



AGENDA
RIO DELL CITY COUNCIL
REGULAR MEETING – 6:30 P.M
TUESDAY, MARCH 19, 2013
CITY COUNCIL CHAMBERS
675 WILDWOOD AVENUE, RIO DELL

WELCOME . . . By your presence in the City Council Chambers, you are participating in the process of representative government. Copies of this agenda, staff reports and other material available to the City Council are available at the City Clerk's office in City Hall, 675 Wildwood Avenue. Your City Government welcomes your interest and hopes you will attend and participate in Rio Dell City Council meetings often.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Office of the City Clerk at (707) 764-3532. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting.

THE TYPE OF COUNCIL BUSINESS IS IDENTIFIED IMMEDIATELY AFTER EACH TITLE IN BOLD CAPITAL LETTERS

- A. CALL TO ORDER
- B. ROLL CALL
- C. PLEDGE OF ALLEGIANCE
- D. CEREMONIAL MATTERS
- E. PUBLIC PRESENTATIONS

This time is for persons who wish to address the Council on any matter not on this agenda and over which the Council has jurisdiction. As such, a dialogue with the Council or staff is not intended. Items requiring Council action not listed on this agenda may be placed on the next regular agenda for consideration if the Council directs, unless a finding is made by at least 2/3rds of the Council that the item came up after the agenda was posted and is of an urgency nature requiring immediate action. Please limit comments to a maximum of 3 minutes.

F. CONSENT CALENDAR

The Consent Calendar adopting the printed recommended Council action will be enacted with one vote. The Mayor will first ask the staff, the public, and the Council members if there is anyone who wishes to address any matter on the Consent Calendar. The matters removed from the Consent Calendar will be considered individually in the next section, "SPECIAL CALL ITEMS".

- 1) 2013/0319.01 - Approve Minutes of the March 19, 2013 Regular Meeting
(ACTION) 1
- 2) 2013/0319.02 - Approve Minutes of the March 12, 2013 Special Meeting (ACTION) 7
- 3) 2013/0319.03- Approve budget increase with Matson & Vallerga Architects, Inc.
for Professional Services related to City Hall Improvements from
\$5,000 to \$10,000, to be allocated during the Mid-Year Budget Review
(ACTION) 12
- 4) 2013/0319.04 - Receive and file Income Survey results and direct staff to submit the
results to the Department of Housing and Community Development
for review and approval (ACTION) 14

G. SPECIAL PRESENTATIONS

- 1) 2013/0319.05 - Status Report on projects and possible grant application for development
of Eel River Trail Master Plan - City Engineer (RECEIVE & FILE) 16

H. SPECIAL CALL ITEMS/COMMUNITY AFFAIRS

- 1) "SPECIAL CALL ITEMS" from Consent Calendar

I. ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

- 1) 2013/0319.06 - Approve Resolution No. 1196-2013 approving the City's CDBG
Program Re-Use Plan and direct staff to submit it to the State
Department of Housing and Community Development Department
(ACTION) 20

J. REPORTS/STAFF COMMUNICATIONS

- 1. City Manager
- 2. Chief of Police
- 3. Finance Director
- 4. Community Development Director

K. COUNCIL REPORTS/COMMUNICATIONS

L. ANNOUNCEMENT OF ITEMS TO BE DISCUSSED IN CLOSED SESSION AS
FOLLOWS: **No Closed Session Items Scheduled**

M. PUBLIC COMMENT REGARDING CLOSED SESSION

N. RECESS INTO CLOSED SESSION

O. RECONVENE INTO OPEN SESSION

P. ORAL ANNOUNCEMENTS

Q. ADJOURNMENT

*The next meeting (Special Meeting) will be on March 26, 2013
at 4:00 PM in City Hall Council Chambers*

**RIO DELL CITY COUNCIL
REGULAR MEETING
MARCH 5, 2013
MINUTES**

The regular meeting of the Rio Dell City Council was called to order at 6:30 p.m. by Mayor Thompson.

ROLL CALL: Present: Mayor Thompson, Councilmembers Marks, Wilson and Woodall

Absent: Councilmember Leonard (excused)

Others Present: City Manager Stretch, Chief of Police Hill, Finance Director Beauchaine, Wastewater Superintendent Chicora and City Clerk Dunham

Absent: Community Development Director Caldwell and Water/Roadways Superintendent Jensen (excused)

PUBLIC PRESENTATIONS

Nick Angeloff, 156 Grayland Heights Dr. stated the East-West Rail Advocacy Committee will be presenting the east-west rail concept at the Logging Conference at Redwood Acres on March 16th; and announced the Eagle Prairie Arts District (incubator businesses) will be having a Grand Opening on Saturday, March 9th from 5:00-8:00 p.m. and extended an open invitation to anyone who like to attend.

Richard Newman, 630 Second Ave., commented on Councilmember Leonard's resignation and extended thanks to him for his years of service to the community.

CONSENT CALENDAR

Councilmember Wilson asked that Item No. 4: *Approval of Resolution No. 1195-2013 Amending the Credit Card Policy* be removed from the consent calendar and placed under Special Call Items for separate discussion.

Motion was made by Woodall/Marks to approve the consent calendar including approval of minutes of the February 19, 2013 regular meeting; approval of minutes of the February 26, 2013 study session; and approval of Pay Request No. 12 to Wahlund Construction/Sequoia Construction Specialties in the amount of \$386,106.83 for work related to the Wastewater Treatment Plant Upgrade and Disposal Project. Motion carried 4-0.

SPECIAL CALL ITEMS/COMMUNITY AFFAIRS

Approve Resolution No. 1195-2013 Amending the Credit Card Policy Resolution No. 1013-2008

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City Manager Stretch stated the staff report submitted in the Council packet is correct but the Resolution submitted did not include Items F to include the Wastewater Superintendent and G to include the Community Development Director under Section 3. The omission was brought to his attention by Councilmember Marks and the resolution was amended to reflect those corrections.

Motion was made by Wilson/Woodall to approve Resolution No. 1195-2013 amending the Credit Card Policy and repealing Resolution No. 1013-2008. Motion carried 4-0.

Accept Resignation from Richard "Bud" Leonard from the Rio Dell City Council and direct the City Clerk to post a Notice of Vacancy to solicit applications from those persons interested in serving for the remainder of the term ending 2014

City Manager Stretch announced a letter of resignation was received by Councilmember Leonard stating he is currently recuperating from surgery and will be continuing his rehabilitation in a facility out of the area for several more weeks.

Mayor Thompson read the letter of resignation to be included in the record and said he knows how committed Bud was and said he took on a tremendous workload and was always prepared when he went into meetings whether it was a City Council meeting or one of the many committee board meetings he was involved with. He said it was a great privilege and pleasure to serve with him.

Councilmember Wilson said although he hasn't been on the Council long, Bud's expertise was extremely valuable and he looks forward to working with him in the future, from the other side.

Councilmember Woodall commented that no one can research like Bud and those skills will be hard to replace.

Nick Angeloff stated he sat down with Bud one day and what that man has done throughout his life as an international businessman is incredible and said he was able to provide him with a wealth of information on historical water systems in the City.

Mayor Thompson pointed out that Bud obtained top security clearance for anywhere in the world which is very impressive.

City Manager Stretch stated as outlined in the City Clerk's staff report, under the California Elections Code, the City Council shall either fill the vacancy by appointment within 60 days from the commencement of the vacancy; or call a special election to fill the position. He said assuming the Council wants to proceed with filling the vacancy by appointment, staff is recommending the deadline for applications be set for March 21, 2013 with interviews and appointment to be made at the special meeting scheduled for March 26, 2013.

Motion was made by Woodall/Wilson to accept the resignation from Richard "Bud" Leonard from the Rio Dell City Council effective March 5, 2013, direct the City Clerk to post a Notice of Vacancy to solicit applications from those persons interested in serving for the remainder of the term ending 2014, and set date of March 21, 2103 as the deadline for applications and March 26, 2013 as the date for interviews and appointment. Motion carried 4-0.

Adopt a support position for Assembly Bill 1080 (Alejo) and communicate support to Assembly Member Alejo's office, the City's legislative representatives and the League of California Cities
City Manager Stretch provided a staff report and stated AB 1080 allows certain disadvantaged areas of California to create a new entity called a Community Revitalization Investment Authority (CRIA). The idea is to provide a viable option targeting the State's disadvantaged poorer areas and neighborhoods to improve conditions leading to increased employment opportunities, to reduce high crime rates, repair deteriorating and inadequate infrastructure, clean up brownfields and to promote affordable housing. He said with dissolution of redevelopment agencies, communities across California are seeking an economic tool to use and this bill does this by allowing the CRIA to use tax-increment financing based upon the property tax increment of local jurisdictions.

He said staff is recommending the Council support the bill and communicate that support to the Assembly Member Alejo's office, the City legislative representatives, the League of California Cities and neighboring cities.

Councilmember Marks asked the City Manager if the bill is passed, does he envision it will be something the City will benefit from; City Manager Stretch said with the completion of the Income Survey, it is his hope it will be enough for the City to meet the criteria; if not he will come back to the Council to ask for approval to sponsor a bill to reduce the threshold so that the City can meet the criteria.

Motion was made by Woodall/Marks to adopt a support position for Assembly Bill 1080 (Alejo) and communicate that support to Assembly Member Alejo's office, the City's legislative representatives and the League of California Cities. Motion carried 4-0.

REPORTS/STAFF COMMUNICATIONS

City Manager Stretch reported he received a legislative update regarding SB7, a proposed bill presented by Senator Steinberg requiring that all public works projects pay prevailing wage. He said the bill will initially only apply to charter cities but the League of California Cities is alarmed and is urging Cities to oppose the proposed bill.

City Manager Stretch also announced that he received notice through the Mayor that the City has been awarded the \$589,000 grant for the Downtown Streetscape Project, moving ahead for the summer schedule.

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Chief of Police Hill reported on recent activities in the police department and provided a brief review of his monthly police report as submitted. Regarding upcoming training, he said Officer Beauchaine will be attending Core Course Training the following week. He said he met with the City Manager, the Community Development Director and the City Clerk and reviewed the Draft Nuisance Ordinance and he was incorporating revisions based on the comments from that meeting. He also reported he would be meeting with other local police chiefs regarding AB109, Prison Realignment Funds; conducting an Active Shooter Response drill with Mary Varner at the school; and said the Traffic Committee meeting scheduled for earlier in the day was not held however the fire truck did drive down First St. to determine if the street is wide enough for the trucks to get down in the event of an emergency. He said the Traffic Committee will meet on March 19th and he will be getting out more information at that time.

Councilmember Marks referred to the Nuisance Ordinance update and said currently abatements are complaint driven and asked if the process can be initiated upon a potential nuisance being identified by a council member or staff rather than wait to receive a citizen complaint; Chief of Police Hill commented that his officers will probably not go looking into citizens back yards without cause however, nuisances are often addressed without an official complaint.

Councilmember Marks suggested perhaps a more pro-active approach be taken in regard to nuisance abatement; Chief of Police Hill said the level of compliance depends on staff's workload at the time.

Finance Director Beauchaine reported on recent activities in the finance department and said she will be presenting the final year-end budget adjustments at the March 12th special meeting, will have the a budget presentation at the next regular meeting on the 19th, and was moving forward with the open recruitment for a Senior Fiscal Assistant.

Wastewater Superintendent Chicora reported on recent activities in the public works department and said Aeromod representatives are here and that the first round of tests on the BOD and TSS went well and that the President of Aeromod will be arriving soon to provide training on operation of the new wastewater treatment plant.

COUNCIL REPORTS/COMMUNICATIONS

Councilmember Marks referred to the group e-mail regarding the PG&E no interest loan and potential energy retrofit opportunities and asked if PG&E will be providing the City with an evaluation of savings report; said she would like to see a plan for potential use of street funds in lieu of Measure J, including proposed ADA upgrades.

