

Gridley City Council – Regular City Council Meeting Agenda

Monday, December 17, 2018; 6:00 pm
Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”

CALL TO ORDER - Mayor Hall

ROLL CALL - Recording Secretary

PLEDGE OF ALLEGIANCE – Councilmember Ray Borges

INVOCATION – Bill Gallagher, Calvary Chapel of Gridley

PROCLAMATIONS – None

COMMUNITY PARTICIPATION FORUM - *Members of the public may address the City Council on matters not listed on the agenda. The City Council may not discuss nor take action on any community participation item brought forward by a member of the community. Comments are requested to be limited to three (3) minutes.*

CONSENT AGENDA – *Item 1 of the Consent Agenda is considered routine and acted upon by one motion. Any Council member may request that an item be removed for separate consideration. The City Council may only make minor comments; otherwise the item should be removed from the Consent Agenda and placed as the first item(s) under “Items for Council Consideration”.*

1. City Council minutes dated December 3, 2018
2. Intergovernmental Agency Agreement Between the City of Gridley and Regional Housing Authority for Housing Consultant Services

PUBLIC HEARING – None

ITEMS FOR COUNCIL CONSIDERATION

3. Agreement with the United States General Services Agency (GSA) for short-term Lease of City Industrial Park

CITY STAFF AND COUNCIL COMMITTEE REPORTS - *Brief updates from City staff and brief reports on conferences, seminars, and meetings attended by the Mayor and City Council members, if any.*

POTENTIAL FUTURE CITY COUNCIL ITEMS - (Appearing on the Agenda within 30-90 days):

Council Committee Appointments	1/7/2019
Fire Vehicle Purchase	1/7/2019
Approval of Selection Process for Police Chief	1/21/2019
Approval of FY 17/18 Audit	1/21/2019

CLOSED SESSION - None

ADJOURNMENT – adjourning to the next regularly scheduled meeting on January 7, 2019

NOTE 1: POSTING OF AGENDA- This agenda was posted on the public bulletin board at City Hall at or before 6:00 p.m., December 14th, 2018, in accordance with Government Code Section 54954.2. This agenda along with all attachments is available for public viewing online at www.gridley.ca.us and at the Administration counter in City Hall, 685 Kentucky Street, Gridley, CA.

NOTE 2: REGARDING UNSCHEDULED MATTERS – In accordance with state law, it shall be the policy of this Council that no action shall be taken on any item presented during the public forum or on unscheduled matters unless the Council, by majority vote, determines that an emergency situation exists, or, unless the Council by a two-thirds vote finds that the need to take action arose subsequent to the posting of this agenda.

Gridley City Council – DRAFT City Council Meeting Minutes

Monday, December 3, 2018; 6:00 pm
Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

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CALL TO ORDER

Vice Mayor Johnson called the meeting to order at 6:03 p.m.

ROLL CALL

Councilmembers

Present: Johnson, Borges, Williams
Absent: Hall
Arrived after roll call: None

Staff present:

Paul Eckert, City Administrator
Tony Galyean, City Attorney
Juan Solis, Finance Director
Daryl Dye, Utilities Director
Mike Hensley, I.T. Director
Allen Byers, Interim Police Chief

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Councilmember Chris Williams

INVOCATION

Pastor Branden Heskett of the Christian Life Church provided the invocation

PROCLAMATIONS - None

COMMUNITY PARTICIPATION FORUM

Sean Mahoney of the Red Cross gave a brief update on the Evacuation Center stating that the remaining evacuees will be moving to the Chico Silver Dollar Fairgrounds this week. He mentioned that the Gridley Invitational Basketball Tournament will not be hindered.

Chelsea Irvine of the US Small Business Administration (SBA) Office of Disaster Assistance provided information on Federal assistance available to help in long term recovery efforts.

CONSENT AGENDA

1. City Council minutes dated November 19, 2018

2. Approval of Resolution No. 2018-R-028: A Resolution of the City Council of the City of Gridley Authorizing the Finance Director to Write Off \$28,492.10 in Delinquent Utility Accounts from May 2017 to June 2018
3. Treasurer's Report

Motion to approve the consent agenda items 1-3 by Councilman Borges, seconded by Councilman Williams

ROLL CALL VOTE

Ayes: Williams, Borges, Johnson

Motion passed, 3-0

PUBLIC HEARING – None

ITEMS FOR COUNCIL CONSIDERATION

4. Approval of Resolution No. 2018-R-029: A Resolution of the City Council of the City of Gridley Reciting the Fact of the General Municipal Election Held on November 6, 2018, Declaring the Results and Such Other Matters as Provided by Law

Motion to approve Resolution No. 2018-R-029 by Councilman Williams, seconded by Councilman Borges

ROLL CALL VOTE

Ayes: Borges, Johnson, Williams

Motion passed, 3-0

5. Swearing in and Seating of Newly Elected City Councilmembers

Councilman Borges stepped down from the Council podium and City Attorney Tony Galyean administered the Oath of Office to Bruce Johnson and Todd Farr. Councilman Farr took a seat at the Council podium.

6. Council Selection of Mayor and Vice Mayor

Councilman Williams motioned for Bruce Johnson as Mayor, seconded by Councilman Farr

ROLL CALL VOTE

Ayes: Farr, Williams, Johnson

Motion passed, 3-0

7. Council Appointment of Partial Term Councilmember

Administrator Eckert stated that Council decided at the November 19, 2018 meeting that the Council vacancy left by the resignation of Dan Lofing would be filled by an application and letter of interest process. Five applications and letters of interest were received and the Council now can go through the nomination process until one candidate receives a majority vote.

Councilman Williams nominated Ray Borges to fill the Partial Term Councilmember seat, seconded by Councilman Farr

ROLL CALL VOTE

Ayes: Johnson, Williams, Farr

Motion passed, 3-0 and Attorney Galyean administered the Oath to Councilman Borges who then took a seat at the Council podium

CITY STAFF AND COUNCIL COMMITTEE REPORTS

There were no committee reports

CITY ADMINISTRATOR UPDATE REGARDING EVACUATION CENTER

Administrator Eckert stated this item had been covered in the community participation forum.

POTENTIAL FUTURE CITY COUNCIL ITEMS - (Appearing on the Agenda within 30-90 days):

Council Committee Appointments	1/7/2019
Fire Vehicle Purchase	1/7/2019
Approval of Selection Process for Police Chief	1/21/2019
Approval of FY 17/18 Audit	1/21/2019

Council recessed at 6:30 p.m. for refreshments with the new Councilmembers and came back to order at 6:44 p.m. at which time they went into Closed Session.

CLOSED SESSION - Government Code 54954.5 – Conference with Real Property Negotiators - Concerning real property of roughly 30 acres on Independence Place, more particularly described as Butte County APNs 21-270-040; 21-270-042 (partial); 21-240-027(partial)

Council came out of Closed Session at 7:55 p.m. with no reportable action and adjourned to the next regularly scheduled meeting on December 17th.

Paul Eckert, City Clerk

City Council Agenda Item #2
Staff Report

Date: December 17, 2018

To: Mayor and City Council

From: Paul Eckert, City Administrator

X	Regular
	Special
	Closed
	Emergency

Subject: Intergovernmental Agency Agreement Between the City of Gridley and Regional Housing Authority for Housing Consultant Services

Recommendation

City staff respectfully recommends that the City Council review and approve the attached Intergovernmental Agency Agreement Between the City of Gridley and Regional Housing Authority for Housing Consultant Services and authorize the City Administrator to sign the agreement.

Background

The City has previously entered into Standard Agreement No. 17-CDBG-12015 to receive Community Development Block Grant (CDBG) funding from the State of California Department of Housing and Community Development to finance the City of Gridley Housing Rehabilitation and Homeownership Assistance Programs.

Consistent with past City Council actions and practices, staff proposes to enter into a professional services agreement with Regional Housing Authority (RHA) for the purpose of implementing the programs mentioned utilizing CDBG funds. RHA meets the requirements outlined by the CDBG Program as well as the City's procurement requirements. The Butte County Board of Supervisors recently entered into a similar agreement with the Regional Housing Authority at their December 11, 2018 Board of Supervisors meeting.

Attachments

Intergovernmental Agency Agreement Between the City of Gridley and Regional Housing Authority for Housing Consultant Services

**INTERGOVERNMENTAL AGENCY AGREEMENT
BETWEEN THE CITY OF GRIDLEY AND
REGIONAL HOUSING AUTHORITY
FOR HOUSING CONSULTANT SERVICES**

THIS AGREEMENT, is entered into as of December 17, 2018, between the CITY OF GRIDLEY, referred to as CITY, and REGIONAL HOUSING AUTHORITY, referred to as AGENCY, with reference to the following:

A. WHEREAS, CITY has entered into Standard Agreement No. **17-CDBG-12015** referred to as STANDARD AGREEMENT and attached as Exhibit E, to receive funding from the Community Development Block Grant, referred to as CDBG, from the State of California, Department of Housing and Community Development, referred to as HCD, to finance the City of Gridley Housing Rehabilitation and Homeownership Assistance Programs, referred to as PROGRAMS; and

B. WHEREAS, AGENCY meets the requirements as outlined by the CDBG Program and CITY's procurement requirements and has expertise in carrying out housing rehabilitation and homeownership assistance programs; and

C. WHEREAS, CITY wishes to enter into a professional services agreement with AGENCY for purposes of implementing the PROGRAMS mentioned above utilizing CDBG funds; and

ACCORDINGLY, IT IS AGREED:

1. TERM: This Agreement shall become effective upon the execution of this Agreement by the City of Gridley and shall expire on July 31, 2023, the closeout date of the STANDARD AGREEMENT, or the latest amendment of the closeout date thereto unless otherwise terminated as provided in this Agreement.

2. SERVICES:

a. CDBG-Eligible: AGENCY agrees to provide professional services for the PROGRAMS as described in Scope of Work Attachments A-1 and A-2, and to be compensated by CITY as outlined below in Paragraph 3, PAYMENT FOR SERVICES.

b. City of Gridley: AGENCY agrees to provide program administration services for the PROGRAMS as described in Scope of Work Attachments A-1 and A-2, and to be compensated by CITY as outlined below in Paragraph 3, PAYMENT FOR SERVICES

3. PAYMENT FOR SERVICES: CITY shall pay AGENCY a sum not to exceed \$136,134. This amount is an administrative fee based on 22% of each housing rehabilitation project and 7% of each homeownership assistance project. Payment for services provided pursuant to this

Agreement subject to the following conditions:

- a. City of Gridley Housing Rehabilitation Program
 - i. Up to \$21,726 of CDBG funds will be spent only for CDBG-eligible General Administration Program costs, as defined by HCD and outlined in SCOPE OF WORK (Attachment A-1) and PROGRAM GUIDELINES (Attachment C).
 - ii. Up to \$74,262 of CDBG funds will be spent only for CDBG-eligible Activity Delivery costs, as defined by HCD and outlined in SCOPE OF WORK (Attachment A-1) and PROGRAM GUIDELINES (Attachment C).
 - iii. The cost breakdown of services provided to the PROGRAMS is defined in AGENCY BUDGET, attached as Exhibit B.
- b. City of Gridley Homeownership Assistance Program
 - i. Up to \$10,000 of CDBG funds will be spent only for CDBG-eligible General Administration Program costs, as defined by HCD and outlined in SCOPE OF WORK (Attachment A-2) and PROGRAM GUIDELINES (Attachment C).
 - ii. Up to \$30,146 of CDBG funds will be spent only for CDBG-eligible Activity Delivery costs, as defined by HCD and outlined in SCOPE OF WORK (Attachment A-2) and PROGRAM GUIDELINES (Attachment C).
 - iii. The cost breakdown of services provided to the PROGRAMS is defined in AGENCY BUDGET, attached as Exhibit B.
- c. General Conditions
 - i. The compensation to be provided to AGENCY under this Agreement will be reduced due to any inability to provide services, whether such an inability is due to AGENCY activities or other activities or circumstances beyond the control of AGENCY.
 - ii. CITY must approve budget changes in writing prior to any budget adjustment or amendment. The budget adjustment and amendment process is outlined in AGENCY BUDGET.
 - iii. Following the close of each quarter (March, June, September, December), AGENCY shall submit invoice statements stating the services provided and the actual costs of the previous quarter.
 - iv. Invoices shall be in the form and contain the information requested by CITY and shall be subject to approval by CITY, which approval shall not be unreasonably withheld. CITY will make payments within thirty (30) days of receipt of approved invoice. CITY will notify AGENCY of any objections,

questions, or complaints regarding any particular invoice within fifteen (15) days of receipt of such invoice. If CITY determines that any amounts were improperly billed and/or paid to AGENCY, or AGENCY was improperly underpaid, adjustments by such amounts may be made in the payment on the current or a later invoice with explanation provided. No interest or penalties shall accrue for late payments.

