

**CONTRACT FOR THE RECEIPT OF COMMUNITY DEVELOPMENT BLOCK
GRANT FUNDS FROM THE CITY OF FRANKLIN AS REIMBURSEMENT FOR
COSTS ASSOCIATED WITH CONSTRUCTION OF SINGLE-FAMILY HOMES THAT
BENEFIT LOW TO MODERATE INCOME RESIDENTS
(COF Contract No. 2019-0311)**

This Contract is by and between the City of Franklin, (hereinafter “CITY”) and Community Housing Partnership (hereinafter called “ORGANIZATION”).

WITNESSETH:

WHEREAS, CITY is eligible for entitlement funds through the federal Community Development Block Grant (“CDBG”) program; and

WHEREAS, CITY identified a need to conduct a Community Based Development Organization (CBDO) Program funding; and

WHEREAS, ORGANIZATION is experienced in developing affordable housing, as defined by the United States Department of Housing and Urban Development (HUD) and has met the certification requirements of becoming a CBDO; and

WHEREAS, ORGANIZATION purchased property on September 6, 2019, for the purpose of developing affordable housing within the City of Franklin; and

WHEREAS, ORGANIZATION and CITY’s agreement, COF Contract No. 2019-0042, for the development of affordable housing was fully executed on September 30, 2019; and

WHEREAS, the ORGRANIZATION and CITY rescind COF Contract No. 2019-0042.

NOW, THEREFORE, in consideration of the mutual promises as contained herein, the parties hereto have agreed and hereby enter into this Contract according to the provisions as set forth herein.

SECTION 1 - SCOPE OF SERVICES

ORGANIZATION has carried out activities necessary for acquisition of vacant land, rehabilitation and resale, new construction, or conversion of a nonresidential to a residential structure for low to moderate income senior occupants in the City of Franklin. Low to moderate income is defined as households with incomes equal to or less that 80% of median family income for the Metropolitan Statistical Area.

When applicable, the Organization has or will test, remediate, and clear structures for lead-based paint hazards. All structures constructed pre-1978 must be tested and cleared for lead-based paint hazards. In the presence of lead-based paint hazards, contractors/workers are required to be certified in and use safe-work practices. **A United States Department of Housing and Urban Development (HUD) Environmental Review Report will be required.**

Incorporated into this contract is Exhibit A, the proposal by ORGANIZATION, which is attached hereto and made a part hereof.

SECTION 2 - RESPONSIBILITIES OF PARTIES

- A. ORGANIZATION will perform the duties described above and take other actions necessary to accomplish the spirit of this Contract.
- B. ORGANIZATION will submit regular reports (not less often than quarterly) as directed by CITY detailing the progress of their project.
- C. At the request of CITY, ORGANIZATION will periodically send a representative to neighborhood or other public meetings to discuss and promote their project.
- D. CITY will provide funding for the program from the Community Development Block Grant program as set forth in Section 3 of this contract.

SECTION 3 – COMPENSATION

ORGANIZATION will receive up to **Sixty-Three Thousand Six-Hundred Seventy-Two and No/100 Dollars (\$63,672.00)** for the services outlined above from the approved Community Development Block Grant program for eligible expenses.

SECTION 4 – TIME OF PERFORMANCE

The CITY shall transmit payment to ORGANIZATION for property purchased on September 6, 2019, designated for the development of affordable housing within the City of Franklin. ORGANIZATION shall complete all services for the CITY within twenty-four (24) months of the execution of this Contract.

SECTION 5 - PAYMENT TERMS AND CONDITIONS

- A. CITY shall reimburse ORGANIZATION for services rendered based on submittal of valid invoices for project costs with a description and documentation of work performed. CITY has the option of inspecting the completed work prior to making any payments.
- B. Invoices may be submitted while the project is in progress as work is performed. CITY may choose to reimburse the organization for incremental expenses incurred as work is completed and inspected for satisfactory progress.
- C. Final payment will be subject to receipt of a final report that is satisfactory to CITY.

SECTION 6 - NOTICES

All notices under this Contract shall be in writing and sent by certified mail to the address listed below for each party.

