

RESOLUTION R-2010-045

*Authorizing the execution of a Subrecipient Agreement between City of Columbia/Sumter-Columbia Empowerment Zone and the Columbia Empowerment Zone, Inc., for the purpose of transferring grant funds to the Columbia Empowerment Zone, Inc., for eligible activities consistent with the Empowerment Zone Strategic Plan, as those funds have been applied for and received by the City of Columbia/Sumter-Columbia Empowerment Zone pursuant to Catalog of Federal Domestic Assistance Number 14.244 (CFDA 14.244) for the Sumter-Columbia Empowerment Zone, HUD Grant Number: EZ-99-SC-0011*

WHEREAS, the City of Columbia recognizes its 1999 application for the 10-year Sumter-Columbia Empowerment Zone designation to support the betterment of its residents and communities by continuing to foster Community Empowerment through the pursuit of excellence in all services and activities. The SCEZ Strategic Plan, "Facing the Future Together" is a holistic blueprint to surmount the difficult challenges facing two of the most troubled communities in the Palmetto Region of South Carolina based on basic values and the principles that; All people have value and worth, Every child can learn and every family can be nurtured, Education empowers people, the Use of creative and innovative solutions, Substantial changes evolve from the bottom up, Self-esteem is the best preventative medicine, and Stable, loving families are likely to send stable, loving children into the world.

WHEREAS, pursuant to an extension granted by HUD, the grant period for the Sumter-Columbia Empowerment Zone will end August 16, 2010, with all final requests for payment of eligible costs associated with the grant activities to be made not later than September 10, 2010, and final grant close-out to be conducted on September 30, 2010;

WHEREAS, the City of Columbia acknowledges that after the grant period ends the City desires to continue to initiate, develop and maintain projects and programs in economically depressed or blighted areas that require the attraction and utilization of both public and private investment capital;

WHEREAS, the City of Columbia desires to continue its intent of reducing physical and economic blight, combat community deterioration by fostering business attraction, retention and expansion in areas in need of permanent job opportunities, workforce advancement and general growth opportunities;

WHEREAS, the City of Columbia recognizes and supports the furtherance of the Columbia Empowerment Zone, Inc. as a duly authorized non-profit organization and its mission to carryout and sustain program activities of the 1999 Columbia Empowerment Zone;

WHEREAS, the City of Columbia/Sumter-Columbia Empowerment Zone desires to engage the Columbia Empowerment Zone, Inc., to assist the Sumter-Columbia Empowerment Zone in the furtherance of the eligible program activities begun by the Sumter-Columbia Empowerment Zone;

WHEREAS, the City of Columbia, desires to authorize the transfer of the money, real property, investments, personal property, assets, programs, projects, boundaries, developments, project income and obligations of the Sumter-Columbia Empowerment Zone to continue the 1999 mission of the Columbia Empowerment Zone;

WHEREAS, the City of Columbia has determined that it is in the best interests of the City, the Sumter-Columbia Empowerment Zone, and its residents and communities to transfer all Sumter-Columbia Empowerment Zone assets and obligations to the Columbia Empowerment Zone, Inc.;

ORIGINAL  
STAMPED IN RED

WHEREAS, the Columbia Empowerment Zone, Inc., is charged with sustaining the programs and activities of the Sumter-Columbia Empowerment Zone and to impact residents and communities as identified in the 1999 strategic plan; NOW, THEREFORE,

BE IT RESOLVED by the Mayor and City Council this 23rd day of June, 2010 as follows:

1. The City Council authorizes the transfer, assignment and conveyance of all monies and receivables of the Sumter-Columbia Empowerment Zone to Columbia Empowerment Zone, Inc. to further the Empowerment Zone programs and economic development for the residents and businesses of the Empowerment Zone.

2. The City Council authorizes the transfer, assignment, and conveyance of all contracts and obligations, notes, other debt obligations, current and future program income of the Sumter-Columbia Empowerment Zone to the Columbia Empowerment Zone, Inc.

