



ORIGINAL

**Professional Services Contract between Richland County Government
and Carolina Small Business Development Fund (CSBDF)**

WHEREAS, Richland County (hereinafter referred to as the **County**) is participating in a program to provide Federal assistance under the Federal Notice of Hurricane Joaquin, Community Development Block Grant Disaster Recovery (hereafter referred to as CDBG DR); and WHEREAS, Carolina Small Business Development Fund (hereinafter referred to as **Subrecipient**) will provide management, oversight and approvals of business assistance to local businesses impacted by the **Flood Event of October 2015**, to businesses located within the unincorporated Richland County.

NOW, THEREFORE in consideration of the mutual covenants and obligations herein contained, including the Attachments, and subject to the terms hereinafter stated, the parties hereto understand and agree as follows:

Contract Goals: The **Subrecipient** agrees to assist businesses with working capital, inventory replacement and/or other approved business assistance to businesses located in unincorporated Richland County. The funds provided for herein will be used as prescribed in 24 CFR 570.201(c).

1.2 Program Schedule/Contract Agreement Period:

1. This Professional Services Contract is made and entered into **this 15th Day of November, 2018**.
2. Termination of the Contract will occur automatically upon the expiration of the Contract period, which is **November 30, 2020**, or if one of the parties provides notification of termination of the Contract within fourteen (14) business days to the other contract party.
3. The program schedule agreed to between the **Subrecipient** and the **County** is a timetable for the **Subrecipient** to follow in completing the project. The project shall progress according to the program schedule attached as **Addendum B**.
4. **Subrecipients** are required to submit **monthly performance reports** on program/project status and activities through project completion, by the 15th of each month.
5. CDBG-DR awards may be terminated at any time prior to the award expiration date due to documented absence of program/project productivity. The **County** will make this determination based upon evidence of insufficient program and/or financial progress, tardiness or non-existent drawdown requests, or other factors as deemed appropriate by the **County**.

- 1.3 Award:** Upon execution of this Contract, the **County** agrees to provide to **Subrecipient** Federal assistance under the Housing and Community Development Act of 1974, known as the Community Development Block Grant or CDBG Program, subject to the terms and conditions of this Agreement, applicable Laws, regulations and all other Federal and **County** requirements now or hereafter in effect. This Agreement is effective with respect to such assistance as of the date of the Agreement and consists of the Agreement included as Attachment I, as approved by the **County**. The **County** has allocated **One Million Fifty Thousand Dollars (\$1,050,000.00)** for the scope of work described throughout this Contract and by

executing this Contract agrees to award said amount to **Subrecipient**. This Contract cannot exceed this allocated amount.

1.4 Scope of Work/Conditions:

1. **Subrecipient**, in accordance with the terms of this Contract, shall perform all professional services (obligations, duties, requirements, and responsibilities required for the successful completion of this Contract) which are further outlined in **Subrecipient's** proposal (**Attachment I**), with such document being attached hereto and incorporated herein by reference.
2. **Subrecipient** will perform the work necessary to affirmatively market to attract persons that meet HUD income eligibility requirements without regard to race, color, national origin, sex, religion, familial status or disability.
3. **Sub-recipient** will manage business assistance for a minimum of fourteen (14) businesses within the unincorporated areas of Richland County. The **Subrecipient** will provide business assistance as outlined within **Attachment I**. In exchange, the **County** will provide financial payment to the **Subrecipient** in the form of programmatic funds to benefit these businesses not to exceed \$950,000.00h. An administrative fee will be provided by the **County** to the **Sub-recipient** for (a) initial program set up and marketing fee (not to exceed \$16,000 of the Administrative Fee) and (b) for a benchmark fee for each loan closed. The total administrative fee will not exceed \$100,000.00. **Subrecipient's** Contractual Agreement Completion is defined by the success closing of commercial loans and appropriate reporting and tracking of job availability/creation/retention.
4. **Subrecipient** will provide monthly progress reports to the **County**, due the 15th of each month, including budget amendments (if requested), detailed progress on each beneficiary and overall program, and time delays or potential problems. The monthly progress report will be an evolving document as the project moves forward. **The report will include information requested as listed in Addendum B the business component.**
5. The professional services and work tasks will be performed in the manner proposed as outlined within this agreement.

1.5 Budget: The project budget (**Addendum A**) and sections throughout this Contract show funding sources and uses of funds. The **Subrecipient** shall notify the **County** in writing of any budget revision.

1.6 Financial Commitments: **Subrecipients** using CDBG funds in conjunction with other funding sources must submit executed commitments of all other financial sources to the **County** not later than **90 days from date of execution of this Contract**.

1.7 Prohibited Activities

The **Subrecipient** is prohibited from using CDBG funds for the following uses:

1. General government expenses. Except as otherwise specifically authorized under OMB Circular A-87, expenses required to carry out the regular responsibilities of the unit of general local government are not eligible for assistance under this part.
2. Political activities, such as lobbying, campaigning, etc.
3. Furnishings and personal property. The purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property not an integral structural fixture is generally ineligible.
4. Maintenance and repair of publicly owned streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, centers for persons with disabilities, parking, and other public facilities and improvements.

