

RESOLUTION NO. 12-176

WHEREAS, the U.S. Department of Housing and Urban Development has facilitated an assessment of community needs and the City of Decatur has developed a strategy for using the Community Development Block Grant (CDBG) Funds for the City of Decatur; and

WHEREAS, a portion of this grant is set aside for affordable housing activities; and

WHEREAS, the Decatur Community Development Partnership, Inc. (a Community Based Development Organization, CBDO) is instrumental in carrying out said activities.

NOW THEREFORE BE IT RESOLVED, by the City Council of the City of Decatur, Alabama that Mayor Don Stanford is hereby authorized to enter into a Sub recipient agreement for these affordable housing activities.

Adopted this the 18th day of June, 2012.

THIS AGREEMENT entered this **1st** day of **April**, 2012 by and between the City of Decatur administered by Community Development Department (herein called the "Grantee") and **Decatur Community Development Partnership, Inc. (CBDO)**(herein called the "Subrecipient").

WHEREAS, the Grantee has applied for and received funds from the United States Government under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383; and

WHEREAS, the Grantee wishes to engage the Subrecipient to assist the Grantee in utilizing such funds;

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

I. SCOPE OF SERVICE

A. Activities

The Subrecipient will partner with the Grantee to develop an Affordable Housing Program (AHP). The Subrecipient will be responsible for constructing affordable housing units to benefit low to moderate income (LMI) households as defined by the U.S Department of Housing and Urban Development (HUD) in a manner satisfactory to the Grantee and consistent with any standards required as a condition of providing these funds. The Subrecipient must comply with 24 CFR 570.204 related to a non-profit organization operating as a Community-Based Development Organization. During the contractual terms of this agreement, the Subrecipient must ensure the governing Board shall comply with 24 CR 570.204(C)(1)(IV) which states at least 51% of the governing Board must meet one of the three categories:

1. A resident of the geographic area of the CBDO's operation;
2. An owner or senior officer of a private establishment and other institutions located in and serving the CBDO geographic area of operation;
3. A representative of a low to moderate-income (defined by the HUD) neighborhood organization located in the CBDO's geographic area of operation.

To document the 51% criteria, each Board member must complete and sign a CBDO Certification Form (Exhibit A). A copy of the form must be forwarded to the Grantee to document compliance.

The geographic area of operation of Subrecipient shall be the Northwest Decatur Revitalization Strategy Area. (See Exhibit B) to illustrate the geographic boundaries.

The Affordable Housing Program will include the following activities eligible under the Community Development Block Grant program as cited in regulation 570.202(a) (2):

Program Delivery

The Subrecipient will administer an AHP to increase homeownership opportunities for low to moderate income households in Decatur. The AHP will be delivered by implementing the following activities with the use of Community Development Block Grant (CDBG) funds:

Activity #1 – Land Acquisition

The Subrecipient will have the option to acquire lots in the Seville Subdivision for new housing construction. As outlined in the Memorandum of Understanding (MOU) (see Exhibit D)

Activity #2 – Housing Construction

The Subrecipient is allowed to use funds to enter into a contractual agreement with contractors to construct new affordable housing units.

Activity #3 – Sale of Housing Unit

The Subrecipient will market and sell the units at its expense to LMI households that meet the eligibility criteria (see Exhibit C).

Activity #4 - Professional Services and Administrative Expenses

The Subrecipient may use the funds to pay for professional services that are required to effectively administer the AHP. Professional services may include but are not limited to legal, accounting, insurance premiums, office supplies, lawn maintenance, advertising, and other services required to administer the program. These uses shall be included in the cost estimate provided to Grantee on each proposed construction.

Activity #5 – Mortgage Financing

The Subrecipient will solicit partnerships with local financial institutions, NeighborWorks of America and others in an effort to leverage funds for mortgage financing for qualified applicants. The participating lender will provide or facilitate first mortgage permanent financing. The Grantee will assist the participating lender and qualified applicant by offering a subordinate loan equal to the value of the Seville lot used for construction of house which is under contract. This lot will serve as some or all of the required down payment by first mortgage lender at little or no interest or payments if qualifying conditions are met by qualified applicant.

The grantee will deed to the subrecipient an agreed upon lot for construction purposes. The grantee may provide funds for the construction of a single family house on this lot. If funds are provided, grantee will take a first and second mortgage from the

subrecipient until such time as the house is sold or debt paid. The grantee may subordinate its second mortgage and allow it to be assumed by a subsequent qualified applicant/purchaser of the house from the subrecipient under the following conditions:

There potentially will be no amortized payments for the first five (5) years for which a yearly 20% reduction of the balance will occur as long as qualified applicant meets all requirements of said 2nd mortgage. The 2nd mortgage will be released and satisfied at the end of the fifth year if all conditions of said mortgage have been met. In the event the qualified applicant for whatever reason does not occupy the home for the full five (5) year term or fails to meet all conditions of said 2nd mortgage, then the original loan amount will be due plus any interest and penalties. The full details of this benefit will be provided to all prospective qualified applicants.

All qualified applicants must receive prior approval from the mortgage lender to finance the first mortgage before the Grantee will approve a second mortgage loan.

