

**CONTRACT FOR THE RECEIPT OF COMMUNITY BASED DEVELOPMENT  
ORGANIZATION PROGRAM FUNDING, FISCAL YEAR 2015-16 FROM THE CITY  
OF FRANKLIN**

**COF Contract No.: 2015-0348**

This Contract, made and entered into this \_\_\_ day of \_\_\_\_\_, 2015, is by and between the City of Franklin, (hereinafter "THE CITY") and Hard Bargain Association hereinafter called "THE ORGANIZATION").

**WITNESSETH:**

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

**WHEREAS**, THE ORGANIZATION is experienced in developing Affordable Housing projects, as defined by the United States Department of Housing and Urban Development and has met the certification requirements of becoming a CBDO; and

**WHEREAS**, THE ORGANIZATION replied to a publicly advertised Request for Proposals and was selected to participate as a CBDO in the City's Community Development Block Grant Program;

**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**

THE ORGANIZATION will carry out activities as set forth in THE ORGANIZATION'S proposal, which is attached as Exhibit A, and incorporated into this contract as if restated fully herein.

**SECTION 2 - RESPONSIBILITIES OF PARTIES**

- A. THE ORGANIZATION will perform the duties described above and in Exhibit A and take other actions necessary to accomplish the spirit of this Contract.
- B. THE ORGANIZATION will submit regular reports (not less often than quarterly) as directed by THE CITY detailing the progress of their project.
- C. At the request of THE CITY, THE ORGANIZATION will periodically send a representative to neighborhood or other public meetings to discuss and promote their project.
- D. THE 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**

THE ORGANIZATION will receive up to One Hundred Twenty Thousand and No/100 Dollars (\$120,000.00) for the services outlined above and contained in Exhibit A from the approved Community Development Block Grant program for eligible expenses.

### **SECTION 4 – TIME OF PERFORMANCE**

Services shall start within ninety (90) days of this signed Contract and end on or before the 365th day thereafter.

### **SECTION 5 - PAYMENT TERMS AND CONDITIONS**

- A. THE CITY shall reimburse THE ORGANIZATION for services rendered based on submittal of valid invoices for project costs with a description and documentation of work performed. The CITY has the option of inspecting the completed work prior to making any payments.
- B. The Schedule of Payments, if applicable, is attached as Exhibit B.
- C. Invoices shall be submitted monthly.
- D. Final payment will be subject to receipt of a final report that is satisfactory to THE 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.

**Vernon J. Gerth  
City Hall  
City of Franklin  
109 3<sup>rd</sup> Avenue South  
Franklin, TN 37064**

**Brant Bousquet  
Hard Bargain Association  
608 Mount Hope Street  
Franklin, TN 37064**

### **SECTION 7 - PROGRAM PROCEEDS**

THE ORGANIZATION is acting as a CBDO and not as a sub recipient under the terms of this Contract. Revenues generated by activities undertaken by THE ORGANIZATION with funds provided through this Contract are not considered to be program income. THE CITY does require THE ORGANIZATION to use program proceeds to continue THE ORGANIZATION'S mission of providing affordable housing. Toward that end, THE CITY requires THE

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.**

Upon termination of this Contract, THE ORGANIZATION shall transfer to THE CITY any unused program funds on hand at the time of expiration and any accounts receivable attributable to the use of program funds. Any real property under THE ORGANIZATION control that was acquired or improved in whole or in part with program funds in excess of Twenty-Five Thousand and No/100 Dollars (\$25,000.00) is either: (i) used to meet one of the national objectives in 24 CFR 570.208 until five (5) years after expiration of the Contract; or (ii) not used in accordance with the above paragraph (i) of this section, in which event THE ORGANIZATION shall pay to THE CITY 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**

THE ORGANIZATION shall comply with all applicable Federal and State laws and regulations in the performance of this Contract.

### **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 of the administrative requirements in OMB Circulars A-110 and A-122.
- ii. THE CITY hereby notifies THE ORGANIZATION that a single audit is required for non-profit agencies receiving \$300,000 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 THE CITY staff during sub-recipient monitoring visits and appropriate officials as requested.

