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| TYPE OF RECORD: | NON-PERMANENT |
| CATEGORY OF RECORD: | CONTRACT |
| NAME OF CONTRACTOR: | GRAND JUNCTION HOUSING AUTHORITY |
| SUBJECT/PROJECT: | 2006 SUBRECIPIENT BLOCK GRANT FOR PROPERTY ACQUISITION AT 1262 & 1282 BOOKCLIFF AVENUE FOR LOW INCOME MULTI-FAMILY HOUSING UNITS |
| CITY DEPARTMENT: | NEIGHBORHOOD SERVICES |
| YEAR: | 2006 |
| EXPIRATION DATE: | 12/31/07 |
| DESTRUCTION DATE: | 01/14 |

**2006 SUBRECIPIENT CONTRACT FOR
CITY OF GRAND JUNCTION
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
GRAND JUNCTION HOUSING AUTHORITY**

I. AGREEMENT

THIS AGREEMENT, made and entered into this 5th day of April, 2007, by and between the CITY OF GRAND JUNCTION, COLORADO (hereinafter referred to as "City"), and Grand Junction Housing Authority., (hereinafter referred to as "Grand Junction Housing Authority" or "Subrecipient"), Collectively referred to as the "Parties".

Recitals:

The City has entered into a contract with the U.S. Department of Housing and Urban Development providing for financial aid to the City under Title I of the Housing and Community Development Act of 1974, as amended to date.

Pursuant to such contract, the City is undertaking certain activities necessary for the execution of certain projects

The City desires to disburse funds to the Subrecipient to execute certain projects in conjunction with such undertaking of the City;

NOW, THEREFORE, the parties hereto do mutually agree as follows:

II. SCOPE OF SERVICES

A. Activities

The scope of services to be rendered by the Subrecipient is attached as Exhibit "A" hereto and made a part of this Agreement by this reference. Subrecipient agrees to perform the work described in Exhibit "A" in compliance with all provisions of this Agreement. Subrecipient warrants and represents that it has the requisite authority and capacity to perform all terms and conditions to be performed hereunder.

B. National Objectives

Subrecipient certifies that the activities carried out with funds provided under this Agreement will meet one or more of the CDBG program's National Objectives. The specific National Objective(s) to be met and how it (they) will be met by the Subrecipient is described in Exhibit "A" of this Agreement.

C. 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(s) provided. Such information shall be made available to the City or its designees for review upon request.

III. RESPONSIBILITY OF THE CITY

The City shall designate a representative of the City who will be authorized to make all necessary decisions required of the City on behalf of the City in connection with the execution of this Agreement and disbursing funds in connection with the program.

IV. PAYMENT

If Subrecipient is not in default hereunder and subject to City's receipt of the Department of Housing and Urban Development Community Development Block Grant funds and provided that the Agreement and Scope of Services are eligible expenditures of Community Development Block Grant funds, the City agrees to pay the Subrecipient a total dollar amount that is described on Exhibit "A" of this Agreement. Payment shall be made upon presentation of invoices which Subrecipient certifies are true and correct copies of payments due on behalf of the Subrecipient, for an activity covered by this Agreement and made in accordance and compliance with the Scope of Services. Payment may be suspended by the City in the event of non-performance by Subrecipient. The City may, at its sole discretion, retain 10% of each disbursement with final payment made upon successful completion of the project including satisfactory compliance with all City, state and federal requirements.

V. GENERAL CONDITIONS

A. General Compliance

The Subrecipient shall 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). The Subrecipient also agrees to comply with all other applicable federal, state and local laws, regulations and policies governing the funds provided under and the obligations imposed by this Agreement. The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

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 City shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance as the Subrecipient is an independent Subrecipient.

C. Hold Harmless

The Subrecipient shall hold harmless, defend and indemnify the City from any and all claims, suits, charges, damages, costs, fees, expenses and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter of this Agreement.