5. Costs charged to local governments for preparation of their audits.

Costs that are not included in the above list **MUST** be approved by the **County** in advance.

1.8 Release of Funds: The **County** will conduct the broad-level environmental review and the **Subrecipient** will conduct the site-specific reviews and maintain them in the file. Both review levels must be completed prior to payment release of funds.

The following conditions must be met **before** requests for funds can be made or funds will be released:

1. Any changes or modifications to program or activities after executing this Contract must be in writing and approved by the **County**.
2. The **County** has received all approved monthly reports.
3. **Subrecipient** must submit all supporting documentation with the request for payment in order to receive payment. Payment requests should be submitted on a monthly basis.

1.9 Program Limitations:

1. Program Participants: Program participation is limited to individuals who are determined to be very low, low to moderate income.

2.1 – 2.10 Other Federal Requirements

2.1 General Requirements: The **Subrecipient** agrees to conform to all federal and state regulatory requirements covered in the following sections 2.1 – 2.10, as well as all other applicable state and federal laws or regulations, whether cited herein or not. The Federal and **County** requirements include: nondiscrimination and equal opportunity; disclosure requirements; debarred, suspended or ineligible contractors; and drug-free workplace.

The award and Contract is made available in conformity with the non-discrimination and equal opportunity requirements set forth in 24 CFR Part 511.10(m), as follows:

1. The requirements of Executive Order 11063, and with Title VI of the Civil Rights Act of 1964, 42 USC 2000d. as amended by Executive Order 12259 (3 CFR, 1959–1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307). The Act prohibits discrimination against individuals on basis of race, color, religion, sex or national origin in the sale, rental, leasing or other disposition of residential property, or in the use or occupancy of housing assisted with Federal funds.
2. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, 42 USC 6101-07, and the prohibitions against discrimination against handicapped individuals under Section 504 of the Rehabilitation Act of 1973, 29 USC 794.
3. The nondiscrimination requirements at Section 282 of the Act are applicable.

Nondiscrimination and equal opportunity: *The Fair Housing Act* (42 U.S.C. 3601–19) and implementing regulations at 24 CFR part 100 *et seq.*; The Act prohibits the discrimination in the sale or rental of housing, the financing of housing or the provisions of brokerage services against any person on the basis of race, color, religion, sex, national origin, handicap or familial status.

Title II of the Americans with Disabilities Act of 1990: Requires that State and local governments (1) may not refuse to allow a person with a disability to participate in a service, program, or activity simply because the person has a disability; (2) must eliminate unnecessary eligibility standards or rules that deny individuals with disabilities an equal opportunity to enjoy their services, programs or activities unless

"necessary" for the provisions of the service, program or activity; (3) are required to make reasonable modifications in policies, practices, and procedures that deny equal access to individuals with disabilities, unless a fundamental alteration in the program would result; (4) must furnish auxiliary aids and services when necessary to ensure effective communication, unless an undue burden or fundamental alteration would result; (5) may provide special benefits, beyond those required by the regulation, to individuals with disabilities; (6) may not place special charges on individuals with disabilities to cover the costs of measures necessary to ensure nondiscriminatory treatment, such as making modifications required to provide program accessibility or providing qualified interpreters; (7) shall operate their programs so that, when viewed in their entirety, they are readily accessible to and usable by individuals with disabilities.

Architectural Barriers Act of 1968: The ABA requires access to facilities designed, built, altered, or leased with federal funds. CDBG **Subrecipients** are responsible for ensuring compliance with Uniform Federal Accessibility Standards (UFAS) when designing, constructing, altering or leasing facilities.

2.2 **Workers' Compensation**

The **Subrecipient** shall provide Workers' Compensation Insurance coverage in accordance with South Carolina Law for all its employees involved in the performance of this Contract. The Subrecipient is required to provide documentation of Workers' Compensation Insurance to the **County**.

2.3 **Insurance and Bonding**

The **Subrecipient** shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the **County**. The **Subrecipient** shall comply with the bonding and insurance requirements of 24 CFR 84.31 and 84.48, Bonding and Insurance. The Subrecipient is required to provide documentation of Insurance and Bonding to the **County**.

2.4 **Disclosure Requirements**

The **County** prohibits **Subrecipients** of Federal funds, whether grants, contracts, or cooperative agreements, from using these funds to lobby to obtain, extend, or modify a Federal award. The regulation is intended to prevent the use of Federal funds for lobbying, and to monitor the lobbying expenditures of Federal funds Participants. Even though the **Subrecipient** of a Federal award is legally the institution, individuals who are employed by the institution are also specifically included in the regulation. The regulation also requires that **Subrecipients** of Federal funds who use non-Federal funds for lobbying purposes report those activities to the awarding agency.