**Kathleen L. Sauseda
City of Franklin – City Hall
109 3rd Avenue South
Franklin, TN 37064**

**Community Housing Partnership
126 Fowlkes Street,
Franklin, TN 37064**

SECTION 7 - PROGRAM PROCEEDS

ORGANIZATION is acting as a CBDO and not as a subrecipient under the terms of this agreement. Revenues generated by activities undertaken by ORGANIZATION with funds provided through this agreement are not considered to be program income. CITY does require ORGANIZATION to use program proceeds to continue ORGANIZATION'S mission of providing affordable housing. Toward that end, CITY requires ORGANIZATION to submit a written statement within thirty (30) days of receipt of any initial program proceeds outlining their intended future use.

SECTION 8 - REVERSION OF ASSETS.

Any real property under ORGANIZATION control that was acquired or improved in whole or in part with program funds in excess of \$25,000.00 shall be either: (i) used to meet one of the national objectives in 24 CFR 570.208 until five years after expiration of the agreement; or (ii) not used in accordance with the above paragraph (i) of this section, in which event ORGANIZATION shall pay to the City of Franklin an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-program funds for the acquisition of, or improvement to, the property.

SECTION 9 - STANDARD TERMS AND CONDITIONS

A. COMPLIANCE WITH FEDERAL LAWS/REGULATIONS

ORGANIZATION shall comply with all applicable Federal and State laws and regulations in the performance of this Contract, including, but not limited to Federal Code 2 CFR 200.318, 2 CFR 200.326, and 2 CFR 200.318 (c)(1).

B. ANTIDISCRIMINATION/AFFIRMATIVE ACTION AND EQUAL EMPLOYMENT OPPORTUNITY

No person on the grounds of handicap, age, race, color, religion, sex, national origin, disability, or marital/familial status or any other classification protected by Federal and/or State of Tennessee constitutional and/or statutory law-shall be excluded from participation in, or be denied benefits or, or be otherwise subjected to discrimination in the performance of this Contract.

C. AUDIT REQUIREMENTS

- i. This Contract, as well as any sub-agreement made with other participating agencies, is subject to all administrative requirements in OMB Circulars A-110 and A-122.
- ii. CITY hereby notifies ORGANIZATION that a single audit is required for non-profit agencies receiving \$300,000.00 or more in federal funds in any single fiscal year. This requirement is in accordance with OMB Circulars A-110 and A-133. If required, a copy of the single audit report will be kept on file and made available to CITY staff during sub-recipient monitoring visits and appropriate officials as requested.

D. CONFLICT OF INTEREST

ORGANIZATION agrees to abide by the following requirements with respect to conflicts of interest, and covenants that it presently has no interest, direct or indirect, and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement. ORGANIZATION further covenants that in the performance of this Agreement no person having such an interest, direct or indirect, shall be employed or retained by ORGANIZATION hereunder. These conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of ORGANIZATION or of any designated public agencies or sub-recipients that are receiving funds under this program.

E. PROCUREMENT STANDARDS AND METHODS

ORGANIZATION shall comply with CITY's current 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 herein.

ORGANIZATION shall procure all materials, property, or services in accordance with the requirements of Attachment O of OMB Circular A-110, Procurement Standards.

F. VENUE

In the event of a dispute or litigation arising out of said Contract, it is understood and agreed and that this Contract was executed and performed in Williamson County, Tennessee, and as such, it is agreed by both parties that venue of said litigation, including an action for Declaratory Judgment, will be in Williamson County, Tennessee.

G. ASSIGNMENT

Neither CITY nor ORGANIZATION may assign its rights or delegate its responsibilities under this contract.

H. ENTIRE CONTRACT AND MODIFICATION

The Contract between the parties supersedes any prior or contemporaneous communications, representations or agreements between the parties, whether oral or written, regarding the subject matter of the entire Contract. The terms and conditions of this Contract may not be changed except by an amendment expressly referencing this Contract by section number and signed by an authorized representative of each party.