D. Workers' Compensation

The Subrecipient shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement.

E. 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 the total cash advances from the City.

F. Amendments

The City 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 City Council. Such amendments shall not invalidate this Agreement nor relieve or release the City or Subrecipient from its obligations under this Agreement.

The City 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 amendment(s) 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 the City and Subrecipient.

G. Suspension or Termination

Either party may terminate this Agreement at any time by giving written notice to the other party of 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 may only be undertaken with the prior approval of the City. 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 City, become the property of the City and the Subrecipient shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents or materials prior to termination.

The City 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 City may declare the Subrecipient ineligible for any further participation in the City's contracts, in addition to other remedies as provided by law. In addition, if in the event there is probable cause to believe the Subrecipient is in noncompliance with any applicable rules or regulations, the City 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 City, or is otherwise adjudicated to be in compliance.

VI. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with Attachment F of OMB Circular A-110 and further agrees to adhere to the accounting principles and procedures required therein, to 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 Circular A-122, "*Cost Principles for Non-Profit Organizations*," as applicable. These principles shall be applied for all costs incurred.

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 Agreement for a period of three (3) years after the termination of all activities funded under this Agreement. Records for non-expendable property acquired with funds under this Agreement 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 three year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the three year period, whichever occurs later.

3. Disclosure

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

4. 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 City, HUD or its agent or other authorized federal officials for purposes of investigation to ascertain compliance with the rule, regulations and provisions stated herein. The Subrecipient understands that the City, the Comptroller General and the Secretary of HUD have access to all records related to this project.

5. Reversion of Assets

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.

The Subrecipient agrees to use the real property, with Community Development Block Grant funds, as set forth in Exhibit "A." In the event Subrecipient ceases to use a personal asset or real property acquired or improved with Community Development Block Grant funds, in accordance with Exhibit "A," the Subrecipient shall return the real property to the City or pay to the City a sum equal to its fair market value, less any portion of the value attributable to the expenditures of non-Community Development Block Grant funds for the acquisition of, or improvement to, the asset or property. The Subrecipient shall transfer to the City any Community Development Block Grant funds related to this project on hand at the time of expiration of this Agreement and any accounts receivable of Community Development Block Grant funds related to this project.

6. Audits & Inspections

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

C. Reporting, Payment and Procurement Procedures

1. Indirect Costs

If indirect costs are allowed and charged, the Subrecipient shall develop an indirect cost allocation plan for determining the appropriate Subrecipient's share of administrative costs and shall submit such plan to the City for approval, in a form specified by the City.

2. Payment Procedures

The City will pay to the Subrecipient funds available under this agreement based upon information submitted by the Subrecipient and consistent with the approved budget and any City policies 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. In addition, the City reserves the right to liquidate funds available under this agreement for costs incurred by the City on behalf of the Subrecipient.

3. Progress Reports

The Subrecipient shall submit Progress Reports to the City in the time and manner specified in Exhibit "A" of this Agreement.

D. Procurement - 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)(6), covering utilization and disposal of property.

VII. RELOCATION, REAL PROPERTY ACQUISITION, AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations of 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Antidisplacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in §570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to persons who are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient and the City agree that there will be no persons displaced.

VIII. PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of 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 shall 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 ensure that all employment practices are free from such discrimination. Such employment practices include but are not limited to: 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 setting forth the provisions of this nondiscrimination clause.

3. Land Covenants

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) 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 City 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 handicapped in any federally assisted program.

B. Affirmative Action

1. Approved Plan

The Subrecipient agrees that it shall be committed to carry out pursuant to the City's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1965. The Subrecipient shall submit a plan for an Affirmative Action Program for approval by the City.

2. W/MBE

The Subrecipient will use its best efforts to afford minority and women-owned business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the term "minority and women-owned business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

4. 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.

5. Subcontractor Provisions

The Subrecipient shall include the provisions of Paragraphs VIII 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-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.

