

Prepared by: ____name_____, ____title_____, 410 E. Washington St., Iowa City, IA 52240; (319)356-5230

**AGREEMENT BETWEEN THE CITY OF IOWA CITY
AND _____
FOR THE USE OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS**

THIS AGREEMENT, entered into this _____ day of _____, 2001, by and between the City of Iowa City, a municipal corporation ("City"), and _____ ("Subrecipient");

WHEREAS, the City is the recipient of Community Development Block Grant (CDBG) funds granted by the U.S. Department of Housing and Urban Development (HUD) under Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301) and under the 1992 National Affordable Housing Act (Public Law 102-550); and

WHEREAS, the City wishes to utilize CDBG funds to assist Subrecipient in

_____ identified in the 2001-2006 Consolidated Plan, also known as CITY STEPS (purpose of program/project);

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

PART I

1. **PURPOSE AND SCOPE OF SERVICES:**

- A. 1. Subrecipient shall (purpose of CDBG expenditure and detail of project activities, including types and amount of services or products resulting from use of CDBG funds. For example, the number of clients assisted, number of staff FTE committed to project) _____

("the Project").

2. Subrecipient shall provide (subrecipient service) _____
 for a minimum period of _____ years from _____
 (Project Completion Date).
- B. Development of architectural designs for the project shall be the responsibility of Subrecipient, subject to written concurrence by the City.
- C. The City shall provide technical assistance regarding bidding procedures and awarding of subcontracts under this Agreement. Subrecipient shall be responsible for all bidding procedures and subcontractual arrangements. All procedures shall be carried out in accordance with all Federal, State and local standards, and shall be monitored by the City.
- D. The Project shall be completed in compliance with all applicable state and local building codes. Upon completion this project\program, shall be operated in compliance with all applicable federal, state and local codes and ordinances. Subrecipient agrees the Facility shall be used solely for the purpose of providing _____, as detailed in Part I.1.A.2 of this Agreement.

2. **TIME OF PERFORMANCE:**

Subrecipient shall perform according to the following schedule:

A. Program Element

- | | |
|--|-------|
| 1. Execute Contract for Project | _____ |
| 2. Acquisition of Property (if applicable) | _____ |
| 3. Advertise for Construction Bids (if applicable) | _____ |
| 4. Selection of Contractor (if applicable) | _____ |
| 5. Preconstruction Conference (if applicable) | _____ |
| 6. Project Start Date | _____ |
| 7. Project Completion Date | _____ |
| 8. Monitoring Period | _____ |

This schedule is subject to change by mutual agreement of both parties in writing.

3. **PROPOSED PROJECT BUDGET:**

	<u>Amount</u>
A. <u>Administrative Costs</u>	
Salaries and Benefits	_____
Equipment\Supplies	_____
Rent	_____
Utilities_____	_____

Technical Assistance	_____
Information\Outreach	_____
Staff\Program Development	_____
Project Audit (for projects over \$300,000)	_____
B. <u>Acquisition Costs</u>	_____
C. <u>Construction\Rehabilitation\Installation</u>	_____
D. <u>Eligible equipment</u> (as outlined in 24 CFR Part 570.207(1))	_____
E. <u>Other</u> (Specify)	_____
Total Subrecipient Grant/Loan	_____
F. <u>CDBG Technical Assistance and Project Delivery Costs</u>	_____
Total CDBG Project Costs	_____

4. **COMPENSATION AND METHOD OF PAYMENT:**

The City shall pay and Subrecipient agrees to accept in full no more than _____ (Grant/Loan Amount - words/dollar figures) (hereinafter "Grant/Loan") for performance under this Agreement, as follows:

- A. Based on the approved budget, partial payments shall be made upon presentation of (i) architect's Certificates for Payment for applicable labor and construction materials and supplies purchased or billed from the contractor for progress payments for project work completed, and/or (ii) purchase agreements, invoices, executed lien waivers, and other supporting documents covering all amounts to be paid, and/or (iii) time sheets and other source documents. Payments will be made for eligible expenses actually incurred by Subrecipient, and not to exceed actual cash requirements.

- B. Subrecipient shall report all program income as defined at 24 CFR 570.500(a) generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by Subrecipient shall comply with the requirements set forth at 24 CFR 570.504. Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce requests for additional funds by the amount of any such program income balances on hand. All unused program income shall be returned to the City at the end of the Agreement period. Any interest earned on cash advances from the U.S. Treasury is not program income and shall be remitted promptly to the City.