Activity #6 – Homeownership Assistance

The Grantee may provide funds to assist with one of the following: 1) pay any or all of the reasonable closing costs associated with the home purchase on behalf of the purchaser; OR 2) pay up to 50% of the down payment required by the mortgagee for the purchase on behalf of the purchaser which may be combined with #5 above, in either case not to exceed \$4,500.00.

Homeownership assistance will only be provided to LMI applicants who qualify for Decatur H.O.M.E funds.

Activity #7 – Program Income

All proceeds generated from the sale of the unit will be reverted to the Grantee and recorded as CDBG program income which includes but is not limited to the following: 1) proceeds from the 1st mortgage financing; 2) proceeds from the 2nd mortgage if any; and 3) down payment proceeds from the purchaser as shown on HUD 1.

Program Goals:

The major goal of the Subrecipient's efforts under this Agreement is to increase homeownership opportunities for low to moderate income households in Decatur by constructing new affordable housing units. Contingent on funding availability, the Subrecipient will be required to construct two houses per year with the construction of the first home commencing in 90 days after the completion of the Seville Subdivision . To address the goals, the major tasks that the Subrecipient will perform include, but are not necessarily limited to the following:

1. **Outreach:** The Subrecipient will coordinate its efforts with the private sector by soliciting local banks, Neighbor Works of America, Decatur Housing Authority and

others to participate in the program. In addition, the Subrecipient will conduct sufficient advertisement, marketing, and other forms of outreach targeting low to moderate-income households to ensure that enough eligible applicants participate in the program to meet the Program's goal of 2 completed units,

2. **Intake/assessment of eligibility:** the Subrecipient will assist qualified applicants to secure financing upon the sale of the housing unit. Initial eligibility determination of household will be made by the Subrecipient on the basis of satisfaction of income requirements. See Section (I)(B) for documentation requirements, **with Final eligibility being made by the Grantee.**

General Administration

B. National Objectives

The Grantee and Subrecipient certify that the activities carried out with funds provided under the Agreement will meet one or more of the CDBG program's National Objectives - 1) benefit low/moderate income persons, 2) aid in the prevention or elimination of slums or blight, 3) meet community development needs having a particular urgency - as defined in 24 CFR Part 570.208.

The Subrecipient certifies that the activities carried out under this Agreement will meet low and moderate income housing national objective.

The benefit of low and moderate-income national objective will be documented as follows:

- **The Subrecipient will ensure that each homebuyer has completed the housing counseling certification program administered by the Grantee prior to entering into a contractual agreement for the sale of the housing unit.**
- **One hundred percent (100%) of the units must be sold to LMI households. The Subrecipient must document the household income and the Grantee must qualify the applicant before entering into a contractual agreement for the sale of the unit to document LMI benefit.**
- **The Subrecipient must document LMI benefit by documenting household size AND household income.**
- **Household income MUST be based on the gross income for all household members.**
- **A copy of each household member's social security card must be included in each file to document the household size.**
- **The Subrecipient will use the current HUD income limits that will be forwarded by the Grantee annually (Exhibit C).**

C. Levels of Accomplishment

The Grantee will measure the accomplishments of the Subrecipient on an annual basis.

D. Staffing

The Subrecipient must have adequate staff/consultant to implement and manage the development of the Affordable Housing Program. The staff of the City of Decatur's Community Development Division will provide technical assistance to the Subrecipient. The Subrecipient will operate as a Community Based Development Organization (CBDO) as outlined in HUD regulation 24 CFR 570.204 (see Exhibit A).

E. Performance Monitoring

The Grantee will monitor the performance of the Subrecipient against goals and performance standards required herein. Substandard performance as determined by the Grantee will constitute non-compliance with this Agreement. If action to correct such substandard performance is not taken by the Subrecipient within 30 days after being notified by the Grantee, contract suspension or termination procedures will be initiated.

II. TIME OF PERFORMANCE

Service of the Subrecipient shall start on the **1st** day of **April, 2012** and end on the **30th** day of **March, 2013**. The term of this Agreement and the provisions herein shall be extended to cover any additional time period during which the Subrecipient remains in control of CDBG funds or other assets, including program income. All activities should be completed and funds spent by the end of the term specified above. If the Grantee notices that funds are not being spent in a timely manner, funds may be recaptured after notifying the Subrecipient.

III. BUDGET

(The following constitutes the Budget for carrying out the activities of the agreement.)

Line Item:	Amount:
Housing Construction	\$100,000.00
Program Delivery	\$ 12,000.00
TOTAL	\$112,000.00

Cost of construction expenses shall include, but not be limited to labor, materials and other overhead expenses required for construction and approved by Grantee.

Any amendments to this budget must be approved in writing by the Grantee and the Subrecipient.

IV. PAYMENT

It is expressly agreed and understood that the total amount to be paid by the Grantee under this contract shall not exceed **\$112,000.00**. Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in Paragraph III herein and in accordance with performance. Expenses for general administration shall also be paid against the line item budgets specified in Paragraph III and in accordance with performance.

V. NOTICES

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

<u>Grantee</u>	<u>Subrecipient</u>
Allen Stover	_____ Director
City of Decatur	_____ Address
PO Box 488	_____ City/State/ZIP
Decatur, AL 35602	_____ Telephone
256-341-4960	_____ Fax Number
256-341-4969	_____ Email
agstover@decatur-al.gov	

VI. SPECIAL CONDITIONS

None

VII. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)). The Subrecipient also agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this contract.