4. **PERFORMANCE REQUIREMENTS:** AGENCY shall be held to the same goals, milestones, performance measurements, laws, regulations, and requirements as entered into by CITY in the STANDARD AGREEMENT and outlined in the SCOPE OF WORK.

5. **REPORTING REQUIREMENTS:** AGENCY shall assist CITY in fulfilling all reporting requirements as entered into by CITY in the STANDARD AGREEMENT.

6. **COMPLIANCE WITH LAW:** AGENCY shall provide services in accordance with all of the provisions of Federal, State, and local laws; current and future enacted Federal, State, and local governmental guidelines, policies and available funding covenants; and the rules and regulations governing the HCD CDBG Program (42 U.S.C. 5301, 24 CFR Part 570, Subpart I, and California Administrative Code Sections 7050 through 7124). With respect to AGENCY'S employees, AGENCY shall comply with all laws and regulations pertaining to wages and hours, State and Federal income tax, unemployment insurance, Social Security, disability insurance, workers' compensation insurance, and discrimination in employment. In addition, AGENCY agrees to fully comply with all Federal, State and local laws, regulations, and directives that apply to the work involved in the project, including but not limited to the applicable laws and regulations specified in the STANDARD AGREEMENT and COMPLIANCE REQUIREMENTS attached as Exhibit "D".

7. **RECORDS:** AGENCY shall maintain complete and accurate records required by the Federal regulations specified in 24 CFR Part 570.506 that are pertinent to the activities to be funded under this Agreement. In addition, AGENCY shall maintain complete and accurate records with respect to any payments to employees or subcontractors. All books, records, accounts, documentation, and all other materials relevant to the State Standard Agreement shall be prepared in accordance with generally accepted accounting procedures, shall be clearly identified, and shall be kept readily accessible. Upon request, AGENCY shall make all such records available to the Auditor and to his agents and representatives, for the purpose of auditing and/or copying such records for a period of five (5) years from the expiration date 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.

8. **MONITORING:** CITY will monitor AGENCY during the term of this Agreement for compliance with any or all applicable requirements as outlined in Paragraph 6 of this Agreement and for attainment of expenditure milestones and PROGRAMS' goals outlined in SCOPE OF WORK.

9. INSURANCE: Prior to approval of this Agreement by CITY, AGENCY shall file with the CITY Clerk evidence of the required insurance as set forth in INSURANCE REQUIREMENTS attached as Exhibit "F".

10. AGENCY STATUS:

d. This Agreement is entered into by both parties with the express understanding that AGENCY will perform all services required under this Agreement as an independent contractor. Nothing in this Agreement shall be construed to constitute AGENCY or any of its agents, employees or officers as an agent, employee or officer of CITY.

e. AGENCY agrees to advise everyone it assigns or hires to perform any duty under this agreement that they are not employees of CITY. Subject to any performance criteria contained in this Agreement, AGENCY shall be solely responsible for determining the means and methods of performing the specified services and CITY shall have no right to control or exercise any supervision over AGENCY as to how the services will be performed. As AGENCY is not CITY'S employee, AGENCY is responsible for paying all required State and Federal taxes. In particular, CITY will not:

i. Withhold FICA (Social Security) from AGENCY'S payments.

ii. Make State or Federal unemployment insurance contributions on AGENCY'S behalf.

iii. Withhold State or Federal income tax from payments to AGENCY.

iv. Make disability insurance contributions on behalf of AGENCY.

v. Obtain unemployment compensation insurance on behalf of AGENCY.

f. Notwithstanding this independent contractor relationship, CITY shall have the right to monitor and evaluate the performance of AGENCY to assure compliance with this Agreement.

11. INDEMNIFICATION: To the fullest extent permitted by law, AGENCY shall hold harmless, defend and indemnify CITY, its agents, officers and employees from and against any liability, claims, actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property, including CITY property, arising from, or in connection with, the performance by AGENCY or its agents, officers and employees under this Agreement. Such indemnification obligations shall not be limited in any way by any limitation or the amount or type of damages, compensation or benefit payable by or for either party under worker's or workmen's compensation, disability benefits or other employee entitlements. This indemnification specifically includes any claims that may be made against CITY by any taxing authority asserting that an employer-employee relationship exists by reason of this Agreement, and any claims made against CITY alleging civil rights violations by AGENCY under Government

Code sections 12920 et seq. (California Fair Employment and Housing Act), and any fines or penalties imposed on CITY for AGENCY'S failure to provide form DE-542, when applicable. This indemnification obligation shall continue beyond the term of this Agreement as to any acts or omissions occurring under this Agreement or any extension of this Agreement.

12. CONFLICT OF INTEREST:

a. AGENCY agrees at all times in performance of this Agreement to comply with the law of the State of California regarding conflicts of interests or appearance of conflicts of interests, including, but not limited to Government Code Section 1090 et seq., and the Political Reform Act, Government Code Section 81000 et seq. and regulations promulgated pursuant thereto by the California Fair Political Practices Commission. The statutes, regulations and laws previously referenced include, but are not limited to, prohibitions against any public officer or employee, including AGENCY for this purpose, from the making of any decision on behalf of CITY in which such officer, employee or AGENCY has a direct or indirect financial interest. A violation can occur if the public officer, employee or AGENCY participates in or influences any CITY decision which has the potential to confer any pecuniary benefit on AGENCY or any business firm in which AGENCY has an interest, with certain narrow exceptions.

b. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities 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 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 a period of one (1) year thereafter.

c. AGENCY agrees that if any facts come to its attention, which raise any questions as to the applicability of conflicts of interest laws, it will immediately inform CITY designated representative and provide all information needed for resolution of this question.

13. TERMINATION:

a. Without Cause: CITY will have the right to terminate this Agreement without cause by giving thirty (30) days prior written notice of intention to terminate pursuant to this provision, specifying the date of termination. CITY will pay to AGENCY the compensation earned for work performed and not previously paid for to the date of termination. CITY will not pay lost anticipated profits or other economic loss. The payment of such compensation is subject to the restrictions on payment of compensation otherwise provided in this Agreement, and is conditioned upon receipt from AGENCY of any and all plans, specifications and estimates, and other documents prepared by AGENCY in accordance with this Agreement. No sanctions will be imposed.

b. With Cause: This Agreement may be terminated by either party should the other

party:

- i. be adjudged a bankrupt, or
- ii. become insolvent or have a receiver appointed, or
- iii. make a general assignment for the benefit of creditors, or
- iv. suffer any judgment which remains unsatisfied for thirty (30) days, and which would substantively impair the ability of the judgment debtor to perform under this Agreement, or
- v. materially breach this Agreement. Material breach includes but is not limited to AGENCY failing to perform obligations under this Agreement, and AGENCY failing to perform obligations in accordance with the PROGRAMS' time schedules set forth in STANDARD AGREEMENT.

For any of the occurrences except item v., termination may be effected upon written notice by the terminating party specifying the date of the termination. Upon a material breach, the Agreement may be terminated following the failure of the defaulting party to remedy the breach to the reasonable satisfaction of the non-defaulting party within fifteen (15) days of the receipt of written notice specifying the breach. If the breach is not remedied within that fifteen (15) day period, the non-defaulting party may terminate the agreement on further written notice specifying the date of termination. If the nature of the breach is such that it cannot be cured within a fifteen (15) day period, the defaulting party may, submit a written proposal within that period which sets forth a specific means to resolve the default. If the non-defaulting party consents to that proposal in writing, which consent shall not be unreasonably withheld, the defaulting party shall immediately embark on its plan to cure. If the default is not cured within the time agreed, the non-defaulting party may terminate upon written notice specifying the date of termination. CITY will pay to AGENCY the compensation earned for work performed and not previously paid for to the date of termination. CITY will not pay lost anticipated profits or other economic loss, nor will CITY pay compensation or make reimbursement to cure a breach arising out of or resulting from such termination.

c. Effects of Termination: Expiration or termination of this Agreement shall not terminate any obligations to indemnify, to maintain and make available any records pertaining to the Agreement, to cooperate with any audit, to be subject to offset, or to make any reports of pre-termination contract activities.

d. Suspension of Performance: Independent of any right to terminate this Agreement, the authorized representative of CITY for which AGENCY'S services are to be performed, may immediately suspend performance by AGENCY, in whole or in part, in response to health, safety or financial emergency, or a failure or refusal by AGENCY to comply with the provisions of this Agreement, until such time as the cause for

suspension is resolved, or a notice of termination becomes effective.

14. ENTIRE AGREEMENT REPRESENTED: This Agreement represents the entire agreement between AGENCY and CITY as to its subject matter and no prior oral or written understanding shall be of any force or effect. No part of this Agreement may be modified without the written consent of both parties.

15. HEADINGS: Section headings are provided for organizational purposes only and do not in any manner affect the scope, meaning or intent of the provisions under the headings.

16. NOTICES:

a. Except as may be otherwise required by law, any notice to be given shall be written and shall be either personally delivered, sent by facsimile transmission or sent by first class mail, postage prepaid and addressed as follows:

CITY:

Paul Eckert
City Administrator
685 Kentucky Street
Gridley, CA 95948
Phone No.: (530) 846-4675
Fax No.: (530) 846-3229

AGENCY:

Gustavo Becerra
Executive Director
1455 Butte House Road
Yuba City, CA 95993
Phone No.: (530) 671-0220 ext. 113
Fax No.: (530) 674-8505

b. Notice personally delivered is effective when delivered. Notice sent by facsimile transmission is deemed to be received upon successful transmission. Notice sent by first class mail shall be deemed received on the fifth (5th) day after the date of mailing. Either party may change the above address by giving written notice pursuant to this paragraph.

17. CONSTRUCTION: This Agreement reflects the contributions of both parties and accordingly the provisions of Civil Code section 1654 shall not apply to address and interpret any uncertainty.

18. NO THIRD PARTY BENEFICIARIES INTENDED: Unless specifically set forth, the parties to this Agreement do not intend to provide any other party with any benefit or enforceable legal or equitable right or remedy.

19. **GOVERNING LAW:** This Agreement shall be interpreted and governed under the laws of the State of California without reference to California conflicts of law principles. The parties agree that this contract is made in and shall be performed in Gridley, California. AGENCY waives the removal provisions of California Code of Civil Procedure section 394.

20. **WAIVERS:** The failure of either party to insist on strict compliance with any provision of this Agreement shall not be considered a waiver of any right to do so, whether for that breach or any subsequent breach. The acceptance by either party of either performance or payment shall not be considered to be a waiver of any preceding breach of the Agreement by the other party.