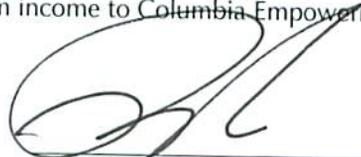
3. The Columbia Empowerment Zone, Inc. also agrees to accept and assume the contractual obligations of the Sumter-Columbia Empowerment Zone, with respect to the transferred money, investments, personal property, assets, programs, projects, boundaries and obligations.

5. The City Manager is hereby authorized to sign and deliver such documents and/or agreements as may be required to accomplish the foregoing transfers, assignments and conveyances, including but not limited to a Subrecipient Agreement between the City of Columbia/Sumter-Columbia Empowerment Zone and the Columbia Empowerment Zone, Inc., transferring grant funds to the Columbia Empowerment Zone, Inc., for eligible activities consistent with the Empowerment Zone Strategic Plan.

6. With respect to transferred loans, interest and principal repayments, the City Council hereby authorizes the City's Finance Officer to deliver all program income to Columbia Empowerment Zone, Inc.

Requested by:

Community Development Business Admin.



Mayor

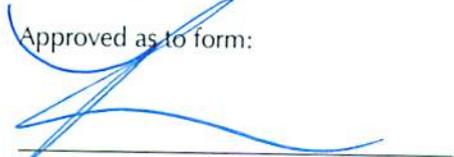
Approved by:

  
\_\_\_\_\_  
City Manager

ATTEST:

  
\_\_\_\_\_  
City Clerk

Approved as to form:

  
\_\_\_\_\_  
City Attorney

Introduced: 6/23/2010  
Final Reading: 6/23/2010

**SUBRECIPIENT AGREEMENT BETWEEN  
City of Columbia/Sumter-Columbia Empowerment Zone  
AND  
Grant Award Agreement  
FOR  
Columbia Empowerment Zone, Inc.**

THIS AGREEMENT, entered this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between the **City of Columbia/Sumter-Columbia Empowerment Zone** (herein called the "Grantee") and **Columbia Empowerment Zone, Inc.** (herein called the "Subrecipient" or "CEZ, Inc.") pursuant to the signed Agreement between the City and CEZ, Inc. dated 26 August 2009 ("Agreement").

WHEREAS, the Grantee has applied for and received funds pursuant to **Catalog of Federal Domestic Assistance Number 14.244 (CFDA 14.244) for the Sumter-Columbia Empowerment Zone (SCEZ), HUD Grant Number: EZ-99-SC-0011**; and,

WHEREAS, the Grantee wishes to engage the Subrecipient to assist the Grantee in utilizing such funds consistent with the purpose stated in the Agreement dated 26 August 2009; and,

WHEREAS, in furtherance of the EZ Strategic Plan, CEZ, Inc., a non-profit organization whose mission is to initiate, develop, and maintain projects and programs in economically distressed or blighted areas that require the attraction and utilization of both public and private investment capital; and,

WHEREAS, the fostering of sustainable business, government, and community alliances to help lessen burdens of Government, reduce physical and economic blight, and combat community deterioration by fostering business attraction, retention and expansion in areas in need of permanent job opportunities, workforce advancement, and general growth opportunities; and,

WHEREAS, CEZ, Inc. shall be responsible for implementation of the CEZ Strategic Plan for evaluation and oversight of EZ programs; and,

WHEREAS, the City agrees to grant HUD funds to CEZ, Inc., for eligible activities consistent with the Agreement and the EZ Strategic Plan, which are attached hereto as Attachment IV (Budget);

NOW, THEREFORE, it is agreed between the parties hereto that:

**I. SCOPE OF SERVICE**

A. **Activities.** The Subrecipient will be responsible for administering EZ Programs in a manner satisfactory to the Grantee and consistent with any standards required as a condition of providing these grant funds. Such program will include the following activities eligible under the Round II Empowerment Zone Program:

1. Program Delivery Grant Activities

a. Activity #1 - CEZ, Inc., may conduct strategic commercial property acquisition for resident benefit, blight reduction, and economic development activities;

b. Activity #2 - CEZ, Inc., may acquire and further develop North Main Plaza phase III & IV for restaurant and retail;

c. Activity #3 - CEZ, Inc., up-fit North Main Plaza phase II building for CiCi's Pizza restaurant;

d. Activity #4 - CEZ, Inc., may provide community development corporations small business development loans to assist existing and new business start-up and expansion;

e. Activity #5 - CEZ, Inc., may construct Life Resource Center at Busby Street; and

f. Activity #6 - CEZ, Inc., staff may perform administrative functions and logistical services for related EZ activities;

g. Activity #6 - CEZ, Inc., may subgrant to agencies to conduct job training and job placement.

2. General Administration. The Subrecipient will maintain program and financial records documenting eligibility, provisions of services, and Subrecipient's expenses relative to the project as a result of assistance provided through the EZ program.

3. Principle Benefit Standards: The Subrecipient certifies that the activities carried out with HUD funds provided under this agreement will meet economic development standards or goals that provide at least 51 percent of its direct benefits to persons who reside within the designated EZ boundaries. Moreover, in any case where the direct benefits to be provided by the project in question will be in the form of jobs, the project may be assisted if at least 35 percent (35%) of the jobs meet Empowerment Zone community needs as defined in Title 24 of the Code of Federal Regulations, Part 598 ("24 CFR Part 598") specifically sections 598.610 and 598.615.

B. Implementation Schedule. Unless amended by mutual written agreement by the Subrecipient and the Grantee, the Subrecipient will perform the described tasks in conformance with the schedule below and as permitted by the extension granted by HUD on May 14, 2010.

| TASK/PROGRAM GOAL  | DATE                                    |
|--|---|
| Recruit new businesses<br>Oversee construction activities<br>Monitor purchase of FF&Es<br>Monitor grand opening activities<br>Monitor general operations<br>Monitor job creation and retention<br>Monitor property acquisition and demolition<br>Manage-Account-Control Property | September 24, 2008 – September 30, 2010 |

C. Staffing. The Grantee shall assign staff as Key Personnel to this project.

| General Program Duties | Time Allocation |
|------------------------|-----------------|
| Director               | 15%             |
| Program Supervisor     | 25%             |
| PERMS Management       | 25%             |
| Property Manager       | 20%             |
| CD/Business Analysts   | 25%             |
| Loan Officer           | 20%             |

D. Performance Monitoring. The Grantee will monitor the performance of the Subrecipient against goals and performance standards required herein to ensure that federal awards are used for authorized purposes in compliance with Federal and State laws, regulations, and the provisions of grant agreements. Substandard performance as determined by the Grantee will constitute non-compliance with this Agreement. If action to correct such substandard performance is not taken by the Subrecipient within ten (10) days after being notified by the

Grantee, contract termination may begin and all funding will end. Subrecipient must return any unused funds promptly.

**II. TIME OF PERFORMANCE**

Services of the Subrecipient shall start on the effective date of this agreement which shall be the date of the last signature and end on the 30th day September, 2010. The term of this Agreement and the provisions herein shall be retroactive to encompass loans and projects begun prior to the effective date and extended to cover any additional time period during which the Subrecipient remains in control of EZ funds or other assets, including program income.

**III. BUDGET**

|       | Line Items  | I.P.    | EZ Funds       |
|-------|---|---------|----------------|
| 1     | North Main Plaza (NMP) Office Retail Development  | G3C2P18 | \$600,000.00   |
| 2     | Commercial Investment Partnership (CIP) CiCi's Pizza Restaurant Development                   | G3C3P20 | \$310,000.00   |
| 3     | Small Business Financial Fund (SBFF)  | G3C3P8  | \$950,000.00   |
| 4     | Strategic Property Acquisition for Economic Development                                       | G3C2P19 | \$1,869,114.99 |
| 5     | WEDO  | G3C3P24 | \$75,000.00    |
| 6     | Administration, including but not limited to professional fees, but does not include salaries | G2C2P4  | \$171,418.00   |
| TOTAL |   |         | \$3,975,532.99 |

Any indirect costs charged must be consistent with the conditions of Paragraph VII of this Agreement. In addition, the Grantee may require a more detailed budget breakdown than the one contained herein. Further, the Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the Grantee. Any amendments to this budget shall be approved in writing by the Grantee and the Subrecipient.

person must be kept for four (4) years after he/she has received final payment.

