



HISTORIC
FRANKLIN
TENNESSEE

MEMORANDUM

TO: City of Franklin Board of Mayor and Alderman

FROM: Eric S. Stuckey, City Administrator
Chris Bridgewater, Director Building & Neighborhood Services
Kathleen Sauseda, Housing Development Coordinator

DATE: September 13, 2016

SUBJECT: Consideration of Contract #2016-0035 for the Receipt of Community Development Block Grant, funding to Community Housing Partnership.

Purpose:

Consistent with the objectives of the City of Franklin's Consolidated Plan for Housing and Community Development, the City awards funding to qualified non-profit organizations. The agreements facilitate funding a non-profit with **\$21,109.13** of Community Development Block Grant, (CDBG) funds to support the development of infrastructure that is supportive of an affordable housing development, such as sidewalks, streets and storm water improvements.

Background:

The City of Franklin has identified affordable housing development as an important issue in the community. The City solicited proposals from qualified non-profit firms to undertake the development of public facilities and public improvement projects. Three non-profits responded with proposals, the proposals were scored by City Planner, James Svoboda, City Permit Technician, Trey Childress and Lynn Osland, Development Services Analyst. The scores supported funding all three projects almost equally. This funding will be applied toward concrete and base materials as well as, labor that will be associated with building sidewalks, drives and water accessibility.

Financial Impact:

This contract will be funded in full by the Community Development Block Grant (CDBG).

Recommendation:

Staff recommends approval.

**CONTRACT FOR PUBLIC FACILITIES AND
PUBLIC IMPROVEMENT PROJECTS
COF Contract No. 2016-0226**

This Contract, made and entered into this ___ day of _____, 2016 by and between the City of Franklin, (hereinafter "THE CITY") and Community Housing Partnership (hereinafter "THE ORGANIZATION").

WITNESSETH:

WHEREAS, THE CITY has identified housing developments as an important issue in the community, and to achieve the goal of creating affordable housing within the City of Franklin, THE CITY will make available a portion of the Community Development Block Grant funds toward this objective; and

WHEREAS, THE ORGANIZATION replied to a publicly advertised Request For Proposals and was selected to participate as a contractor 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 be required to successfully meet the following deadlines:

- THE ORGANIZATION will completely and successfully obtain all required permits and begin physical construction as provided in the Scope of Services (attached as Exhibit A and incorporated as if stated fully herein) within ninety (90) days of execution of a written agreement.
- Expend all Community Development Block Grant (CDBG) funds and complete the construction project(s), within a maximum of twelve (12) months from all execution of a written agreement.

SECTION 2 - RESPONSIBILITIES OF PARTIES

- A. Perform the duties described herein and in Exhibit A and will submit regular reports (not less often than quarterly) as directed by THE CITY detailing the progress of their project.
- B. 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.

- C. 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 a total of **Twenty-One Thousand One Hundred Nine and 13/100 Dollars (\$21,109.13)** for the services outlined above and contained in Exhibit A from the Community Development Block Grant program for eligible expenses.

SECTION 4 - TIME OF PERFORMANCE

- A. Services shall begin in the Fiscal Program Year 2015, which runs from July 1, 2015 through June 30, 2016; services shall be complete no later than December 31, 2016.
- B. Services shall begin no later than ninety (90) days following execution of this Contract.
- C. This Contract may be terminated upon thirty (30) days written notice by either party.

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. Invoices may be submitted monthly
- C. Final payment will be subject to receipt of a final report that is satisfactory to THE CITY.

SECTIONS 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	Stephen Murray, Executive Director
City of Franklin	Community Housing Partnership
109 3 rd Avenue South	129 West Fowlkes Street, Suite 128
Franklin, TN 37064	Franklin, TN 37064-3562

SECTION 7 - 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

This 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. BREACH

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.

Witness our hands, this ____ day of _____, 2016.

THE CITY OF FRANKLIN

By: _____
Dr. Ken Moore, Mayor

Attest:

Eric S. Stuckey, City Administrator

Approved as to Form:

Approved as to Form:

Kristen L. Corn, Staff Attorney

By:

Its: Executive Director

EXHIBIT A

The proposed Scope of Services and Costs are enclosed on the following pages and are incorporated by reference into the Contract.

**Community Housing Partnership of Williamson County (CHP)
Proposed Scope of Services**

CHP is proposing (if funded) with this Public Facilities and Public Improvement Project to install new water lines in an existing group home and low income rental project at 254 Natchez Street. This group home address a major problem, the housing of disable men in Franklin and has put together the support of Franklin Community Church as well as numerous other private source in the day to day running of the facility, while CHP has secured a THDA Housing Trust fund grant and a loan from Avenue Bank to do the extensive reconstruction of the group home and additional units. The existing public services connected to all the units are grouped together and need to be separated to provide good service to these tenants as well as provide the City of Franklin up to date service in their system. This project is taking a problem piece of property that generates numerous police call and make it a decent, safe and productive, tax producing property for the City of Franklin while providing a home for disabled men within the group home and the individual units.