5. **TERMS AND CONDITIONS:**

- A. Subrecipient agrees to comply with all applicable federal, state, and local laws and regulations governing the funds provided under this Agreement.
- B. The City shall have no responsibility or liability for the maintenance, operation or program funding for Subrecipient.
- C. 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. Subrecipient shall at all times remain an independent contractor with respect to the services to be performed under this Agreement. The City shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance as Subrecipient is an independent Contractor.
- D. During the period of this Agreement, effective as of the start of the Project, Subrecipient shall, at its own expense, procure and maintain all-risk property damage and liability insurance. Property damage coverage shall not be less than the current market value of the property. Liability coverage shall include contractual insurance as well as comprehensive form insurance, and shall provide coverages of not less than \$250,000 bodily injury per person, \$500,000 bodily injury per occurrence, and \$100,000 property damage. Proof of insurance shall be shown to the City by furnishing a copy of the certificate of insurance issued by an insurance company licensed to do business in the State of Iowa. The certificate of insurance shall include a statement guaranteeing that the insurance company shall notify the Community Development Coordinator within 30 days of the lapse of said policy. Subrecipient shall provide Workers' Compensation Insurance coverage for all employees involved in the performance of this Agreement.
- E. The amount paid hereunder shall be a _____ loan, secured by a mortgage on the property.

The loan amount shall be evidenced by a promissory note in the form attached hereto as Exhibit "A-1" and repaid in _____ equal monthly installments, commencing _____ for a period of _____ years. There shall be no penalty for prepayment.
- F. Until at least _____ (Monitoring Period), Subrecipient shall, in a manner satisfactory to the City, fulfill its stated purpose as outlined in Part I.1.A.2 of this Agreement and provide continued service.
- G. Subrecipient shall not sell, assign or transfer any legal or equitable interest in the property at any time prior to (Monitoring Period) without written concurrence of the City; but in such event, Subrecipient shall pay to the City the outstanding balance of the loan relating to the property sold or, if Subrecipient discontinues its program, Subrecipient shall pay to the City the outstanding balance of the

loan then due. If Subrecipient fully complies with its obligations hereunder, on _____ (Monitoring Period) the lien against the property will be released by the City.

- H. In the event Subrecipient discontinues its services and/or the project/program funded under this Agreement prior to (date)_____, except as provided in Part I.1.A. of this Agreement, the value of the pro-rated portion of real and personal property (tangible and intangible) secured with the CDBG funds under this Agreement shall revert to the City. If the property has been disposed of, then the City will be reimbursed in the amount of the current fair market value of the property less any portion of the fair market value attributable to non- City CDBG funds. (Personal property includes, but is not limited to, equipment, furnishings, and vehicles.)
- I. Except as provided herein, the terms of this Agreement shall be effective from the date of execution through and including _____ (Monitoring Period).

PART II

1. **PERFORMANCE AND REPORTING:**

- A. Subrecipient shall direct all notices, reports, insurance policies, and other communications related to or required by this Agreement to the office of the Iowa City Community Development Coordinator, 410 E. Washington Street, Iowa City, Iowa 52240. Notice by both Subrecipient and City shall be given by ordinary mail.
- B. Until the completion of the Project and expenditure of all CDBG funds disbursed under this Agreement, Subrecipient shall submit (monthly/quarterly) reports describing progress of the project activities.
- C. Not later than _____ (Project Completion Date), Subrecipient shall provide the City with a Certified Statement of the Expenditure of Funds disbursed under this Agreement.
- D. Following completion of the Project, Subrecipient shall submit annual reports by the first day of _____ of each contract year until (Monitoring Period). The annual report shall, at a minimum, include statistics pertaining to the number, race, disability, household income, household size and place of residence of clients served at Subrecipient's Facility.
- E. For projects with a grant/loan of \$300,000 or more, an audit report which meets the specifications set forth in OMB Circular A-133, "Audits of Institutions of Higher Education and other Non-Profit Organizations," and which discloses the expenditure of CDBG funds allocated for this Project, shall be submitted by _____.

F. No reporting requirements shall extend beyond _____ (Monitoring Period).

2. **OTHER REPORTS, AUDITS AND INSPECTIONS:**

- A. Subrecipient shall promptly furnish the City or HUD with such statements, records, data and information as the City or HUD may reasonably request pertaining to this Agreement.
- B. During the term of this Agreement, any time during normal business hours, Subrecipient shall make available to the City, HUD and/or the Comptroller General of the United States, or their duly authorized representatives, all of Subrecipient's records in order to permit examination of any audits, invoices, materials, payrolls, personnel records, conditions of employment, and other data relating to all matters covered by this Agreement.
- C. Subrecipient shall retain financial records, supporting documents, statistical records, and all other records pertaining to expenditures under this Agreement for a period of five (5) years from the termination of this Agreement.