**IV. PAYMENT**

A. It is expressly agreed and understood that the total amount to be paid by the Grantee under this contract shall not exceed \$3,975,533.39 dollars. Draw downs for the payment of eligible expenses shall be made against the line-item budget specified in Paragraph III herein and in accordance with performance. Draw-downs shall not exceed available grant dollars for each line item. The Subrecipient will be granted advance funds for programs/projects provided verification of eligible expenses are provided.

B. Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with acceptable standards specified in OMB Circular A-110 and OMB Circular A-133.

**V. NOTICES**

Communication and details concerning this contract shall be directed to the following contract representatives:

| Grantee:  | Subrecipient:   |
|---|---|
| Senior Assistant City Manager<br>City of Columbia<br>P.O. Box 147<br>Columbia, SC 29201<br>Tel: 803-545-3480<br>Fax:803-401-8800                        | Mildred Weathers-McDuffie, Chairperson<br>CEZ, Inc.<br>1225 Lady Street Suite 102<br>Columbia, SC 29201<br>Tel:803-603-3400<br>Fax: |
| Finance Director<br>City of Columbia<br>1136 Washington Square Suite, 4 <sup>th</sup> fl<br>Columbia, SC 29201<br>Tel: 803-545-3406<br>Fax:803-255-8957 | Community Development Staff Support<br>1225 Lady Street Suite 102<br>Columbia, SC 29201<br>Tel:803-545-3960<br>Fax:803-255-8912     |

## V. GENERAL CONDITIONS

### A. General Compliance.

1. The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal Regulations Part 598 (*Housing and Urban Development—"Empowerment Zone: Performance Standards for Utilizations of Grant Funds; Final Rule"*).
2. The Subrecipient agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this contract.
3. The Subrecipient agrees to utilize grant funds available under this Agreement to carry out or cause the completion of activities stated in Section I and III.

B. "Independent Contractor". Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The Grantee shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance for employees of the Subrecipient who are not employees of the Grantee as well.

C. Hold Harmless. The Subrecipient, to the extent permitted by law, shall hold harmless, defend and indemnify the Grantee from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Utilization of Funds. If the Subrecipient fails to comply with the terms of this Agreement such as (I) (C). Implementation Schedule or the expenditure of 70% of obligated funds by August 16, 2010 report the Grantee can terminate this contract with a 30-day notice. See Section K. Suspension or Termination.

E. Rehabilitation. If rehabilitation is not for residential properties and is for more than \$2,000, Subrecipient is required to follow provisions of the Davis-Bacon Act and pay prevailing wages that have been determined in accordance with the Act.

### F. Acquisition.

1. Subrecipient shall (1) complete an environmental review inspection; and (2) conduct market appraisals before completing acquisitions.
2. A request for advance payment must be made immediately after these two activities are completed.

3. Closing *shall not* take place until Subrecipient is notified that the site specific environmental review is completed.

4. All closing documents and recorded Deeds that reflect expenditures must be provided to the Grantor immediately or not more than 30 days after closing. The Subrecipient must maintain those documents in the Subrecipient's permanent record.

G. Workers' Compensation. The Subrecipient shall provide Workers' Compensation Insurance coverage for all of its employees, if any, involved in the performance of this contract if required by the Workers' Compensation Act.

H. Insurance. The Subrecipient shall carry sufficient insurance coverage to protect assets from undue physical damage. The Subrecipient shall comply with insurance requirement of OMB Circular A-110 and A-133, Bonding and Insurance if applicable.

I. Grantor Recognition. The Subrecipient shall insure recognition of the role of the grantor agency in providing services through this contract. All activities, facilities and items utilized pursuant to this contract shall be prominently labeled as to funding source. In addition, the Subrecipient will include reference to the support provided herein in all publications made possible with funds available under this contract.