Subrecipients may not use federal funds to influence or attempt to influence any member of the Executive or Legislative branches of government (including any agency employee) for the purpose of securing a grant, contract, or cooperative agreement or an extension, renewal or modification of the foregoing. Charging travel expenses to a Federal award or drawing salary from a Federal award while attempting to influence the awarding of Federal funds for a specific program is defined as lobbying, and is prohibited. **Subrecipients** may neither make such expenditures nor hire paid lobbyists to do so on their behalf.

2.5 **Debarred, Suspended, or Ineligible Contractors and Participants:** The prohibitions at 2 CFR Part 24 on the use of debarred, suspended, or ineligible contractors and participants, state that, CDBG funded projects may not employ any contractors or subcontractors that have been debarred or suspended from participating in federally funded programs. CDBG **Subrecipients** are responsible for determining whether they are

entering into a covered transaction with an excluded or disqualified person. A listing of debarred contractors can be found on the Excluded Parties Listing System's (EPLS) web-site at www.epls.arnet.gov/index. All procured contractors and subcontractors awarded contracts in excess of \$100,000 and all non-procured transactions in excess of \$25,000 must submit the "Debarment Certification Form" certifying that they are not included on the Excluded Parties Listing System and are eligible to participate in federally assisted projects. This extends the coverage of the HUD non-procurement suspension and debarment requirements to all lower tiers of subcontracts under covered non-procurement transactions, as permitted under the OMB guidance at 2 CFR 180.220(c)

2.6 Drug-Free Workplace: The Drug-Free Workplace Act of 1988 (41 U.S.C. 701, *et seq.*) and HUD's implementing regulations at 24 CFR Part 21.

Subrecipients are required to provide a drug-free workplace by taking the following steps. **Subrecipients** and its third party contractors failing to meet these requirements will be subject to penalties:

1. Publish and give a policy statement to all covered employees informing them that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the covered workplace and specifying the actions that will be taken against employees who violate the policy.
2. Establish a drug-free awareness program to make employees aware of: a) the dangers of drug abuse in the workplace; b) the policy of maintaining a drug-free workplace; c) any available drug counseling, rehabilitation, and employee assistance programs; and d) the penalties that may be imposed upon employees for drug abuse violations.
3. Notify employees that as a condition of employment on a Federal contract or grant, the employee must: a) abide by the terms of the policy statement; and b) notify the employer, within five calendar days, if he or she is convicted of a criminal drug violation in the workplace.
4. Notify the contracting or granting agency within 10 days after receiving notice that a covered employee has been convicted of a criminal drug violation in the workplace.
5. Impose a penalty on or require satisfactory participation in a drug abuse assistance or rehabilitation program by any employee who is convicted of a reportable workplace drug conviction.
6. Make an ongoing, good faith effort to maintain a drug-free workplace by meeting the requirements of the Act.

2.7 Environmental Review: 24 CFR 92.352

The **Subrecipient** agrees that the environmental review for this activity will be carried out and assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR Parts 50 and 58. 3. A HUD written approval for release of funds is required PRIOR to release of these contract funds.

No project funds will be advanced, and no costs can be incurred, until an environmental review has been completed for each proposed project site and/or activity as required under 24 CFR Part 58. The **Subrecipient** will submit a Site-Specific Environmental to the **County (Attachment C)**, where required by the **County**. The **Subrecipient** will adhere to the conditions of the Environmental Review and provide to the **County** additional documentation of mitigation actions and/or details of project modification if so required.

2.8 **Federal Labor Standards:** 24 CFR 570.603. The Subrecipient agrees to conform to all the labor requirements regarding laborers and contracts.

2.9 **Prevailing Wage Rates (Construction) Contract Provisions:** All contracts in excess of \$2,000 entered into for the actual construction, alteration and/or repair including painting and decorating of a public building or public work, or building or work financed in whole or part by federal funds are subject to and must include the labor standards provisions of 29 CFR Part 5.5, Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction.

Davis-Bacon and Related Acts: Subrecipients with eight (8) or more CDBG-assisted units under one (1) contract agree to conform to the Davis-Bacon and Related Acts. Davis-Bacon and the related labor acts ensure that mechanics and laborers employed under federally-assisted contracts are paid wages and benefits equal to those that prevail in the locality in which the work is performed. This Act also provides for the withholding of funds when the Subrecipient is not in compliance. Apprentices enrolled in bona fide apprenticeship programs are exempt from wage requirements.