21. **EXHIBITS AND RECITALS:** The Recitals and the Exhibits to this Agreement are fully incorporated into and are integral parts of this Agreement.

22. **CONFLICT WITH LAWS OR REGULATIONS/SEVERABILITY:** This Agreement is subject to all applicable laws and regulations. If any provision of this Agreement is found by any court or other legal authority, or is agreed by the parties, to be in conflict with any code or regulation governing its subject, the conflicting provision shall be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of the Agreement to either party is lost, the Agreement may be terminated at the option of the affected party. In all other cases the remainder of the Agreement shall continue in full force and effect.

23. **FURTHER ASSURANCES:** Each party will execute any additional documents and perform any further acts which may be reasonably required to effect the purposes of this Agreement.

24. **ASSURANCES OF NON-DISCRIMINATION:** AGENCY shall not discriminate in employment or in the provision of services on the basis of any characteristic or condition upon which discrimination is prohibited by State or Federal law or regulation.

25. **ASSIGNMENT/SUBCONTRACTING:** Unless otherwise provided in this Agreement, CITY is relying on the personal skill, expertise, training and experience of AGENCY and AGENCY'S employees and no part of this Agreement may be assigned or subcontracted by AGENCY without the prior written consent of CITY.

26. **DISPUTE RESOLUTION:** If a dispute arises out of or relating to this Agreement, or the breach thereof, and if said dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by non binding mediation before resorting to litigation or some other dispute resolution procedure, unless the parties mutually agree otherwise. The mediator shall be mutually selected by the parties, but in case of disagreement, the mediator shall be selected by lot from among two nominations provided by each party. All costs and fees required by the mediator shall be split equally by the parties, otherwise each party shall bear its own costs of mediation. If mediation fails to resolve the dispute within thirty (30) days, either party may pursue litigation to resolve the dispute.

27. PROFESSIONAL MANNER: AGENCY shall provide the services contemplated by the Agreement in a professional manner and quality satisfactory to the CITY.

28. DOCUMENT OWNERSHIP: All finished or unfinished documents, data, studies, computer programs, methodological explanations, surveys, models, photographs, and reports prepared by AGENCY under the Agreement shall be considered the property of the CITY. Upon completion of the services to be performed or upon termination of the Agreement, these materials shall be turned over to the CITY, provided that in any case AGENCY may, at no additional expense to the CITY, make and retain copies thereof as it desires. AGENCY further agrees to keep those materials, which may not be public records under the laws of the State of California confidential.

29. FUNDING CLAUSE: AGENCY acknowledges that CITY is dependent upon certain Federal and State funding to pay for the PROGRAMS provided for in this Agreement. AGENCY acknowledges that CITY has applied for CDBG funding, but CITY has not received an award for this project at the time this agreement is executed. If for any reason CITY is not awarded CDBG funding, this agreement is void and the AGENCY is not entitled to any compensation or damages. If CITY is awarded the CDBG funding from HCD to fund the PROGRAMS, this Agreement will become effective. If such funding is discontinued or reduced, CITY may exercise its sole discretion to reduce the amount of Housing Rehabilitation and/or Homeownership Assistance Program funds or terminate the Agreement by giving the AGENCY 30 calendar days notice of the reduction or termination.

30. IMPROPER USE OF FUNDS: To the fullest extent permitted by law, AGENCY shall hold harmless, defend and indemnify CITY from any liability, action or losses incurred by CITY as a result of AGENCY'S improper use of funds under this Agreement.

31. CLOSE-OUTS: AGENCY'S obligation to CITY shall not end until all close-out requirements are completed. 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 CITY), and determining the custodianship of records.

32. ATTORNEY FEES: If either party shall initiate legal proceedings to enforce or construe the terms of this agreement, or for damages, the prevailing party shall be entitled to its attorney's fees.

THE PARTIES, having read and considered the above provisions, indicate their agreement by their authorized signatures below.

CITY

Date: _____

BY: _____
Paul Eckert, City Administrator

ATTEST: City Clerk
City of Gridley

By: _____
Deputy Clerk

AGENCY

Date: _____

BY: _____
Gustavo Becerra, Executive Director

EXHIBIT “A-1” – SCOPE OF WORK
City of Gridley Housing Rehabilitation Program (PROGRAM)

NATIONAL OBJECTIVE

The purpose of the PROGRAM is to complete rehabilitation of eligible housing units located in the City of Gridley. The units must be occupied by members of the Low to Moderate Income Group (LMI) as defined by the U.S. Department of Housing and Urban Development (HUD) and HCD.

PROGRAM GOALS

AGENCY shall be held to the same goals, milestones, performance measurements, and requirements as entered into by CITY in STANDARD AGREEMENT and more thoroughly explained in the grant application. AGENCY will assist CITY in the achievement of the following PROGRAM goals by the contract expiration date:

1. Complete an estimated eight (8) single-family housing rehabilitation projects as required to fully expend CITY’s housing rehabilitation loan fund.

PROGRAM SERVICES

COMPENSABLE SERVICES: AGENCY will perform the following compensable services as outlined in PROGRAM GUIDELINES in implementation of PROGRAM activities.

1) Refinement of housing rehabilitation program plans, procedures and forms: subject to review and approval by CITY, AGENCY will establish, or make any necessary revisions to, the housing rehabilitation program design and procedures (including but not limited to the priorities among applicants and among rehabilitation measures, the limits and structure of financial assistance, and the recapture and affordability policies), as well as any other necessary forms, documents or sample contracts.

2) Outreach: AGENCY will conduct sufficient advertisement of the housing rehabilitation program and other forms of outreach to ensure that enough eligible applicants participate in the program to meet the housing rehabilitation program goals.

3) Intake/assessment of eligibility: AGENCY will assist property owners and residents in the completion of applications to permit eligibility determinations for rehabilitation assistance. AGENCY will make provision for translation services to meet the needs of non-English-speaking applicants. In the event of applicants who have impaired mobility or other disabilities, AGENCY will make provisions for completing the application at the applicant’s residence or other acceptable procedures for ensuring equal access to services.

Initial eligibility determination of households/structures will be made by the AGENCY on the basis of satisfaction of income requirements, the apparent need for rehabilitation measures to

correct relevant housing code or Housing Quality Standard (HQS) deficiencies, and any other pertinent criteria set forth in the approved program design.

4) Work write-ups: for each eligible unit to be assisted, AGENCY will complete a detailed work write-up of the rehabilitation to be performed, including estimated costs of each activity, materials to be used, and industry or regulatory standards to be met. This write-up will be initialed and dated by the homeowner.

5) Solicitation and selection of contractors: AGENCY will assist approved applicants in the identification, proper solicitation, and selection of contractors qualified to perform the authorized rehabilitation of eligible housing units. AGENCY will provide forms and sample contract formats for the applicants to use in contracting with the contractors and will assist the applicant in ensuring that the description of the work contained in any contracts with contractors is accurate and complete.

6) Loan Review Committee: CITY will establish and maintain a loan review committee. The loan review committee will review all loan recommendations presented to it by the AGENCY. No loan will be made under the housing rehabilitation program without the approval of a majority of the members of the loan review committee.

7) Loan closing: With the authorization of the City Loan Review Committee, the AGENCY will execute all necessary documents and will coordinate with CITY the drawdown of funds as necessary to cover the expenses of approved applicants for activities authorized by executed loan agreements. The loan documents executed with applicants will include explicit provisions describing a) the occupancy requirements and other standards to maintain the eligibility of the CDBG expenditures and the satisfaction of the CDBG national objective, and b) the conditions and procedures under which late payment penalties, default and/or foreclosure will occur.

8) Periodic and final inspections: AGENCY will perform periodic site visits to ascertain that approved and contracted rehabilitation work is proceeding properly and satisfactorily, will authorize (with the owner's written approval, including signature and date) appropriate change orders, and will mediate in the event of owner dissatisfaction with the work done by the contractor.

9) Approval of contractor payments: as rehabilitation progresses and as invoices are submitted by contractors, AGENCY will verify that the expenses are reasonable and the work has been completed properly (including a sign-off by the owner), and will authorize drawdown of funds from CITY, and disbursement to the contractors.

10) Loan servicing/loan portfolio management: AGENCY will assist CITY in managing the housing rehabilitation loan portfolio through the following tasks: reviewing loan status reports provided by CITY to determine loan clients in violation of the terms of their loan, corresponding with loan recipients who are in violation of the terms of their loan, suggesting remedies to both

the CITY and loan recipient to correct any violations, and reviewing employment and income status at the request of CITY.

11) Maintenance of case files and other records: for each applicant, AGENCY will maintain case files, including application and documentation of eligibility, work write-ups, the assistance agreement between the property owner and CITY (along with repayment provisions, documentation of liens and any other forms of security), contractor selection criteria, copy of contract between owner and contractors, documentation on all necessary licenses and permits, site visit/inspection reports (including final inspection), change orders, and approved contractor invoices for payment (with owner sign-off). AGENCY will also maintain appropriate information on persons residing in the property, including a list or lists identifying persons in a project immediately before the project, after project completion, and those moving in during the project, as well as information on those displaced or temporarily relocated (per 24 CFR 570.606 and 24 CFR part 24). AGENCY will maintain these and other program and financial records in accordance with the general requirements for record keeping specified in Section 7. of this Agreement.

PROJECT SCHEDULE

Unless amended by mutual written agreement by AGENCY and CITY, AGENCY will perform the described housing rehabilitation tasks and complete the rehabilitation of eligible units in a timely manner.

OTHER PROGRAM REQUIREMENTS

- 1) Affordability provisions [24 CFR 570. 208(a)(3)]:** for activities benefiting low- and moderate-income persons, AGENCY must adopt and make public the CITY's standards for determining that for rental housing assisted under the program, the rents of units occupied by low- and moderate-income persons are "affordable."
- 2) Davis-Bacon requirements and other Labor Standards [24 CFR 570.603]:** these statutes require the payment of prevailing wages for CDBG-assisted construction work, including construction or rehabilitation of residential property containing eight units or more, in excess of \$2000. The Contract Work Hours and Safety Standards Act also applies to such activities.
- 3) Historic Preservation [16 U.S.C. 470 *et seq.* and 36 CFR Part 800]:** these requirements mandate (a) consultation with specified agencies having responsibility for historic preservation to identify properties listed (or eligible for inclusion) in the National Register of Historic Places that may be subject to adverse effects by the proposed CDBG activities, and (b) compliance with procedures or other requirements to avoid or mitigate such adverse effects.

- 4) **National Flood Insurance Program [24 CFR 570.605]:** if a community has had notice for more than a year that an area has been identified by FEMA as having special flood hazards, CDBG funds cannot be spent for acquisition or construction purposes within that area unless the community is participating in the National Flood Insurance Program and such insurance has been purchased for the properties in question.
- 5) **Relocation, Real Property Acquisition, and One-For-One Housing Replacement [24 CFR 570.606]:** The acquisition of real property for a CDBG-assisted project and the displacement of any person (family, individual, business, non-profit organization or farm) as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project must comply with 24 CFR 570.606 and 49 CFR part 24. AGENCY must also conduct its CDBG activities so as to minimize displacement, and if displacement occurs, the displaced persons or entities must be provided assistance consistent with the Uniform Relocation Act, as amended, or Section 104(d), as applicable. In addition, there must be a one-for-one replacement of any occupied (or vacant, occupiable) low- and moderate-income dwelling that is demolished or converted to another use in connection with a CDBG-funded activity.
- 6) **Lead-based Paint [24 CFR 570.608 and 24 CFR Part 35]:** There is a general prohibition against the use of any lead-based paint in connection with any CDBG activity involving the construction or rehabilitation of residential structures. If the structure was constructed prior to 1978, the tenants or purchasers must be notified of the hazards of lead-based paint poisoning; and, depending on the level of Federal assistance made available to the structure, paint inspection, risk assessment, treatment and/or abatement must be provided.