J. Amendments. The Grantee or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of both organizations. Such amendments shall not invalidate this Agreement, nor relieve the Grantee or Subrecipient from its obligations under this Agreement.

The Grantee may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in funding, the scope of services, or schedule of activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendments signed by both Grantee and Subrecipient.

K. Suspension or Termination. Either party may terminate this contract at any time by giving written notice to the other party of such termination and specifying the effective date thereof at least 30 days before the effective date of such termination. Partial termination of the Scope of Service in Paragraph I above may only be undertaken with the prior approval of the Grantee. In the event of any termination for convenience and at any time, at the Grantee's option, all finished or unfinished documents, data, studies, surveys, maps, models, photographs, reports or other materials prepared by the Subrecipient under this Agreement shall, at the option of the Grantee, become the property of the Grantee, and the Subrecipient shall be entitled to receive just and equitable compensation, as may be

determined in the sole discretion of the Grantee, for any satisfactory work completed on such documents or materials prior to termination. The Grantee may also suspend or terminate this Agreement, in whole or in part without notice, if the Subrecipient materially fails to comply with any term of this Agreement, or with any of the rules, regulations or provisions referred to herein and all payments shall cease; and the Grantee may declare the Subrecipient ineligible for any further participation in the Grantee's contracts, in addition to other remedies as provided by law. In the event there is reason to believe, in the Grantee's sole discretion, the Subrecipient is in noncompliance with any applicable rules or regulations, the Grantee may withhold up to fifteen (15) percent of said contract funds due to be paid for past work until such time as the Subrecipient is found to be in compliance by the Grantee, or is otherwise adjudicated to be in compliance.

## VII. ADMINISTRATIVE REQUIREMENTS

### A. Financial Management

1. **Accounting Standards.** The Subrecipient agrees to comply with OMB Circular A-110 and OMB Circular A-133 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all cost incurred.

2. Cost Principles.

a. The Subrecipient shall administer its program in conformance with: (1) OMB Circulars A-122 (*Cost Principles for Non-Profit Organizations*); and (2) OMB Circular A-133 (*Audits of States, Local Governments, and Non-Profit Organizations*) as applicable. These principles shall apply for all costs incurred whether charged on a direct or indirect basis.

b. The Subrecipient shall apply regulations under Title 24 "Housing and Urban Development" when a governmental or quasi-governmental agency is involved and there is Federal Procurement. Specifically, the applicable provisions include Title 24 CFR Part 85; Title 24 CFR Part 84; and Title 24 CFR Part 598. Further, OMB Circular A-110 and OMB Circular A-87 shall apply.

### B. Documentation and Record-Keeping

1. Records to Maintain. The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR Part 84.50 that are pertinent to the activities to be funded under this Agreement. Such records shall include but not limited to:

a. Records providing a full description of each activity undertaken;

b. Records demonstrating that each activity undertaken met objectives contained in 24 CFR 598.

c. Records required to determine the eligibility of activities;

d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with EZ assistance; 24 CFR Part 84.32 and 24 CFR, Part 84.33.

e. Financial records as required by 24 CFR Part 598, and OMB Circular A-110, OMB Circular A-133; and

f. Other records necessary to document compliance with 24 CFR Part 598, 24 CFR Part 84 and 24 CFR Part 85.

2. Retention. The Subrecipient shall retain all records pertinent to expenditures incurred under this contract for a period of four (4) years after the termination of all activities funded under this Agreement. Records for non-expendable property acquired with funds under this contract shall be retained for four (4) years after final disposition of such property. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

3. Client Data. The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but is not limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to Grantee monitors or their designees for review upon request.

4. Disclosure. The Subrecipient understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the Grantee's or Subrecipient's responsibilities with respect to services provided under this contract, is prohibited unless consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Property Records. The Subrecipient shall maintain real property inventory records which clearly identify properties purchased, improved or sold. Properties retained shall continue to meet eligibility criteria and shall conform to the "changes in use" restrictions specified in 24 CFR Part 84 and 24 CFR Part 84 as applicable.

