of 1984 (31 U.S.C. 7501-7507) as amended by the Single Audit Act of 1996 (Public Law 104-156)
As the principle federal audit statute, it imposes a set of audit requirements on Recipients of federal grant funds, including NYS CDBG funds.

Government Auditing Standards, 1994 Revision (referred to as the "Yellow Book")
This document contains generally accepted government auditing standards applicable to the Recipient. Issued by the U.S. Comptroller General, these standards incorporate generally accepted auditing standards as adopted by the American Institute of Certified Public Accountants (AICPA).

- **Faith-Based Organizations**

Equal Protection of the Laws for Faith-Based and Community Organizations, Executive Order 13279
The policy states that, within the framework of constitutional church-state guidelines, faith-based organizations should be able to compete on an equal footing with other organizations for Federal funding.

EXHIBIT 1- 2

PHOTOGRAPH RELEASE AND LICENSE AGREEMENT

1. GRANT OF LICENSE AND RIGHTS: The {Property Owner, Homeowner, Business Owner} hereby grants an exclusive license to and any and all rights and benefits, if any, to the photographs taken by Corporation, its agents/assigned at the jobsite for use in any advertising, promotion, and marketing campaign that may conduct in the future. Moreover, it is understood and acknowledged that this license and rights shall apply to any third parties or agents that Corporation in its sole discretion deems necessary to properly and adequately market or promote its building materials and services.

2. CONSIDERATION: It is understood and agreed that other than the consideration previously received the {Property Owner, Homeowner, Business Owner} will not be entitled to receive any further consideration relative to the use of the photographs described herein, including monetary consideration.

3. RESTRICTIONS: It is understood and agreed that there will be no restrictions on the license and/or rights granted hereby.

    1. PROMOTION/MARKETING: It is understood and agreed that the {Property Owner, Homeowner, Business Owner} shall have no control or input as to how the photographs are used or utilized in any marketing campaign or promotion and/or advertising unless Corporation, its agents/assigns in its sole discretion deems that such input would be appropriate and useful. It is understood and agreed that Corporation shall have sole authority to determine the mode and method of advertising, merchandising, promoting, selling, and distributing, that involves the use or utilization of the subject photographs. Moreover, it is understood and agreed that Corporation will not be required to obtain and further approval or consent from the {Property Owner, Homeowner, Business Owner} prior to the use or utilization of any photographs for any promotion or marketing campaign and/or advertising.

EXHIBIT 1-3
SUBRECIPIENT AGREEMENT TEMPLATE

The following is offered as a template, provided as guidance in developing a subrecipient agreement. Each agreement should be tailored to fit the particular project scope and or needs. Any Subrecipient Agreement must be submitted to the satisfaction of the OCR for compliance. The OCR reserves the right to accept or reject any Subrecipient Agreement. This template is subject to further review and revision at any time at the sole discretion of the OCR.

AGREEMENT BETWEEN THE {MUNICIPALITY NAME}

AND

{SUBRECIPIENT NAME}

AGREEMENT, dated the {day of Month, Year}, between the {MUNICIPALITY NAME}, a municipal Corporation organized under the laws of New York State, whose principal offices are at {ADDRESS, CITY, TOWN, STATE, ZIP CODE} (hereinafter referred to as the {CITY/TOWN/VILLAGE/COUNTY} and {SUBRECIPIENT NAME}, a not-for-profit corporation organized under the laws of New York State whose offices are located at {ADRESS, CITY, TOWN, STATE, ZIP CODE} (hereinafter referred to as {SUBRECIPIENT NAME}).