The Subrecipient agrees to submit any and all Davis-Bacon reports (Certified Payrolls, Employee Interviews Forms, etc.) required by HUD or the County on the dates mentioned in this Contract or upon request. The Subrecipient also agrees to submit any information requested regarding Department of Labor Standards regulations pertaining to the labor standards and HUD handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs). The Subrecipient agrees that it will conform to the requirements that include but are not limited to the following:

- a. Prevailing Wage Rate Contract(s) must contain the wage provisions, which includes construction and non- construction cost, or housing.
- b. Payrolls will be submitted weekly to the County.
- c. Payroll compliance statements will be provided with official signature that is original.
- d. Subrecipients will identify first and final payroll for the project.
- e. Subrecipients will provide payroll(s) to include the following: contractor/subcontractor name, business address, project name and number, week ending date, day and date for each day in the workweek, employee name (employee address and SSN the first time employee shows up on a payroll only), employee work classification, rate of pay, straight/overtime hours worked per day, per week on THIS project, gross wages, deductions from wages, and net pay.
- f. County will conduct periodic employee interviews, as deemed appropriate.

Contract Work Hours and Safety Standards Act, as amended (40 U.S.C. 327-333): This Act provides that mechanics and laborers employed on federally assisted projects are paid time and one-half for work in excess of forty hours per week, and provides for the payment of liquidated damages when violations of these provisions occur. The Act also addresses safe and healthy working conditions.

Copeland (Anti-Kickback) Act (40 U.S.C. 276c): The Copeland Anti-Kickback Act governs allowable deductions from paychecks. Copeland makes it a criminal offense to coerce anyone employed on a federally assisted project to relinquish compensation to which he/she is entitled, and requires all contractors to submit weekly payrolls and statements of compliance.

Section 110 of the Housing and Community Development Act of 1974: as amended by Section 955 of the Cranston-Gonzalez National Affordable Housing Act which exempts from the wage rate requirements, individuals that perform services for which the individual volunteered; does not receive compensation for

such services, or is paid expenses, reasonable benefits, or a nominal fee for such services; and is not otherwise employed at any time in the construction work.

Fair Labor Standards Act of 1938, As Amended (29 U.S.C. 201, et seq.): The Fair Labor Standards Act establishes the basic minimum wage for all work and requires the payment of overtime at the rate of at least time and one-half for the entire time that an employee is required or permitted to work. It also establishes labor standards for children.

2.10 Religious Activities:

1. The **Subrecipient** agrees, as directly funded under the CDBG program, not to engage in inherently religious activities, such as worship, religious instruction, or proselytization as part of the assistance funded under the CDBG program.
2. The **Subrecipient** also agrees that religious activities such as worship, religious instruction, or proselytization will be offered separately, in time and location and is a voluntary decision of the beneficiary to participate. These separate religious activities cannot be funded by the CDBG program.
3. Religious organizations, in providing CDBG assistance, will not discriminate against program beneficiaries based on religious character, belief or affiliation.
4. CDBG funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities.

3.1 – 3.6 Accountability, Financial Management, Recordkeeping

3.1 Accounting Standards

The **Subrecipient** agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal financial controls, and maintain necessary source documentation for all costs incurred.

3.2 Cost Principles

The **Subrecipient** shall administer its program in conformance with OMB Circulars A-122, Cost Principles for Non-Profit Organization as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

3.3 General Audit Requirements: Audits will be conducted in accordance with 24 CFR 84.26 and 85.26.

CDBG Subrecipients that expend \$500,000 or more in total federal financial assistance in a year are responsible for obtaining an independent audit in accordance with the Single Audit Act of 1984 and OMB Circular A-133 as referenced at 24 CFR 84.26 and 85.26. The computation of the total of such assistance includes **all** federal funds received by the entity, and not just the amount in CDBG dollars. For purposes of determining the amount of federal assistance expended, all federal assistance shall be considered, including that which is received directly from a Federal agency, passed through a state or local government, passed through a non-profit organization, or any combination thereof.

If a **Subrecipient** expends **less than \$500,000 per year** in federal financial assistance, it is exempt from federal audit requirements. However, the **Subrecipient** must still have records available for review by the **County**.

If a Subrecipient has expended more than \$500,000 in a year under *only one federal program*, the Subrecipient may elect to have a program-specific audit conducted in lieu of a single audit. (A single audit is an audit that includes both the entity's financial statements and the Federal funds it has expended.) If the Subrecipient elects this option, the auditor(s) will perform the compliance testing for the individual grant program in accordance with OMB Circular 133, Subpart B—Audits -- Program-specific audits.

3.4 Recordkeeping Requirements of Section 24 CFR 570.490:

General: Each Subrecipient will establish and maintain sufficient records to enable the County to determine whether the Subrecipient has met project requirements. The Subrecipient must provide citizens, public agencies, and other interested parties with reasonable access to records, consistent with applicable state and local laws regarding privacy and obligations of confidentiality. HUD and the Comptroller General of the United States, and any of their representatives, have the right of access to any pertinent books, documents, papers or other records of the Subrecipient, in order to make audits, examinations, excerpts, and transcripts. Subrecipient agrees to create and/or maintain all of the records outlined in this section.

At a minimum, the following records are needed:

1. The source and application of funds for each project, including supporting documentation in accordance with 24 CFR 85.20. Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and sub-grant award documents, etc.
2. Records must be kept for each beneficiary assisted that demonstrates their eligibility, proof of class attendance and completion of the program, and proof of supportive services provided.