6. Close-Outs. The Subrecipient's obligation to the Grantee shall not end until all close-out requirements are completed as referenced in 24 CFR Part 85 and 24 CFR Part 84 activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records. The HUD program closeout checklist for EZ Round II Urban EZ date November 16, 2009 will be the guiding document.

7. Audits & Inspections. All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the Grantee, their designees or the Federal Government, at any time during normal business hours, as often as the Grantee deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The Sub-recipient hereby agrees to have an annual agency audit conducted in accordance with current Grantee policy concerning Subrecipient audits and, as applicable OMB Circular A-133.

### C. Reporting and Payment Procedures

1. Program Income. The Subrecipient shall report monthly all program income as defined in 24 CFR Part 85, 24 CFR Part 84 and 24 CFR 598 generated by activities carried out with EZ funds made available under this contract. The use of program income by the Subrecipient shall comply with the requirements set forth at 24 CFR 598. By way of further limitations, the Subrecipient may use such income during the contract period for activities permitted under this contract and shall reduce request for additional funds by the amount of any such program income balances on hand. All unused program income shall be returned to the Grantee at the end of the contract period. Any interest earned on cash advances from the U.S. Treasury is not program income and shall be remitted promptly to the Grantee.

2. Indirect Cost. If indirect costs are charged, the Sub-recipient will develop an indirect cost allocation plan for determining the appropriate Subrecipient's share of administrative costs and shall submit such plan to the Grantee for approval, in a form specified by the Grantee.

3. Payment Procedures. The Grantee will pay to the Subrecipient funds available under this contract based upon information submitted by the Subrecipient and consistent with an approved budget and Grantee policy concerning payments. Payments will be made for eligible expenses actually paid by the Subrecipient through advance fund request with supporting documentation returned to the Grantee. Payments will be adjusted by the Grantee in accordance with program income balances available in Subrecipient accounts.

4. **Progress Report.** The Subrecipient shall submit quarterly Progress Reports to the Grantee in the form, content and frequency as required by the Grantee. The Progress Reports are due no later than April 15<sup>th</sup>, May 15<sup>th</sup>, June 15<sup>th</sup>, July 15<sup>th</sup>, and Aug 15<sup>th</sup> of 2010 and not less than quarterly thereafter for the duration of this Subrecipient Agreement.

#### D. Procurement

1. **Compliance.** The Subrecipient shall comply with current Grantee policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall remain with the Subrecipient to be returned to the Grantee upon termination of this contract. Procurement procedures will be in accordance with 24 CFR 84.44 and 24 CFR 85.36.

2. **OMB Standards.** The Subrecipient shall procure all materials, property, or services in accordance with the requirements of OMB Circular A-110, OMB Circular A-133, 24 CFR Part 84, 24 CFR Part 85 and 24 CFR Part 598 covering utilization and disposal of property are applicable.

3. **Travel.** The Subrecipient shall inform the Grantee of any travel outside the EZ area with funds provided under this contract.

### VIII. PERSONNEL & PARTICIPANT CONDITIONS

#### A. Civil Rights

1. **Compliance.** The Subrecipient agrees to comply with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and with Executive Order 11246 as amended by Executive Order 11375 and 12086.

2. **Nondiscrimination.** The Subrecipient will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, nation origin, sex, disability or other handicap, age, marital/familial status, or status with regard to public assistance. The Subrecipient will take affirmative action to insure that all employment practices are free from such discrimination. Such employment practices include but are not limited to the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Subrecipient agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause.

3. Section 504. The Subrecipient agrees to comply with any Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1974, which prohibits discrimination against the handicapped in any federally assisted program. The Grantee shall provide the Subrecipient with any guidelines necessary for compliance with that portion of the regulations in force during the term of this contract.

#### B. Affirmative Action

1. Plan. The Subrecipient agrees that it shall be committed to carry out pursuant to the Grantee's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1965.