WITNESSETH:

WHEREAS, the {CITY/TOWN/VILLAGE/COUNTY} is the recipient of a New York State Office of Community Renewal Community Development Block Grant No. {PROJECT NUMBER} in the amount of {$SUM} and

WHEREAS, the sum of {$AMOUNT} of said Grant has been made available to cover the cost of administration, and program delivery, {$AMOUNT} of said Grant; and

WHEREAS, {SUBRECIPIENT NAME} has the experience and willingness to assist the {CITY/TOWN/VILLAGE/COUNTY} in administering said Grant;

NOW THEREFORE, in consideration of the covenants and agreements herein set forth the parties agree as follows:

I. EMPLOYMENT OF SUBRECIPIENT NAME

The {CITY/TOWN/VILLAGE/COUNTY} hereby engages {SUBRECIPIENT NAME} and {SUBRECIPIENT NAME} hereby agrees to perform the administration and program delivery services hereinafter set forth:

II. STATEMENT OF WORK

(1) {SUBRECIPIENT NAME} shall serve as administrator of the Office of Community Renewal Community Development Block Grant and shall administer said Grant in a manner consistent with the
{CITY/TOWN/VILLAGE/COUNTY} application as approved by the Office of

Community Renewal, which is incorporated herein, as if fully set forth as part of this agreement.

(2) {SUBRECIPIENT NAME} shall provide the following services:

(a) Assist the {CITY/TOWN/VILLAGE/COUNTY} with completing all preliminary activities necessary for the release of program funds including environmental review, all reports, public notices and certifications required for project activities.

(b) Establish and prepare all books and official accounting records to be maintained by the {CITY/TOWN/VILLAGE/COUNTY} to document and account for all activities and expenditures under this Grant throughout the course of the project in accordance with Uniform Administration Requirements at 2 CFR 200.

(c) Assist in conducting public information meetings to explain the rehabilitation and or homeownership program to area residents.

(d) Attend CDBG meetings with municipal boards, commissions, agencies, or departments, Office of Community Renewal, or other Federal/State Agencies as required by the {CITY/TOWN/VILLAGE/COUNTY}.

(e) Provide preliminary plans, specifications, cost estimates and supportive budgetary data for rehabilitation projects, for homeownership projects provide education and monitor purchase process through closing.

(f) Prepare construction contracts and include detailed plans and specifications.

(g) Monitor Rehab contractors.

(h) Process, approve and pay claims for contractor payments and process contract change orders as may be required and inspect and close out each job.

(i) Prepare program amendments, revised budgets and changes in the guidelines to reflect any changes which may be required during implementation of the Grant Program.

(3) {SUBRECIPIENT NAME} shall render the above-mentioned services commencing on or about {MONTH, DATE, YEAR} and continuing for a period of {NUMBER} months or until grant close-out and provide for assistance with the rehabilitation of a minimum of {$AMOUNT} owner-occupied homes.

(4) The {CITY/TOWN/VILLAGE/COUNTY} shall provide the following services:

(a) Conduct public information meetings to explain the housing rehab program to area contractors and project area residents.

(b) Review all fiscal claims and reports prepared by {SUBRECIPIENT NAME} to be submitted to the Office of Community Renewal prior to submission.

(c) Submit audit reports to the Office of Community Renewal established by the Single Audit requirements in 2 CFR 200 Subpart F for any calendar year in which federally funded expenditures exceed $750,000.00. CDBG Funds can be used only for payment of the federal portion of such audit.

III. RECORDS AND REPORTS

(1) Maintain all files as required by HUD and CDBG Regulations and prepare all required reports for review by the {CITY/TOWN/VILLAGE/COUNTY}.

(2) Provide to the {CITY/TOWN/VILLAGE/COUNTY}, in hard copy or electronic copy, all documents related to the grant on a semi-annual basis.

(3) {SUBRECIPIENT NAME} shall retain financial records, supporting documents statistical records, and all other records pertinent to this agreement and upon Grant closeout shall transfer such records to the {CITY/TOWN/VILLAGE/COUNTY}. Said records, books, documents, and papers that are pertinent to the Program are available for review by the NYS Office of Community Renewal and/or the {CITY/TOWN/VILLAGE/COUNTY} and/or the Comptroller General of the United States, or of their duly authorized representatives for the purpose of making audits, examinations, excerpts and transcriptions.

IV. PROGRAM INCOME

Program Income is defined as the gross income, which includes principal and interest, of the Recipient or its Subrecipients that was generated from the use of CDBG funds when such total exceeds $35,000 as provided in 2 4CFR 570.489(e). When the income is generated by an activity that is only partially funded with CDBG funds, the income must be prorated to reflect the percentage of CDBG used.