Financial Records 24 CFR 570.489 :

1. Records identifying the source and application of program income, repayments and recaptured funds.
2. Records demonstrating adequate budget control, including evidence of periodic account reconciliations.

Program Administration Records:

1. Records demonstrating compliance with the written agreements required by 24 CFR 570.503.
2. Records demonstrating compliance with the applicable uniform administrative requirements required by 24 CFR 570.502.

Records documenting required inspections, monitoring reviews and audits, and the resolution of any findings or concerns.

Records Concerning Other Federal Requirements:

1. Equal Opportunity and Fair Housing Records:
 - a) Data on the extent to which each racial and ethnic group and single-headed households (by gender of household head) have applied for, participated in, or benefited from, any program or activity funded in whole or in part with CDBG funds.
 - b) Documentation of actions undertaken to meet the requirements of 24 CFR Part 135 which implement Section 3 of the Housing Development Act of 1968, as amended (12 U.S.C. 1701u).
 - c) Documentation of the actions the Subrecipient has taken to affirmatively further fair housing.

2. Affirmative Marketing and MBE/WBE Records:

- a) Records demonstrating compliance with the affirmative marketing procedures and requirements of 24 CFR 570.601.
 - b) Documentation and data on the steps taken to implement the **Subrecipients** outreach programs to minority-owned (MBE) and female-owned (WBE) businesses including data indicating the racial/ethnic or gender character of each business entity receiving a contract or subcontract to be paid, with CDBG funds; the amount of the contract or subcontract, and documentation of participating jurisdiction's affirmative steps to assure that minority business and women's business enterprises have an equal opportunity to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction, and services.
3. Records demonstrating compliance with the environmental review requirements of 24 CFR 570.604 and 24 CFR Part 58, including flood insurance requirements.
4. Records demonstrating compliance with the lead-based paint requirements of 24 CFR Part 35, subparts A, B, J, K, and R of the title: LEAD-BASED PAINT POISONING PREVENTION IN CERTAIN RESIDENTIAL STRUCTURES.
5. Records supporting exceptions to the conflict of interest prohibition pursuant to 24 CFR 570.611.
6. Debarment and suspension certifications required by 24 CFR 570.609.

Period of Record Retention:

All records pertaining to each fiscal year must be retained for the most recent five year period, except as provided below.

1. Written agreements must be retained for five years after the agreement terminates.

If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period, records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.

- 3.5 **Performance Reports:** The **Subrecipient** agrees to submit the performance reports listed according to the prescribed Program Schedule provided in this Contract as found in **Addendum A**.

3.6 **Repayment of Funds:**

The **Subrecipient** agrees to monitor the business for the required terms and conditions per business award and agreements executed. In the event, the business defaults or becomes non-compliant with the terms and conditions agreed hereto, and the repayment of CDBG funds are required by HUD or the **County**; the **Subrecipient** will require repayment of CDBG funds invested from the assisted business. The **Subrecipient** will make a good-faith effort to collect invested or pro-rata invested share of a project funds which was terminated before completion (either voluntarily or involuntarily), or invested which failed to comply with the affordability requirements. The **Subrecipient** agrees to repay any CDBG funds invested by the **County**, in the event the project fails to comply with the income limit requirements. The **County** reserves the right, with appropriate written documentation, to make this determination.

4.0 **Performance Reviews:**

General. The **County** will review the performance of each **Subrecipient** in carrying out its responsibilities under this Contract whenever determined necessary by **County**. In conducting performance reviews, the **County** will rely primarily on information obtained from the **Subrecipient** and, as appropriate, the **Subrecipient's** records and reports, findings from on-site monitoring, audit reports, and information generated from the IDIS system established by HUD. Where applicable, the **County** may also consider relevant information pertaining to a **Subrecipient's** performance gained from other sources, including citizen comments, complaint determinations, audits and litigation. Reviews to determine compliance with

specific requirements of this written agreement will be conducted as necessary, with or without prior notice to the **Subrecipient**. Comprehensive performance reviews under this section will be conducted after notice to the **Subrecipient**.

4.0 a. Performance Review:

1. If the **County** determines preliminarily that a **Subrecipient** has not met a requirement of this section, the **Subrecipient** will be given notice of this determination and an opportunity to demonstrate, within the time prescribed by the **County** (not to exceed 30 days) and on the basis of substantial facts and data, that it has done so.
2. If the **Subrecipient** fails to demonstrate to the **County's** satisfaction that it has met the requirement, the **County** will take corrective or remedial action in accordance with this section.