B. Independent Contractor

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The Grantee shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Worker's Compensation Insurance as the Subrecipient is an independent subrecipient.

C. Insurance & Hold Harmless

The Subrecipient will be required to provide certificates of insurance showing that it carries, or has in force, non profit Directors and Officers' liability insurance and general liability insurance. Limits of liability for Directors' and Officers' liability insurance shall be, at a minimum, \$500,000 per occurrence/claim and \$500,000 aggregate. Limits of liability for general liability insurance shall be, at a minimum, \$500,000 per occurrence/claim, \$500,000 personal and advertising injury, \$500,000 general aggregate and \$500,000 products/completed operations aggregate. If the Directors' and Officers' and/or general liability insurance is written on a claims-made basis, coverage will be kept in force for a period of two (2) years following the termination of this agreement. The Subrecipient's insurance is primary. The Subrecipient is responsible for the payment of any deductibles or self-insured retentions.

The certificate of insurance shall provide the Grantee with the statutorily required written notice of cancellation of any of the coverage named in said certificate.

The Grantee will be named as additional insured under the Subrecipient's general liability insurance policy and all other insurance policies related to any activities under this agreement. If the Subrecipient sub contracts any of its responsibilities under this agreement then the sub-contractor or builder must comply with this paragraph C.

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

D. Worker's Compensation

The Subrecipient shall provide Worker's Compensation Insurance coverage for all of its employees involved in the performance of this contract.

E. Grantor Recognition

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

F. Amendments

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

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

G. Suspension or Termination

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

The Grantee may also suspend or terminate this Agreement, in whole or in part, if the Subrecipient materially fails to comply with any term of this Agreement, or with any of the rules, regulations or provisions referred to herein; and the Grantee may declare the Subrecipient ineligible for any further participation in the Grantee's contracts, in addition to other remedies as provided by law. In the event there is probable cause to believe the Subrecipient is in noncompliance with any applicable rules or regulations, the Grantee may withhold up to fifteen

(15) percent of said contract funds until such time as the Subrecipient is found to be in compliance by the Grantee, or is otherwise adjudicated to be in compliance.

VIII. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with Attachment F of OMB Circular A-110 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Subrecipient shall administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-121, "Cost Principles for Educational Institutions," as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis. The applicable sections of 24 CFR Part 85, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," and OMB Circular A-87 also applies.

B. Documentation and Record Keeping

1. Records to be Maintained

The Subrecipient shall maintain all 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. Such records shall include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- f. Financial records as required by 24 CFR Part 570.502, and OMB

- Circular A-110; and
- g. Other records necessary to document compliance with Subpart K of 24 CFR 570.

2. Retention

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

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but 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 Grantee monitors or their designees for review upon request.

4. Disclosure

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

5. Property Records

The Subrecipient shall maintain real property inventory records which clearly identify properties purchased, improved or sold. Properties retained shall continue to meet eligibility criteria and shall conform with the "changes in use" restrictions specified in 24 CFR Parts 570.503(b)(8), as applicable.

6. Close-Outs

The Subrecipient's obligation to the Grantee 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 the Grantee), and determining the custodianship of records.

7. Audits and Inspections

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the Grantee, grantor agency, their designees or the Federal Government, at any time during normal business hours, as often as the Grantee or grantor agency deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The Subrecipient hereby agrees to have an annual agency audit conducted in accordance with current Grantee policy concerning Subrecipient audits and, as applicable, OMB Circular A-133. *[NOTE: For government Subrecipients, the citation would be OMB Circular A-128]*

C. Reporting and Payment Procedures

1. Payment Procedures

The Grantee will pay to the Subrecipient funds available under this contract based upon information submitted monthly by the Subrecipient and consistent with any approval budget and Grantee policy concerning payments. With the exception of certain advances, payments will be made for eligible expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. Payments will be adjusted by the Grantee in accordance with advance fund and program income balances available in Subrecipient accounts. In addition, the Grantee reserves the right to liquidate funds available under this contract for costs incurred by the Grantee on behalf of the Subrecipient.

2. Progress Reports

The Subrecipient shall submit annual Progress Reports to the Grantee in the form and content prescribed by the Grantee.

D. Procurement

1. Compliance

The Subrecipient shall comply with current Grantee policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the Grantee upon termination of this contract.

2. OMB Standards

The Subrecipient shall procure all materials, property, or services in accordance with the requirements of Attachment O of OMB Circular A-110, Procurement Standards, and shall subsequently follow Attachment N, Property Management Standards as modified by 24 CFR 570.502(b)(8), covering utilization and disposal of property.

IX. PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with all local and State civil rights laws and with Title VI of the Civil Rights Act of 1964 as amended, Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and with Executive Order 11246 as amended by Executive Orders 11375 and 12086.

2. Nondiscrimination

The Subrecipient will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age, marital/familial status, or status with regard to public assistance. The Subrecipient will take affirmative action to insure that all employment practices are free from such discrimination. Such employment practices include but are not limited to the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. The

Subrecipient agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause.