2. W/MBE. The Subrecipient will use its best efforts to afford minority- and women-owned business enterprises the maximum practicable opportunity to participate in the performance of this contract. As used in this contract, the term "minority and female business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Subrecipient may rely on written representation by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. Access to Records. The Subrecipient shall make available for examination all of its records with respect to all matters covered by this Agreement for the purpose to audit, examine, accept and transcribe from such records, and to make audit of contracts, invoices materials, payrolls, record of personnel, conditions of employment and other data relating to all matters covered by this Agreement to the City of Columbia, U.S. Department of Housing and Urban Development and the Comptroller General of the United States or any of the duly authorized representatives. All such records shall be maintained on file by the , for a minimum period of four (4) years after receipt of final payment under this Agreement, or a minimum of four years after the resolution of all Federal audit findings, whichever occurs later. Records for non-expendable property acquired with funds under this contract shall be retained for four (4) years after final disposition of such property. Records for any displaced

4. EEO/AA Statement. The Subrecipient will state that it is an Equal Opportunity or Affirmative Action employer in all solicitations or advertisements for employees placed by or on behalf of the Sub-recipient.

#### C. Employment Restrictions

1. Prohibited Activity. The Subrecipient is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities, sectarian or religious activities; lobbying, political patronage, and nepotism activities.

2. Labor Standards. The Subrecipient agrees to comply with the requirements of the Secretary of Labor in accordance with Davis-Bacon Act as amended, the provisions of Contract: Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this contract. The Subrecipient shall maintain documentation which demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.

3. Compliance with Federal Regulations. The Subrecipient agrees to comply with Housing and Urban Development and applicable Federal Regulations as they may apply to project administration. The additional regulations are incorporated herein by reference:

Davis Bacon Act (40 USC 276a to a7); Certification Regarding Lobbying and Drug Free Workplace Act; Policy Prohibiting Use of Excessive Force; 1990 HUD Appropriations Act (P. L 101-144); Drug Free workplace Act of 1988; American Disabilities Act of 1990; Age Discrimination Act of 1975; Section 504 of the Rehabilitation Act; HUD Community Planning and Development Grantee Monitoring Handbook 6509.2 REV 5 (Chapter 14: Round II EZ); Inclusive Regulations 24 CFR 598; 24 CFR Part 84; 24 CFR Part 85; OMB Circular A-87; OMB Circular A-110; OMB Circular A-122; OMB Circular A-133

4. Subcontracts. The Subrecipient will include this Section 3 (XI)(C)(3) clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. The Subrecipient will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR 598 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

#### D. Conduct

1. Assignment. The Subrecipient shall not assign or transfer any interest in this contract without the prior written consent of the Grantee.

#### 2. Subcontracts.

a. Approvals. The Subrecipient shall not enter into any subcontracts with any agency or individual in the performance of this contract without the written consent of the Grantee prior to the execution of such agreement unless it is consistent with section I and (III).

b. Monitoring. The Subrecipient will monitor all subcontracted services on a regular basis to ensure contract compliance. Results of monitoring efforts shall be summarized in written

reports and supported with documented evidence of follow-up actions to correct areas of noncompliance.

c. Content. The Subrecipient shall cause all the provisions of this contract in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

d. Selection Process. The Subrecipient shall undertake to ensure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis. Executed copies of all subcontracts shall be forwarded to the Grantee along with documentation concerning the selection process.

3. Hatch Act. The Subrecipient agrees that no funds provided, nor personnel employed under this contract, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of the Title V United States Code.

4. Conflict of Interest. The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 24 CFR 85.36 with respect to conflicts of interest, and covenants that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement. The Subrecipient further covenants that in the performance of this Agreement no person having such a financial interest shall be employed or retained by the Subrecipient hereunder. These conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the Grantee, or any designated public agencies or Subrecipients which are receiving funds under the EZ Entitlement program.