Corrective and Remedial Actions: Corrective or remedial actions for a performance deficiency or breach of the requirements of this Contract will be designed to prevent a continuation of the deficiency; mitigate, to the extent possible, its adverse effects or consequences; and prevent its reoccurrence. The **County** may instruct the **Subrecipient** to submit and comply with proposals for action to correct, mitigate and prevent a performance deficiency or breach, including:

1. Preparing and following a schedule of actions for carrying out the affected activities, consisting of schedules, timetables, and milestones necessary to implement the affected activities;
2. Establishing and following a management plan that assigns responsibilities for carrying out the remedial actions;
3. Canceling or revising activities likely to be affected by the performance deficiency, thereby de-obligating the CDBG funds for the activities;
4. Repayment to the **County** of any amount not used in accordance with this Contract;
5. Suspending the **Subrecipient** from participating in CDBG and other **County** programs for a specific period of time.

4.0b. Program Suspension/Debarment:

Any of the following actions may result in suspension from participating in funding from any of the **County** administered programs for the time specified, but in any case up to a period of one (1) year:

1. Failure to complete a project/development by the completion deadline specified in the Contract and implementation schedule, will disqualify the applicant for a period of one (1) year.
2. Failure to complete or comply with the environmental review requirements as specified by 24 CFR Parts 50 and 58, as amended, will result in the disqualification of the applicant for the period of one (1) year.
3. Providing false or inaccurate certification that a development meets certain standards when, in fact, it does not, will result in the disqualification of the developer and the architect. The **County** will also file a complaint against the architect with the S.C. Department of Labor, Licensing and Regulation.

Permanent debarment:

1. Any **Subrecipient** who provides false or misleading information to the **County** with regard to a project seeking CDBG funds will be permanently debarred from further participation in the **County's** programs, in any capacity whatsoever, regardless of when such false or

misleading information is discovered. Any award allocation obtained on the basis of such false or misleading information shall be void. Each **Subrecipient** shall be given written notice by the Program Director stating the reason for which the sanction of debarment was imposed.

2. Any **Subrecipient** that provides a partnership formation and/or developer agreement, whether written or otherwise, that attempts to circumvent **County** requirements, will be permanently debarred from further participation in the **County** programs, in any capacity whatsoever, regardless of when the violation is discovered.

The **County**, in its sole discretion, may determine other acts to be infractions of the program that require suspension or debarment.

Funding Sanctions: Following notice and opportunity for consultation, the **County** may withhold, reduce or terminate the assistance where any corrective or remedial actions taken under 24 CFR 570.492 fail to remedy the **Subrecipient's** performance deficiencies, and the deficiencies are sufficiently substantial, in the judgment of **County**, to warrant sanctions.

5.0 Reversion of Assets: Upon expiration of the Contract, the **Subrecipient** must transfer to the **County** any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds.

5.0 Incorporation of The Code of Federal Regulations: The Subrecipient agrees to comply with all requirements as set forth in the Code of Federal Regulations:

**24 CFR Part 870 – Community Development Block Grants and
24 CFR Part 58 – Environmental Review Procedures (as amended)**

This agreement contains specific requirements from the Code of Federal Regulations. However, the failure to include certain other requirements should not be construed as an omission of these requirements. In instances where the **County's** requirements are more restrictive than the Code of Federal Regulations, the **County** requirements shall take precedence over the Federal regulations.

6.0 Amendment and Enforcement of the Contract:

Process for Amending the Contract: CDBG activities and projects may undergo changes during project implementation which may necessitate changes in scope, schedule or budget. In those cases, the **Subrecipient** will prescribe to the following process for changes to the Contract:

1. The **Subrecipient** shall provide a written request to include the appropriate documentation (i.e. sections of this contract) and identifiers regarding the project.
2. Requests will be reviewed by **County** staff for approval. In certain cases, the scope of the budget or cost change may merit additional underwriting or reviews for cost principle analysis as they relate to HUD's definition of cost reasonableness.
3. If the request is approved, a written amendment will be provided to the **Subrecipient** to be executed to reflect the approved changes to the original executed Contract.

Termination of the Contract: In the event that any of the provisions of this Contract are not met or the **Subrecipient** materially fails to comply with any term of the Contract, the following provisions and remedies for breach will be followed:

1. The **Subrecipient** may be suspended or debarred from participation in CDBG and other **County** programs.
2. The **Subrecipient** may be required to repay the CDBG funds and any other **County** funds invested in the project. The **County**, based upon various factors and documentation, will evaluate and make said determinations at such time, as deemed appropriate.

7.0 Hold Harmless

The **Subrecipient** shall hold harmless, defend and indemnify the County from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the **Subrecipient's** performance or nonperformance of the services or subject matter called for in this Contract.

8.0 Environmental and Conditions

The **Subrecipient** agrees to comply with all environmental conditions insofar as they apply to the performance of this agreement and under NEPA or National Environmental Protection Agency. These include but not limited to: Clean Air Act, 42 U.S.C; Flood Disaster Protection Act of 1973; Lead Based Paint at 24 CFR 570.608 and 24 CFR Par 35; Subpart B; and Historic Preservation Act of 1966.