D. Conduct

1. Assignability

The Subrecipient shall not assign or transfer any interest in this Agreement without the prior written consent of the City; provided, however, that claims for money due to the Subrecipient from the City under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of assignment or transfer to a bank or other financial institution shall be furnished promptly to the City.

2. Subcontracts

a. Approvals

The Subrecipient shall not enter into any subcontracts with any agency or individual in the performance of this Agreement without the written consent of the City.

b. Monitoring

The Subrecipient understands that the City and/or HUD will monitor the Subrecipient for compliance with this Agreement.

c. Content

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

d. Selection Process

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

3. Hatch Act

The Subrecipient agrees that no funds provided, nor personnel employed under this Agreement, 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 City, or of any designated public agencies or subrecipients which are receiving funds under the CDBG Entitlement program.

5. Lobbying

The Subrecipient 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 and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement;
- b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, it will complete and submit standard Form-LLL, "*Disclosure Form to Report Lobbying*," in accordance with 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 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 \$10,000.00 and not more than \$100,000.00 for each failure.

6. Copyright

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

7. Religious Organization

The Subrecipient agrees that funds provided under this Agreement 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).

E. "Section 3" Clause

1. 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 agreement and binding upon the City, the Subrecipient and any of the Subrecipient's subrecipients and subcontractors. Failure to fulfill these requirements shall subject the City, 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 Agreement 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 the 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, 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 is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation, 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.

2. Subcontracts

The Subrecipient shall include the foregoing 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.

IX. ENVIRONMENTAL CONDITIONS

A. Air and Water

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

- Clean Air Act, 42 U.S.C., 7401, et seq.
- Water Pollution Control Act, as amended, 33 U.S.C. 1251, et seq., as amended, 1319 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 USC 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 agreement 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 Agreement.

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.

X. SEVERABILITY

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.

XI. ENTIRE AGREEMENT

The provisions set forth in items I-X, and all attachments to this Agreement constitute the entire Agreement between the parties hereto and no statement, promise, conditions, understanding, inducement or representation, oral or written, express or implied, which is not contained herein shall be binding or valid.

IN WITNESS WHEREOF, the Subrecipient and the City have executed this Agreement as of the date first above written and under the laws of the State of Colorado.



CITY OF GRAND JUNCTION, COLORADO

BY: David Volney

City Manager

ATTEST:

CITY CLERK

Stephanie Turner

APPROVED AS TO FORM:

CITY ATTORNEY

[Signature]

SUBRECIPIENT

Grand Junction Housing Authority

BY:

Jody McKel, Executive Director

ATTEST:

**2006 SUBRECIPIENT CONTRACT FOR
CITY OF GRAND JUNCTION
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
WITH
GRAND JUNCTION HOUSING AUTHORITY**

**EXHIBIT "A"
SCOPE OF SERVICES**

1. The Grand Junction Housing Authority has been awarded \$120,000 from the City's 2005 Community Development Block Grant (CDBG) funding cycle to acquire property for multi-family affordable housing units for low income persons.
2. Grand Junction Housing Authority understands that the funds described in paragraph #1 above are received by the City of Grand Junction from the US Department of Housing and Urban Development under the Community Development Block Grant Program. Grand Junction Housing Authority (GJHA) shall meet all City of Grand Junction and federal requirements for receiving Community Development Block Grant funds, whether or not such requirements are specifically stated in the contract. Grand Junction Housing Authority shall provide the City of Grand Junction with documentation establishing that all local and federal CDBG requirements have been and if required will continue to be met.
3. The City agrees to pay Grand Junction Housing Authority \$120,000 from its 2005 Program Year CDBG Entitlement Funds for the acquisition of properties located at 1262 & 1282 Bookcliff Avenue. The existing multi-family structure will remain intact and GJHA will demolish the existing single family unit and replace it with additional multi family affordable housing units for low and moderate income persons and families in Grand Junction, meeting the Department of Housing and Urban Development (HUD) LMI income guidelines. Acquisition (or acquire) as used in this agreement means closing and recordation of any and all deeds or evidence(s) of conveyances. If the subrecipient fails to acquire the property on or before December 31, 2007 this agreement shall be null and void.
4. The Grand Junction Housing Authority certifies that it will meet the CDBG National Objective of low/moderate limited clientele benefit (570.208(a)(2)). It shall meet this objective by providing the above-referenced housing to low/moderate income homeless persons in Grand Junction, Colorado.