EXHIBIT "A-2" – SCOPE OF WORK

City of Gridley Homeownership Assistance Program (PROGRAM)

NATIONAL OBJECTIVE

The purpose of the PROGRAM is to provide low-interest loans to homebuyers purchasing a home located in the City of Gridley. The homebuyer(s) must be members of the Low to Moderate Income Group (LMI) as defined by the U.S. Department of Housing and Urban Development (HUD) and HCD.

PROGRAM GOALS

AGENCY shall be held to the same goals, milestones, performance measurements, and requirements as entered into by CITY in STANDARD AGREEMENT and more thoroughly explained in the grant application. AGENCY will assist CITY in the achievement of the following PROGRAM goals by the contract expiration date:

1. Close on an estimated six (6) homeownership assistance loans as required to fully expend CITY's homeownership assistance loan fund.

PROGRAM SERVICES

COMPENSABLE SERVICES: AGENCY will perform the following compensable services as outlined in PROGRAM GUIDELINES in implementation of PROGRAM activities.

1) Refinement of homeownership assistance program plans, procedures and forms: subject to review and approval by CITY, AGENCY will establish, or make any necessary revisions to, the homeownership assistance program design and procedures (including but not limited to the priorities among applicants, underwriting criteria, the limits and structure of financial assistance, and the recapture and affordability policies), as well as any other necessary forms, documents or sample contracts.

2) Outreach: AGENCY will conduct sufficient advertisement of the homeownership assistance program and other forms of outreach to ensure that enough eligible applicants participate in the program to meet the homeownership assistance program goals.

3) Completion of loan applications; underwriting assessment: AGENCY will assist homebuyers in completing loan applications, and will perform an assessment of each loan application to determine the CDBG eligibility of the loan and compliance with the appropriate CDBG national objective. Initial eligibility determination of households will be made by the AGENCY on the basis of satisfaction of income requirements, eligibility of the property being purchased, and any other pertinent criteria set forth in the approved program design.

AGENCY will complete all work necessary to determine loan feasibility including obtaining appraisal, estimates of market value, credit reports and title reports, set up of lead risk

assessment, if applicable, evaluating the financial condition of the applicant and summarizing any critical issues.

4) Loan Review Committee: CITY will establish and maintain a loan review committee. The loan review committee will review all loan recommendations presented to it by the AGENCY. No loan will be made under the homeownership assistance loan program without the approval of a majority of the members of the loan review committee.

5) Loan closing: With the authorization of the City Loan Review Committee, the AGENCY will execute all necessary documents and will coordinate with CITY the drawdown of funds as necessary to cover the expenses of approved applicants for activities authorized by executed loan agreements. The loan documents executed with applicants will include explicit provisions describing a) the occupancy requirements and other standards to maintain the eligibility of the CDBG expenditures and the satisfaction of the CDBG national objective, and b) the conditions and procedures under which late payment penalties, default and/or foreclosure will occur.

6) Loan servicing/loan portfolio management: AGENCY will assist CITY in managing the homeownership assistance loan portfolio through the following tasks: reviewing loan status reports provided by CITY to determine loan clients in violation of the terms of their loan, corresponding with loan recipients who are in violation of the terms of their loan, suggesting remedies to both the CITY and loan recipient to correct any violations, and reviewing employment and income status at the request of CITY.

7) Maintenance of case files and other records: for each applicant, AGENCY will maintain case files, including application and documentation of applicant eligibility, property eligibility, the assistance agreement between the homebuyer and CITY (along with repayment provisions, documentation of liens and any other forms of security), and any other required documentation. AGENCY will maintain these and other program and financial records in accordance with the general requirements for record keeping specified in Section 7. of this Agreement.

PROJECT SCHEDULE

Unless amended by mutual written agreement by AGENCY and CITY, AGENCY will perform the described homeownership assistance program tasks in a timely manner.

EXHIBIT “B” – AGENCY BUDGET

City of Gridley Housing Rehabilitation and Homeownership Assistance Programs (PROGRAMS)

ITEMIZED BUDGET

The following line item budget is the basis for determining the amount of AGENCY costs eligible for reimbursement by CITY. (See SCOPE OF WORK for a description of each reimbursable activity.)

Line Items	CDBG General Administration	CDBG Activity Delivery	Total CDBG Budget
Housing Rehabilitation Program Mgmt.	\$21,726	\$74,262	\$95,988
Homeownership Assistance Program Mgmt.	\$10,000	\$30,146	\$40,146
TOTAL	\$31,726	\$104,408	\$136,134

Total CDBG Budget amounts for are based on a maximum 22% of the Housing Rehabilitation Activity Budget of \$390,854 plus \$10,000 in General Administration expenses, and a maximum 7% of the Homeownership Assistance Activity Budget of \$430,663 plus \$10,000 in General Administration expenses.

Each invoice submitted to CITY by the AGENCY must include the following:

1. Running total of expenditures to date by line item for CDBG compensable services.
2. Documentation of services provided or expenditures, including copies of invoices, contracts, receipts, bills, time sheets, or other references documenting the charges billed to the CITY or incurred by AGENCY.

BUDGET ADJUSTMENTS

A budget adjustment is defined as a change in value for reimbursable line items without a change in the dollar value for reimbursable services rendered by AGENCY. CITY may consider AGENCY budget adjustments after submittal of a formal proposal, including the following documentation:

1. Progress report outlining expenditures, milestones achieved to date and any outstanding balance;
2. Proposed budget outlining projected costs for the entire duration of the contract, highlighting where actual costs are expected to differ from the original budget;
3. Explanations and justifications for changes in each line item; and
4. Plan outlining expected uses of additional funds received.

BUDGET AMENDMENTS

A budget amendment is defined as a change in value for reimbursable line items and a change in the dollar value for reimbursable services rendered by AGENCY. CITY may consider AGENCY budget amendments after submittal of a formal proposal, including the same documentation required for a budget adjustment as listed above; however, a budget amendment also requires a formal contract amendment approved in a resolution by the CITY.

CHARGE RATE SCHEDULE

AGENCY will request reimbursement for this agreement based on an actual cost for actual work basis. Reasonableness, allowability and allocability of costs not to exceed the budget noted above.

EXHIBIT “C” – PROGRAM GUIDELINES

City of Gridley Housing Rehabilitation and Homeownership Assistance Programs (PROGRAMS)

Approved/Adopted Program Guidelines will be inserted here

EXHIBIT "D" – COMPLIANCE REQUIREMENTS
ALL CONTRACTS AND SUBCONTRACTS

1. **NONDISCRIMINATION CLAUSE:**

a. During the performance of this Agreement, AGENCY and its subcontractors shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), medical condition (cancer), age, marital status, denial of family and medical care leave and denial of pregnancy disability leave. AGENCY and its subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. AGENCY and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full. AGENCY and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

b. AGENCY shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the agreement.

2. **EQUAL OPPORTUNITY:**

a. The Civil Rights, Housing and Community Development, and Age Discrimination Acts Assurances: During the performance of this Agreement, AGENCY 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 grant 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. The Training, Employment and Contracting Opportunities for Business and Lower Income Persons Assurance of Compliance:

i. The work to be performed under this Agreement is on a project assisted under a program providing direct federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C 1701u. Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given lower income

residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the project. The order of priority provided by Section 3 is defined in 24 CFR 135.34(a)(2).

ii. The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.

iii. AGENCY will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or worker's representative of his commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

iv. AGENCY will include these Section 3 clauses in every contract and subcontract for work in connection with the project and will, at the direction of the State, take appropriate action pursuant to the contract upon a finding that AGENCY or any contractor or subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135 and, will not let any contract unless AGENCY or contractor or subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

v. 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 the Agreement shall be a condition of the federal financial assistance provided to the project, binding upon AGENCY, its successors and assigns. Failure to fulfill these requirements shall subject AGENCY, its contractors and subcontractors, its successors and assigns to those sanctions specified by the grant or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

c. Americans with Disabilities Act (ADA) of 1990: By signing this Agreement, AGENCY assures CITY that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issues pursuant to the ADA.

3. ANTI-LOBBYING CERTIFICATION:

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

i. 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;

ii. 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.

b. AGENCY shall require that the language of this certification be included in all contracts or subcontracts entered into in connection with this grant activity and that all subrecipients shall certify and disclose accordingly.

c. 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 no more than \$100,000 for such failure.

4. CONFLICT OF INTEREST OF MEMBERS, OFFICERS, OR EMPLOYEES OF AGENCY, MEMBERS OF LOCAL GOVERNING BODY, OR OTHER PUBLIC OFFICIALS: No member, officer, or employee of AGENCY, or its designees or agents, no member of the governing body of the locality in which the programs are situated, and no other public official of such locality or localities who exercise any functions or responsibilities with respect to the programs during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for grant activities to be performed in connection with the programs assisted under this Agreement. AGENCY 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.

5. 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.

6. AGENCY AND SUBCONTRACTS:

a. AGENCY shall not enter into any agreement, written or oral, with any contractor without the prior determination by the State of the contractor's eligibility. A contractor or subcontractor is not eligible to receive grant funds if the contractor is not licensed in a good standing in California, or is listed on the Federal Consolidated List of Debarred, Suspended, and Ineligible Contractors.

b. This Agreement between CITY and AGENCY shall require AGENCY and its subcontractors, if any, to:

i. Comply with the applicable State and Federal requirements described in Attachments A and B of STANDARD AGREEMENT which pertain to, among other things, labor standards, non-discrimination, Americans with Disabilities Act, Equal Employment Opportunity, and Drug-Free Workplace.

ii. Maintain at least the minimum State-required Worker's Compensation Insurance for those employees who will perform the grant activity or any part of it.

iii. Maintain, if so required by law, unemployment insurance, disability insurance and liability insurance in an amount to be determined by the State which is reasonable to compensate any person, firm, or corporation who may be injured or damaged by AGENCY or any subcontractor in performing the grant activity or any part of it.

iv. Retain all books, records, accounts, documentation, and all other materials relevant to this Agreement for a period of five (5) years from the 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 or the STANDARD AGREEMENT and any amendments, whichever is later.

v. Permit the State, Federal government, the Bureau of State Audits, the Department of Housing and Community Development and/or their representatives, upon reasonable notice, unrestricted access to any or all books, records, accounts, documentation, and all other materials relevant to this Agreement for the purpose of monitoring, auditing, or otherwise examining said materials.

7. COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS: Where required, AGENCY shall comply with, and require contractors and subcontractors to comply with, each of the following:

- a. Federal, State and local regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, or any other matters applicable to this Agreement.
 - b. Sections 103 and 107 of the contract Work Hours and Safety Standards Act (40 U.S.C. 327-220) as supplemented by DOL Regulations (29 C.F.R., Part 5);
 - c. Executive Order 11246 and all implementing regulations of the DOL;
 - d. Rehabilitation Act of 1973, (24C.F.R., Part 8);
 - e. Drug-Free Workplace Act of 1990, (Calif. Govt. Code Sec. 8350 et seq.).
 - f. Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871)
8. UNIFORM ADMINISTRATIVE REQUIREMENTS: AGENCY shall comply with all applicable uniform administrative requirements in accordance with 24 CFR Part 85, "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments," as modified by 24 CFR 570.502(a). Agency is also required to adhere to all requirements of OMB Circular A-87, "Cost Principles for State and Local Governments", and OMB Circular A-133, "Audits of State and Local Governments and non-Profit Organizations."
9. PROCUREMENT:
 - a. AGENCY shall comply with CDBG Program policy concerning the purchase of equipment and shall maintain inventory records of all non-expandable personal property as defined by such policy as may be procured with CDBG funds provided herein.
 - b. AGENCY shall procure all materials, property, or services in accordance with the requirements of 24 CFR, Part 85.36, Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.
10. REVERSION OF ASSETS: Upon expiration of the STANDARD AGREEMENT, if AGENCY has any CDBG funds on hand as well as any accounts receivables attributable to CDBG funds, must be transferred to CITY. Any real property acquired with CDBG funds must be transferred to CITY upon expiration of this Agreement.
11. GRANTOR RECOGNITION: AGENCY shall ensure recognition of the role of the State CDBG Program in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement shall be prominently labeled as to the funding source. In addition,

AGENCY will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

12. CLIENT DATA: AGENCY shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be 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 CITY monitors or their designees for review upon request.

13. DISCLOSURE: AGENCY understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of CITY'S or AGENCY'S responsibilities, with respect to services provided under this Agreement is prohibited unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

EXHIBIT “E” – STANDARD AGREEMENT

City of Gridley Housing Rehabilitation and Homeownership Assistance Programs (PROGRAMS)

EXHIBIT "F" – INSURANCE REQUIREMENTS

City of Gridley Housing Rehabilitation and Homeownership Assistance Programs (PROGRAMS)

AGENCY shall provide and maintain insurance for the duration of this Agreement against claims for injuries to persons and damage to property, which may arise from, or in connection with, performance under the Agreement by AGENCY, its agents, representatives, employees or subcontractors, if applicable.

A. Minimum Scope & Limits of Insurance

1. Coverage at least as broad as Commercial General Liability Insurance of \$1,000,000 combined single limit per occurrence. If the annual aggregate applies it must be no less than \$1,000,000.
2. Comprehensive Automobile Liability Insurance (if applicable) of \$1,000,000 per occurrence.
3. Workers' Compensation and Employer's Liability Insurance as required by law. Deductibles and Self-Insured Retentions

B. Specific Provisions of the Certificate

1. The Certificate of Insurance for General Liability and Comprehensive Automobile Liability Insurance must meet the following requirements:
 - a. *Name the CITY, its officers, agents, employees and volunteers, individually and collectively, as additional insureds.*
 - b. *State that such Insurance for additional insureds shall apply as primary insurance and any other insurance maintained by CITY shall be excess.*
 - c. *Provide that coverage shall not be suspended, voided, canceled, reduced in coverage, or otherwise materially changed except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to CITY.*
2. The Certificate of Insurance for Workers' Compensation must include the following waiver of subrogation:
 - a. *Waiver of Subrogation. AGENCY waives all rights against CITY and its agents, officers, and employees for recovery of damages to the extent these damages are covered by the workers compensation and employers liability.*

C. Deductibles and Self-Insured Retentions

The CITY Risk Manager must approve any deductible or self-insured retention that exceeds \$100,000.

D. Acceptability of Insurance

Insurance must be placed with insurers with a current rating given by A.M. Best and Company of no less than A (-) from a company admitted to do business in California. Any waiver of these standards is subject to approval by CITY Risk Manager or CITY Risk Manager's designee.

E. Verification of Coverage

Prior to approval of this Agreement by CITY, AGENCY shall file with the submitting department, certificates of insurance with original endorsements effecting coverage in a form acceptable to CITY. CITY reserves the right to require certified copies of all required insurance policies at any time.

City Council Agenda Item #3
Staff Report

Date: December 17, 2018
To: Mayor and City Council
From: Paul Eckert, City Administrator
Subject: Agreement with the United States General Services Agency (GSA) for short-term Lease of City Industrial Park

X	Regular
	Special
	Closed
	Emergency

Recommendation

City staff respectfully requests that the City Council facilitate a community conversation regarding the potential temporary community for registered FEMA Camp Fire evacuees at the City owned Industrial Park and staff recommends that the City Council authorize the City Administrator to work with the City Attorney and sign a lease agreement with the United States General Services Agency (GSA) for an 18 to 24-month lease of the City Industrial Park for the purposes of Modular Housing Units to meet the needs of pre-screened and qualified registrants with high quality temporary housing.

Background

The Camp Wildfire is considered the most destructive wildfire in California's history, burning nearly 154,000 acres for 17 days, claiming at least 85 lives, and destroying nearly 13,972 residences. Tireless Gridley volunteers of all ages have provided their time and generous contributions to assist Red Cross sanctioned fire evacuees. Experienced Red Cross and Federal Emergency Management Agency (FEMA) leaders have underscored that the Gridley/Biggs communities have been unrivaled supporters of those in need.

Due to the unprecedented number of fire victims in need of quality temporary housing, the State of California has proclaimed an emergency, declaring the provision of housing as a State priority. FEMA is working diligently to find short-term housing opportunities for families displaced by the Camp Fire. The proposed community project in Gridley is a FEMA effort and is not driven by the City of Gridley. In order to be registered with FEMA, individuals and families must have clearly identified fire damages at their official addresses. FEMA registration requirements far exceed Red Cross shelter requirements.

Gridley's Role

The City of Gridley is committed to assisting FEMA registered residents of Paradise and other impacted communities. Along with the cities of Chico and Oroville, the City of Gridley has committed to reviewing the possible provision of high quality temporary housing options for residents of Butte County displaced by the catastrophic and devastating "Camp Fire". Gridley is closely coordinating with our local partners of Paradise, Chico, Oroville, and Butte County; as well as the State of California Office of Emergency Services (Cal OES) and the Federal Emergency Management Agency (FEMA) to provide high quality temporary housing solutions. The City of Chico City Council on December 12th indicated general support of a similar community in North Chico on private property. Conversations with the Gridley School District and the Butte County School District have been initiated.

Proposed Location

The proposed “Gridley Camp Fire Community” is located on the vacant City owned parcels located at the City Industrial Park near West Liberty Road. The site includes 73 acres of available land and has space for approximately 350 families, which will resolve approximately 15 percent of the housing need based on current estimates. The site includes water distribution, sewer, and electric and conforms with State, County and local development codes. The site is considered an ideal location to temporarily house FEMA registered survivors as they work to obtain permanent housing as quickly as possible.



A total of 72.39 acres are included in the three parcels proposed for lease in the Gridley Industrial Park including:

Parcel# 021-240-027-000 (35.310 acres) Northerly portion

Parcel# 021-270-042-000 (33.470 acres) Southerly portion

Parcel# 021-270-040-000 (3.610 acres) Small parcel at south east corner

Requested FEMA Infrastructure Investments for Gridley

The following projects have been proposed by the City. The list has not been finalized.

1. Signalized and improved traffic intersection at the intersection of California State Highway 99 and West Liberty Road. The signal project will be fast tracked and surveying is already underway;

2. Grading and drainage improvements to the property including, but not limited to a water retention pond to be located generally in the southwest corner of the site;
3. Extension and street improvements of Independence Drive (generally running from north to south) to connect with West Liberty Road and Kentucky Street easement at the edge of adjoining real property (generally known and referred to as the Cannery Property). The City is also evaluating a Vermont Street extension to the Camp Fire Community site;
4. Paving of the East/West access road at Industrial Park Drive;
5. Installation of appropriate permanent wall or fencing along the rail line property located generally along the easterly boundary of the Camp Fire Community site;
6. Installation of appropriate security fencing (minimum 6 ft in height) around remaining perimeter of Camp Fire Community site;
7. Installation of appropriate looped water system improvements necessary to connect the Camp Fire Community site to the City's municipal water system in order to enhance onsite well water delivery in order to assure sufficient and reliable water delivery pressure for residential and required fire hydrant use within the community.
8. Any and all electrical utility equipment improvements necessary to provide alternate electrical feed and delivery to the Camp Fire Community site within the underground trenching within Kentucky Street established during the looping of the City's municipal water delivery system to the community;
9. Open "Green Spaces" to be located generally in the southeast and northwest corners of the Camp Fire Community site. The southeastern green space located near the entrance to the community shall include an improved graded and graveled parking area to accommodate visitors to the community;
10. All appropriate street lighting throughout the Camp Fire Community site;
11. Installation of sewer collection system improvements necessary in order to connect to the City's current existing sewage lift station located adjacent to California State Highway Route 99;
12. Provision and installation, as necessary, of appropriate temporary classroom school facilities and improvements upon lands other than those of the City as designated by the appropriate educational system providers and agencies;
13. Installation of street and pedestrian access through adjoining privately owned cannery site to connect Independence Drive and Kentucky Street in order to provide safe pedestrian access for Camp Fire Community site residents to schools and other areas within the City of Gridley;
14. Potential ringed asphalt trail around the outer edge of the Camp Fire Community site for security patrols and recreational use by community residents (walking, bicycling, etc.).

Best Management Practices and Site Characteristics

- Site will include 1 to 4-bedroom Modular Housing Units (MHU's) for displaced families
- Site will include green space, play fields, and playgrounds
- Offices will be located for on-site property management with 24/7 security
- Waste removal services will be provided
- On-site case management services to assist survivors with recovery
- Site has access to fire, medical, and police services
- School access for children
- BCAG Bus Service will be provided
- Availability of social services
- Local utilities will be provided to each MHU
- Access to public transportation (a bus stop is included in the design for survivors)
- Close to shopping (less than one mile to a grocery store and pharmacy)
- Proper lighting throughout the community
- Security fencing and wall along RR
- Adequate parking for every survivor
- Rules similar to commercial facilities will be enforced to ensure the safety of all residents
- Survivors may use their assigned unit for 18 to 24 months from the date of declaration.
- All Modular Housing Units will be completely removed at termination of the lease.

Financial Impact

Fiscal impacts include: per MHU monthly lease payments that will go to the City's General Fund; significant electric, water, and sewer utility revenue; and the significant value of the proposed infrastructure projects including "fast tracked" signalization of Highway 99, street infrastructure in the Industrial Park, and water, sewer, and electric system extensions. It's anticipated that two police officers and one firefighter may be added during this period funded by State or Federal resources.

Compliance with City Council Strategic Plan or Budget Goals

This recommendation is consistent with our ongoing effort to be responsive and transparent regarding all business transactions and financial matters.

Attachments

- Preliminary GSA Agreement
- Property Aerials

**U.S. GOVERNMENT LEASE FOR REAL PROPERTY
(Short Form)**

1. LEASE NUMBER
GS-09P-LCA00568

PART I - OFFER (Offeror completes Section A, C and D; Government shall complete Section B)

NOTE: All offers are subject to the terms and conditions outlined in this Lease, the Supplemental Lease Requirements document, General Clauses (GSA Form 3517A), and any other attachments included herein.

A. LOCATION AND DESCRIPTION OF PREMISES OFFERED FOR LEASE BY GOVERNMENT

1. NAME AND ADDRESS OF BUILDING (Include nine-digit ZIP Code)	2. LOCATION Gridley Industrial Park: APNs 021-240-027-00, 021-270-040-000, and 021-270-042-000, County of Butte, California		
Gridley Industrial Park Independence Place and Industrial Park Drive, Gridley, CA 95948-9341	2a. FLOOR(S) N/A	2b. ROOM NUMBER(S) N/A	2e. NUMBER OF PARKING SPACES OFFERED STRUCTURED N/A SURFACE N/A ANNUAL PARKING RATES (IF NOT INCLUDED IN RATES UNDER PART C BELOW) STRUCTURED N/A SURFACE N/A
	2c. ACRES Approximately 72.4 acres in 3 separate parcels described above	2d. TYPE <input type="checkbox"/> GENERAL OFFICE <input type="checkbox"/> WAREHOUSE <input checked="" type="checkbox"/> OTHER (Specify) LAND	

B. TERM

3a. To Have and To Hold the said Premises with its appurtenances for the term beginning upon substantial completion of the Premises as required by this Lease and continuing for a period of SIX (6) Months Firm, subject to termination and renewal rights as may be hereinafter set forth. The actual commencement date of this Lease shall be more specifically set forth in a Lease Amendment upon substantial completion of the Space by the Government.