9.0 Severability

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

10.0 Section Headings and Subheadings

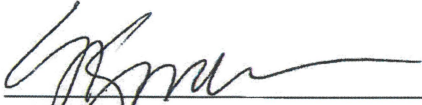
The section headings and subheadings contained in this Contract are included for convenience only and shall not limit or otherwise affect the terms of this Contract.

11.0 Waiver

The **County's** failure to act with respect to a breach by the **Subrecipient** does not constitute a waiver of its rights to act with respect to subsequent or similar breaches. The failure of the **County** to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

12.0 Entire Agreement

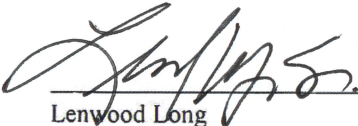
This agreement constitutes the entire agreement between the **County** and the **Subrecipient** for the award and use of funds received under this Contract and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the **County** and the **Subrecipient** with respect to this Contract.



Edward B. Gomeau
Interim County Administrator
Signature

12-5-18

Date

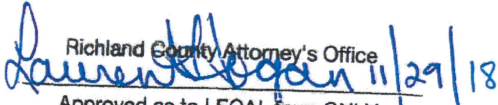


Lenwood Long
Carolina Small Business
CEO Signature

12/11/18

Date

Richland County Attorney's Office Signature or Stamp

Richland County Attorney's Office

Approved as to LEGAL form ONLY
NO Opinion Rendered As To Content



Attachment I

Richland County Government & Carolina Small Business Development Fund (CSBDF)

Community Development Block Grant (CDBG) Disaster Recovery (DR) - Business Assistance Program (BAP)

Overview

The BAP will provide business assistance to those eligible and affected by the October 2015 flooding event (Hurricane Joaquin) by making various financing options available.

Eligibility

- For-profit and Non-Profit businesses that were adversely impacted by the floods resulting from Hurricane Joaquin in October
- Business must provide documentation supporting the physical disaster loan is for the purpose of repairing or replacing physically damaged property owned by the business at the time of the 2015 natural disaster(s)
- Allowed Relocation Expenses of a business from one location within Richland County, SC to another approved location within Richland County, SC
 - Sustained and proven Economic Injury (as defined by Carolina Small Business) of approved business located within Richland County, SC due to the October 2015 flood event
- Businesses opened and operating at the time of application and at each disbursement period.
- Common ownership must be in place both pre-disaster and active post-disaster.
- If both a holding company and operating company have received disaster loans both are eligible for assistance.
- Commercial portion of a mixed-use facility is eligible.

- Refinancing and/or settlement of commercial business debt secured due to the October 2015 flood event
- Eligible Business Tenants (will copy of lease agreement) are allowed to apply if the lease agreement or other written agreement from owner allows property updates
- Residential facilities are not eligible.
- Business located within the boundaries of the City of Columbia are excluded from this program.

Ineligible Uses

- New Business start-up of a business that was not adversely impacted by the October 2015 Flood Event in Richland County, SC
- Businesses that were adversely impacted by a flood or other catastrophic event that was not the October 2015 Flood Event in Richland County, SC
- Second or additional locations of businesses within Richland County, SC
- Businesses desiring to relocate from inside Richland County, SC to another South Carolina county or state.

Uses

The BAP will provide flexible funding that focuses on addressing necessary rental assistance; loan interest supplements; equipment repair/replacement; and/or working capital. ADD - Working capital can be used to fund loan fees and withheld from proceeds.

Outreach Efforts

Outreach to those businesses impacted will be done in the various methods to include but not limited to: Promotional Flyers; Postings listed on both County and Sub-recipient's respective websites; targeted marketing efforts to 2015 flood-impacted areas.

Business Service Area

Businesses must be located within Richland County, excluding properties within the boundaries of the City of Columbia.

Intake Requirements

Businesses assisted will have to (a) provide required supporting documentation and (b) provide and/or make available 51% or more of its jobs to low and moderate income residents (80% or below AMI). See below for additional threshold requirements**

Required Intake Information to include, at a minimum:

- Completed and signed Sub-recipient Issued Business Application
- Business Owner Name and Property Address
- Proof of Disaster Impact to Business (ex: FEMA Letter Indicating Loss)
- Secretary of SC State Filing Records
- Business License and other Related Business Information
- Subrogation Form
- Duplication of Benefit Analysis/Affidavit
- Number of Employees per the Business
- Number of Employees that are 80% and below AMI

Income Verification

The Sub-recipient will require each business to submit the following for income verification:

- The most current 3 Years of Completed Tax Returns
- The most current 3 Years of Financial Statements (to include Income Statement, Balance Sheet and Cash Flow Statement)
- Most recent scored credit report from one of the major credit reporting agencies (Equifax, Experian or TransUnion).

Duplication of Benefits (DOB) Calculation

- Business has completed and submitted the required Consent and Release Form, Subrogation Agreement, and Duplication of Benefits Affidavit. This will determine the level of assistance and to ensure the amount of assistance does not exceed the need. This federal requirement must be completed and approved by the County prior to funding award by the Sub-recipient.