**D. CONFLICT OF INTEREST**

THE 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 Contract. THE ORGANIZATION further covenants that in the performance of this Contract no person having such an interest, direct or indirect, shall be employed or retained by THE 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 THE ORGANIZATION or of any designated public agencies or sub-recipients that are receiving funds under this program.

**E. PROCUREMENT STANDARDS AND METHODS**

THE ORGANIZATION shall comply with THE 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.

THE 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 THE CITY nor THE 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, THE CITY shall not be responsible for sales or use taxes incurred for products or services. THE CITY shall supply THE ORGANIZATION with its Sales and Use Tax Exemption Certificate upon THE ORGANIZATION's request. THE ORGANIZATION shall bear the burden of providing its suppliers with a copy of THE CITY's tax exemption certificate and shall assume all liability for such taxes, if any, that should be incurred. THE 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 Contract 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 of 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..

**In witness whereof, by our hands on the date noted above.**

**THE CITY OF FRANKLIN, TENNESSEE**

**By:** \_\_\_\_\_  
**Dr. Ken Moore, Mayor**

**Attest:**

\_\_\_\_\_  
**Eric S. Stuckey, City Administrator**

**Approved as to Form:**

\_\_\_\_\_  
**Kristen Corn, Assistant City Attorney**

**Hard Bargain Association:**

**By:** \_\_\_\_\_  
**Its:**

**Hard Bargain Mt. Hope Redevelopment****Proposed Scope of Services**

This award contract will be used toward the funding for the completion of the Bungalow Court, consisting of 5 new homes, on our Planned Unit Development (PUD) on Mt. Hope Street. These funds will be used to offset the costs associated with the infrastructure expenses, such as stormwater, sewer, underground utilities, engineer's fees, road, sidewalks, pervious paving, curbs, gutters, and other related fees and expenses. The project is located in the defined limits of the Community Revitalization Plan (CRP) of the City of Franklin. One home exists on the PUD and is occupied by a single mother and her two children. Five new homes will be built, for a total of six homes on this PUD. We already have two signed contracts to build two new homes for low income families.

Final Plat and Construction Documents have been approved. As specified in City of Franklin Request for Proposals, construction services will be performed by licensed, bonded, and insured State of Tennessee contractors performing construction services per a work write up specifying the necessary services and will be requested on a reimbursement basis according to a schedule contained in the executed written agreement as specified under the Requests for Proposals document. The contractor shall provide progress schedules to the City of Franklin and HBMHR on a monthly basis. All items listed in paragraphs 9.0, 10.0 and 12.0 in the Request for Proposals by the City of Franklin shall be incorporated in any agreement by the contractor and the City of Franklin.

Timeline

Upon receipt of the award, HBMHR is prepared to finalize the project within the timeframe indicated in the Request for Proposals.

Sales Points

1. Two families are waiting for us to build their homes on the PUD Bungalow Court.
2. House sales price of approximately \$140,000. A 3.99% 30 year FHA mortgage will be used. The principal/interest payments and taxes/insurance will be affordable for a low income family in Franklin, TN.

Status and Evidence of Property Control

See attached warranty deeds for 727 Mt. Hope St. and 957 Mt. Hope St.

Evidence of Appropriate Zoning

Property is zoned to R6 Residential District which is appropriate to the use as per the zoning map of Franklin, Tennessee Base Districts (July 1, 2008).

Sources and Uses Statement

Sources

House 1	House 2	
\$ 75,000	\$ 75,000	CBDG funding
\$ 46,026	\$ 46,026	HBMHR funds
<u>\$ 100,000</u>	<u>\$ 100,000</u>	Loans for Infrastructure Costs- Reliant Bank,
\$ 221,026	\$ 221,026	Pinnacle Bank

Uses

House	
\$ 76,026	Infrastructure cost (total infrastructure costs of \$380,132 divided by 5)
\$ 140,000	House construction cost
<u>\$ 5,000</u>	Closing costs
\$ 221,026	(*see attached PUD Infrastructure Cost Estimate)