3. Land Covenants

This contract is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-362) and 24 CFR 570.601 and 602. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this contract, the Subrecipient shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the Grantee and the United States are beneficiaries of and entitled to enforce such covenants. The Subrecipient, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

4. Section 504

The Subrecipient agrees to comply with any Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 706), which prohibits discrimination against the disabled in any Federally assisted program. The Grantee shall provide the Subrecipient with any guidelines necessary for compliance with that portion of the regulations in force during the term of this contract.

B. Affirmative Action

1. Approved Plan

The Subrecipient agrees that it shall be committed to carry out pursuant to the Grantee's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1965. The Grantee shall provide Affirmative Action guidelines to the Subrecipient to assist in the formulation of such program. The Subrecipient shall submit a plan for an Affirmative Action Program for approval prior to the award of funds.

2. Women/minority Owned Business Enterprises

The Subrecipient will use its best efforts to afford minority - and woman-

owned business enterprises the maximum practicable opportunity to participate in the performance of this contract.

As used in this contract, the term "minority and female business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of the definition, "minority group members" are African-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. Access to Records

The Subrecipient shall furnish and cause each of its own subrecipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the Grantee, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

4. Notifications

The Subrecipient will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or worker's representative of the Subrecipient's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5. EEO/AA Statement

The Subrecipient will, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.

6. Subcontract Provisions

The Subrecipient will include the provisions of Paragraphs IX A, Civil Rights, and B, Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own subrecipients or subcontractors.

C. Employment Restrictions

1. Prohibited Activity

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

2. Labor Standards

The Subrecipient agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act (40 U.S.C. 276a-276a5; 40 U.S.C. 327 and 40 U.S.C. 276c) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this contract. The Subrecipient shall maintain documentation which demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.

The Subrecipient agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of \$2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided under this contract, shall comply with Federal requirements adopted by the Grantee pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers, provided, that if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Subrecipient of its obligation, if any, to require payment of the higher wage. The Subrecipient shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

3. "Section 3" Clause

A. Compliance

Compliance with the provisions of Section 3, the regulations set

forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this contract, shall be a condition of the Federal financial assistance provided under this contract and binding upon the Grantee, the Subrecipient and any of the Subrecipient's subrecipients or subcontractors.

Failure to fulfill these requirements shall subject the Grantee, the Subrecipient and any of the Subrecipient's subrecipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The Subrecipient certifies and agrees that no contractual or other disability exists which would prevent compliance with these requirements.

The Subrecipient further agrees to comply with these "Section 3" requirements and to include the following language in all subcontracts executed under this Agreement:

"The work to be performed under this contract is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents

of the project area and contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located".

The Subrecipient further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement or lead-based paint hazards), housing construction, or

other public construction project are given to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located;

where feasible, priority should be given to business concerns which provide economic opportunities to low- and very low-income residents within the service area or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs.

The Subrecipient certifies and agrees that no contractual or other legal incapacity exists which would prevent compliance with these requirements.

1. Notifications

The Subrecipient agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its 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.

2. Subcontracts

The Subrecipient will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of

regulations issued by the grantor agency. The Subrecipient will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

B. Conduct

1. Assignability

The Subrecipient shall not assign or transfer any interest in this

contract without the prior written consent of the Grantee thereto; provided, however, that claims for money due or to become due to the Subrecipient from the Grantee under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Grantee.

2. Subcontracts

a. Approvals

The Subrecipient shall not enter into any subcontracts with any agency or individual in the performance of this contract not specified in Section 1.D. Staffing without the written consent of the Grantee prior to the execution of such agreement.

b. Monitoring

The Subrecipient will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

c. Content

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

d. Selection Process

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

3. Hatch Act

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

States Code.

4. Conflict of Interest

The Subrecipient agrees to abide by the provisions of 24 CFR 570.611 with respect to conflicts of interest, and covenants that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement.

The Subrecipient further covenants that in the performance of this Agreement no person having such a financial interest shall be employed or retained by the Subrecipient hereunder. These conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the Grantee, or of any designated public agencies or subrecipients which are receiving funds under the CDBG Entitlement program.

5. Lobbying

The Subrecipient hereby certifies that:

- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement;
- b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions;
- c. It will require that the language of paragraph (d) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly; and

d. Lobbying Certification - Paragraph d

This Lobbying Certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

6. Copyright

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

7. Religious Organization

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

X. ENVIRONMENTAL CONDITIONS

A. Air and Water

The Subrecipient agrees to comply with the following requirements insofar as they apply to the performance of this contract:

- Clean Air Act, 42 U.S.C., 7401, et seq.
- Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, et seq., as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder.
- Environmental Protection Agency (EPA) regulations pursuant to 40 C.F.R., Part 50, as amended.

B. Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973

(42 U.S.C. 4001), the Subrecipient shall assure that for activities located in an area identified by FEMA as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

C. Lead-Based Paint

The Subrecipient agrees that any construction or rehabilitation of residential structures with assistance provided under this contract shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35.

Such regulations pertain to all HUD-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken.

D. Historic Preservation

The Subrecipient agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR, Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this contract.

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

XI. SEVERABILITY

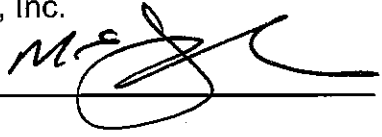
The attached MOU (Exhibit D) remains in full force and effect with any conflicts between the MOU and this agreement will be controlled by this agreement. If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

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

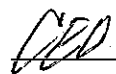
City of Decatur, a municipal corporation

Decatur Community Development
Partnership, Inc.