City Manager Stretch stated he had 2 separate meetings with the architect and will be addressing the ADA improvements to City Hall at the upcoming study session on March 26th.

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Councilmember Marks also commented that Mayor Thompson had expressed concern about potential liability with regard to Humboldt Waste Management Authority (HWMA) and asked for a consensus of the Council regarding sending a letter to HWMA expressing the Council's

concerns about liability, allocation of funds among the member cities and benefits the City receives for being a member in the JPA. City Manager Stretch said he had discussions on the matter with Ferndale City Manager Jay Parrish and they will be meeting with HWMA to discuss the issues.

Mayor Thompson expressed concern about HWMA's \$5 million deficit and plans to balance their budget. He said he would like Finance Director Beauchaine to review their audited financials and identify potential concerns then meet with their fiscal staff to discuss them.

City Manager Stretch said one issue of concern is that the City should have the ability to opt out of involvement with the proposed food digester program. He said we also need to know what impact the food digester program will have on implementation of AB939 and reduction of the waste stream.

Councilmember Wilson reported he had attended meetings last week at RREDC and RCEA and that he met with the Director of RREDC here yesterday and discussed what they can do to fill vacant commercial buildings; he indicated there are loan programs available.

Mayor Thompson reported on his attendance at the HCAOG meeting and said the various tribes are asking for one or more seats on the HCAOG Board and are looking into forming one JPA where they will vote in I member on the Board who will represent all the tribes under the JPA. He said there are still a lot of unanswered questions although there seems to be a lot of support for the tribe's inclusion on the HCAOG Board.

Councilmember Woodall stated she noticed the contractors digging on Fern St. again; Wastewater Superintendent Chicora said they were digging to install air relief valves.

Councilmember Woodall then asked about the status of the annual Spring Clean-Up Day and the Electronic Waste Day Event; City Manager Stretch noted that he did not have those events on his schedule. City Clerk Dunham commented that Annual Spring Clean-up Day is typically the Saturday before Mother's Day followed by Electronic Waste Day sometime in June.

Mayor Thompson said the City is currently at 51% in regard to AB-939 compliance and in order to get to the required 75%, the City needs to address ways to get rid of green waste. City Manager Stretch said an amendment to the Eel River Disposal Agreement will be coming before the Council on the next regular agenda.

ADJOURNMENT

ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 7:22 p.m. to the March 12, 2013 study session.

Attest:

Jack Thompson, Mayor

Karen Dunham, City Clerk

**RIO DELL CITY COUNCIL
SPECIAL MEETING
MARCH 12, 2013
MINUTES**

A Special Meeting of the Rio Dell City Council was called to order at 4:00 p.m. by Mayor Thompson.

ROLL CALL: Present: Mayor Thompson, Councilmembers Marks, Wilson and Woodall

Others Present: City Manager Stretch, Finance Director Beauchaine, Community Development Director Caldwell and City Clerk Dunham

PUBLIC PRESENTATIONS

None

SPECIAL MEETING MATTERS

Public Hearing to discuss the 2013 Community Development Block Grant (CDBG) Notice of Availability (NOFA) and eligible CDBG activities and application process

Community Development Director Caldwell began by reading into the record, the *Notice of Public Hearing for State CDBG Program Income Re-Use Plan*. He said the purpose of the public hearing is to allow the public the opportunity to ask questions and suggest possible use of 2013 CDBG funds. He said the next public hearing is scheduled for April 2, 2013.

Next was a detailed review of the staff report which provided an overview of the CDBG Program; available funding; allowable activities; national objectives; funding limits and eligible activities chart/matrix; and matrix code definitions. He explained in order for jurisdictions to qualify for CDBG funding, at least 51% of the service area's households must qualify as Low to Moderate Income. (The median income for a household of 4 in Humboldt County is \$57,900). He said the City sent out an Income Survey to all properties in the City and will have the final results of that survey by the next meeting. He said the preliminary results based on the surveys submitted reflect slightly over 60% of those households qualifying as Low to Moderate Income.

Community Development Director Caldwell further reported that every CDBG funded activity must meet one of the three National Objectives of the program which are:

- Benefit to low and moderate income persons; or
- Prevention or elimination of slums and blight; or
- Urgent Need, which is meeting other community development needs having a particular urgency because of existing conditions that pose a serious and immediate threat to the health and welfare of the community, and other financial resources are not available to meet such needs. (Urgent Need is not eligible.)

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Community Development Caldwell stated during the 2011-2012 CDBG funding cycle, the City applied for a Planning and Technical Assistance (PTA) Grant for Citywide GIS and Bellevue-Ogle-Riverside Storm Water Conceptual Layout. He said the application was not approved so staff's recommendation for this funding cycle will probably be for the same activity.

Community Development Caldwell then reviewed eligible activities and asked for input from the Council. He explained that if the Council should decide to bundle PTA activities with another type activity, and that other activity does not score enough points to qualify, the PTA grant is also denied; a PTA stand-alone has a much better chance of being awarded.

A public hearing was opened at 4:10 p.m. to receive public input on proposed use of CDBG funds.

Ranada Laughlin, 570 Gunnerson Lane said she would like to see funds used for a Community Recreation Center to provide long term recreational opportunities for youth, adults and seniors. She commented that a Community Center with a gym is an attractive feature for prospective homeowners/renters and the gym could be used for basketball, badminton, indoor soccer, pickle ball and a host of other activities including an Emergency Shelter in the event of an emergency or natural disaster. She said the Fortuna Pavilion is in such demand they cannot accommodate all of the requests for its rental, and a Community Recreation Center makes sense as long term investment for the City of Rio Dell. Rental fees could off-set the cost of operating the facility, and volunteers could be utilized to staff the building during hours of operation.

City Manager Stretch referred to Code O3D (Youth Centers) on the matrix which limits the use of a facility to low to moderate income households; he said it would qualify however under O3F (Parks & Recreation Facilities).

Councilmember Marks said she was going to suggest the funds be used for a senior center but not if it could only be used by seniors; she said a multi-use community center is needed in the City.

City Manager Stretch referred to Code O3G (Parking Facilities) and asked if resurfacing of the Tennis Court Park parking lot would be an eligible activity; Community Development Director commented that it would be since it is an area-wide benefit.

Mayor Thompson asked if drainage improvements would be an eligible activity; Community Development Director Caldwell noted a drainage study would be required first. He said getting projects shovel-ready now will help with the ranking during the next round of funding.

Mayor Thompson referred to Code O3K (Street Improvements) and asked if a study would also be required; Community Development Director Caldwell said it would depend on the scope of the street improvements.

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Councilmember Woodall questioned the amount of available funding; Community Development Director Caldwell said each jurisdiction may apply for up to \$2,000,000 in total, and apply for up to three (3) activities in one application. He stated that Program Income (PI) cannot be used to fund the cash match this cycle.

Councilmember Wilson asked if the study done in connection with Measure J Street Improvements would qualify under the program for street improvements; Community Development Director Caldwell said it most likely would count however a study would not be required for resurfacing.

Finance Director Beauchaine asked if it was correct that any qualifying jurisdiction with 51% low to moderate income households will be approved for funding; Community Development Director Caldwell said it depends on the percentage of eligibility.

Councilmember Woodall asked if under Public Facilities and Improvements, if ADA improvements at City Hall would qualify; Community Development Director it would not be an eligible activity.

Ranada Laughlin asked what a GIS would do; Community Development Director Caldwell explained a Geographic Information System (GIS) maps all of the City's culverts including water and sewer lines. He said it is basically a tool to manage information geographically and can be used to identify every residence or business in the City. He said the City has a GIS but is very outdated. The cost is estimated at \$5,000 for the software and plotter.

Discussion continued regarding Public Improvements; Finance Director Beauchaine said in the past, public improvements although eligible, were not likely to be approved unless a jurisdiction was in the neighborhood of 80% low to moderate income.

Councilmember Marks asked if Ogle/Belleview drainage improvement would qualify if it is determined that a high number of households in the neighborhood meet the low to median income threshold; Community Development Director Caldwell said it would qualify.

Councilmember Wilson asked for clarification that the first cycle of funding is to apply for the study; then the next cycle apply for improvements.

Gordon Johnson, 165 S. Sequoia Ave. commented that there are some big drainage problems that need to be addressed in the City and if the City's intent is to apply for \$70,000 to do a drainage study, the City needs to know up front if Ogle/Belleview households will meet the 51% threshold for low to moderate income. Community Development Director Caldwell said the City meets the requirements city-wide to be eligible to apply for this year's NOFA but if the Ogle/Belleview drainage project is chosen, staff will conduct a door-to-door survey to determine eligibility.

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Discussion continued regarding other grant funding opportunities; Community Development Director said other grants are available but because of limited staff, it is difficult to pursue those opportunities. City Manager Stretch said he has directed the City Engineer to be more pro-active with regard to securing grants for the City.

It was agreed that the biggest concern of the City is drainage, primarily in the Ogle/Belleview/Riverside service areas. City Manager Stretch stated staff can examine the items suggested, meet with the City Engineer and direct them to amend the previous drainage study and bring that back to the Council along with other potential items.

Councilmember Wilson suggested staff come back to the Council on March 19th with the final Income Survey results to determine the chances of eligibility for projects other than PTA activities before making a decision.

There being no further public comments, the public hearing closed at 4:55 p.m.

June 30, 2012 Final Budget Adjustments

Finance Director Beauchaine said the City has completed all audit adjustments for the fiscal year ending June 30, 2012 and provided a revised staff report including a resolution for consideration approving final budget amendments for FY 2011-2012; and reflecting the elimination of Fund 54 (Sewer Debt Service) from the prior amendment reducing the proposal to a revenue amendment in the amount of \$3,262,849 and an expense amendment of \$2,418,796.

She provided a review of the Comparative Balance Sheet and noted a total increase in assets from the previous year by \$3,040,887 and a decrease in total liabilities of \$599,089.

Finance Director Beauchaine then provided budget highlights related to the various departments followed by review of expenditures by department. She reported a net revenue of \$20,963 in excess of expenditures.

Councilmember Marks questioned the percentages held in reserves; Finance Director Beauchaine stated the reserve funds are all in excess of the amount required under the City's Reserve Policy.

Motion was made by Woodall/Wilson to approve Resolution No. 1197-2013 to approve June 30, 2012 Final Budget Amendment, Amending Resolution No. 1113-2011 Adopting the Operations Budget for Fiscal-Year 2011-2012. Motion carried 4-0.

ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 5:27 p.m. to the March 19, 2013 regular meeting.

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Jack Thompson, Mayor

Attest:

Karen Dunham, City Clerk

675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532



TO: Honorable Rio Dell City Council

FROM: Jim Stretch, City Manager

DATE: March 19, 2013

SUBJECT: Increase budget with Architect for City Hall ADA Ramp and other improvements

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Increase the budget for the engagement of Matson & Vallerger Architects, Inc. for professional services related to city hall improvements, from \$5,000 to \$10,000, to be allocated at the time of the mid-year budget review.

Background

On January 3, 2013 the Council ratified an agreement executed by the City Manager on 12-14-12 to prepare for Council's approval preliminary designs and cost estimates for the replacement of the city hall ADA ramp, public entries and entry doors and other desirable improvements to the structure, including:

1. Roof covering the new entry stairs
2. Relocation of ADA parking
3. Minor expansion of entry lobby
4. Carport for police department (PD) south entrance and parking
5. Employee entry and stairway from back parking lot
6. Exterior covered area for employees at rear entrance

7. Possible consolidation of business office and PD reception, freeing-up useable space.

The work has gone well and 3 different approaches have been prepared to date (floor plans and elevations) and presented to staff members. Many creative ideas have surfaced as the result of this process and a study session with the City Council has been scheduled for March 26, 2013.