If seeking any addition or modification to the Contract, the parties agree to reference the specific paragraph number sought to be changed on any future document or purchase order issued in furtherance of the Contract, however, an omission of the reference to same shall not affect its applicability. In no event shall either party be bound by any terms contained in any purchase order, acknowledgement, or other writings unless: (a) such purchase order, acknowledgement, or other writings specifically refer to the Contract or to the specific clause they are intended to modify; (b) clearly indicate the intention of both parties to override and modify the Contract; and (c) such purchase order, acknowledgement, or other writings are signed, with specific material clauses separately initialed, by authorized representatives of both parties.

I. SEVERABILITY

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

J. TIME OF THE ESSENCE

The parties agree that TIME IS OF THE ESSENCE with respect to the parties' performance of all provisions of the Contract.

K. NO TAXES, NO INTEREST PAYMENTS

As a tax-exempt entity, CITY shall not be responsible for sales or use taxes incurred for products or services. CITY shall supply ORGANIZATION with its Sales and Use Tax Exemption Certificate upon ORGANIZATION's request. ORGANIZATION shall bear the burden of providing its suppliers with a copy of CITY's tax exemption certificate and shall assume all liability for such taxes, if any, that should be incurred. CITY does not agree to pay any interest for late payments, having agreed to pay in a timely manner.

L. WAIVER

Neither party's failure or delay to exercise any of its rights or powers under the Contract will constitute or be deemed a waiver or forfeiture of those rights or powers. For a waiver of a right or power to be effective, it must be in writing signed by the waiving party. An effective waiver of a right or power shall not be construed as either (a) a future or continuing waiver of that same right or power, or (b) the waiver of any other right or power.

M. TERMINATION

This Agreement may be terminated upon thirty (30) days written notice by either party.

Upon deliberate breach of the Contract by either party, the non-breaching party shall be entitled to terminate the Contract without notice, with all the remedies it would have in the event of termination and may also have such other remedies as it may be entitled to in law or in equity.

SECTION 10 – SIGNATURES

THE CITY OF FRANKLIN

By: _____
Dr. Ken Moore, Mayor

Date: _____

Attest:

Eric S. Stuckey, City Administrator

Date: _____

Approved as to Form:

Maricruz R. Fincher, Staff Attorney

Date: _____

Community Housing Partnership:

By: _____

Date: _____

Its: _____

EXHIBIT A

GRANT PROPOSAL FOR COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

PROJECT TITLE: Community Housing Partnership of Williamson County—Single-Family Homeownership

1. Executive Summary of Project

Community Housing Partnership of Williamson County (CHP) intends to use the \$63,672.00 in CDBG CBDO funds (if funded) to complete the new construction or purchase and rehabilitation of either a home or vacant land subsidized by the funding. This subsidy will enable CHP to meet the City of Franklin vision of homeownership and will enable the production of two homes that will meet affordable levels as defined by the HUD definitions under CDBG regulations.

2. Organization Description and History of Organization

a. Briefly share the accomplishment of the organization

Please see attached Experience in Housing sheet

b. Describe established partnerships and relationships that will support this activity

CHP has established a long list of contractors and subcontractors as well as vendors to support our single-family housing program. The list is too extensive to list in this application, but enables CHP to accomplish those projects described in our Experience in Housing.

3. Project Description

a. Address of home that will be built

As no funds have been committed no housing has been selected. Due to the volatility of the Franklin market funding must be secured prior to the contract on land or housing as sellers will not take their houses off the market without assurances of the close.

b. Architectural drawing of home

No architectural drawing has been submitted. As each site is different it would be impossible to have the housing design without the site and site selection cannot be done until funds are committed. Some architectural designs for past homes are available but may not be applicable until site selection is complete.

4. Population that Project will assist

a. Does project support LMI resident

These houses will support Low to Moderate Income families as defined by the CDBG CBDO regulations and will only serve this population.

5. Project and Budget Timeline

a. Source of supporting funds to complete project

CHP has existing lines of credit and banking relationships for the sole purpose of being able to do single family housing construction. These lines are under the Community Investment Tax Credit program of Tennessee Housing Development

Agency and provide financing at 4% under the prime lending rate (currently at or near 0%). Coupled with the CDBG CBDO funding they will provide the necessary funding to complete the construction or rehabilitation of the houses and sale to the LMI family.

The timeline of the projects would depend upon if the project was purchase/rehabilitation or new construction.