 Grand Junction Housing Authority (initial)
 City of Grand Junction (initial)

5. The GJHA certifies that it will meet eligibility requirements for the CDBG program. The acquisition of the parcel is eligible under 570.201(c) Public Facilities and Improvements. Because the property is acquired for a public purpose and owned/operated by a non-profit organization.
6. CDBG funds shall be used ONLY for acquisition costs. All additional costs shall be borne by Grand Junction Housing Authority. Any property improvements and repair and/or rehabilitation work are outside the scope of this contract.
7. Grand Junction Housing Authority will purchase the properties at 1262 & 1282 Bookcliff Avenue, Grand Junction, Colorado, for the purpose of developing Low/Moderate Income Housing. The new housing units shall remain available for LMI persons at rental rates established by HUD at least through December 31, 2017. If rental rate(s) for the units change to market rent(s) before December 31, 2017, GJHA shall refund the City of Grand Junction CDBG funding at the rate of \$5,000 per year for each year that it is not serving LMI families to December 31, 2017.
8. During a period until December 31, 2017 the use or planned use of the property may not change unless A) the City determines the new use meets one of the National Objectives of the CDBG Program and B) Grand Junction Housing Authority provides affected citizens with reasonable notice and an opportunity to comment on any proposed changes. If GJHA decides, after consultation with affected citizens that it is appropriate to change the use of the property to a use which the City determines does not qualify in meeting a CDBG National Objective, Grand Junction Housing Authority must reimburse the City a prorated share as established in paragraph 7 of the City's \$120,000 CDBG contribution. After December 31, 2017, the only City restrictions on use of the property shall be those found within the City's laws, rules, codes and ordinances.
9. This project shall commence upon the full and proper execution of the 2007 Subrecipient Agreement and the completion of all necessary environmental review of the site. Acquisition of the property as deemed by this agreement shall be completed on or before December 31, 2007. No reimbursement shall be made prior to that date if the subrecipient has not acquired the property.


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Grand Junction Housing Authority (initial)
City of Grand Junction (initial)

10. The City of Grand Junction shall monitor and evaluate the progress and performance of GJHA to assure that the terms of this agreement are being satisfactorily met in accordance with City and other applicable monitoring, and evaluating criteria and standards. Grand Junction Housing Authority shall cooperate with the City or HUD relating to such monitoring and evaluation.
11. GJHA shall provide quarterly financial and performance reports to the City. Reports shall describe the progress of the project, what activities have occurred, what activities are still planned, financial status, compliance with National Objectives and other information as may be required by the City. A year-end report detailing income data of residents shall also be submitted by March 30th of the following year. A final report shall also be submitted once the project is completed. All required reports shall be sent to Debra Gore, CDBG Administrator, 2549 River Road, Grand Junction, Colorado 81501.
12. A blanket fidelity bond equal to cash advances as referenced in Paragraph V.(E) will not be required as long as no cash advances are made and payment is on a reimbursement basis or paid at property closing. Grand Junction Housing Authority shall notify the City two weeks in advance of the closing date.
13. The budget for the acquisition of the property is estimated to be \$500,000 with the City providing \$120,000 in CDBG funding.



Grand Junction Housing Authority (initial)
City of Grand Junction (initial)

1262 & 1282 BOOKCLIFF AVENUE