At this point the \$5,000 budget has been spent. It is requested that the Council increase the allocation for this activity to \$10,000 to complete the preliminary layout and cost estimation phase.

Cc:

Finance Director

675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532



For Meeting of: March 19, 2013

To: City Council
From: Kevin Caldwell, Community Development Director 
Through: Jim Stretch, City Manager 
Date: March 15, 2013
Subject: Income Survey Results

Recommendation:

That the City Council:

1. Receive and file Income Survey results; and
2. Direct staff to submit the Income Survey results to the Department of Housing and Community Development for review and approval.

Background:


As the City Council is aware staff has been conducting an Income Survey since the first of February. In order to qualify for Community Development Block Grant (CDBG) funding, at least 51% of the households in the City have to be in the Low to Moderate income levels based on the County's Average Median Income (AMI). The County's household AMI is \$57, 900. According to the 2010 Census, 48.1% of the City's households are Low to Moderate income households. As such, in order to qualify for CDBG funds, the City must conduct an Income Survey and the results must demonstrate that there are at least 51% of the households are in the Low to Moderate income range.

The City mailed out over 1000 Income Surveys to residential properties in the City. Staff has also been asking those citizens who pay their water and sewer bills at City Hall if they have completed and returned their Income Survey. In addition, the City sent out over 1500 flyers, including the Income Survey, to all properties in the City.

In order for the Survey to be valid, the City needed to receive at least 350 responses. The City has received 378 responses to date. Based on the responses 60.18% of the respondents (households) are in the Low to Moderate income range. Therefore, staff believes the City meets the 51% requirement and is eligible to make application for CDBG funds. As such, staff recommends that the City submit the results to the Department of Housing and Community Development for their review and approval.

675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532



TO: Honorable Rio Dell City Council
FROM:  Jim Stretch, City Manager
DATE: March 19, 2013
SUBJECT: City Engineer's Status report on projects and possible grant application for development of Eel River Trail Master Plan

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Staff direction on Community Based Transportation Planning (CGTP) application for \$120,000 Eel River trail master plan (west side), with \$9,000 local cash match, and
2. Receive and file this report

Background

GHD City Engineer Merritt Perry will attend the 3-19-2013 meeting to provide the Council and community with an update on the various projects underway as follows:

1. Wildwood Avenue downtown and streetscape improvement project
2. 2012 Safe Routes to Schools project
3. TAC project assistance
4. Streets-capital improvement priority review
5. Upcoming transportation injury mapping system for possible grant for mobile radar unit, traffic calming features at Eagle Prairie Bridge and pedestrian /traffic improvement at Wildwood and Scenic Ave and Eeloa and Scenic Av.

Also attached for Council discussion is a March 15, 2013 memo from Robert Holmlund, GHD Environmental Planner II, concerning a possible Community Based Transportation Planning grant through CalTrans for trail feasibility study along the west side of the Eel River. Although competitive grants are available for up to \$300,000, it is recommended that the Council focus on a grant of \$120,000, requiring a match of at least 7.5% cash (\$9,000).

A more full description of the proposed grant application will presented at the meeting.

Cc: Randy Jensen, Water and Roadways Superintendent
Kevin Caldwell, Community Development Director



Memorandum

March 15, 2013

To: Jim Stretch

Cc: Merritt Perry; Kevin Caldwell; Randy Jensen

From: Robert Holmlund Tel: 707-443-8326

Subject: Caltrans Grant Opportunities for Rio Dell Job no.: 8410146

Jim.

The following is an update of the opportunity for the City to apply for a Community-based Transportation Planning grant through Caltrans. I made this update following our meeting at the GHD office on 3/14/13. A summary of the information I presented to you during our meeting can be found on page 3 of this memo.

Summary of Community-based Transportation Planning (CBTP)

- Purpose: Coordinate transportation and land use planning that promotes public engagement, livable communities, and a sustainable transportation system that includes mobility, access, and safety.
- Grant Cap: \$300,000
- Local match requirements: 10% minimum match of the amount requested, at least 7.5% must be cash match and the rest can be in-kind.

Summary of Suggested Project



- **Title:** City of Rio Dell Non-motorized Transportation Master Plan and Trail-system Engineered Feasibility Study
- **Geographic extents**
 - Multi-use trail on west side of river within City limits
 - Multi-use trail on east side of river within RR ROW (from Eagle Prairie Bridge to Northwestern Ave)
 - City-wide connections to above trails
 - City-wide bike lanes, sidewalks, and paths
- **Scope**
 - Public workshop #1
 - Topographic survey
 - ROW analysis
 - Identification of river access points and trailheads
 - Preliminary environmental investigation
 - Opportunities and constraints analysis
 - Siting study and alignment analysis for trails, bike facilities, and ped facilities throughout study area
 - Conceptual design for a number of projects identified during above tasks
 - Public workshop #2
 - Study report



- **Options for Funding Ranges**
 - Option 1: \$85,000
 - Funding request: \$78,000
 - Match requirement: \$7,800
 - Implications:
 - Limited survey
 - Siting study and alignment analysis for entire project area
 - Conceptual design to be below 30% level and/or to be limited to 2 to 3 projects
 - **Option 2: \$120,000 (RECOMMENDED)**
 - **Funding request: \$110,000**
 - **Match requirement: \$11,000**
 - **Implications:**
 - **More extensive survey than Option 1**
 - **Siting study and alignment analysis for entire project area**
 - **Conceptual design to 30% level for 3 to 5 projects**
 - Option 3: \$160,000
 - Funding request: \$145,000
 - Match requirement: \$14,500
 - Implications:
 - More extensive survey than Option 2
 - Conceptual design to exceed 30% level and/or to include more project locations than Option 2
 - Option 4: \$250,000
 - Funding request: \$228,000
 - Match requirement: \$22,800
 - Implications:
 - Same level of survey as Option 3
 - Conceptual design to exceed 30% level and/or to include more project locations than Option 2
 - Extents of Rail-with-Trail (in RR ROW) to extend beyond City limits to reach Fortuna



For Meeting of: March 19, 2013

To: City Council
From: Kevin Caldwell, Community Development Director 
Through: Jim Stretch, City Manager 
Date: March 15, 2013
Subject: CDBG Program Income Re-Use Plan

Recommendation:

That the City Council:

1. Open the public hearing, receive public input and deliberate; and
2. Adopt Resolution No. 1196-2013 approving the City's CDBG Program Re-use Plan;
3. Direct staff to submit the Program Income Re-Use Plan to the State Department of Housing and Community Development.

Background:

The Department of Housing and Community Development (HCD) recently revised their policy to align with the Federal Final Rule regarding jurisdictions Program Income Re-Use Plan. The new Program Income Re-Use Plan requirements include revisions of the use of Program Income, Reporting of PI Expenditures and Accomplishments into the Federal IDIS System, Program Income General Administration, Program Income Re-Use Plans, Changes to Program Income Waivers.; and

The Final Rule makes clear in Title 24, Code of Federal Regulations (CFR), Section 570.489(e)(3)(ii)(A)-(C) that the Department of Housing and Community Development must maintain a contractual relationship with jurisdictions regarding Program Income and its use.

The new Program Income Re-Use Plan is based on a template which includes the federally required contractual agreements and assertions governing the use and reuse of Program Income in Revolving Loan Accounts (RLA's) with the Department of Housing and Community Development. The City currently utilizes a Business Revolving Loan Account for the City's Housing Rehabilitation Program Income. The new Program Income Re-Use Plan establishes a Housing Rehabilitation – Single Family Revolving Loan Account to utilize 100% of the City's Program Income for the City's Housing Rehabilitation Program to provide financing the cost of repairs and general property improvements to owner occupied and renter occupied units.

Attachments

Attachment 1: Resolution No. 1194 – 2013 approving the City's Program Income Re-Use Plan.

Attachment 2: Program Re-Use Plan

RESOLUTION NO. 1196 – 2013



RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIO DELL
APPROVING THE CITY'S COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
PROGRAM INCOME RE-USE PLAN

WHEREAS The Department of Housing and Community Development (HCD) recently revised their policy to align with the Federal Final Rule regarding jurisdictions Program Income Re-Use Plan; and

WHEREAS the new Program Income Re-Use Plan requirement includes revisions, including the use of Program Income, Reporting of PI Expenditures and Accomplishments into the Federal IDIS System, Program Income General Administration, Program Income Re-Use Plans, Changes to Program Income Waivers; and

WHEREAS The Final Rule makes clear in Title 24, Code of Federal Regulations (CFR), Section 570.489(e)(3)(ii)(A)-(C) that the Department of Housing and Community Development must maintain a contractual relationship with jurisdictions regarding Program Income and its use; and

WHEREAS the new Program Income Re-Use Plan includes the federally required contractual agreements and assertions governing the use and reuse of Program Income in Revolving Loan Accounts (RLA's) with the Department of Housing and Community Development; and

WHEREAS the City currently utilizes a Business Revolving Loan Account for the City's Housing Rehabilitation Program Income; and

WHEREAS the City intends to establish a Housing Rehabilitation – Single Family Revolving Loan Account to utilize 100% of the City’s Program Income for the City’s Housing Rehabilitation Program to provide financing the cost of repairs and general property improvements to owner occupied and renter occupied units.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Rio Dell hereby approves the Program Income Re-Use Plan which includes the federally required contractual agreements and assertions governing the use and reuse of Program Income in Revolving Loan Accounts (RLA’s) with the Department of Housing and Community Development; and

BE IT FURTHER RESOLVED that the City Council of the City of Rio Dell hereby approves the establishment of a Housing Rehabilitation – Single Family Revolving Loan Account to utilize 100% of the City’s Program Income for the City’s Housing Rehabilitation Program to provide financing the cost of repairs and general property improvements to owner occupied and renter occupied units.

I HEREBY CERTIFY that the forgoing Resolution was duly noticed, PASSED and ADOPTED at a regular meeting of the City Council of the City of Rio Dell on March 19, 2013 by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

Jack Thompson, Mayor

ATTEST:

I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify the above and foregoing to be a full, true and correct copy of Resolution No. 1196-2013 adopted by the City Council of the City of Rio Dell on March 19, 2013.

Karen Dunham
City Clerk, City of Rio Dell

**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
(CDBG)
PROGRAM INCOME (PI) REUSE PLAN
WITH
JURISDICTIONAL CERTIFICATIONS**

This Agreement provides official notification of the Jurisdiction's PI Reuse Plan's (hereinafter, "PI Reuse Plan") approval under the State's administration of the Federal Community Development Block Grant Program (hereinafter, "CDBG" or "the Program") for Non-entitlement jurisdictions pursuant to the provisions of 42 U.S. Code (U.S.C.) 5301 et seq., 24 Code of Federal Regulations (CFR) Part 570, Subpart I, and 25 California Code of Regulations (CCR), Sections 7050 et seq. The Program is listed in the Catalog of Federal Domestic Assistance as 14.228 - CDBG Community Development Block Grant Program.

By completing this PI Reuse Plan and signing the end of this document, the Authorized Representative certifies the Jurisdiction has read, understands and will adhere to the Program Income (PI) Reuse Plan detailed in the first section of this document, the PI definitions and rules in the second section of this document, and Department of Housing and Community Development (the Department herein) terms and conditions in the third section of this document.

SECTION ONE: PROGRAM INCOME (PI) REUSE PLAN

JURISDICTION: City of Rio Dell

GOVERNING BODY ADOPTED ON: 03/19/2013

This PI Reuse plan establishes policies and procedures for the administration and utilization of PI received as a direct result of eligible activities funded under the State of California CDBG Program (Department). All revenue received from CDBG funded activities are required to be used per this adopted plan.

DISTRIBUTION OF PROGRAM INCOME

Introduction: There are six (6) methods of distribution for PI listed below. The four (4) non-Revolving Loan Account obligation methods are optional and can be used on a case-by-case basis as needed for activity funding by the Jurisdiction.