3. **ADMINISTRATIVE REQUIREMENTS:**

A. Financial Management

1. Accounting Standards

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

Subrecipient shall administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable; [and if Subrecipient is a governmental or quasi-governmental agency, the applicable sections of 24 CFR Part 85, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments,"] for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record-Keeping

1. Records to be Maintained

Subrecipient shall maintain all records that are pertinent to the activities to be funded under this Agreement, including but not limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- c. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program; and
- d. Financial records as required by 24 CFR Part 570.502, and OMB Circular A-110.

2. Client Data

Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to a signed and dated verification of income statement, or other basis for determining eligibility, and description of service provided. Such information shall be made available to City monitors or their designees for review upon request.

3. National Objectives

Subrecipient agrees to maintain documentation that demonstrates that the activities carried out with funds provided under this Agreement benefit low/moderate income persons, as defined in 24 CFR Part 570.208.

C. Procurement

1. Compliance

Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain an inventory record 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 City upon termination of this Agreement.

2. OMB Standards

Subrecipient shall procure materials in accordance with the requirements of A-133, A-122, Attachment O of OMB Circular A-110, Procurement Standards, and shall subsequently follow Attachment N, Property Management Standards, covering utilization and disposal of property. Copies of said circulars are provided and by execution of this Agreement, Subrecipient acknowledges their receipt.

D. Amendments

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

4. **NON-DISCRIMINATION:**

No person shall be excluded from or denied the benefits of Subrecipient's service on the basis of age, race, color, religion, creed, national origin, gender identity, sex, marital status, disability, sexual orientation or, with respect to the sale, lease, rental, use or occupancy of real property or housing accommodations, the presence or absence of dependents, familial status or public assistance source of income. All current and prospective project beneficiaries must, however, be persons in need of the programs provided by Subrecipient.

5. **SECTION 504 COMPLIANCE:**

No otherwise qualified individual with handicaps shall, solely by reason of his/her handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. This includes, but is not limited to, programs and/or activities related to housing, employment, and the delivery of services.

6. **EQUAL EMPLOYMENT OPPORTUNITY:**

Subrecipient certifies that it is an "Equal Opportunity Employer" and that it will comply with Title 2 (Human Rights) of the City Code, Chapter 216 (Civil Rights) of the Iowa Code, and all applicable regulations of the U.S. Department of Housing and Urban Development pertaining to equal opportunity and affirmative action in employment. Further, Subrecipient shall ensure that all contracts for work under this Agreement contain appropriate equal employment opportunity statements.

7. **SECTION 3:**

Subrecipient agrees to comply with Section 3 requirements, the regulations set forth in 24 CFR 135, and to include the following language in all subcontracts executed under this Agreement:

- A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3 shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

- B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
- C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
- E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.
- F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
- G. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and section 7(b) agree to comply

with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

8. **WOMEN AND MINORITY-OWNED BUSINESS ENTERPRISES:**

Subrecipient will use its best efforts to afford minority and women-owned business enterprises (at least fifty-one (51) percent owned and controlled by minority group members or women) the maximum practicable opportunity to participate in the performance of this Agreement.

9. **ENVIRONMENTAL ASSESSMENT AND HISTORIC PRESERVATION:**

Subrecipient shall assist the City in complying with all applicable environmental assessment and historic preservation requirements of HUD and the State Historic Preservation Officer of Iowa.

10. **LEAD-BASED PAINT POISONING PREVENTION:**

Subrecipient shall comply with requirements of Section 302 of the Lead-Based Paint Poisoning Prevention Act and HUD regulations thereunder (24 CFR Part 570) insofar as they apply to the performance of this Agreement.

11. **TERMINATION OF AGREEMENT FOR CAUSE:**

If Subrecipient fails to fulfill its obligations under this Agreement in a timely and proper manner, or if Subrecipient violates any of the terms, agreements or stipulations of this Agreement, the City shall thereupon have the right to terminate this Agreement by giving written notice to Subrecipient of such termination, specifying the default or defaults, and stating that this Agreement shall be terminated 30 days after the giving of such notice unless such default or defaults are remedied within such cure period. The City shall be obligated to make no payment due hereunder after it gives said notice unless the defaults are remedied with said 30-day period. In the event of such termination, Subrecipient shall promptly repay to the City the full grant/loan amount or that portion of the amounts which have been disbursed to Subrecipient prior to such termination.