By: _____
Mayor Don Stanford

By: _____


Attest: _____
Stacy Gilley CITY CLERK

Title: _____


Attest: _____


Exhibit A

Community Based Development Organization (CBDO)

Self-Certification Forms

**Community Based Development Organization (CBDO)
Self-Certification Form**

NON-PROFIT OR NEIGHBORHOOD ORGANIZATION REPRESENTATIVE

A Community Based Development organization (CBDO) is required to "maintain at least 51 % of its governing body's membership for low to moderate income residents of its geographic area of operation, owners or senior officers of a private establishments or other institutions located in and serving its geographic area of operation, or representatives of low to moderate income neighborhood organizations located in its geographic area of operation 24 CFR 570.204 © (1) (iv)

Board members who qualify as representatives of low to moderated income Non-profit or Neighborhood organization located in the agency's geographic area of operation, should complete this form. The Community Development Department requires the following information to determine board member eligibility

CBDO Applicant's Name _____

Board Member's Name _____

Board Member's Position/Title _____

☐ Qualifies as low to moderate income.

Number of individuals in household _____

Household Income _____

Please attach income verification

☐ Qualifies as owner or senior officer of a private establishment located in and serving the geographic area.

Name of establishment _____

Address of establishment _____

☐ Qualifies as representative of low to moderate income neighborhood organization

Name of neighborhood organization _____

Address of neighborhood organization _____

I declare under penalty of perjury, under the laws of the State of Alabama, that all statements contained in this application and any accompanying documents are true and correct, and made with full knowledge that all statements given are subject to investigation and that any false or dishonest answers to any question may be grounds for denial or subsequent revocation of CDDO certification.

Board Member's Signature _____

Date _____

**Community Based Development Organization (CBDO)
Self-Certification Form**

NON-PROFIT OR NEIGHBORHOOD ORGANIZATION CERTIFICATION

A Community Based Development organization (CBDO) is required to "maintain at least 51 % of its governing body's membership for low to moderate income residents of its geographic area of operation, owners or senior officers of a private establishments or other institutions located in and serving its geographic area of operation, or representatives of low to moderate income neighborhood organizations located in its geographic area of operation 24 CFR 570.204 © (1) (iv)

Board members who qualify as representatives of low to moderated income Non-profit or Neighborhood organization located in the agency's geographic area of operation, should complete this form. The Community Development Department requires the following information to determine board member eligibility

CBDO Applicant's Name _____

Number of Board Member's _____

Board Member's	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____

Number of Qualified Board Member's _____

Each qualified board member's **MUST** have and attached individual Certification form

Percentage of Qualified Board Member's _____

The CBDO **MUST** submit this recertification each year

I declare under penalty of perjury, under the laws of the State of Alabama, that all statements contained in this application and any accompanying documents are true and correct, and made with full knowledge that all statements given are subject to investigation and that any false or dishonest answers to any question may be grounds for denial or subsequent revocation of CDDO certification.