Customer Purchase

\$140,000	Mortgage
<u>\$ 81,026</u>	Donations raised to subsidize purchase price (covered by silent second mortgage)
\$221,026	



## Development Team

Construction management will be conducted by Brant Bousquet, Executive Director of HBMHR, and David Crane President/Owner of Crane Builders, LLC, (licensed contractor, resume attached) who will be working in a volunteer capacity for HBMHR. Mr. Crane has over 22 years' experience in the construction business with numerous awards for his work. Additionally John Murphy, a Hard Bargain resident and HBMHR board member, will serve as Site Supervisor, providing daily oversight of the construction. Mr. Murphy will be in constant communication with Mr. Bousquet and Mr. Crane throughout the construction process.

The Addison Group, a Design and Development company, has been selected as the developer to assist Hard Bargain in the planning, permitting, design and implementation of the Hard Bargain Master Plan. The Addison Group will take it through the City permitting process, implement and manage the infrastructure process, and deliver final home sites for the 5 future lots planned in the PUD. In addition, the Addison Group will design the open space, landscape, and streetscape elements throughout the development and ensure that the plan is cohesive with the rest of the historic Hard Bargain community. Civil & Environmental Consultants, Inc. is providing engineering services. Acer Landscaping Services will donate their services and do the final grading and will provide landscaping for each new home.

## Sales Team

The houses will be presold. HBMHR has an existing list of possible customers waiting for to purchase new homes. Brant Bousquet and Jack McCann, legal counsel for HBMHR, will act as the sales team.

CHP provides Homebuyer's Education, Pre Purchase Counseling, Homebuyer's Post Purchase Counseling, and Foreclosure Counseling. Every HBMHR homebuyer is required to take CHP's homebuyer education and post purchase classes, while receiving counseling and assistance to clean up their credit if it is an issue.

## Architectural Plans

See attached house plans designed by architect Preston Quirk of Quirk Designs.

HBMHR has all the internal systems available to begin this project immediately. There are loans in place for home construction funding. HBMHR has house plans, customers, and a construction team and is ready to begin the project immediately.

## **Hard Bargain Mt. Hope Redevelopment**

### **Section 3**

#### **Opportunity for Employment, Training, & Contracts from Project Area**

HBMHR has provided opportunities for employment and training for low-income residents in the Hard Bargain neighborhood and will continue to pursue these opportunities if this contract is awarded. John Murphy, a low-income African American Hard Bargain resident, will serve as the Site Supervisor. He served as the Site Supervisor for the other six houses built. HBMHR has employed other men and women from the neighborhood for painting, construction, clean up, lawn care, security, and various other jobs.

HBMHR will make every effort to find suitable contractors which are located or owned in substantial part by persons residing in the Hard Bargain neighborhood, as described in HUD regulations 24CFR 135. Additionally, HBMHR will outreach to all commercial concerns within the neighborhood to solicit their bidding in the process.

HBMHR is not claiming status as a Section 3 Business Concern but has filled out all applicable forms regarding this application which are in the attachments.

# Hard Bargain Mt. Hope Redevelopment

## Costs

HBMHR has control of the subject property. Funding from this award contract will be used for the infrastructure costs for two single family homes for low to moderate income families on the Bungalow Court of the Planned Unit Development (PUD).

Request for CBDG Funds for Infrastructure Costs on 2 Houses      \$150,000

HBMHR is requesting \$150,000 from the City of Franklin for public infrastructure costs (stormwater, sewer, underground utilities, engineer's fees, road, sidewalks, pervious paving, curbs, gutters, and other related fees) for two single family homes for low income families as a part of the PUD's Bungalow Court on Mt. Hope Street in the Hard Bargain neighborhood. This will be completed within the required one year time frame.

This award will be a tremendous blessing to our organization, and more importantly, to the low to moderate income families who purchase the homes. Because we are a non-profit affordable housing organization, we do not wrap up the infrastructure costs into the price of each home we build. We have to cover these costs with grants and fundraising. We would love to use the CBDG funds to partner with the City of Franklin to provide affordable housing for low and moderate income families in the Franklin.