The use of one or more Revolving Loan Account (RLA) is mandatory under this adopted PI Reuse Plan.

The City of Rio Dell certifies that PI will only be distributed, as follows:

1. **Deposit into Revolving Loan Accounts (RLAs)**

The following RLAs are hereby established to utilize the _____ City of Rio Dell _____ PI. *If an RLA activity is not going to be utilized, zero percent (0%) is to be indicated in percentage area below.* One or more of the RLAs will be utilized annually. The allocation of received PI to each RLA is as follows:

- A. 100 (insert percentage, 0 to 100 percent (0%-100%)) of PI received will be deposited into the **Housing Rehabilitation – Single Family (1-4 Units) Revolving Loan Account (HR-RLA)**.
- B. 0 (insert percentage, 0 to 100 percent (0%-100%)) of PI received will be deposited into the **Homeownership Assistance Revolving Loan Account (HA-RLA)**.
- C. 0 (insert percentage, 0 to 100 percent (0%-100%)) of PI received will be deposited into the **Business Assistance Revolving Loan Account (BA-RLA)**.
- D. 0 (insert percentage, 0 to 100 percent (0%-100%)) of Received PI will be deposited into the **Microenterprise Financial Assistance Revolving Loan Account (ME-RLA)**.

2. **PI Waiver Activity**

The _____ City of Rio Dell _____ may utilize the Department's PI Waiver process to commit PI to eligible activities that are not considered RLAs. The _____ City of Rio Dell _____ will follow all PI Waiver procedural requirements as stated in the Program Income chapter of the Grant Management Manual (GMM). The _____ City of Rio Dell _____ will obtain prior Department approval before expending any PI funds on a Waiver project. A PI Waiver project can only be approved if the total project/program cost for the proposed activity is on hand in the Jurisdiction's PI account. The _____ City of Rio Dell _____ understands that PI Waiver activities are limited to two "active" projects and/or programs and will remain active until close out has been completed and approved by the Department.

3. **Committal to Funding Application**

The _____ City of Rio Dell _____ may choose to commit non-obligated RLA funds to one or more activities in an annual CDBG application for funding. Committed PI can only be expended when application and activities with committed PI are awarded, contracted, and have all special conditions cleared. PI committed to an application for grant funding must have the PI on hand at the time of application submittal and may not remove or add to the PI amount committed without prior Department approval.

4. **Augmenting Funding to An Awarded Activity/Project**

_____ City of Rio Dell _____ may request that the Department allow PI to be added to a funded activity/project due to a funding short fall. To obtain Department approval, the _____ City of Rio Dell _____ will submit justification to their CDBG Representative outlining in detail the need/reason for the augmentation of funding.

If the Department approves the augmentation (requires a Department contract amendment) the _____ City of Rio Dell _____ would need to complete a Citizen Participation process before the Department would begin a contract amendment process.

This option only applies to awarded activities/projects and the Department will not approve adding a new activity to an awarded contract.

5. **Fund Program Income General Administration (PI GA) Activities**

The _____ City of Rio Dell _____ may set aside up to seventeen percent (17%) of PI received from activities funded with CDBG funds for payment of eligible General Administration costs. The _____ City of Rio Dell _____ may choose to move the PI GA to eligible CDBG activities, as noted above, but once the funds are removed from the PI GA account they cannot be put back at a later date.

6. **Return to the Department**

The _____ City of Rio Dell _____ has the option to return PI back to the Department.

ADMINISTRATIVE PROCESS FOR DISTRIBUTION OF PROGRAM INCOME

Introduction: CDBG is a federal funding source and requires a Citizen Participation process as part of utilizing any of the six (6) methods of distribution for PI listed above.

Below is a general description of how to conduct proper Citizen Participation process for each of the six (6) distribution methods. See the Department's current Grant Management Manual (GMM) Chapter on Citizen Participation for specific information and sample documents.

_____ City of Rio Dell _____ certifies that:

1. The PI Reuse Plan will be formally adopted via public hearing and resolution of _____ City of Rio Dell _____'s Governing Body, executed by Authorized Representative and fully executed by the Department. After the PI Reuse Plan is executed, the Jurisdiction reserves the right to set aside up to seventeen percent (17%) of PI received for payment of eligible GA costs. RLA activities which have PI funds being deposited into them may be activated with written Departmental approval.

The PI Reuse Plan may be amended by the _____ City of Rio Dell _____'s Governing Body to change the distribution percentages in a RLA via public hearing and resolution, and receipt of the Department's written approval.

2. All PI Waiver requests will be submitted for the Department's written approval. After the Department's review of the activity for Eligibility and National Objective compliance, the PI Waiver will be formally adopted via public hearing and resolution of the _____ City of Rio Dell _____'s Governing Body, as part of the PI Waiver Special Condition Clearance process.
3. PI committed to an open CDBG Contract to augment funding for an activity or committed to a pending application for grant funds will be formally adopted via public hearing and approval via resolution for an annual application submittal. Department approval and PI must be on hand.
4. Once a PI Reuse Plan has been executed by the Department, it is then in effect. GA PI funds can then be expended for eligible costs. GA PI funds will not be expended once the Reuse Plan is terminated by either party or the Reuse Plan has reached the 5 year expiration.
5. PI will be returned to the Department after a public hearing and formal resolution is passed by the _____ City of Rio Dell _____'s Governing Body.
6. Each of the above administrative processes must be in compliance with the CDBG Citizen Participation process as specified in federal regulations at 24 CFR 570.486, Local Government Requirements.

ADMINISTRATION OF ELIGIBLE ACTIVITIES AFTER DISTRIBUTION

Introduction: Administration of all CDBG eligible activities conducted under the distribution methods must be conducted in compliance with all current State and federal regulations and policies.

The _____ City of Rio Dell _____ will follow the Department's guidance for administering RLA activities, PI Waiver activities, or activities funded with PI committed to an open grant contract per the Department's current GMM Chapter regarding PI.

If ineligible activities or costs are paid for with CDBG PI, those funds must be returned to the _____ City of Rio Dell _____ PI account using local jurisdiction funds.

1. RLA Administration

The _____ City of Rio Dell _____ certifies that the four RLAs under this PI Reuse Plan will be administered under the following criteria:

- A. RLAs with a balance must be "**substantially revolving**," which means on an annual basis at least 60 percent (60%) of the funds in an RLA must be used for loans which will be repaid to a PI account, based on the distribution noted in this plan. Up to the remaining 40 percent (40%) may be expended on non-revolving activities, which include Activity Delivery (AD), and grants for the same activity as the RLA.

Note: General Administration costs are not considered part of the jurisdiction's RLA Activities and should not be used in the consideration of "substantially revolving".

- B. A RLA which is the same activity as any funded open grant activity will be "substantially expended" before grant funds are requested for the grant activity.

The Department considers "**substantially expended**", to mean having no more than \$5,000 in a RLA.

- C. PI funds shall not be transferred between RLAs after execution of this Plan without following the proper CDBG Citizen Participation process, which includes a public hearing resulting in a certified resolution being submitted to the Department for written approval. However, the transfer of PI between RLAs each fiscal year, in the aggregate amount of \$5,000 or less, is not be subject to the Citizen Participation requirement, as stated above; but does require prior written Department approval.
- D. All PI funded activities shall be provided to project activities located within the boundaries of the _____ City of Rio Dell _____.

If an additional jurisdiction(s) receives benefit, a Joint Power's Agreement (JPA) between Jurisdictions(s) is required. The _____ City of Rio Dell _____ must receive written approval from the Department prior to implementation and prior to parties' execution of the JPA between the parties.

- E. The _____ City of Rio Dell _____ will submit program guidelines specific to each RLA activity for written Department approval. Once approval is issued to the Jurisdiction, the RLA will then be deemed active.
- F. This PI Reuse Plan will not be executed by the Department until all RLAs have clear distribution percentages listed above, and have Department approved program guidelines.

All CDBG PI Reuse Plans are limited to a five (5) year term from the date of execution.

PI funds within an RLA cannot be expended until this PI Reuse Plan is executed.

- G. Reporting on RLAs and other PI Activities will be required per the Department's current policies, including financial accounting of PI received and expended for RLAs and other PI Activities. Additionally, PI performance (National Objective data and beneficiary demographics) reported as HUD required accomplishment information will be required to be submitted in a timely manner or the Jurisdiction understands that it will be required to repay a PI account for ineligible cost or activities.

- H. AD costs are **only eligible** if one or more projects are funded and accomplishments (such as beneficiaries), for those activity(ies), on an annual basis, are reported on.

2. **Eligible RLA Activities**

The four (4) RLA(s) listed below each have a single eligible CDBG program activity. The City of Rio Dell certifies that all CDBG rules pertaining to each eligible activity will be followed.

A. **Housing Rehabilitation Revolving Loan Account**

The CDBG eligible activity under this RLA is a single-family housing rehabilitation program. The program will be used for the purpose of making loans to rehabilitate residential units (1-4 units), occupied by income eligible households. The CDBG National Objective of benefit to Low/Moderate-income (Low/Mod) households will be met by limiting program participants to households that have an annual income at or below eighty percent (80%) of HUD median income limits for the City of Rio Dell's county. Households will be income qualified based on the income calculation method specified in 24 CFR Part 5, and in accord with the Department's Income Manual.

Rehabilitation of "projects" (projects with five (5) or more units on one site) is not allowed under this RLA. Projects with five or more units must be funded via the annual grant process or through the PI Waiver process.

Jurisdictions wishing to include tenant occupied projects for the Housing Rehabilitation program must submit separate (distinguishable from the Owner Occupied Housing Rehabilitation guidelines) guidelines outlining the unique tenant occupied rules and processes.

The review and funding of requests for CDBG loans or grant assistance under this RLA shall be conducted under the Housing Rehabilitation Program Guidelines that have been adopted by City of Rio Dell and approved in writing by the Department.

No more than 19 percent (19%) of program funds expended from this RLA shall be used for AD costs.

B. **Homeownership Assistance (Homebuyer) Revolving Loan Account**

The CDBG eligible activity under this RLA is acquisition of single family housing. The program will be used for the purpose of making loans to assist income eligible homebuyers to purchase a residential property (1-4 units). The CDBG National Objective of benefit to Low/Mod-income households will be met by limiting program participants to households that have an annual income at or below eighty percent (80%) of HUD median income limits. Households will be income qualified based on income calculation method specified in 24 CFR Part 5 and in accord with the Department's Income Manual.

The review and funding of requests for CDBG loans or grant assistance under this RLA shall be conducted under the Homeownership Assistance Program Guidelines that have been adopted by the City of Rio Dell and approved in writing by the Department.

No more than 8 percent (8%) of the funds expended from this RLA shall be used for AD costs.

C. Business Assistance Revolving Loan Account

The CDBG eligible activity of Special Economic Development will be conducted under this RLA. Specifically, the RLA will fund a business assistance program that provides direct financial assistance for eligible businesses that propose projects which create or retain permanent jobs. The CDBG National Objective being met by the Special Economic Development activity will typically be benefit to Low/Mod-income persons. As such, at least fifty one percent (51%) of the full time job positions created or retained will be made available to persons whose households have an annual income at or below 80 percent (80%) or less of the City of Rio Dell's county median income. Income eligibility is based on the income calculation method specified in 24 CFR Part 5, and in accord with the Department's Income Manual.

Business assistance projects under this RLA program may also meet the National Objective of elimination of slums and blight, but this must be approved by the Department in writing as part of the initial business's loan application.

Local review and underwriting of business assistance projects requesting a CDBG loan under this RLA shall be conducted under the Business Assistance Program Guidelines that have been adopted by City of Rio Dell and approved in writing by the Department.

Each individual project funding request made under this RLA program must be submitted for Department review and written approval, prior to closing the loan.

No more than 15 percent (15%) of the total funds expended for business assistance activities shall be used for AD costs.