Board Chairman Signature _____

Date _____

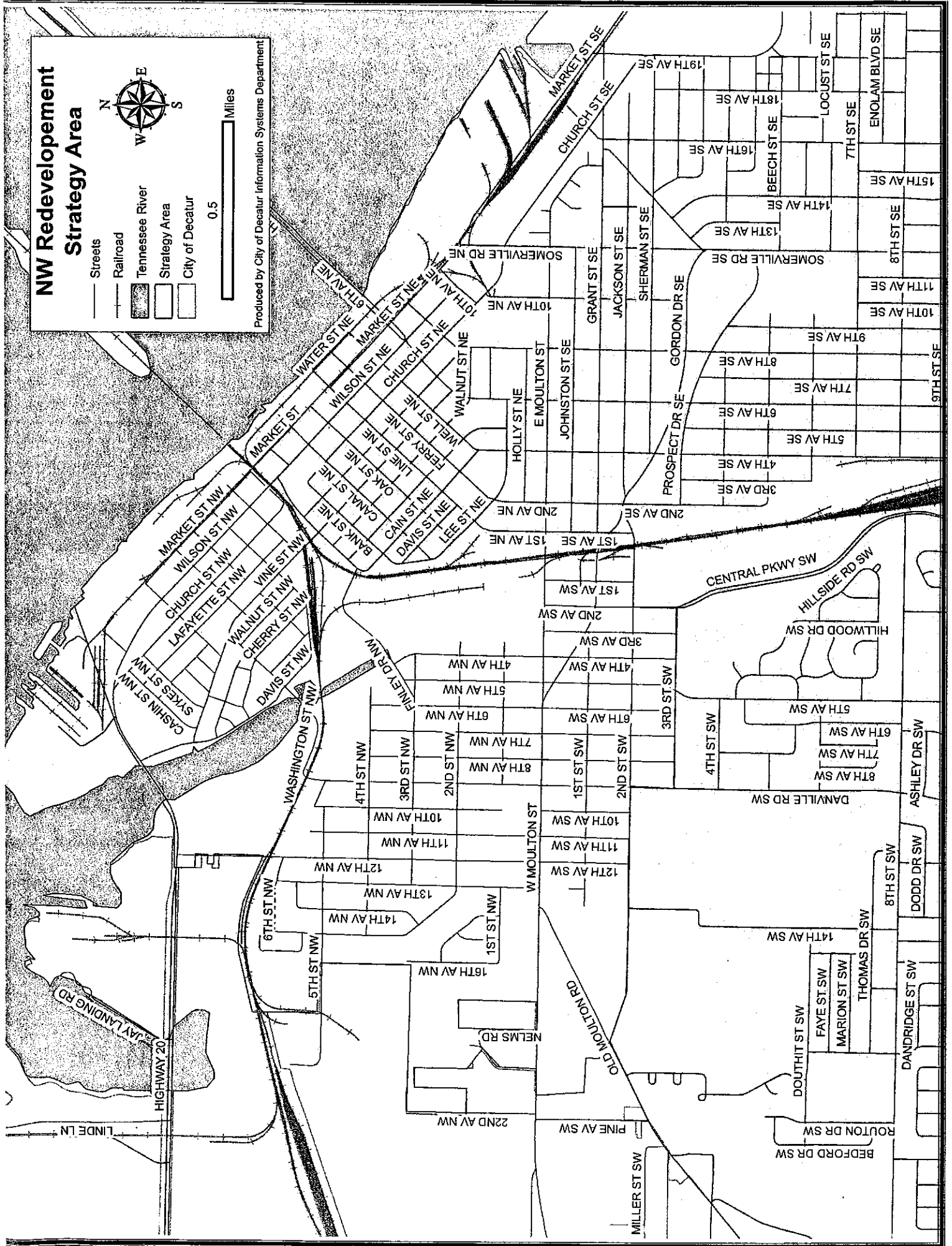
NW Redevelopment Strategy Area

- Streets
- Railroad
- Tennessee River
- Strategy Area
- City of Decatur



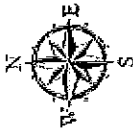
0.5 Miles

Produced by City of Decatur Information Systems Department



NW Redevelopment Strategy Area

- Streets
- Railroad
- Tennessee River
- Strategy Area
- City of Decatur



0.5 Miles

Produced by City of Decatur Information Systems Department

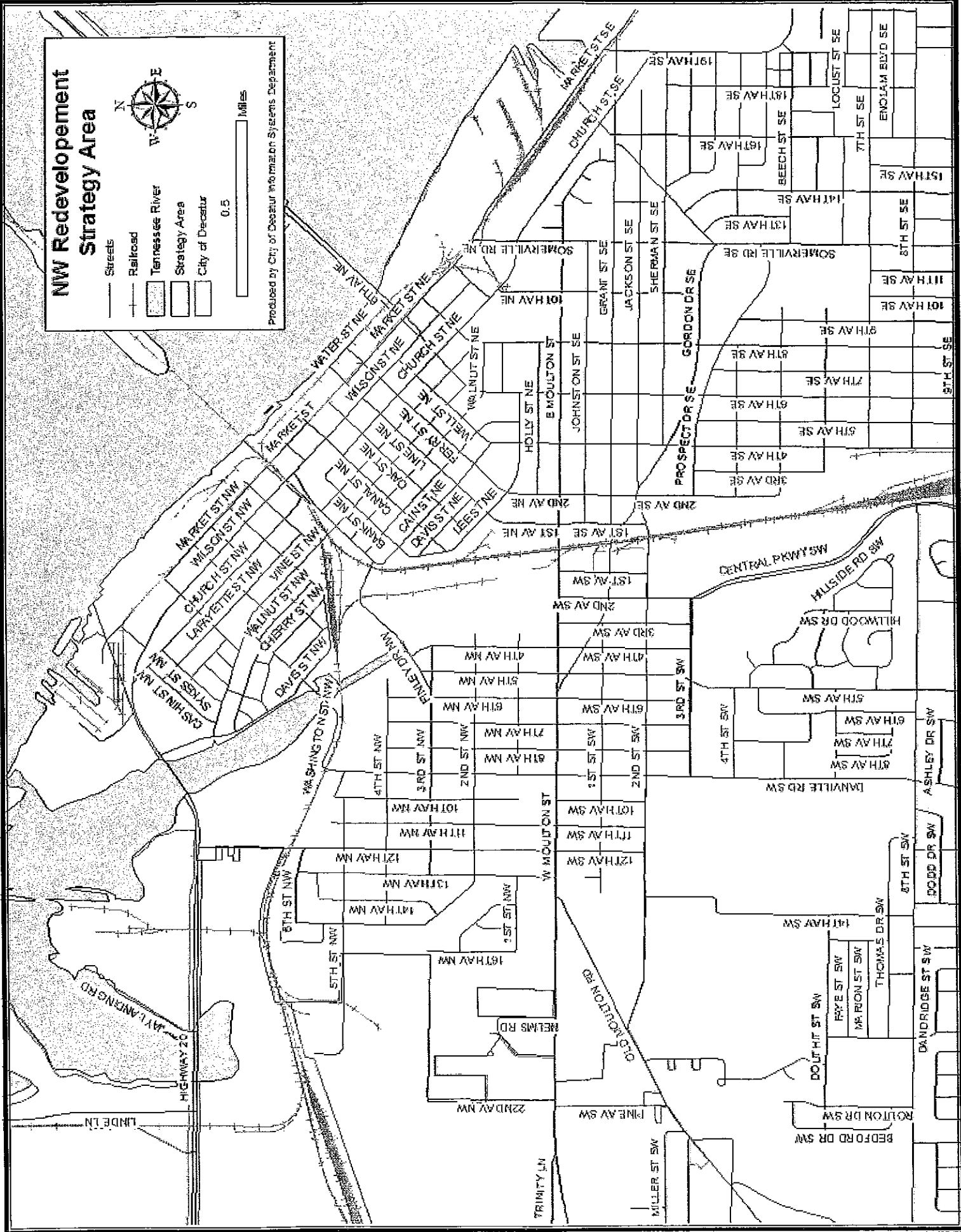


Exhibit C

CDBG Income Limits

**Income Limits
For CDBG Activities
City of Decatur, Alabama
2011-2012**

1 person Household	2 person Household	3 person Household	4 person Household	5 person Household	6 person Household	7 person Household	8 person & Up Household
\$11,750	\$13,400	\$15,100	\$16,750	\$18,100	\$19,450	\$20,800	\$22,150
\$19,600	\$22,400	\$25,200	\$27,950	\$30,200	\$32,450	\$34,700	\$36,900
\$31,300	\$35,800	\$40,250	\$44,700	\$48,300	\$51,900	\$55,450	\$59,050

30% of Median

Very Low

Low-Mod

Exhibit D

Memorandum of Understanding

MEMORANDUM OF UNDERSTANDING (MOU)

This document constitutes a Memorandum of Understanding between:

Community Action Partnership of North Alabama, Inc. (the Partnership) which will form and be certified as a Community Based Development Organization (CBDO), and the City of Decatur, Alabama (CITY)

That certain housing activities are to be undertaken by the CBDO upon its certification as CBDO as a Non-Participating Jurisdiction under the U.S. Department of Housing and Urban Development (HUD) as authorized through the CITY and only under its approved status as such by HUD, to own, develop, and/or sponsor affordable housing thereby, within CITY's statutory legal boundaries.

PURPOSE

The purpose and intent of this MOU is to establish a consensual non binding MOU between said parties that is based upon a clear understanding of mutually acknowledged key goals and objectives for the referenced collaborative venture, as well as the expected roles and responsibilities of both parties. This MOU will be the basis upon which a subsequent subrecipient agreement will be created.

FUNCTIONAL TERMS

Specific activities subject to, or arising from, this MOU must be implemented according to the following protocol:

1. City provides project/activity proposal documents to CBDO
2. City and CBDO negotiate final terms for subrecipient agreement*
3. City provides approved written subrecipient agreement
4. Parties execute approved written subrecipient agreement which will have an initial term of three (3) years with yearly renewals.