The gross income from the CDBG funds must be accumulated in a separate local account. If during the State's fiscal year (April 1 - March 31), the gross income does not exceed $35,000, the funds are considered miscellaneous revenue and may be retained by the Recipient and moved to its general account at the end of the State's fiscal year. However, prior to moving the funds to the general account, the Recipient must submit the account bank settlements to OCR, for the State's fiscal year, to demonstrate that the gross income did not exceed $35,000. The OCR will provide written approval to transfer. However, if during the State's fiscal year, the gross income exceeds $35,000, then all funds received, including the initial $35,000, are considered Program Income and must be returned to HTFC at the end of the State's fiscal year with a Program Income Report. Nevertheless, no Program Income may be directly disbursed to activities by the Recipient or Subrecipients without HTFC written consent. Gross income accrued after the grant has been closed out by the HTFC may still be Program Income if it exceeds

$35,000 during the State's fiscal year, in which case it must be returned to the HTFC.

Real property sold with five (5) years from the date of closeout by the HTFC, must be included in gross income for the purposes of determining Program Income. However, after five (5) years from the date of closeout by the HTFC, any proceeds from the sale of real property purchased or improved with CDBG funds are not considered Program Income and may be retained by the Recipient. Notwithstanding any other provisions of this clause, all revolving loan fund income, both of principal and interest, is Program Income. Revolving loan fund income must be returned monthly upon receipt to the HTFC. Revolving loan fund income is not included in the total gross income calculation when determining program income.

V. SUSPENSION AND TERMINATION

This agreement may be terminated by either party upon thirty days written notice should either party fail substantially to perform in accordance with its terms through no fault of the party initiating the termination, or for convenience in accordance with 2 CFR 200.

VI. REVERSION OF ASSETS

(1) Upon the expiration of this Agreement, {SUBRECIPIENT NAME} shall transfer to the {CITY/TOWN/VILLAGE/COUNTY} any NYS CDBG funds on hand at the time of expiration and any accounts receivable that are attributable to the use of NYS CDBG funds. Furthermore, if any real property under {SUBRECIPIENT NAME's} control was acquired or improved in whole or in part with NYS CDBG funds, including NYS CDBG funds provided to {SUBRECIPIENT NAME} in the form of a loan, in excess of $25,000, said is either.

(2) used to meet one of the national objectives until five (5) years after expiration of the agreement, or.

(3) not used in accordance with meeting a national objective, {SUBRECIPIENT NAME} shall pay to the {CITY/TOWN/VILLAGE/COUNTY} an amount equal to the current market value of the property, less any portion of the value attributable to expenditures of non-NYS CDBG funds for the acquisition of, or improvements to, the property. No payment is required after five (5) years.

VII. UNIFORM ADMINSTRATIVE REQUIREMENTS

This agreement shall require {SUBRECIPIENT NAME}} to comply with applicable uniform administrative requirements, as described in 24 CFR Part 200.

VIII. OTHER PROGRAM REQUIREMENTS

The {CITY/TOWN/VILLAGE/COUNTY} and {SUBRECIPIENT NAME} agree to comply with all Federal Regulations as they may apply to project administration, including, but not limited to the following:

(1) Title VI of the Civil Rights Act of 1964, as amended, and implementing regulations issued at 24 CFR Part 1 Non-discrimination in Federally Assisted Program of the Department of Housing and Urban Development.

(2) Housing& Community Development Act of 1974, as amended, and the regulations issued pursuant thereto 24 CFR Part 570 Community Development Block Grants.

(3) Section 3 of the Housing and Urban Development Act of 1968, as amended, and implementing regulations issued at 24 CFR Part 60.

(4) Executive order 11246 Equal Employment Opportunity, as amended by Executive Orders 11375 banned discrimination based on sex and 12086 Consolidation of Contract Compliance Functions for Equal Employment Opportunity and implementing regulations issued at 41 CFR Chapter 60 Office of Federal Contract Compliance Program, Equal Employment Opportunity, Department of Labor.

(5) The HUD Lead-Based Paint Poisoning Prevention in Certain Residential Structures 24 CFR Part 35.