3b. The Government may terminate this Lease, in whole or in parts, at any time effective after the Firm Term of this Lease, by providing not less than FIFTEEN (15) days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

3c. This Lease may be renewed at the option of the Government for incremental terms of ONE (1) to TWELVE (12) months, not to exceed a total of EIGHTEEN (18) months, at the rental rate(s) set forth below, provided notice is given to the Lessor at least THREE (3) days before the end of the original Lease term; all other terms and conditions of this Lease, as same may have been amended, shall remain in full force and effect during any renewal term. The Government shall be entitled to exercise the renewal options in increments as small as one month, and said renewal options may be exercised multiple times up to the 18 month maximum term.

C. RENTAL

4. Rent shall be payable in arrears and will be due on the first workday of each month. When the date for commencement of the lease falls after the 15th day of the month, the initial rental payment shall be due on the first workday of the second month following the commencement date. Rent for a period of less than a month shall be prorated. Rent shall not be adjusted for changes in real estate taxes or operating costs.

5a. AMOUNT OF ANNUAL RENT \$2,322,837.00	5b. RATE PER MONTH \$193,569.75		
RENTAL RATE BREAKDOWN	RATE PER MHU* PER MONTH		*NOTE: MHU = Mobile Housing Unit
6. Pad Rent	\$400.00		
7. Meter Charge - Sewer	\$ 37.96		
8. Meter Charge - Water	\$ 24.99		
9. Meter Charge – Electrical	\$ 15.00		
10. TOTAL RENT/MHU	\$477.95		
11. TENANT IMPROVEMENT COSTS N/A	12. INTEREST RATE TO AMORTIZE TENANT IMPROVEMENTS N/A		
13. HVAC OVERTIME RATE PER HOUR N/A	14. ADJUSTMENT FOR VACANT PREMISES RATE N/A		

D. OWNER IDENTIFICATION AND CERTIFICATION**15. RECORDED OWNER**

15a. Name

15b. DUNS Number

15c. Address

15d. City

15e. State

15f. ZIP+4

16. BY SUBMITTING THIS OFFER, THE OFFEROR AGREES UPON ACCEPTANCE OF THIS PROPOSAL BY HEREIN SPECIFIED DATE, TO LEASE TO THE UNITED STATES OF AMERICA, THE PREMISES DESCRIBED, UPON THE TERMS AND CONDITIONS AS SPECIFIED HEREIN, IN FULL COMPLIANCE WITH AND ACCEPTANCE OF THE AFOREMENTIONED RLP, WITH ATTACHMENTS.

☐ I have read the RLP with attachments in its entirety and am requesting no deviations

17. OFFEROR'S INTEREST IN PROPERTY☐

OWNER

☐

AUTHORIZED AGENT

☐

OTHER (Specify)

18. OFFEROR ☐ Check if same as Recorded Owner

18a. NAME

18b. ADDRESS

18c. CITY

18d. STATE

18e. ZIP+4

18f. Title

18g. E-mail address

18h. Telephone Number

18i. OFFEROR'S SIGNATURE

18j. DATE SIGNED

PART II - AWARD (To be completed by Government)

1. Your offer is hereby accepted. This award consummates the lease which consists of the following attached documents: (a) this GSA Form 3626, (b) Supplemental Lease Requirements with attachments, (c) GSA Form 3517A, General Clauses (Acquisition of Leasehold Interests in Real Property for Small Leases), and (d) plot plans or plats.

It is understood and agreed that the maximum number of Mobile Housing Units (MHU's) that may be installed on the Premises by the Government is 405. The annual and monthly rental amounts above are based on this number.

The Government retains the right to adjust the number of MHU's installed on the Premises based on its requirements, not to exceed 405 in total. The Lease and rent paid will be adjusted accordingly.

It is understood and agreed that the Government will contract separately with the City of Gridley for utilities (electricity, sewer, and water) at the City's published middle residential tier rates in effect at the time of substantial completion of the Premises by the Government. The City will install master water and electric meters for the Premises.

This Lease and attachments, and Government payments for any rent or services provided hereunder, are subject to the availability of funds for such purposes.

2. THIS DOCUMENT IS NOT BINDING ON THE GOVERNMENT OF THE UNITED STATES OF AMERICA UNLESS SIGNED BELOW BY AUTHORIZED LEASE CONTRACTING OFFICER.

3a. NAME OF LEASE CONTRACTING OFFICER (Type or Print)

Merlin E. Nygren
Lease Contracting Officer, PBS

3b. SIGNATURE OF LEASE
CONTRACTING OFFICER

3c. DATE

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SECTION 1 GENERAL TERMS, CONDITIONS, AND STANDARDS

1.01 DEFINITIONS AND GENERAL TERMS (FEMA LAND) (AUG 2017)

Unless otherwise specifically noted, all terms and conditions set forth in this Lease shall be interpreted by reference to the following definitions, standards, and formulas:

- A. Premises. The Premises are defined as the land described in Section 1 of this Lease, and delineated by plan in the attached exhibit.
- B. Space. The terms Space and Premises shall have the same meaning when used in this document.

1.02 AUTHORIZED REPRESENTATIVES (OCT 2016)

Signatories to this Lease shall have full authority to bind their respective principals with regard to all matters relating to this Lease. No other persons shall be understood to have any authority to bind their respective principals except to the extent that such authority may be explicitly delegated by notice to the other party, or to the extent that such authority is transferred by succession of interest. The Government shall have the right to substitute its Lease Contracting Officer (LCO) by notice without an express delegation by the prior LCO.

1.03 WAIVER OF RESTORATION (OCT 2018)

Lessor shall have no right to require the Government to restore the Premises upon expiration or earlier termination (full or partial) of the Lease, and waives all claims against the Government for waste, damages, or restoration arising from or related to (a) the Government's normal and customary use of the Premises during the term of the Lease (including any extensions thereof), as well as (b) any initial or subsequent alteration to the Premises regardless of whether such alterations are performed by the Lessor or by the Government. At its sole option, the Government may abandon property in the Space following expiration or earlier termination (full or partial) of the Lease, in which case the property will become the property of the Lessor, and the Government will be relieved of any liability in connection therewith.

1.04 NOVATION AND CHANGE OF OWNERSHIP (SMALL) (OCT 2016)

Consistent with GSAM 570.115, in the event of a transfer of ownership of the leased premises or a change in the Lessor's legal name, FAR 42.12 applies.

SECTION 2 CONSTRUCTION STANDARDS AND SHELL COMPONENTS

THIS SECTION DELETED

SECTION 3 DESIGN, CONSTRUCTION, AND POST AWARD ACTIVITIES

THIS SECTION DELETED

SECTION 4 TENANT IMPROVEMENT (TI) COMPONENTS

THIS SECTION DELETED

SECTION 5 UTILITIES, SERVICES, AND OBLIGATIONS DURING THE LEASE TERM

5.01 IDENTITY VERIFICATION OF PERSONNEL (OCT 2016)

A. The Government reserves the right to verify identities of personnel with routine and/or unaccompanied access to the Government's Space, including both pre and post occupancy periods. The Lessor shall comply with the agency personal identity verification procedures below that implement Homeland Security Presidential Directive-12 (HSPD-12), Office of Management and Budget (OMB) guidance M-05-24 and M-11-11, and Federal Information Processing Standards Publication (FIPS PUB) Number 201, as amended. These policies require the Government to conduct background investigations and make HSPD-12 compliant suitability determinations for all persons with routine or unaccompanied access to Government leased Space. By definition, this includes at a minimum each employee of the Lessor, as well as employees of the Lessor's contractors or subcontractors who will provide building operating services requiring routine access to the Government's leased Space for a period greater than 6 months. The Government may also require this information for the Lessor's employees, contractors, or subcontractors who will be engaged to perform alterations or emergency repairs in the Government's Space.

B. Application Process: The background investigation will be done using the Government's prescribed process. The Lessor must provide information on each of their contractor/personnel meeting the above criteria to the Government, whereupon each identified contractor/personnel will be notified with instructions for completing the identity verification application within a given time frame. The application process will include completing supplemental information forms that must be inputted into the identity verification system in order for the application to be considered complete. Additionally, the Lessor must ensure prompt completion of the fingerprint process for their contractor/personnel. Email notifications will be sent with instructions on the steps to be taken to schedule an appointment for fingerprinting at an approved regional location along with instructions on how to complete the background investigation application.

C. The Lessor must ensure the Lease Contracting Officer (or the Lease Contracting Officer's designated representative) has all of the requested documentation timely to ensure the completion of the investigation.

D. Based on the information furnished, the Government will conduct background investigations. The Lease Contracting Officer will advise the Lessor in writing if a person fails the investigation, and, effective immediately, that person will no longer be allowed to work or be assigned to work in the Government's Space.

E. Throughout the life of the Lease, the Lessor shall provide the same data for any new employees, contractors, or subcontractors who will be assigned to the Government's Space in accordance with the above criteria. In the event the Lessor's contractor or subcontractor is subsequently replaced, the new contractor or subcontractor is not required to have persons re-apply who were cleared through this process while associated with the former contractor or subcontractor in accordance with GSA policy. The Lessor shall require each cleared person to re-apply and obtain a new clearance in accordance with GSA policy.

F. The Lessor is accountable for not allowing contractors to start work without the successful completion of the appropriate background investigation as required by GSA policy.

G. Access Card Retrieval/Return: Upon an Entry on Duty notification, the Government will issue a Personal Identity Verification (PIV) credential that is sometimes referred to as a GSA Access card. Lessors are responsible for all PIV credential issued to their contractors/personnel pursuant to this Lease. Lessors are specifically responsible for ensuring that all GSA PIV access cards are returned to the Lease Contracting Officer or their designee whenever their employees or a contractor no longer require access to the Space (such as when no longer needed for contract performance, upon completion of the Contractor employee's employment, and upon contract completion or termination). Additionally, the Lessor must notify the Lease Contracting Officer or their designee whenever a GSA PIV Access card is lost or stolen in which event the Lessor may be responsible for reimbursing the Government for replacement credentials at the current cost per PIV HSPD12 credential. Unreturned PIV Access cards will be considered as lost or stolen cards.

H. The Government reserves the right to conduct additional background checks on Lessor personnel and contractors with routine access to Government leased Space throughout the term of the Lease to determine who may have access to the Premises.

I. The Lease Contracting Officer may delay final payment under a contract if the Contractor fails to comply with these requirements.

J. The Lessor shall insert this paragraph in all subcontracts when the subcontractor is required to have physical access to a federally controlled facility or access to a federal information system.