5. CBDO executes work of the project/activity, paying all costs and expenses as incurred except as otherwise may be stated elsewhere in this MOU
6. CBDO invoices City for reimbursement of all eligible expenses, per CITY Invoicing Policy
7. City pays invoices for reimbursement of CBDO eligible costs, per CITY Invoicing Policy
8. CBDO submits monthly reports (by the 15th day of the month following) per CITY requirement
9. City monitors work and performance of CBDO on the project/activity on an ongoing basis

* Written subrecipient agreement is required for all activities, whether administrative or technical, and shall set forth all items, terms, conditions, specifications, schedules, budgets, plans, designs, drawings, guidelines, regulations, rules, and/or other details requisite to the proposed activity and/or project. All parties of any Agreement must be in complete accordance with its terms and conditions.

TIME OF EFFECTIVENESS

The term of this MOU shall extend from the date of execution through April 1st, 2012 or the signing of the subrecipient agreement whichever occurs first. The parties may elect to reinstate as is, amend, or allow termination of this MOU by expiration in the event a subrecipient agreement is not completed by said date.

ROLES AND RESPONSIBILITIES

City of Decatur (CITY)

- In consideration of the specialized construction and permanent financing funding alternatives that the Partnership may have available, the CITY deems it appropriate to work with the Partnership as the General Manager of The Seville subdivision. In this capacity, they will work with the Decatur Housing Authority and other community related interests to provide lots for construction of single family homes as appropriate. The CITY will provide all land, infrastructure and environmental assessments necessary to create 26 completed and builder ready lots in Seville subdivision located in NW Decatur. The Partnership through its affiliation with NeighborWorks America or other such agency will provide much needed resources to the CBDO for various permanent loan programs as well as construction monies, down payment and closing costs assistance that may not otherwise be available to

this project or our community partners. It is understood that while monies from such organizations as Federal Home Loan Bank, Community Housing Capital and Affordable Housing Programs may be available for development from time-to-time, there is not a guarantee of acquiring them. The Partnership will utilize all its resources and expertise to apply for and secure such monies as they are made available to the CBDO and other community partners.