D. Microenterprise Assistance Revolving Loan Account

The CDBG eligible activity of direct financial assistance to eligible microenterprise businesses will be conducted under this RLA. Specifically, the RLA will fund a microenterprise direct financial assistance program that provides financial assistance to start up or existing microenterprise businesses. Eligible businesses must meet the HUD definition of microenterprise. A microenterprise is defined as a business that has five (5) or fewer employees including the owner(s). The only CDBG National Objective which will be used for this activity is benefit to Low/Mod-income households. As such, micro business owners assisted

under this program must be documented as having an annual household income at or below 80 percent (80%) of the Jurisdiction's **county** median income, based on income calculation method specified in 24 CFR Part 5, and in accord with the Department's Income Manual.

Local review and underwriting of microenterprise business assistance projects requesting a CDBG loan or grant under this RLA shall be conducted under the Microenterprise Financial Assistance Program Guidelines that have been adopted by the City of Rio Dell and approved in writing by the Department.

Each individual project funding request made under this RLA program must be submitted for Department review and written approval, prior to closing the loan.

No more than 15 percent (15%) of the total funds expended for business assistance activities shall be used for AD costs.

3. Administration of Non-RLA Program Income Expenditures

A. Program Income Waiver Eligible Activities

City of Rio Dell certifies that the PI Waiver Submission Process below will be followed if a PI Waiver is to be requested:

- 1) This process will involve discussion at a properly noticed public hearing, held in front of the City of Rio Dell's Governing Body, and submission of a Certified Resolution as part of a PI Waiver Request to the Department, in accordance with current Department policy, and any subsequent policy, regulation, or statutory-guidance, in writing, from The Department.
- 2) Final commitment and expenditure of PI Waiver funds will not commence until clearance of all required Special Conditions have been met, and written Department approval has been issued to the City of Rio Dell.
- 3) Reporting on PI Waiver activities will take place per current Departmental policies and include financial accounting of PI received and expended for PI Waivers and PI Waiver activity performance.
- 4) PI Waiver activities must be fully funded with program income already on hand. Therefore, future PI may not be pledged to the PI Waiver activity.
- 5) Only two (2) PI Waiver agreements may be open and active at any one time.

B. Program Income Committed in an Annual Grant Application and Included in an Open Grant Agreement

City of Rio Dell certifies that the PI Committed to a funded Annual CDBG Application will be:

- 1) Funded with PI currently on hand;
Future PI may not be pledged to an open grant activity.
- 2) Expended first and prior to requesting grant funds;
- 3) Administered in accordance with terms and conditions of the grant contract with the Department; and,
- 4) Reported using the Department's current PI and fiscal reporting forms. All PI activity performance data will be reported using grant and fiscal reports.

C. Program Income Added to an Existing Open Grant

City of Rio Dell certifies that the PI committed to an existing CDBG Grant will be:

- 1) Approved by the Department, with a Grant Amendment fully executed before PI can be committed to a grant activity.
- 2) Funded with PI currently on hand.
Future PI may not be pledged to an open grant activity.
- 3) Expended first and prior to requesting grant funds.
- 4) Administered in accordance with terms and conditions of the grant contract with the Department.
- 5) Reported using the Department's current PI and fiscal reporting forms. All PI activity performance data will be reported using grant and fiscal reports.

4. Program Income General Administration (PI GA) Cost Limitation and Activities

City of Rio Dell certifies that no more than 17 percent (17%) of the total amount of PI received annually will be expended for PI GA costs. These funds will accumulate annually and be carried from one fiscal year to the next if unexpended.

If more funds are expended than what is available in PI GA, the Jurisdiction will be required to return the over-expended GA amount back into their PI Account. *Additionally, any ineligible PI GA costs will also be required to be returned to their PI Account.*

GA eligible costs for PI are the same as open grant agreements with the Department. See the current CDBG Grant Management Manual (GMM) for list of eligible activities and allowable costs.

PI GA activity costs will be reflected on fiscal reports submitted to the Department as per current reporting forms and policies.

A. Planning Activities

The City of Rio Dell reserves the option of utilizing PI, within the 17 percent (17%) PI GA annual cap to fund planning studies for CDBG eligible activities.

All proposed planning activities must receive written Department approval prior to expending PI on the activity.

Eligible planning activities funded with PI are the same as open grant agreements with the Department. See current NOFA for a list of eligible planning studies.

All planning activities must have a final product (report or study) resulting from the expenditure of PI.

Upon completion of the planning activity, the study must be formally accepted by the Jurisdiction and submitted to the Department for review.

The planning activity costs will be reflected on fiscal reports submitted to the Department.

B. Loan Portfolio and Asset Management Policies and Costs

The City of Rio Dell certifies that it has asset management policies and loan portfolio servicing policies that are in compliance with HUD standards per 24 CFR Part 570. The use of CDBG funds creates public financial assets. The public financial assets created can be in the form of loans or other repayment instruments which result in PI. Financial assets may also be in the form of real property or chattel (equipment and fixtures). All assets created from the use of CDBG funds must be administered in compliance with OMB Circulars A-87, A-122 A-133, 24 CFR Part 85.

Loan payment tracking and collection systems must be put in place for collection purposes of all loans funded with CDBG. In addition, loan servicing policies and procedures must be in place to service the loan assets, ensuring repayment.

Costs of managing the portfolio of CDBG funded loans may be charged to PI under GA within the allowable limits set by the Department.

SECTION TWO: JURISDICTION ASSERTIONS AND CERTIFICATIONS

1. Requirements of Program Income

The PI Reuse Plan is intended to satisfy the requirements specified in federal statute and regulation at Section 104(j) of the Housing and Community Development Act ("the Act"), as amended in 1992 and 24 CFR 570.489(e) and (f). These statutory and regulatory sections permit a unit of local government to retain PI for CDBG-eligible community development activities. Under federal guidelines adopted by the State of California's CDBG Program, local governments are permitted to retain PI as long as the local government has received advance approval from the State of a local plan that will govern the expenditure of the PI. This plan has been developed to meet that requirement.

City of Rio Dell certifies that their PI will be used to fund eligible CDBG activities that meet a National Objective and any public benefit requirements. Eligible activities, National Objective and public benefit requirements are specified in Federal Statute at Sections 104(b), 105(a) of The Housing and Community Development Act of 1974, and in Federal Regulations at 24 CFR 570.482 and 24 CFR 570.483. The Jurisdiction understands, if it is determined that an activity/project funded with PI that does not meet a National Objective and/or meet the public benefit requirement, the Jurisdiction will be required to use its own local funds to repay the PI Account.

2. Definition of Program Income

"Program Income" means gross income earned by the Jurisdiction from grant-funded activities and is subject to CDBG regulatory requirements pursuant to 24 CFR, Part 570.489(e) - Program Administrative Requirements as amended in the CDBG Final Rule, 24 CFR, Part 570.504 - Program Income, 24 CFR Part 85 – Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments, and OMB Circulars A-87 and A-122 as applicable. These regulations include the requirement that the Jurisdiction record the receipt and expenditure of PI as part of the financial transactions of the grant activity(ies).

For activities generating PI that are only partially funded with CDBG funds, such income is prorated to reflect the actual percentage of CDBG participation. Examples of PI include but are not limited to: payments of principal and interest on housing rehabilitation or business loans made using CDBG funds; interest earned on PI pending its disposition; interest earned on funds that have been placed in a revolving loan account; net proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds; and, income (net of costs that are incidental to the generation of the income) from the use or rental of real property that has been acquired, constructed or improved with CDBG funds and that is owned (in whole or in part) by the participating jurisdiction or sub-recipient.

3. Federal Nature of Program Income

City of Rio Dell certifies that per 24 CFR 570.489(e)(2)(i), as amended in the CDBG Final Rule May 23, 2012, all PI received through a RLA, will be counted as PI regardless of the amount, and all PI generated through an open grant that is \$35,000 or less may either be:

- A. Counted and reported as PI, allowing the Jurisdiction to include that amount in its PI GA (17%) calculation; or,
- B. Not counted as PI and reported as such, which “de-federalizes” the funds, and allows them to be deposited into the Jurisdiction’s General Fund. Supporting accounting records and documentation must be in the Jurisdiction’s file to substantiate the calculations reported.

If PI is generated from a loan that is made partially from a RLA and partially from another source, then the PI accounting and reporting must reflect the correct amounts and proportions of PI from the RLA (counted and reported as PI Income) versus the amount generated from the other source, which may be accounted for and reported using either of the methods above.

4. Definition of Excessive Program Income

City of Rio Dell certifies that if there is excessive PI (\$500,000 or more), which includes GA, at the end of the fiscal year they will be required to submit a plan (included in the Reporting form) for expending the funds to the Department for review and approval. The City of Rio Dell understands that if no plan is submitted, or the plan is not approved by the Department, it risks having to return the PI to the Department. The City of Rio Dell agrees to use the Semi Annual PI Report forms to describe the reason(s) for the excessive amount and the method(s)/plan(s)/reason(s) the City of Rio Dell will use to reduce the amount over the coming year.

Should the Jurisdiction choose to ‘accumulate’ PI to fund a project that will cost more than \$500,000, the Jurisdiction must identify the project in their Semi Annual PI Report form with a detailed narrative about the project and the expected timing for the project to start and complete, with completion including the meeting of a national objective. Approval of a PI balance above \$500,000 will be made on a case-by-case basis.

5. Reporting of Program Income

City of Rio Dell certifies that CDBG PI will be accounted for using the Department’s fiscal year (July 1 to June 30). All receipts and expenditures of PI in accordance with this PI Reuse Plan will be monitored and reported per the Department’s fiscal year cycle. City of Rio Dell certifies that they will report using the Department’s reports/forms and will submit them in a timely manner.

6. **Duration of This Program Income Reuse Plan**

_____ City of Rio Dell _____ and the Jurisdiction's Governing Body understand that this document is effective for five (5) years from the execution date by the authorized CDBG representative listed in this Agreement unless otherwise notified by the Department. The Department has the Authority to void the Agreement with notice for cause.

7. **Status of Program Income Upon Leaving State Non-Entitlement CDBG Program and Entering the CDBG Entitlement Program**

_____ City of Rio Dell _____ certifies that the Jurisdiction's Governing Body may move the PI earned under the State program to the Entitlement Program if/when the Jurisdiction is authorized and chooses to participate in the CDBG Entitlement Program provided the Jurisdiction's Governing Body certifies that the _____ City of Rio Dell _____ has:

- A. Officially elected to participate in the Entitlement Grant Program;
- B. Agrees to use such PI in accordance with Entitlement Program requirements; and,
- C. Sets up Integrated Disbursement Information System (IDIS) access and agrees to enter receipt of PI into IDIS.
- D. The _____ City of Rio Dell _____ submits the above to the State and receives the Department's approval to no longer report State CDBG PI to the Department.

8. **Status of Program Income Upon Entering the State Non-Entitlement CDBG Program from the Entitlement CDBG Program**

_____ City of Rio Dell _____ certifies that the Jurisdiction's Governing Body will inform the Department in writing of the Jurisdiction's decision to either:

- A. Retain program income generated under Entitlement grants and continue to comply with Entitlement program requirements for program income; or
- B. Retain the program income and transfer it to the State CDBG program, in which case the Jurisdiction will certify that it will comply with the state's rules for program income and the requirements of 24 CFR 570.489(e) and (f).

9. **Amendment of PI Reuse Plan**

_____ City of Rio Dell _____ certifies that it will adopt and submit for Department written approval a new version of this plan as updates are released by the Department.