12. **TERMINATION OF AGREEMENT FOR CONVENIENCE:**

This Agreement may be terminated in whole or in part upon the mutual agreement of the parties hereto, in which case the City and Subrecipient shall agree upon the termination conditions, including the effective date, the disposition of contract amounts, and in the case of partial termination, the portion to be terminated. However, if, in the case of partial termination, the City determines that the remaining portion of the award will not accomplish the purposes for which the award was made, and the award is terminated in its entirety, Subrecipient shall promptly repay to the City the full grant/loan amount or that portion of the amount which has been disbursed to Subrecipient prior to such termination.

13. **INTEREST OF CERTAIN FEDERAL AND OTHER OFFICIALS:**

- A. No member or delegate to the Congress of the United States, and no resident Commissioner, shall be admitted to any share or part of this Agreement, or to any benefit to arise herefrom.
- B. No member of the governing body of the City, no officer, employee, official or agent of the City, or other local public official who exercises any functions or responsibilities in connection with the review, approval or carrying out of the Project to which this Agreement pertains, shall have any private interest, direct or indirect, in this Agreement.
- C. No federal funds appropriated under this Agreement shall be paid, by or on behalf of Subrecipient, to any person for influencing or attempting to influence a member of Congress, an officer or employee of Congress or any federal agency in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or agreement.
- D. 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 agreement, Subrecipient shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- E. Subrecipient shall require that the language of this certification be included in the award documents for all sub-Subrecipients and that all sub-Subrecipients shall certify and disclose accordingly.

14. **CONFLICT OF INTEREST:**

Subrecipient covenants that it has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of the services to be undertaken through this Agreement. Subrecipient further covenants that in the performance of this Agreement, no person having such an interest shall be employed by Subrecipient.

15. **GRANTOR RECOGNITION:**

All activities, facilities, and items utilized pursuant to this Agreement shall be prominently labeled as CDBG funded. In addition, Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

16. **ASSIGNABILITY:**

Subrecipient shall not assign or transfer any interest in this Agreement without the prior written approval of the City. Any assignment made without such consent shall be void. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

17. **HOLD HARMLESS PROVISION:**

Subrecipient shall indemnify, defend and hold harmless the City, its officers, employees and agents from all liability, loss, cost, damage and expense (including reasonable attorney's fees and court costs) resulting from or incurred by reason of any actions based upon the negligent acts or omissions of Subrecipient's employees or agents during the performance of this Agreement.

18. **SEVERABILITY CLAUSE:**

If any one or more of the provisions contained in this Agreement are held to be invalid, illegal, or unenforceable, this Agreement shall be deemed severable and the remainder of the Agreement shall remain in full force and effect.

19. **LIMITATIONS OF CITY LIABILITY - DISCLAIMER OF RELATIONSHIP:**

The City shall not be liable to Subrecipient, or to any party, for completion of or failure to complete any improvements which are part of the Project. Nothing contained in this Agreement, nor any act or omission of the City or Subrecipient, shall be construed to create any special duty, relationship, third-party beneficiary, respondeat superior, limited or general partnership, joint venture, or any association by reason of Subrecipient's involvement with the City.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on this _____ day of _____, 2001.

CITY OF IOWA CITY, IOWA
(Subrecipient)

By: _____ By:

Stephen J. Atkins
City Manager

Executive Director

ATTEST: _____
ATTEST: _____
Marian K. Karr
City Clerk

Board Member

ACKNOWLEDGMENT

STATE OF IOWA)
) SS:
JOHNSON COUNTY)

On this _____ day of _____, 2001, before me, _____, a Notary Public in and for said State, personally appeared Stephen J. Atkins and Marian K. Karr, to me personally known, who being by me duly sworn, did say that they are the City Manager and City Clerk, respectively, of said municipal corporation executing the within and foregoing instrument; that the seal affixed hereto is the seal of said municipal corporation, and that the said Stephen J. Atkins and Marian K. Karr acknowledged the execution of said instrument to be the voluntary act and deed of said municipal corporation, by it and by them voluntarily executed.

Notary Public in and for Johnson County, Iowa

STATE OF IOWA)
) SS:
JOHNSON COUNTY)

On this _____ day of _____, 2001, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared _____ and _____, to me personally known, who being by me duly sworn, did say that they are the _____ and _____, respectively, of the corporation executing the foregoing instrument; that no seal has been procured by the corporation; that the instrument was signed on behalf of the corporation by authority of its Board of Directors; that _____ and _____ acknowledged the execution of the instrument to be the voluntary act and deed of the corporation and of the fiduciary, by it, by them and as fiduciary voluntarily executed.

Notary Public in and for the State of Iowa

Approved By:

City Attorney's Office