SECTION 6 ADDITIONAL TERMS AND CONDITIONS

6.01 LAND USE AND ENTITLEMENT (FEMA) (AUG 2017)

- A. The Government's rights under the Lease for entry, occupation, usage and other rights to the Property extend to all of the following:
- (i) The Federal Emergency Management Agency (FEMA);
 - (ii) Any of the following assisting FEMA and/or the Government in providing disaster relief:
 - 1. Any of FEMA's agencies, employees, and/or contractors and their subcontractors;
 - 2. Any other Government agency, including, but not limited to, the Army Corps of Engineers (the "Army Corps"), the Department of Housing and Urban Development (HUD), and the General Services Administration ("GSA"), including their employees, agents and/or contractors (and subcontractors), which has been specifically assigned by FEMA the mission of assisting in the construction and establishment of temporary housing for disaster assistance recipients;
 - 3. Any private voluntary agency or organization authorized by FEMA to enter the property; and
 - 4. Any state government agency, or its employees, contractors or representatives assisting FEMA or other Government agencies and/or independently providing disaster relief.
 - (iii) Disaster assistance recipients granted occupancy of housing units established within the emergency housing facility.
- B. The Government (including FEMA and other entities listed above) are providing disaster relief to victims of the Camp Fire which occurred November 8, 2018. One type of disaster assistance is temporary housing for disaster assistance recipients. Use of the property shall be for construction and establishment of temporary housing facilities for disaster assistance recipients and the construction of improvements (including, but not limited to utilities, roads or driveways, and trailer pads) as the Government determines necessary and/or expedient in connection with the establishment and operation of temporary housing facilities.

6.02 LESSOR'S COVENENT TO GRANT EASEMENTS AND TO COOPERATE (FEMA) (AUG 2017)

The parties acknowledge that the Government's use of the property shall require construction and placement of improvements on the property to permit residential occupancy thereon by disaster assistance recipients. Such use shall also require the installation of sewer, water, electrical utilities, and such other amenities as may be necessary and/or convenient to establish and operate temporary housing facilities. Lessor agrees to reasonably cooperate with the Government in order to accomplish the establishment and operation of the temporary housing facilities, including, where required, securing permits, sign-offs and/or other approvals and government entitlements. Lessor further agrees to grant such easements, rights of way, and other rights of use and or access in and to any portion(s) of Lessor's property (including property not included within the demised premises leased to the Government under this Lease) as may be necessary and/or convenient to accomplish the installation and operation of utilities, roadways for ingress and egress, and other amenities related to the temporary housing facilities, including, but not limited to the grant of a blanket-easement to utility providers and or other service providers. Lessor also agrees to execute such other and further documents, or perform such other acts, as may be necessary to carry out the provisions of this section.

6.03 TAX CONSEQUENCES (FEMA) (AUG 2017)

Lessor agrees that, should any ad valorem or other tax consequence arise from the Government's use of the property, and installation of improvements thereon, Lessor shall bear all responsibility therefore. Lessor acknowledges and agrees that Lessor's obligation under this section is supported by consideration from the Government under this Agreement.

6.04 DUE DILIGENCE INSPECTION PERIOD (FEMA) (AUG 2017)

The Government may enter the property before the commencement date of the Lease to inspect the property and to perform an environmental review. If, within the first thirty days following the commencement date of the Lease, the Government determines, in its sole discretion, that the property is not suitable for its intended purposes or that there are hazardous materials or other materials in or on the property, the Government shall have the right to cancel this Lease by providing written notice to the Lessor, in which case no rental or other payment shall be due and owing. If the Government is unable to perform an inspection and environmental assessment during the first thirty days following the commencement date of the Lease, its right to cancel this Lease as set forth in the preceding sentence shall be extended for fifteen days after it enters the property. Upon termination there shall be no further rights or liabilities on the part of either Lessor or the Government.

6.05 RIGHTS AND OBLIGATIONS (FEMA) (AUG 2017)

All rights, responsibilities and obligations of the Government as Lessee hereunder shall be deemed to be those of FEMA, so that any claim by the Lessor against the Government or other enforcement by the Lessor of any of its rights under the Lease shall be taken by the Lessor against FEMA, and any claim by the Government against the Lessor or other enforcement by the Government of any of its rights under the Lease shall be taken by FEMA. Any communications or notices under the Lease by the Lessor to the Government shall be addressed to the Government point of contact at FEMA set forth above.

6.06 FEMA INVOICING INSTRUCTIONS (FEMA) (AUG 2017)

Payment of monthly rental shall be made in arrears. Lessors must submit an invoice at the end of each month to:

Regular Mail: FEMA FINANCE CENTER PO Box 9001 Winchester, Virginia 22604
Express Mail: FEMA FINANCE CENTER 430 Market Street, Winchester, Virginia 22603
Email Address: FEMA-FINANCE-VENDOR-PAYMENTS@FEMA.DHS.GOV

To ensure timely processing, invoices for disaster leases should include the following information:

- Request for payment on company letterhead
- Lease Number (**GS-09P-LCA-00568**)
- Disaster Number (**DR-4407-CA**)
- 146-0-2 Document Control Number (**TBD**)
- An Invoice Number and Date
- The Period of Performance for Services Rendered

The funds are paid by Electronic Funds Transfer (EFT) based on the information provided in the Lease and on the invoice. The normal processing time for rental payment is 5 to 30 days from receipt at the National Finance Center. If the Lessor has not received payment, he or she should contact: FEMA Finance Main Line 540-504-1900

6.07 FEMA LEASE CONTACT INFORMATION (FEMA) (AUG 2017)

Government points of contact for this lease are:

Primary: Jeremy Swartz, FEMA Logistics Manager
Telephone: (202) 309-2589 (Cell)

Alternate: Rick Nygren, GSA Contracting Officer
Telephone: (415) 317-2197 (Cell)

6.08 GENERAL CLAUSE SUBSTITUTIONS (FEMA) (OCT 2018)

The following clauses of GSA Form 3517, attached to this Lease, are hereby deleted in their entirety and the following is inserted in lieu thereof:

- A. 52.204-7 SYSTEM FOR AWARD MANAGEMENT (JUL 2013) is replaced with 52.204-7 SYSTEM FOR AWARD MANAGEMENT (OCT 2018) ALTERNATE I (OCT 2018)
- B. 52.232-33 PAYMENT BY ELECTRONIC FUNDS TRANSFER-SYSTEM FOR AWARD MANAGEMENT (JUL 2013) is replaced with 52.232-34 PAYMENT BY ELECTRONIC FUNDS TRANSFER-OTHER THAN SYSTEM FOR AWARD MANAGEMENT (JUL 2013)

6.09 LAND IMPROVEMENTS (FEMA)(AUG 2017)

The Lessor shall complete the following improvements within 10 calendar days before occupancy:

- A. INSTALL MASTER WATER, SEWER, AND ELECTRICAL METERS TO SERVE THE PREMISES

6.10 AUTOMATIC RENEWAL – MONTH TO MONTH (FEMA) (AUG 2017)

If the Government, with the knowledge and consent of Lessor, continues to remain in or on the Property after the expiration of the Lease term, the Government shall become a tenant from month to month, upon the same terms and conditions.

**Attachment 6.02 LESSOR'S COVENANT TO GRANT EASEMENTS
AND TO COOPERATE (FEMA)**

In furtherance of the purposes of this Lease, the Government of the United States shall provide the following infrastructure improvements to service and facilitate the Gridley Camp Fire Community:

1. Signalized and improved traffic intersection at the intersection of California State Highway 99 and West Liberty Road;
2. Grading and drainage improvements to the property including, but not limited to a water retention pond to be located generally in the southwest corner of the site;
3. Extension and street improvements of Independence Drive (generally running from north to south) to connect with West Liberty Road and Kentucky Street easement at the edge of adjoining real property (generally known and referred to as the Cannery Property);
4. Paving of the East/West access road at Industrial Park Drive;
5. Vermont Street Extension to the Camp Fire Community site;
6. Installation of appropriate permanent wall or fencing along the railroad rail line property located generally along the easterly boundary of the Camp Fire Community site;
7. Installation of appropriate security fencing (minimum 6 ft in height) around remaining perimeter of Camp Fire Community site;
8. Installation of appropriate looked water system improvements necessary to connect the Camp Fire Community site to LESSOR's municipal water system in order to enhance onsite well water delivery in order to assure sufficient and reliable water delivery pressure for residential and required fire hydrant use within the community.
9. Any and all electrical utility equipment improvements necessary to provide alternate electrical feed and delivery to the Camp Fire Community site within the underground trenching within Kentucky Street established during the looping of LESSOR's municipal water delivery system to the community;
10. Open "Green Spaces" to be located generally in the southeast and northwest corners of the Camp Fire Community site. The southeastern green space located near the entrance to the community shall include an improved graded and graveled parking area to accommodate visitors to the community;

11. All appropriate street lighting throughout the Camp Fire Community site;

12. Installation of sewer collection system improvements necessary in order to connect to LESSOR's current existing sewage lift station located adjacent to California State Highway Route 99;

13. Provision and installation, as necessary, of appropriate temporary classroom school facilities and improvements upon lands other than those of LESSOR as designated by the appropriate educational system providers and agencies;

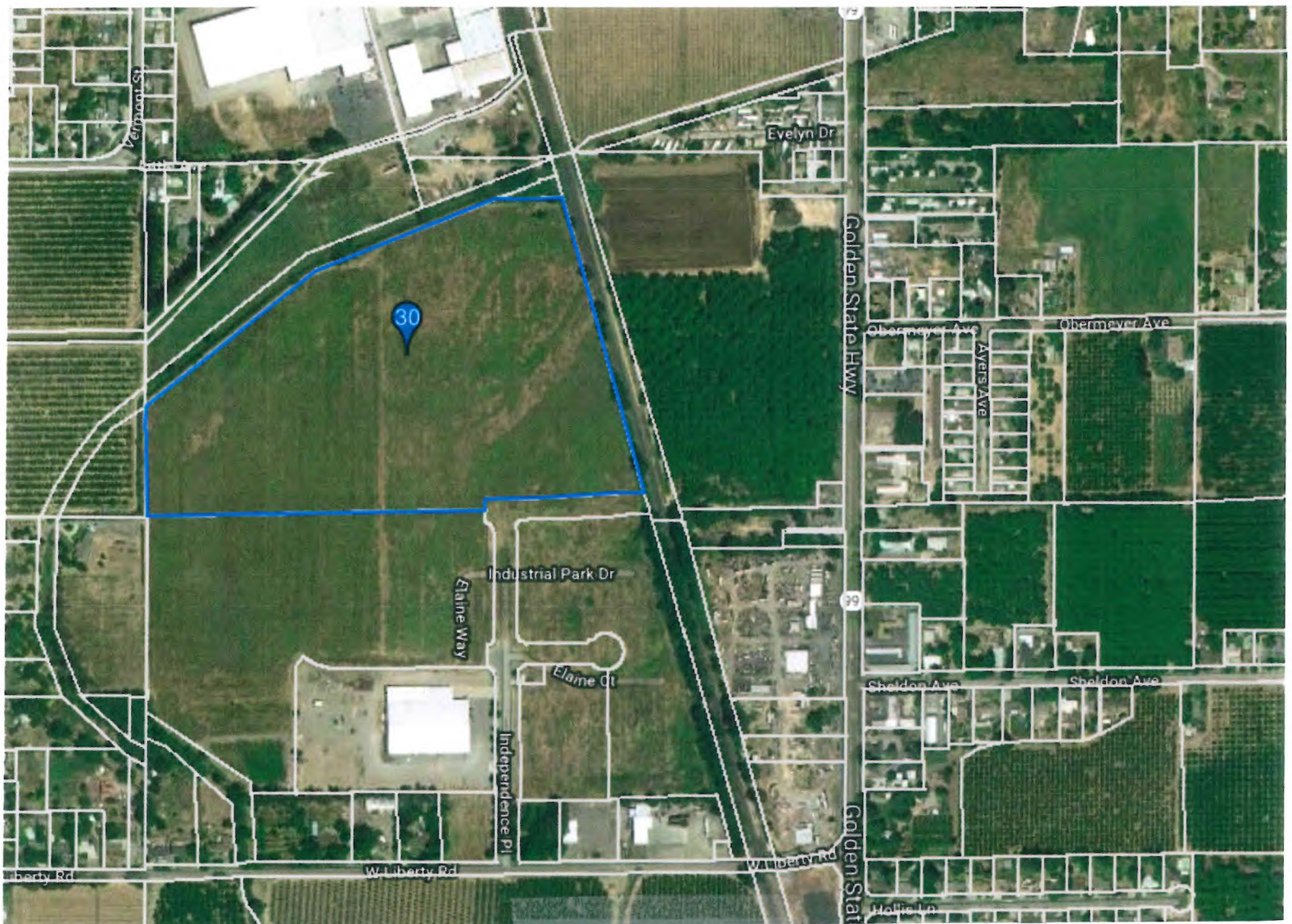
14. Installation of street and pedestrian access through adjoining privately owned cannery site to connect Independence Drive and Kentucky Street in order to provide safe pedestrian access for Camp Fire Community site residents to schools and other areas within the City of Gridley;

15. Ringed asphalt trail around the outer edge of the Camp Fire Community site for security patrols and recreational use by community residents (walking, bicycling, etc.).