SECTION THREE: DEPARTMENT TERMS, CONDITIONS AND AUTHORIZATION

TERMS AND CONDITIONS: City of Rio Dell certifies that all terms and conditions listed below have been read and understood, and will be implemented and followed:

1. Authority & Purpose

This Agreement provides official notification of the Jurisdiction's PI Reuse Plan's (hereinafter, "PI Reuse Plan") approval under the State's administration of the Federal Community Development Block Grant Program (hereinafter, "CDBG" or "the Program") for Non-entitlement jurisdictions pursuant to the provisions of 42 U.S. Code (U.S.C.) 5301 et seq., 24 Code of Federal Regulations (CFR) Part 570, Subpart I, and 25 California Code of Regulations (CCR), Sections 7050 et seq. The Program is listed in the Catalog of Federal Domestic Assistance as 14.228 - CDBG Community Development Block Grant Program.

In accepting the PI Reuse Plan Approval, the Jurisdiction agrees to comply with the terms and conditions of this Agreement, all exhibits hereto and the representations contained in the Jurisdiction's PI Reuse Plan. Any changes made to the PI Reuse Plan after this Agreement is accepted must receive prior written approval from the Department of Housing and Community Development (Department).

2. Distribution for Reuse of PI

A. The Jurisdiction shall perform PI funded activities as described in the Distribution for Reuse in the PI Reuse Plan. All written materials or alterations submitted as addenda to the original PI Reuse Plan and which are approved in writing by the Department are hereby incorporated as part of the PI Reuse Plan.

The Department reserves the right to require the Jurisdiction to modify any or all parts of the PI Reuse Plan in order to comply with CDBG requirements. The Department reserves the right to review and approve all Work to be performed by the Jurisdiction in relation to this Agreement. Any proposed revision to the Work must be submitted in writing for review and approval by the Department and may require an amendment to this Agreement. Approval shall not be presumed unless such approval is made in writing by the Department.

B. The PI funded activities shall principally benefit Low/Mod-income persons or households (Low/Mod) whose income is no more than 80 percent (80%) of the median area income.

3. Sufficiency of Funds and Termination

The Department may terminate this Agreement at any time for cause by giving at least 14 days written notice to the Jurisdiction. Termination shall consist of violations of any terms and/or special conditions of this Agreement, upon the request of HUD, or withdrawal of the Department's expenditure authority.

4. Meeting National Objectives

All activities performed under this Agreement must meet one of the National Objectives determined by the HUD regulations as included in the Application authorized under Title I of the Housing and Community Development Act of 1974, as amended.

- A. Benefit to HUD defined Low/Mod-income person or household (LMI). The term Low/Mod-income is defined under CDBG as no more than 80 percent (80%) of the median area income, as determined by HUD, per Federal Regulation 24 CFR, Part 570.483(b); and/or;
- B. Prevention or elimination of slums or blight. In order for an activity to meet the National Objective of elimination of slums and blight, the activity must take place in an area that meets the definition of a blighted area and the project must be shown to eliminate blight or prevent further blight per Federal Regulation 24 CFR, Part 570.483(c).
- C. For Microenterprise Assistance activities, the Jurisdiction must only meet the benefit to Low/Mod-income person or household (LMI) National Objective.

5. Inspections of Activities

- A. The Department reserves the right to inspect any activity(ies) performed hereunder to verify that the activity(ies) is in accordance with the applicable federal, State and/or local requirements and this Agreement.
- B. The Jurisdiction shall inspect any activity performed by contractors and subrecipients hereunder to ensure that the activity(ies) is in accordance with the applicable federal, State and/or local requirements and this Agreement.

The Jurisdiction agrees to require that all activity(ies) found by such inspections not to conform to the applicable requirements be corrected, and to withhold payment to its contractor or subcontractor, respectively, until it is so corrected.

6. Insurance

The Jurisdiction shall have and maintain in full force and effect during the term of this Agreement such forms of insurance, at such levels as may be determined by the Jurisdiction and the Department to be necessary for specific components of the activity(ies) described in this Reuse Plan.

7. Contractors and Subrecipients

- A. The Jurisdiction shall not enter into any agreement, written or oral, with any contractor or subrecipient without the prior determination that the contractor or subrecipient is eligible to receive CDBG funds and is not listed on the Federal Consolidated List of Debarred, Suspended, and Ineligible Contractors.
- 1) Contractors are defined as program operators or construction contractors who are procured competitively.
 - 2) Subrecipients are defined as public or private non-profit agencies or organizations and certain (limited) private for-profit entities who receive CDBG funds from an awarded jurisdiction to undertake eligible activities.
- B. An agreement between the Jurisdiction and any contractor or subrecipient shall require:
- 1) Compliance with the applicable State and federal requirements of this Agreement, which pertain to, among other things, labor standards, non-discrimination, Americans with Disabilities Act, Equal Employment Opportunity, and Drug-Free Workplace; and, Compliance with the applicable provisions relating to Labor Standards/Prevailing Wages. In addition to these requirements, all contractors and subcontractors shall comply with the applicable provisions of the California Labor Code.
 - 2) Maintenance of, at minimum, the State-required Workers' Compensation Insurance for those employees who will perform the activity(ies) or any part of it.
 - 3) Maintenance of, if so required by law, unemployment insurance, disability insurance and liability insurance, which is reasonable to compensate any person, firm, or corporation, who may be injured or damaged by the contractor, or any subcontractor in performing the activity(ies) or any part of it.
 - 4) Compliance with the applicable Equal Opportunity Requirements described in this Agreement.
- C. Contractors shall:
- 1) Perform the activity(ies) in accordance with federal, State and local housing and building codes, as are applicable.
 - 2) Provide security to assure completion of the project by furnishing the borrower and construction lenders with Performance and Payment Bonds, or other security approved in advance in writing by the Department.

D. Subrecipients shall:

- 1) Retain all books, records, accounts, documentation, and all other materials relevant to this Agreement for a period of five (5) years from date of termination of this Agreement, or five (5) years from the conclusion or resolution of any and all audits or litigation relevant to this Agreement, and any amendments, whichever is later.
- 2) Permit the State, federal government, the Bureau of State Audits, the Department and/or their representatives, upon reasonable notice, unrestricted access to any or all books, records, accounts, documentation, and all other materials relevant to the agreement for the purpose of monitoring, auditing, or otherwise examining said materials.

8. **Obligations of the Jurisdiction with Respect to Certain Third Party Relationships**

The Jurisdiction shall remain fully obligated under the provisions of this Agreement notwithstanding its designation of any third party or parties for the undertaking of all or any part of the Activities funded under this agreement with respect to which assistance is being provided under this Agreement to the Jurisdiction.

The Jurisdiction shall comply with all lawful requirements of the Department necessary to ensure that the Program, with respect to which assistance is being provided under this Agreement to the Jurisdiction, is carried out in accordance with the Department's Assurance and Certifications, including those with respect to the assumption of environmental responsibilities of the Department under Section 104(g) of the Housing and Community Development Act of 1974.

9. **Periodic Reporting Requirements**

During the term of this Agreement, the Jurisdiction must submit the following reports by the dates identified, respectively, or as otherwise required at the discretion of the Department. The Jurisdiction's performance under this Agreement will be based, in part, on whether it has submitted the reports on a timely basis.

- A. **Semi-Annual PI Expenditure/Performance Report**: Submit by January 31 and July 31 of each year regardless of whether or not the Jurisdiction has any unspent PI. PI Waivers or open Grants with no accomplishment are not excluded to the reporting requirement.
- B. **Annual Federal Overlay Reporting**: Submit by July 31 starting from the contract effective date to subsequent June 30, and for each State Fiscal Year. Annual Reporting includes but is not limited to: Section 3, and Minority Owned Business/Women Owned Business (MBE/WBE).

- C. Wage Compliance Reports: Semi-annual Wage Compliance Reports are to be submitted by October 7 and April 7 during the entire construction period. The final Wage Compliance Report is to be submitted thirty (30) days after construction is completed.
- D. Any other reports that may be required as a Special Condition of this Agreement.

10. **Monitoring Requirements**

The Department shall perform a program and/or fiscal monitoring of the activity(ies). The Jurisdiction shall be required to resolve any monitoring findings to the Department's satisfaction by the deadlines set by the Department. If findings are not adequately resolved in a timely manner, the Department may deduct points from the Jurisdiction's performance score on future applications.

Additionally, the Department reserve the right to suspend a jurisdiction's authority to expend PI (Waiver, RLA and/or PI attached to an open grant) based on significant compliance issues, reporting concerns or serious lack of cooperation in clearing PI monitoring findings.

11. **Signs**

If the Jurisdiction places signs stating that the Department is providing financing, it shall indicate in a typeface and size commensurate with the Department's funding portion of the project that the Department is a source of financing through the CDBG Program.

12. **Audit/Retention and Inspection of Records**

- A. The Jurisdiction must have intact, auditable fiscal records at all times. If the Jurisdiction is found to have missing audit reports from the SCO during the term of this Agreement, the Jurisdiction will be required to submit a plan to the State, with task deadlines, for submitting the audit to the SCO. If the deadlines are not met, the Jurisdiction will be subject to termination of this Agreement and disencumbrance of the funds awarded. The Jurisdiction's audit completion plan is subject to prior review and approval by the Department.
- B. The Jurisdiction agrees that the Department or its designee will have the right to review, obtain, and copy all records pertaining to performance of this Agreement. The Jurisdiction agrees to provide the Department or its designee with any relevant information requested and shall permit the Department or its designee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with California Public Contract Code (PCC) Section 10115 et seq., Government Code (GC) Section 8546.7 and 2 CCR 1896.60 et seq. The Jurisdiction further agrees to maintain such records for a period of five (5) years after final

payment under this Agreement. The Jurisdiction shall comply with the caveats and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in PCC 10115.10.

- C. An expenditure which is not authorized by this Agreement or which cannot be adequately documented shall be disallowed and must be reimbursed to the Department or its designee by the Jurisdiction.
- D. Absent fraud or mistake on the part of the Department, the determination by the Department of the allowability of any expenditure shall be final.
- E. For the purposes of annual audits under OMB Circular A-133 (The United States Office of Management and Budget Circular for Audits of States and Local Governments), Jurisdiction shall use the Federal Catalog Number 14.228 for the State CDBG Program.
- F. Notwithstanding the foregoing, the Department will not reimburse the Jurisdiction for any audit cost incurred after the expenditure deadline of this Agreement.
- G. The jurisdiction understands that the expenditure of PI is covered under the OMB A-133 Single Audit Requirements and will meet all these requirements and report said PI Expenditure along with grant funds each fiscal year.

13. Conflict of Interest of Members, Officers, or Employees of Contractors, Members of Local Governing Body, or other Public Officials

Pursuant to 24 CFR 570.611, no member, officer, or employee of the Jurisdiction, or its designees or agents, no member of the Governing Body of the locality in which the program is situated, and no other public official of such locality or localities who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to a CDBG-assisted activity or its proceeds, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one (1) year thereafter. The Jurisdiction shall incorporate, or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purposes of this Section.

14. Waivers

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of the Department to enforce at any time the provisions of this Agreement or to require at any time performance by the Jurisdiction of these provisions shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce these provisions.

15. Litigation

- A. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity, at the sole discretion of the Department, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are, and shall be, deemed severable.
- B. The Jurisdiction shall notify the Department immediately of any claim or action undertaken by or against it which affects or may affect this Agreement or the Department, and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.

16. Lead-Based Paint Hazards

Activity(ies) performed with assistance provided under this Agreement are subject to lead-based paint hazard regulations contained in Title 8 (Industrial Relations) and Title 17 (Public Health) of the CCR and 24 CFR, Part 35 (Lead Disclosure). Any grants or loans made by the Jurisdiction with assistance provided under this Agreement shall be made subject to the provisions for the elimination or mitigation of lead-based paint hazards under these Regulations. The Jurisdiction shall be responsible for the notifications, inspections, and clearance certifications required under these Regulations.