- Define the type(s) of CBDO assistance desired by the CITY, and provide guidelines and support for such developments, programs, activities or uses
- Provide up to \$100,000 of community development block grant (CDBG) monies or other types of funding eligible under CDBG guidelines and/or other applicable Federal, State or local regulations to the CBDO. These funds are to be utilized for professional fees and construction costs of one (1) home within the Seville subdivision. This allocation once fully drawn to construct a house and when subsequently sold, the monies once repaid to the CITY may be reallocated to the CBDO. This allocation will be disbursed during construction based on a percentage complete as a traditional construction loan. The percentage of the CITY's CDBG allocation to be made available to CBDO in any subsequent program year is subject to annual review by the Community Development Department staff and/or other approving authorities based on housing needs and objectives, funding availability, and satisfactory past performance of the CBDO.
- Deed lots to the CBDO requested and prior to any houses being constructed on them that monies are available for construction.
- Provide a one-time grant of \$12,000 for the Partnership to utilize in the formation and filing of the CBDO Articles of Incorporation, By-Laws, and operating cash flow needs.
- The CITY will certify the CBDO once the Partnership provides all required and requested documentation as stated in 24 CFR 570.204. In addition, the CITY will provide assistance to the CBDO as needed in carrying out its role as a developer and/or sponsor of any CITY housing programs, including primary guidance and technical assistance under HUD rules, regulations, and standards to enable and promote successful performance under HUD and CBDO regulations
- Define CITY requirements for housing assistance counseling (Homebuyer/Homeowner, etc.) and/or other necessary program components, giving guidance and support to the CBDO in its implementation accordingly, such as relationship building with local providers
- Collaborate with the CBDO in its efforts to establish relationships with qualified lenders, contractors, realtors, vendors, and others as applicable, in support of CBDO.

- Establish and provide all required building standards for construction of affordable housing projects to be funded through the Community Development Department that are or may be in excess of locally adopted Building Codes, such as Energy Efficiency/Green Building Standards, or at a minimum provide required specifications, as applicable, in the sub recipient agreement

Community Action Partnership of North Alabama, Inc. (the Partnership) (CBDO)

- Create a CBDO specifically for development within the CITY and provide the CITY with the most recent audited financials of the Partnership and the CBDO. In addition, a copy of the recorded articles of incorporation and by-laws of the CBDO shall be received at or prior to the signing of the subrecipient agreement for The Seville subdivision. The financials mentioned above will be provided at each yearly recertification of the Partnership and the CBDO respectively.
- Own, develop, sponsor and market affordable housing within The Seville subdivision in a manner that creates, preserves and maintains the availability of affordable housing for low-to-moderate income residents. The terms and conditions of which will be determined by mutual written agreement between the CITY, the CBDO and the Partnership. The CBDO and the Partnership agree to construct a minimum of two (2) houses per year in The Seville subdivision to maintain its status as General Manager of said subdivision as outlined above. The initial house constructed in the Seville subdivision shall be built utilizing the CBDO and the Partnership's monies. Assuming the CDBG funding has been officially approved by the CITY, then construction of the initial house shall begin within 90 days from the date of the CITY's completion of The Seville subdivision
- Accept and apply constructively all supervision, management, guidance, and direction as may be tendered by the CITY Community Development Department in its oversight of the Partnership's assumption of the CBDO role as Owner, Developer and/or Sponsor of planned and future CDBG or otherwise assisted single family housing developments within the CITY's statutory legal boundaries
- Emphasize and execute CBDO activities using Healthy/Energy Efficiency Standards, materials, methods, and techniques, including actively seeking and obtaining technical assistance training as appropriate for CBDO staff as related to affordable housing
- Submit competitive proposals to the CITY Community Development Department from time to time to provide specific CBDO assistance as Owner of deeded lots, Developer, and/or Sponsor of various housing projects and/or programs eligible under CDGB regulations, including potential activities undertaken in collaboration with Decatur Housing Authority (DHA) or other non-profit organizations as deemed appropriate by consenting parties

- Conduct all CBDO activities, regardless of funding source, in full compliance and observation of applicable Federal, State and local regulations and guidelines. Specifically and in particular, fully comply with the "Financial Accountability Standards" of 24 CFR 84.21 and eligible activities of a CBDO as outlined in 24 CFR 570.204.
- Conduct CITY funded CBDO activities only in the geographic area(s) of development as defined by the CITY's Community Development Grants Administrator
- Create and maintain a Local Affordable Housing Advisory Board consisting of at least 5 individuals of which two will be appointed by the CITY, two appointed by the Partnership and one at large who will be along with others agreed upon by both parties
- Seek to work with other housing related entities such as DHA to help create and strengthen support for low-to-moderate income persons in order that they may become more independent and self-sustaining
- The Community Development Department upon written request by CBDO to construct a single family detached home in said subdivision shall deed the lot to the CBDO. The Community Development Department will cause a second mortgage to be placed on said lot(s) and be subordinated to the agreed upon lender if any. The repayment if required by the CITY of the second mortgage upon the sale of said home will be based upon HUD's income limits for low to moderate applicants as it relates to the potential repayment requirements placed on the mortgage by the CITY.

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

This MOU constitutes the entire understanding between the parties for the referenced CBDO activities, and it supersedes all prior communications and/or proposals, whether electronic, oral, or written between the CITY and the Partnership.

IN WITNESS WHEREOF, the parties set out below, have executed this Memorandum of Understanding as of this the 19th day SEPT. of 2011.

THE CITY OF DECATUR, a municipal corporation

By: _____

Mayor

Attest: _____

COMMUNITY ACTION PARTNERSHIP OF NORTH ALABAMA, INC. (the Partnership)

By: _____

Michael E. Tubbs, CEO

Attest: _____