(6) The Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) requires that projects receiving federal assistance and located in an area identified by the Federal Emergency Management Agency (FEMA) as being within a Special Flood Hazard Areas (SFHA) be covered by flood insurance under the National Flood Insurance Program (NFIP).

(7) The regulation, policies, guidelines, and requirements of 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards as they relate to the acceptance and use of Federal funds under this federally assisted program.

(8) The Federal Regulations under 24 CFR 570 Community Block Grant and 2 CFR 200 Subpart E regarding Cost Principles.

(9) This agreement shall require {SUBRECIPIENT NAME} to carry out each activity in compliance with all federal laws and regulations excluding the Recipient’s environmental responsibilities and responsibility for initiating the review process under the provisions of 24 CFR Part 52 Intergovernmental review of Department of Housing and Urban Development Programs and Activities.

IX. CONDITIONS PROHIBITING INHERENTLY RELIGIOUS ACTIVITES

Where applicable, HUD rules prohibiting the use of CDBG funds for inherently religious activities 24 CFR 570.200(j) must also be included in the Agreement with the {SUBRECIPIENT NAME} and {CITY/TOWN/VILLAGE/COUNTY}.

X. COMPENSATION

{SUBRECIPIENT NAME} will provide administrative and program delivery services as herein set forth for a sum not to exceed {$AMOUNT} over the life of the project. This amount includes all costs for administration, grant preparation, start-up activities to request release of funds, normal reimbursable expenses, and the costs for program close-outs as well as federally permissible audit costs.

XI. INVOICES

(1) {SUBRECIPIENT NAME} shall receive, as soon after the execution of this contract as feasible, a payment for costs incurred for grant preparation; initial program start-up activities and program delivery for costs incurred beginning at grant award date.

(2) {SUBRECIPIENT NAME} shall submit vouchers for payments on a per project basis. Original documentation shall be retained by {SUBRECIPIENT NAME} and shall be available for review by designated {CITY/TOWN/VILLAGE/COUNTY} officials.

(3) {SUBRECIPIENT NAME} shall submit administrative and program delivery vouchers on at least a quarterly basis once costs have been incurred. With each administrative and program delivery voucher, {SUBRECIPIENT NAME} will submit a line-item budget breakdown for each expense category.

(4) All costs shall be documented and calculated in accordance with 2 CFR 200, Cost Principles. The community shall not be liable for payments of any amount that does not meet the allowable cost as set forth by the regulation.

XII. AMENDMENT OF AGREEMENT

This agreement can be amended only with the approval of both the {CITY/TOWN/VILLAGE/COUNTY} and {SUBRECIPIENT NAME}.

XIII. SUBRECPEINT MONITORING

24 CFR 200.331 and 24 CFR 570.501 requires that Recipients monitor grant-supported activities to assure compliance with applicable Federal requirements and achievement of performance goals. The {Subrecipient} must be monitored by the Municipality to ensure compliance with all of the requirements outlined in their agreement with the {CITY/TOWN/VILLAGE/COUNTY}. A report indicating the following areas were monitored: Financial Management, Cost Allowability, Cost Allocability, Project Review, Audit Review and any other pertinent information must be prepared.

XIV. CONTRACT TERM

This agreement will be effective beginning {date of award letter} and will terminate on {NUMBER of months from date of award letter} unless the Program is extended, in which case a written amendment will be implemented to modify the termination date.

All parties shall be bound by and comply with all applicable Federal, State, and local laws and regulations including, but not limited to 24 CFR Part 570 and 2 CFR Part 200.

All parties agree to indemnify, defend, and hold harmless the Housing Trust Fund Corporation, its agents and employees, from and against any and all claims, actions, damages, losses, expenses and costs of every nature.

IN WITNESSES WHEREOF, the {CITY/TOWN/VILLAGE/COUNTY} and {SUBRECIPIENT NAME} have executed this agreement as of the date, first written above.

{CITY/TOWN/VILLAGE/COUNTY}	{Subrecipient Name}
_____	_____
Chief Elected Official Name	Authorized Signatory
_____	_____
Title	Title