17. Prevailing Wages

- A. Where funds provided through this Agreement are used for construction work, or in support of construction work, the Jurisdiction shall ensure that the requirements of California Labor Code (LC), Chapter 1, commencing with Section 1720, Part 7 (pertaining to the payment of prevailing wages and administered by the California Department of Industrial Relations) are met.
- B. For the purposes of this requirement "construction work" includes, but is not limited to rehabilitation, alteration, demolition, installation or repair done under contract and paid for, in whole or in part, through this Agreement. All construction work shall be done through the use of a written contract with a properly licensed building contractor incorporating these requirements (the "construction contract"). Where the construction contract will be between the Jurisdiction and a licensed building contractor, the Jurisdiction shall serve as the "awarding body" as that term is defined in the LC. Where the Jurisdiction will provide funds to a third party that will enter into the construction contract with a licensed building contractor, the third party shall serve as the "awarding body." Prior to any disbursement of funds, including but not limited to release of any final retention payment, the Department may require a certification from the awarding body that prevailing wages have been or will be paid.

18. Compliance with State and Federal Laws and Regulations

- A. The Jurisdiction agrees to comply with all State laws and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the Jurisdiction, its subcontractors, contractors or subcontractors, and the Reuse activity(ies), and any other State provisions as set forth in this Agreement.
- B. The Jurisdiction agrees to comply with all federal laws and regulations applicable to the CDBG Program and to the activity(ies), and with any other federal provisions as set forth in this Agreement.

19. Anti-Lobbying Certification

The Jurisdiction shall require that the language of this certification be included in all contracts or subcontracts entered into in connection with this activity(ies) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and no more than \$100,000 for such failure.

"The undersigned certifies, to the best of his or her knowledge or belief, that:

- A. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement; and,
- B. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions."

20. Bonus or Commission, Prohibition Against Payments of

The assistance provided under this Agreement shall not be used in the payment of any bonus or commission for the purpose of:

- A. Obtaining the Department's approval of the Application for such assistance; or,
- B. The Department's approval of the Applications for additional assistance; or,
- C. Any other approval or concurrence of the Department required under this Agreement, Title I of the Housing and Community Development Act of 1974, or the State regulations with respect thereto; provided, however, that reasonable fees for bona fide technical, consultant, managerial or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as program costs.

21. Citizen Participation

The Jurisdiction is subject to the requirements concerning citizen participation contained in Federal Regulations at 24 CFR, Part 570.486, Local Government Requirements, Part 91.105 and 91.115.

22. Clean Air and Water Acts

This Agreement is subject to the requirements of the Clean Air Act, as amended, 42 USC 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 USC 1251 et seq., and the regulations of the Environmental Protection Agency with respect thereto, at 40 CFR, Part 15, as amended from time to time.

23. Conflict of Interest of Certain Federal Officials

No member of or delegate to the Congress of the United States, and no resident commissioner, shall be admitted to any share or part of this Agreement or to any benefit to arise from the same. The Jurisdiction shall report all perceived or actual conflicts of interest cases to the State for review before financial benefits are given.

24. Environmental Requirements

The Jurisdiction shall comply with the provisions of the National Environmental Policy Act (NEPA) by following the procedures contained in 24 CFR, Part 58. The Jurisdiction shall not undertake any activity that would have an adverse environmental impact or limit the choice of reasonable alternatives under 24 CFR, Part 58.22 until HUD or the Department has issued an environmental clearance.

25. Equal Opportunity

A. The Civil Rights, Housing and Community Development, and Age Discrimination Acts Assurances

During the performance of this agreement, the Jurisdiction assures that no otherwise qualified person shall be excluded from participation or employment, denied program benefits, or be subjected to discrimination based on race, color, national origin, sex, age, handicap, religion, familial status, or religious preference, under any activity funded by this Agreement, as required by Title VI of the Civil Rights Act of 1964, Title I of the Housing and Community Development Act of 1974, as amended, the Age Discrimination Act of 1975, the Fair Housing Amendment Act of 1988, and all implementing regulations.

B. Rehabilitation Act of 1973 and the "504 Coordinator"

The Jurisdiction further agrees to implement the Rehabilitation Act of 1973, as amended, and its regulations, 24 CFR, Part 8, including, but not limited to, for Jurisdiction's with fifteen (15) or more permanent full or part time employees, the local designation of a specific person charged with local enforcement of this Act, as the "504 Coordinator."

C. The Training, Employment, and Contracting Opportunities for Business and Lower-Income Persons Assurance of Compliance

- 1) The activity(ies) to be performed under this Agreement are subject to the requirements of Section 3 of the HUD Act of 1968, as amended, 12 U.S.C. 1701u. Recipients, contractors and subcontractors shall direct their efforts to provide, to the greatest extent feasible, training and employment opportunities generated from the expenditure of Section 3 covered assistance to Section 3 residents in the order of priority provided in 24 CFR, Part 135.34(a)(2).
- 2) The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of HUD set forth in 24 CFR, Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this Agreement. The parties to this Agreement certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
- 3) The Jurisdiction will include these Section 3 clauses in every contract and subcontract for Work in connection with the activity(ies) and will, at the direction of the Department, take appropriate action pursuant to the contract or subcontract upon a finding that the Jurisdiction or any contractor or subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR, Part 135 and, will not let any contract unless the Jurisdiction or contractor or subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

- 4) Compliance with the provisions of Section 3, the regulations set forth in 24 CFR, Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this Agreement shall be a condition of the federal financial assistance provided to the activity(ies), binding upon the Jurisdiction, its successors, and assigns. Failure to fulfill these requirements shall subject the Jurisdiction, its contractors and subcontractors and its successors, to such sanctions as are specified by 24 CFR, Part 135 and those sanctions specified by this Agreement.

D. Assurance of Compliance with Requirements Placed on Construction Contracts of \$10,000 or More

The Jurisdiction hereby agrees to place in every contract and subcontract for construction exceeding \$10,000 the Notice of Requirement for Affirmative Action to ensure Equal Employment Opportunity (Executive Order 11246), the Standard Equal Employment Opportunity, and the Construction Contract Specifications. The Jurisdiction furthermore agrees to insert the appropriate Goals and Timetables issued by the U.S. Department of Labor in such contracts and subcontracts.

26. Flood Disaster Protection

- A. This Agreement is subject to the requirements of the Flood Disaster Protection Act (FDPA) of 1973 (Public Law 93-234). No portion of the assistance provided under this Agreement is approved for acquisition or construction purposes as defined under FDPA, Section 3 (a) of said Act, for use in an area identified by the Secretary of HUD as having special flood hazards which is located in a community not then in compliance with the requirements for participation in the national flood insurance program pursuant to FDPA, Section 102(d) of said Act.
- B. The use of any assistance provided under this Agreement for such acquisition or construction in such identified areas in communities then participating in the national flood insurance program shall be subject to the mandatory purchase of flood insurance requirements of FDPA, Section 102(a) of said Act.
- C. Any contract or agreement for the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement shall contain certain provisions. These provisions will apply if such land is located in an area identified by the Secretary of HUD as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001 et seq.
- D. These provisions shall obligate the transferee and its successors or assigns to obtain and maintain, during the ownership of such land, such flood insurance as required with respect to financial assistance for acquisition or construction purposes under FDPA, Section 102(s) of the Flood Disaster Protection Act of 1973. Such provisions shall be required

notwithstanding the fact that the construction on such land is not itself funded with assistance provided under this Agreement.

27. Federal Labor Standards Provisions

The Jurisdiction shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of:

- A. Davis-Bacon Act (40 U.S.C. 3141-3148) requires that workers receive no less than the prevailing wages being paid for similar work in their locality. Prevailing wages are computed by the Federal 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.
- B. "Anti-Kickback Act of 1986" (41 U.S.C. 51-58) prohibits any person from (1) providing, attempting to provide, or offering to provide any kickback; (2) soliciting, accepting, or attempting to accept any kickback; or (3) including directly or indirectly, the amount of any kickback prohibited by clause (1) or (2) in the contract price charged by a subcontractor to a prime contractor or a higher tier subcontractor or in the contract price charged by a prime contractor to the United States.
- C. Contract Work Hours and Safety Standards Act - CWHSSA (40 U.S.C. 3702) requires that workers receive "overtime" compensation at a rate of one to one-half (1-1/2) times their regular hourly wage after they have worked forty (40) hours in one week.
- D. Title 29, Code of Federal Regulations CFR, Subtitle A, Parts 1, 3 and 5) are the regulations and procedures issued by the Secretary of Labor for the administration and enforcement of the Davis-Bacon Act, as amended.

The Jurisdiction shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Department for review upon request.

28. Procurement

The Jurisdiction shall comply with the procurement provisions in 24 CFR, Part 85.36: Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.

29. Non-Performance

The Department shall review the actual National Objective and/or Public Benefit achievements of the Jurisdiction. In the event that the National Objective and/or Public Benefit requirements are not met, the Department will require the recapture of the entire PI expended on that project/activity. Additional remedies may include suspending the Jurisdiction's authority to use PI funds until the Jurisdiction has developed capacity to ensure future PI funds will be used for eligible activities that will meet a National Objective.

30. Relocation, Displacement, and Acquisition

The provisions of the Uniform Relocation Act, as amended, 49 CFR, Part 24, and Section 104(d) of the Housing and Community Development Act of 1974 shall be followed where any acquisition of real property is carried out by the Jurisdiction and assisted in whole or in part by funds allocated by CDBG.

31. Uniform Administrative Requirements

The Jurisdiction shall comply with applicable Uniform Administrative Requirements as described in 24 CFR, Section 570.502, including cited Sections of 24 CFR, Part 85.

32. Section 3

The Jurisdiction will comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing Regulations at 24 CFR, Part 135.

33. Affirmatively Furthering Fair Housing

The Jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the Jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

34. General Contract Conditions

The following conditions apply to all activities, including set aside activities. The Jurisdiction must meet the conditions within ninety (90) days of this Agreement's execution. Failure to meet the following Special Conditions may result in termination of this Agreement.

A. Environmental Compliance

The Jurisdiction shall have satisfied all National Environmental Policy Act (NEPA) requirements and California Environmental Quality Act (CEQA) requirements. CEQA shall be approved by the Jurisdiction. The level of compliance varies by activity. NEPA review must be completed by the Jurisdiction for each activity and approved in writing by Department staff prior to incurring costs on the activity(ies).

B. Acquisition/Relocation Compliance

The Jurisdiction must document its compliance with the Uniform Relocation Act, Section 104(d) before release of funds by the Department. The Jurisdiction must submit a specific relocation assistance plan for each activity which may result in temporary or permanent displacement. For projects where there will be temporary or permanent displacement, the Jurisdiction must submit signed General Information Notices (GINs) from

each tenant who was residing in the project at the time of Application submittal. If the Jurisdiction believes that there will be no displacement as a result of their activities, they must submit a letter explaining why no displacement or relocation will occur, which will be subject to written approval by the Department.

C. Site Control

The Jurisdiction shall demonstrate site control of the proposed project property by submitting evidence of one or more of the following to the Department:

- 1) Fee title;
- 2) A leasehold interest on the project property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease shall permit compliance with all Program requirements;
- 3) An option to purchase or lease;
- 4) A disposition and development agreement with a public agency;
- 5) A land sale contract, or other enforceable agreement for the acquisition of the property; or,
- 6) All easements and right-of-ways (required for completion of the CDBG project) must be obtained.

D. Funding Commitments and Project Cost Estimates

All funding required for project completion must be documented and committed. If all funding is not committed, the Department shall terminate this Agreement. If the Jurisdiction has applied for other funding prior to the execution of this Agreement, the Jurisdiction must notify the Department as soon as that application is approved or denied. If the Jurisdiction must apply for other funding after the execution date of this Agreement, the Jurisdiction must apply at the earliest possible opportunity offered by the other funding source(s) and notify the Department as soon as that application is approved or denied.

A current third-party cost estimate must be provided by the engineer or architect for the project.