FEMA on behalf of the Government of the United States working with LESSOR and the City of Gridley's engineers, planners and operational staff shall provide and cooperate in such additional details and specifications required for each of the above-listed improvements to the Camp Fire Community site.

Approved by Lease Contracting Officer on behalf of United States Government: _____(int.)

Approved by LESSOR: _____(int.)

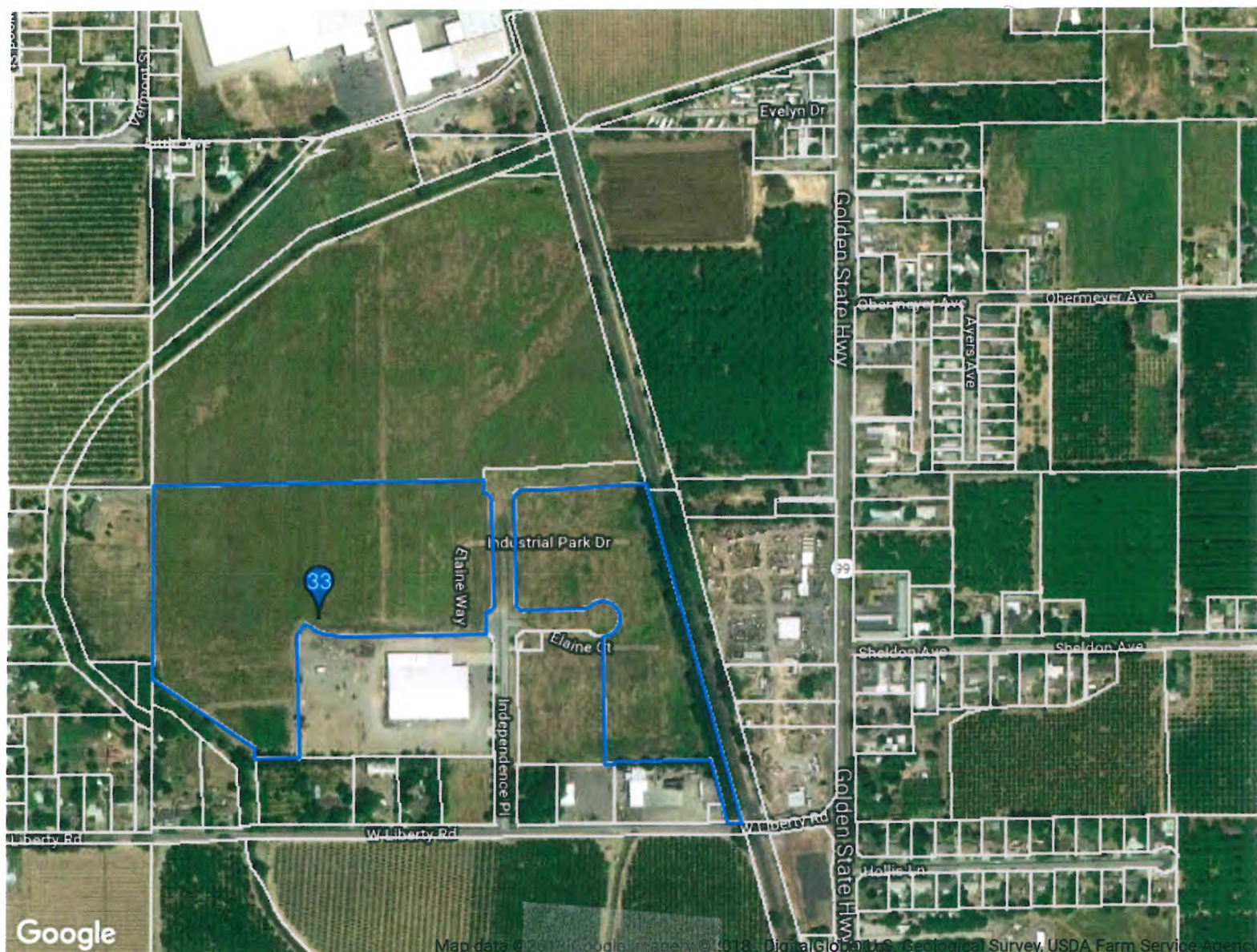


Ownership

County: **BUTTE, CA**
Assessor: **DIANE BROWN, ASSESSOR**
Parcel # (APN): **021-240-027-000**
Parcel Status: **ACTIVE**
Owner Name: **CITY OF GRIDLEY**
Mailing Address: **685 KENTUCKY ST GRIDLEY CA 95948**
Legal Description: **REST OF REM PM 162-84/86**

Property Characteristics

Bedrooms:	Fireplace:	Units:
Baths (Full):	A/C:	Stories:
Baths (Half):	Heating:	Quality:
Total Rooms:	Pool:	Building Class:
Bldg/Liv Area:	Park Type:	Condition:
Lot Acres: 35.310	Spaces:	Site Influence:
Lot SqFt: 1,538,103	Garage SqFt:	Timber Preserve:
Year Built:		Ag Preserve:
Effective Year:		

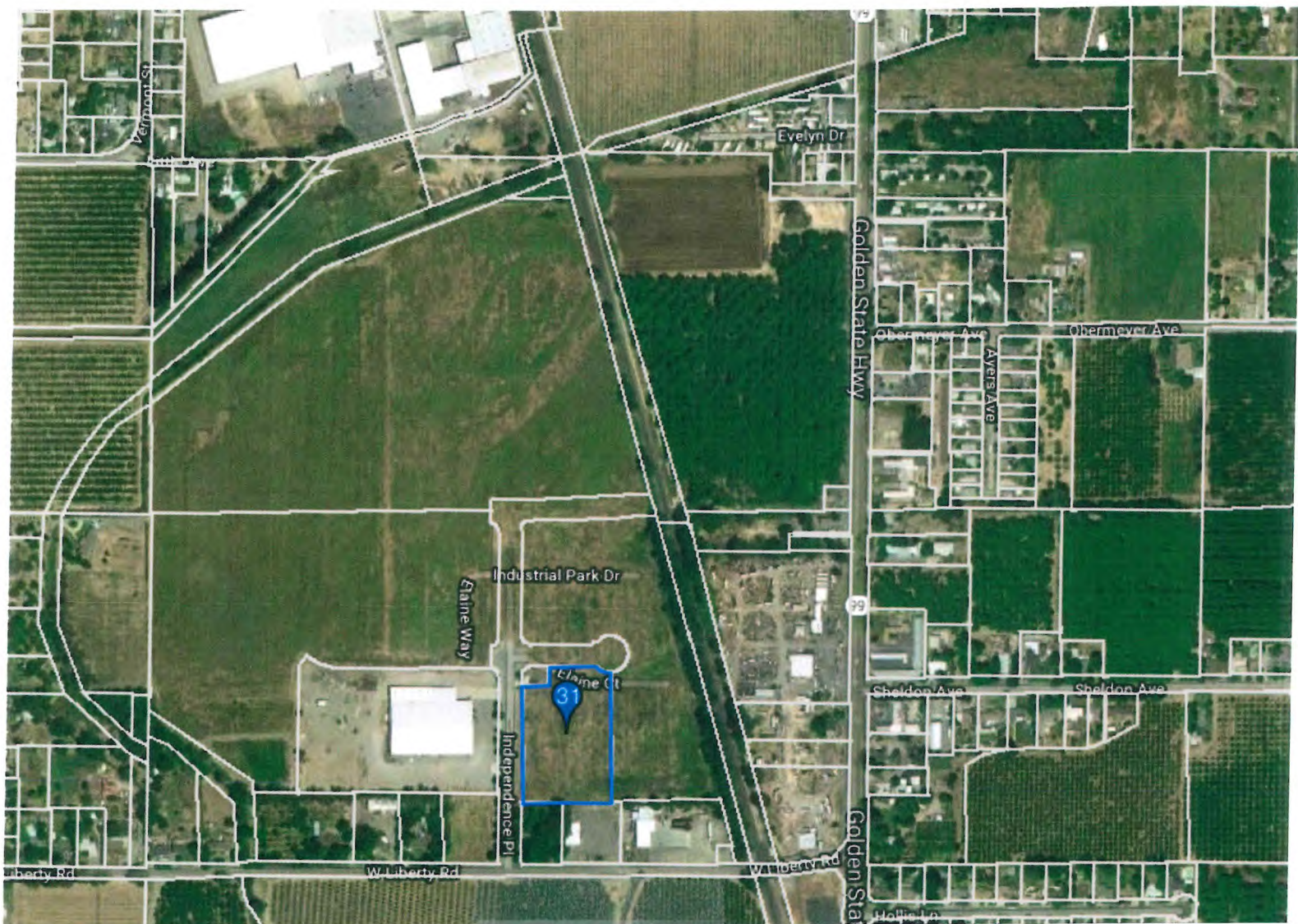


Ownership

County: **BUTTE, CA**
 Assessor: **DIANE BROWN, ASSESSOR**
 Parcel # (APN): **021-270-042-000**
 Parcel Status: **ACTIVE**
 Owner Name: **CITY OF GRIDLEY**
 Mailing Address: **685 KENTUCKY ST GRIDLEY CA 95948**
 Legal Description: **PTN REM OF PM 162-84/86 W LIBERTY RD**

Property Characteristics

Bedrooms:	Fireplace:	Units:
Baths (Full):	A/C:	Stories:
Baths (Half):	Heating:	Quality:
Total Rooms:	Pool:	Building Class:
Bldg/Liv Area:	Park Type:	Condition:
Lot Acres: 33.470	Spaces:	Site Influence:
Lot SqFt: 1,457,953	Garage SqFt:	Timber Preserve:
Year Built:		Ag Preserve:
Effective Year:		



Ownership

County: **BUTTE, CA**
Assessor: **DIANE BROWN, ASSESSOR**
Parcel # (APN): **021-270-040-000**
Parcel Status: **ACTIVE**
Owner Name: **CITY OF GRIDLEY**
Mailing Address: **685 KENTUCKY ST GRIDLEY CA 95948**
Legal Description: **LOT 2 PM 162-84/86 W LIBERTY RD**

Property Characteristics

Bedrooms:	Fireplace:	Units:
Baths (Full):	A/C:	Stories:
Baths (Half):	Heating:	Quality:
Total Rooms:	Pool:	Building Class:
Bldg/Liv Area:	Park Type:	Condition:
Lot Acres: 3.610	Spaces:	Site Influence:
Lot SqFt: 157,251	Garage SqFt:	Timber Preserve:
Year Built:		Ag Preserve:
Effective Year:		