CHP has an extensive history in programs similar to this. CHP has successfully administered the Neighborhood Stabilization Program for Tennessee Housing Development Agency in the past. Within this program CHP has bought, rehabbed and sold twelve houses. CHP successfully administers the HUD HOME program and generates approximately 5 purchase, rehabs and sales per year (6 in 2014-2015 fiscal year, 4 so far in 2015-2016. Additionally, CHP uses the Federal Home Loan Bank of Atlanta's Affordable Housing program to provide homeownership opportunities in the rural sections of Williamson County, successfully providing low income homebuyers in 45 instances over the years. As well, CHP has completed 4 houses in two different years using the City of Franklin CDBG CBDO programs. In additional, CHP has completed 88 units of apartments in Fairview and is about to start 30 condominium units in Franklin. Truly, CHP has an extensive history of providing low income housing opportunities under programs as described under this type of request for proposals from The City of Franklin.

Please note that information in the Cost section of this proposal is an integral part of CHP's Scope of Services. CHP proposes to follow the following format in this program:

Purchase:

The structures have been purchased and closing has occurred.

Construction:

Construction contracts have been entered into with Building Solutions by Spann LLC, a reputable contractor who has done numerous projects in Franklin. Building renovation has started, however the project within this scope of services has not started nor have and of the components of it been solicited . It is expected that if approved this project would start immediately upon the funding. As you can see we are well prepared to use this funding quickly and efficiently by the well proven developer (CHP) and contractor (Building Solutions by Spann LLC).

Internal Systems:

CHP has a standard program for control over any construction projects that we might be providing. This includes the following:

1. **Work Write ups and cost estimating** is done by staff using the Work Pro system and other construction software to provide the construction documents that are supporting the project and given the correct text for bidding .
2. **Bidding** is performed under HUD standards and regulations and in the case of this particular project we have bid the renovation activity receiving 3 bids and reviewing all pricing before a contract was issued
3. **Construction supervision** is performed on a weekly basis by qualified staff and banking representatives to insure compliance with the contract. Additionally we have encouraged City of Franklin Building and Neighborhood Services to participate in the inspections and work write ups on the project.
4. **Record keeping** will be maintained by CHP with a complete project book for each individual project and all records regarding the intake, facilitation, inspections, contracts and draw requests during construction and all mortgage related documents regarding the homebuyer and the close on said property. All record keeping will be maintained to insure that CDBG compliance is maintained by both CHP and the City of Franklin.
5. **Complaints and Grievances** will be addressed by CHP with representation of the City of Franklin where applicable. CHP will maintain an individual file regarding any complaint and grievances by either the homeowner, contractor or interested party. CHP will act as the negotiator to address any issues arising and if CHP can resolve the problem we will do so. However if the problem cannot be resolved we would suggest that the City of Franklin have other resources, such as arbitration possibilities.

CHP has all the internal systems available to begin this program immediately as we will follow the successful format from extensive programs that we have successfully conducted. Inspection systems exist within programs to do all initial inspections and staff is available and certified in all compliance and inspection areas. Indeed this program is very similar to programs performed by CHP staff for HUD HOMES and Tennessee Housing Development Agencies Neighborhood Stabilization Program. As well CHP has successfully administered the CDBG CBDO program over two different program years. Additionally, CHP has conducted the first five years of the CDBG programs for the City of Franklin showing our ability to successfully administer CDBG in a TIMELY method.

CHP will close out the project after final reporting and record keeping to the City of Franklin and will keep all records available for 10 years after the completion of each project. Additionally, CHP will be available and help the City of Franklin on all compliance reporting regarding this CDBG program to the US Department of Housing Urban Development.

Notes:

1. The Cost section of this proposal is an integral part of the Scope of Services
2. Development and sale pro formas and sources and use statements are included with the Cost Section
3. The CHP staff will serve as the Development team to control cost and keep the house affordable
4. Architectural Plans and elevations will not be necessary as this is rehabilitation of an existing structure and the water taps and lines will simply be adding to the renovation
5. Avenue Bank and THDA have already approved the existing financing on this project (see attached documents).

**Community Housing Partnership of Williamson County (CHP)
Costs**

Given the Scope of Work defined in earlier text CHP has identified the costs directly to CHP to administer this program for the City of Franklin. These costs are broken down to reflect the plans of installing new water lines for the three units in conjunction with the additional Group Home on 254 Natchez Street.

Cost to perform project

City of Franklin charges for new water taps 3@ \$8023.20	\$24,069.60
Dig and lay new water lines and tie in to all new meters	\$ 4,800.00
Repave Driveway after lines are installed	\$15,928.00
Clean up and yard repair	\$ 1,800.00
Supervision Cost	\$ 800.00
Total Cost	\$47,397.60

Revenue to fund project

THDA/Housing Trust Fund grant (funded)	\$12,000.00
CHP/Williamson County (funded)	\$ 3,397.60
Avenue Bank Loan (funded)	\$12,000.00
City of Franklin Grant	\$20,000.00
Total Revenue	\$47,397.60

The City of Franklin funding of this project provides the last line in providing these essential city services to this project.