5. Lobbying. The Subrecipient hereby certifies 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 any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

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;

c. It will require that the language of paragraph (d) of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all Subrecipients shall certify and disclose accordingly; and

d. Lobby Certification. 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 section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

6. Copyright. If this contract results in any copyrightable materials or inventions, the Grantee and/or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for government purposes.

7. Religious Organization. The Subrecipient agrees that funds provided under this contract will not be utilized for religious activities, to promote religious interest, or for the benefit of a religious organization in accordance with the Federal regulations specified in 24 CFR 570.200(j).

## **IX. ENVIRONMENTAL CONDITIONS**

A. Air and Water. The Subrecipient agrees to comply with the following requirements insofar as they apply to the performance of this contract:

1. Clean Air Act, 42 U.S.C., 7401, et seq.;

2. Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, et seq., as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Sections 114 and 308, and all regulations and guidelines issued there under; and

3. Environmental Protection Agency (EPA) regulations pursuant to 40 C.F.R., Part 50, as amended.

B. Flood Disaster Protection. In accordance with the requirements of the Flood Disaster Protection Act of 1973, the Subrecipient shall assure that for activities located in an area identified by FEMA as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

C. Historic Preservation. The Subrecipient agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended and the procedures set forth in 36 CFR, Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this contract.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on the Federal, state or local historic property list.

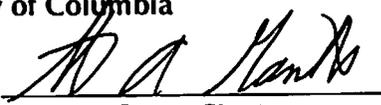
**X. SEVERABILITY**

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected hereby and all other parts of this Agreement shall nevertheless be in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this contract as of the date written above.

GRANTEE

City of Columbia

By: 

Steve A. Gantt, City Manager

SUBRECIPIENT

CEZ, Inc.

By: \_\_\_\_\_

Mildred Weathers-McDuffie  
CEZ, Inc. EIN# 30-0479115

Original: City Finance Department  
Copies: CEZ, Inc.  
Community Development File

**ATTACHMENT I**  
**Program Implementation Plans**

**ATTACHMENT II  
BOARD APPROVAL SHEETS**

**ATTACHMENT III  
PAYMENT REQUEST SHEET**

ATTACHMENT IV  
BUDGET SHEET

ATTACHMENT V  
**Disbursement Process**

The following process shall govern the awarding of subgrants and the disbursement of funds by the City to HUD Sub-Grantees pursuant to the memorandum of agreement dated August 26, 2009. Upon recommendation of its Board of Directors, CEZ, Inc., through its Executive Director or other Board designee, shall transmit to the City, through its Assistant City Manager with a copy to the Director of Community Development, a request for the awarding of a HUD Subgrant and for the disbursement of HUD EZ Grant funds.

**Transmittals:**

1. Board of Directors approved with board minutes and/or a sign approval sheet.  
Yes\_\_ No \_\_ Verified by Community Development Staff: \_\_\_\_\_
  
2. Request complies with the EZ Strategic Plan, the agreement, and applicable laws and regulations, including but not limited to, all HUD regulations applicable to the grant of EZ funds: I certify that this request meets the requirements of the EZ Strategic Plan and this Agreement: \_\_\_\_\_
  
3. Scope of the work or activity: **(Attached)**
  
4. The amount of the subgrant requested: \$\_\_\_\_\_
  
5. The terms and conditions of the subgrant, including the dates for the commencement and completion of the project for which the subgrant is requested and date funds are needed: **(Attached)**
  
6. An itemization of the costs and expenses expected: **(Attached)**
  
7. I certify that CEZ, Inc. has no knowledge of any violation of any known requirements of applicable laws and regulations: \_\_\_\_\_
  
8. EZ funds are available: Yes\_\_ No \_\_ Verified by Finance Department: \_\_\_\_\_
  
9. Original subgrant request: Yes\_\_ No \_\_ Verified by CDD: \_\_\_\_\_.
  
10. Change orders: Yes\_\_ No\_\_ (If yes, submit separate subgrant request and evidence of work, completed, progress, or scheduled before disbursement).

Community Development Staff member with direct knowledge of project:

Signature: \_\_\_\_\_ Date: \_\_\_\_\_