E. Activity Administration Documentation

There are four methods of administering and/or completing RLA activities:

- 1) Use of in-house staff only;
- 2) Subrecipient agreement(s) with qualified non-profit(s);

- 3) Consultants/contractors/others obtained through federal procurement procedures; and,
- 4) Any combination of the above methods.

The Jurisdiction must provide the following documentation demonstrating that one or more of these methods were used for the GA of the RLA and for all activities carried out under this Agreement.

- 1) Use of in-house staff only: If not previously provided in the Application, submit staff resumes and duty statements that clearly identify that Jurisdiction staff has capacity and experience to complete administration of the proposed activities in the Application.
- 2) Subrecipient agreement(s) with qualified non-profit(s): Subrecipients, and their respective agreements with the Jurisdiction must adhere to all Program requirements. Submit the subrecipient agreement that was executed between the non-profit and the _____ City of Rio Dell _____. (Submitting draft documents for review prior to execution is recommended.) The scope of work in the subrecipient agreement must match the description of activity in this Agreement. Any parts of the activity description in this Agreement not covered by the subrecipient agreement must have separate procurement information. If the subrecipient is using CDBG funds to hire other consultants or subrecipients to do part or all of the Work then the procurement documentation or additional subrecipient agreements must be provided to the Department for review and approval.
- 3) Consultants: Submit procurement documentation that all third-party consultants are procured in accordance with Federal Procurement Procedures and the Grant Management Manual, as follows:

A copy of the document used to notify prospective consultants, such as a Request for Proposal or similar document.

A list of all bid respondents, showing respondents' contact information and the dollar amount of each proposal.

A brief description of the process used to select the consultant/contractor/other, including the rationale for the selection.

Additional information may be found in the Grant Management Manual, Program Operators.

F. Compliance With All Loans and/or Grant Agreements

Pursuant to this Agreement, the Jurisdiction must comply with State and Federal Laws and Regulations that pertain to matters applicable to the Jurisdiction. Prior to disbursement of any funds under this Agreement, the

Jurisdiction shall be in compliance with all loan and/or grant agreements to which it is a party, which are administered by the Department.

G. Easements and Rights-of-Way

If required for the completion of a CDBG project, the Jurisdiction must obtain all easements and rights-of-ways required for completion of the CDBG project within twelve (12) months of execution of this Agreement. Failure to obtain these may result in termination of this Agreement.

H. Section 504 Accessibility Requirements

- 1) Section 504 Regulations apply when CDBG funds are used on a new construction housing or public facility project or when an existing public facility or housing project with fifteen (15) or more units is being purchased and/or "substantially" rehabilitated. Qualified CDBG assisted housing projects are required to have a certain percentage of the units designed for and accessible to persons with mobility and sensory impairments.
- 2) For a federally assisted new construction housing project, Section 504 requires five percent (5%) of the dwelling units, or at least one unit, whichever is greater, to meet Uniform Federal Accessibility Standards or a standard that is equivalent or stricter, for persons with mobility disabilities. An additional two percent (2%) of the dwelling units, or at least one unit, whichever is greater, must be accessible for persons with hearing or visual disabilities.
- 3) Under Section 504, alterations are substantial (i.e. substantially rehabilitated) if they are undertaken to a housing project that has 15 or more units and the cost of the alterations is seventy-five percent (75%) or more of the replacement cost of the completed facility; and require that a minimum of five percent (5%) of the dwelling units, or at least one unit, whichever is greater, shall be made accessible to persons with mobility disabilities and an additional two percent (2%) of the dwelling units, or at least one unit, whichever is greater, shall be made accessible to persons with hearing or visual disabilities.
- 4) The Jurisdiction shall provide documentation satisfactory to the Department verifying that the required housing units or public facility described in the project comply with the accessibility standards. CDBG funds will not be released until the necessary documentation is provided. All CDBG funded programs must, to the greatest degree possible, be conducted in buildings which meet Section 504 accessibility standards.

I. Grantee's Data Universal Numbering System (DUNS)

The Jurisdiction shall provide the Department with a DUNS number for any contractor or subcontractor prior to release of any funds under this Agreement.

35. Community Development Activity Conditions

A. Homeownership Assistance

If the Work to be performed under this Agreement involves Homeownership Assistance, the following additional special conditions apply:

- 1) Program Guidelines: The Jurisdiction must submit a copy of its Homeownership Assistance Program Guidelines and its PI Re-Use Plan to the Department for review and approval within ninety (90) days of the execution date of this Agreement.
- 2) If the Jurisdiction proposed to assist homebuyers to purchase newly constructed units in its CDBG application under the Homeownership Assistance activity, the following requirements must be met:
 - a) The units must have been available for sale to the general public;
 - b) Development of the new subdivision must not be dependent upon the funding of the homebuyer loan;
 - c) CDBG funds shall not be used for construction; and,
 - d) Homeownership Assistance loans will not be approved prior to the foundation of the housing being in place.

B. Housing Rehabilitation

If the Work to be performed under this Agreement involves Housing Rehabilitation, the following additional special conditions apply:

- 1) Program Guidelines: The Jurisdiction must submit a copy of its Housing Rehabilitation Program Guidelines and its PI Re-Use Plan to the Department for review and approval.
- 2) Affordable Rent: If the Jurisdiction's Housing Rehabilitation Program provides for rehabilitating rental properties, the Jurisdiction must submit to the Department its provisions for assuring affordable rent for the LMI occupants. Jurisdiction may include this information as part of the Housing Rehabilitation Program Guidelines.

36. Economic Development Activity-Specific Conditions

A. Restrictions on CDBG-Assisted Public Property

CDBG funds can be used by the Jurisdiction to purchase or rehabilitate public property. The change of use of real property provisions contained in 24 CFR 570.489(i) apply to real property within the unit of general local government's control (including activities undertaken by subrecipients), which was acquired or improved in whole or in part using CDBG funds in excess of the threshold for small purchase procurement (currently \$100,000). The restrictions shall apply from the date CDBG funds are first spent for the property until five (5) years after completion of the project. See the Federal Regulations for the full text of this regulation. The Jurisdiction must provide documentation of proper restriction on assisted property.

B. Business Assistance Activity

- 1) Jurisdictions implementing Business Assistance (BA) Loans, shall submit program guidelines that ensure compliance with CDBG underwriting requirements as described in 24 CFR 570, Appendix A, "Guidelines and Objectives for Evaluating Project Costs and Financial Requirements" and with public benefit requirements contained in 24 CFR 570.482(f).
- 2) Jurisdictions implementing a BA loan shall provide a written Employment Agreement required to be executed between the Jurisdiction and the business owner [requirements of the Employment Agreement are described in 24 CFR 570.506 (b), (5), and (6)]. The written Employment Agreement must include a commitment by the business that the jobs are to be created or retained by the termination date of this Agreement and that at least fifty-one percent (51%) of all jobs created or retained (on a FTE basis) will be held by LMI persons. The Employment Agreement shall specify that, prior to receiving assistance, the business shall agree to:
 - a) Provide a listing, by job title, of the permanent jobs projected to be created;
 - b) Identify which jobs, if any, are part-time and the annual hours of work for each position;
 - c) Identify which jobs are projected to be filled by LMI; and,
 - d) Provide periodic reporting (semi-annual) not limited to: listing jobs, by job title, of all the permanent jobs actually filled, and which of those jobs are held by members of the LMI.

C. Microenterprise Assistance Activities

- 1) Jurisdictions implementing a Microenterprise Assistance activity for technical assistance and/or microenterprise loans, shall submit program guidelines that ensure compliance with CDBG requirements. Specifically, guidelines must ensure that all beneficiaries of the program are eligible micro enterprises, per HUD definitions. A microenterprise must:
 - a) Have all owners of the business documented as meeting HUD family income eligibility standards; and,
 - b) Have documentation that the business's owners and employees are five (5) or fewer in number.
- 2) When implementing a Microenterprise Program, the program guidelines shall include the proposed benefits, eligible activities and ongoing evaluation of program services. The guidelines will include a Beneficiary Tracking Plan, which defines the goals; identifies the roles and responsibilities of the service providers; identifies the market and focuses the outreach; defines the screening and referral process; and, tracks the beneficiaries through the program's level of service. The Beneficiary Tracking Plan shall also describe the roles and responsibilities of the Jurisdiction and/or program operator for meeting the reporting requirements of the State CDBG Program.
- 3) When implementing a Microenterprise Program that is part of an integrally-related component of a larger project where non-LMI persons will be extended training and supportive services, shall submit guidelines including the methodology describing how CDBG funds will only be used towards the assistance of LMI to LMI persons under the Jurisdiction's activity.
- 4) Jurisdictions implementing a Microenterprise activity for loans to microenterprises made with Grant funds or PI funds, shall submit guidelines that ensure compliance with CDBG underwriting requirements as described in 24 CFR, Part 570, Appendix A, "Guidelines and Objectives for Evaluating Project Costs and Financial Requirements."
- 5) If under this Agreement, a Microenterprise Façade Improvement activity is being implemented, the Jurisdiction shall submit program guidelines that ensure compliance with CDBG National Objective requirements, as described in 24 CFR 570, Appendix A, "Guidelines and Objectives for Evaluating Project Costs and Financial Requirements."

D. Required Agreements for Assisted Businesses

The Jurisdiction shall execute a written agreement between the Jurisdiction and the business receiving CDBG funds (loans or grants) under this Agreement to ensure compliance with CDBG State and federal regulations. The written agreement shall contain language to ensure each business complies with the terms of this Agreement, Exhibit A, as well as each of the criteria as set forth in 24 CFR 570.506 (b)(4) and (c).

- 1) Each agreement between the Jurisdiction and the business(es) shall be submitted to the Department for review and written approval, prior to execution by the business and City of Rio Dell.
- 2) Each agreement shall require the business to report employee information periodically (semi-annual) to the Jurisdiction. The report shall list each job position by job title and number of annual hours worked and LMI status. The report shall list all the permanent jobs actually created or retained, and identify which of those job positions are held by members of the LMI. Additionally, the report shall include the demographics of job holders (ethnicity/race, disability, status, gender, and head of household status).
- 3) Each agreement shall require the business(es) submit a Data Universal Numbering System (DUNS) number and be verified as not being on the current federal debarred list, prior to receiving any CDBG financial assistance. The agreement shall require proof of proper insurance for secured collateral and protecting the Jurisdiction. The agreement shall reference this Agreement between the Department and the Jurisdiction. The agreement shall contain all other special conditions as directed by the Department or local loan committee. The agreement shall include but is not limited to the following conditions:
 - a) Maintaining a specific annual debt service level; and,
 - b) Requiring a quarterly review of the businesses financial statements with the owner and accounting staff.

37. Community and Economic Development Planning Activities

A. Non-Implementation Activity

In some cases, the Department may allow a Jurisdiction to first complete a Household Income Survey and/or a Market Study in order to document low-income benefit for the proposed study. In such cases, the Jurisdiction must conduct the survey according to CDBG standards and submit the survey for review and written approval by the Department, prior to initiating any further study activities. All Non-Implementing/Planning Activities pursuant to this Agreement must be funded with PI General Administration (PI GA).

B. Implementation Activity

Implementation Activities are not permitted under this Agreement using PI GA funds.

Certified Approving Resolution Is Attached

I certify that the foregoing is true and correct, and will follow all requirements of this agreement. I understand that my certification also acknowledges that serious compliance issue with the above requirements could result in the State suspending _____ City of Rio Dell _____ authority to expend PI or may require _____ City of Rio Dell _____ to return unused PI to the State until the _____ City of Rio Dell _____ clears the serious compliance issues.

Signature of Authorized Representative

03/20/2013

Date Signed

Jim Stretch, City Manager

Name and Title of Authorized Representative

Signature of CDBG Section Chief

Date Signed

Name of CDBG Section Chief