Funding

Total federal amount available for BAP is \$950,000. The minimum loan amount is \$15,000 per business owner. The maximum loan amount is \$75,000 per business owner. Based upon need and other factors, if the additional funding is necessary, applicants can leverage additional capital through the Sub-recipients (SCCLF Community Business Loan Program (additional requirements will apply). Contact SCCLF for additional information.

BAP Prioritization

Applicants seeking assistance will be processed by first come, first serve based upon determined grant/program eligibility. Eligibility requirements include an employee base of 51% minimum LMI individuals.

Terms

Loans will be structured as a DFL or Deferred Forgivable Loan for one (1) year for every \$25,000 or up to three (3) years for the maximum assistance of \$75,000, based upon the total loan amount received. The loan is offered at 0% interest rate for the full loan term, if additional criteria and threshold requirements are met or exceeded. Applicant is responsible for any paying associated loan closing costs, to include but not limited to attorney/closing attorney fees; origination fees; etc.

Borrower Repayment

Loans are deferred forgivable. No repayment is due unless the property is sold or leased within agreed loan term year(s) from the anniversary date of closing,

Default Conditions

Loan default conditions include business closure within the agreed loan terms years; commercial business non-compliance due to non-reporting; not making agreed number of jobs available to low to moderate income persons.

Timeline

Program will be marketed and begin by December 1, 2018 with last loan approved by end October 30, 2020, or until funds are depleted, or advertised federal amendment, whichever comes first. Contractual timeline is November 15, 2018 to November 30, 2020.

How to Apply

Download the BAP application form by clicking <https://carolinasmallbusiness.org/loans/apply-now/> or Contact Carolina Small Business Development Fund at XXX-XXX-XXXX.

For More Information

The BAP will be operated by the County sponsored Carolina Small Business Development Fund (CSBDF). For more information, please contact the Mr. Ron Fisher, BAP Program Manager, for additional details at 704-412-9061 or rfisher@carolinasmallbusiness.org

****Additional Threshold Requirements:**

- **Business must have been adversely impacted by the October 2015 flooding event.**
- **Proof of ownership at the time of October 2015 disaster occurrence**
- **Proof of all identified needs have not been met with other through other funding sources such as but not limited to: FEMA, SBA, etc. (Duplication of Benefits Calculation/Affidavit)**
- **Proof of Paid Current Property Taxes and/or Approved Tax Payment Plan**
- **Must comply with all monthly, quarterly and annual reporting requirements**
- **Must be a commercial building; national chains & franchises are ineligible.**

**Addendum A
Budget**

Budget: \$1,000,000.00 (CDBG-DR)

Program/Activity	Budgeted Costs	Expected Number to be Served
Business Loans to Eligible Applicants	\$900,000.00	Minimum of 14 businesses
Administrative Fee	\$100,000.00*	
	Breakdown :	
	\$16,000 (Initial Admin. Set Up)	
	\$6,000 (Per Business Assisted, Upon Loan Closing)	
Total Budget- not to exceed	\$1,000,000.00	

Marketed Program Activity Schedule:

Start Date: December 1, 2018

End Date: October 30, 2018

Estimated Contractual TimeLine

Subrecipient is to begin contractual activity no later than **November 15, 2018** and conclude all activity no later than **November 30, 2020**.

Request for Payments

The request is to include a signed and dated, itemized cover sheet on company letterhead, along with all supporting documentation. **Funds are to be requested congruent to business loan closings or monthly (at a minimum) until funds are depleted or the end of the award, whichever comes first.**

Performance Report Due Dates

Monthly reports are due on the 15th of each month beginning the month after funding is received. Reports are required even when there is no activity and shall reflect N/A, as deemed appropriate. Reports are to be both narrative and quantitative in nature and design. Before and After Photos, where deemed appropriate, are requested as well.

Measured Performance Outcomes:

- A minimum of (14) Business Loans made to eligible businesses adversely impacted by the October 2015 flood event in unincorporated Richland County.

**Addendum B
Reporting Data Form**

Subrecipient Report Forms are to be submitted no less than monthly and will include the following data:

- Date of Report (Month/Year)
- Accomplishments Narrative
- Total No # Actual Loans Closed _____
- Total No # of Businesses Assisted _____
- Total No# of persons employed by the businesses assisted _____
- Total No# of employees that are 80% and below LMI _____
- Income Level Breakdown: _____ 30% and below LMI ; _____ 31-50% LMI; _____ 51-80% LMI
- Racial/Ethnicity of Employees:
 - Racial : __ Blk __ White __ American-Indian __ Asian __ Pacific Islander __ Other
 - Ethnicity: _____ Hispanic/Latino _____ Non-Hispanic/Latino
- Total No# of employees that are Female Headed-Households _____
- Total No# of Jobs Retained _____
- Total No# of Jobs Created _____