

**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. 2019-0109)**

This Contract is by and between the City of Franklin, (hereinafter "CITY") and Hard Bargain Association (hereinafter called "ORGANIZATION").

WITNESSETH:

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

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

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

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 will carry 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 than 80% of median family income for the Metropolitan Statistical Area.

When applicable, the work will also include testing, remediating, and clearing 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

Services shall start upon execution of this Contract and shall be completed 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**

**Hard Bargain Association
P.O. Box 545
Franklin, TN 37065**

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:

Tiffani M. Pope, Staff Attorney

Date: _____

Hard Bargain Association:

By: _____
Its:

Date: _____

EXHIBIT A

Project Description

- a. The CBDO grant funds will help us purchase the lot at 502 11th Avenue North and also help with the purchase of construction materials for the house we will build.
- b. Architectural Drawings of the Home- See Attachments

Population the Project Will Assist

- a. This project specifically supports low to moderate income residents who are permanent residents in the City of Franklin and are documented to be low to moderate persons as defined by HUD and the Bureau of the Census' Current Population Reports.

Project and Budget Timeline

- a. Timeline- Upon receipt of the award, HBMHR is prepared to move forward the project immediately.
- b. Sources and Uses Statement

Sources

House 1

\$ 40,000.00	CBDG funding for purchase of the lot
\$ 23,672.00	CBDG funding for purchase construction materials
\$ 25,000.00	HBMHR funds
<u>\$ 128,328.00</u>	Zero Interest loan from Pinnacle Bank
\$ 220,000.00	

Uses

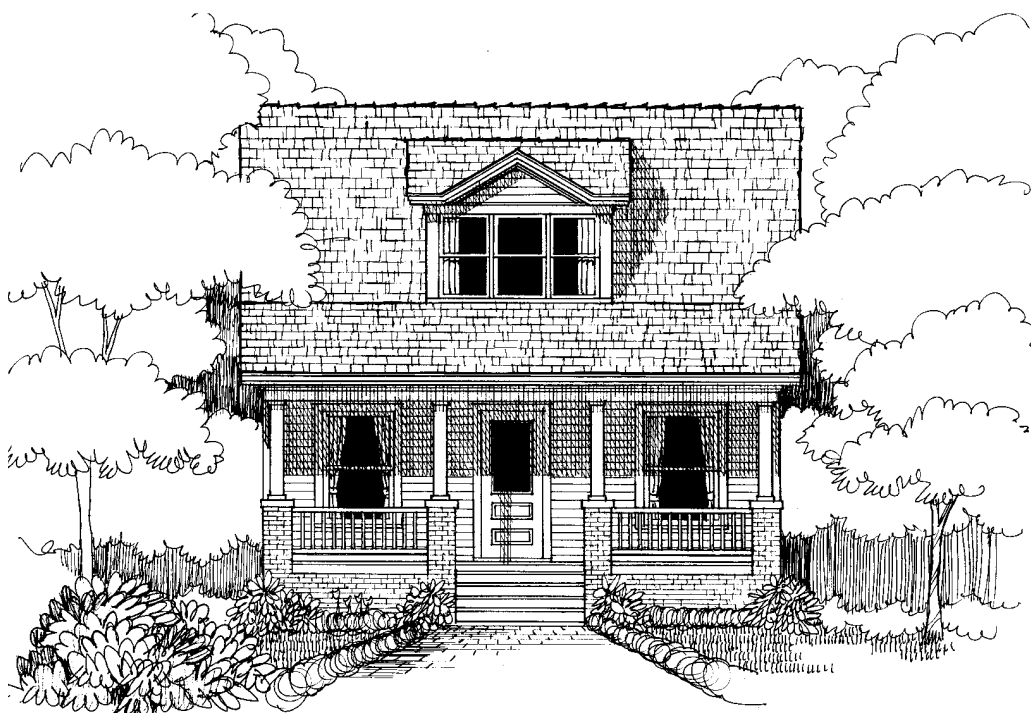
House 1

\$ 100,000.00	Lot cost
\$ 145,000.00	Construction cost
<u>\$ 5,000.00</u>	Closing costs
\$ 250,000.00	

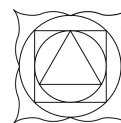
Customer Purchase

House 1

\$270,000.00	Mortgage
<u>\$ 50,000.00</u>	Less donations to subsidize purchase price (covered by silent second mortgage, which varies with each house)
\$220,000.00	



Rick Thompson Architect



www.thompsonplans.com

P O Box 160
Lake Junaluska, NC
28745

828-627-1479

plan #

1102B

1/22/1992

Size fl 1 830

Size fl 2 383

Size Total 1213

Width 24' + 1'-6"

Depth 34'-0"

Porch 6'

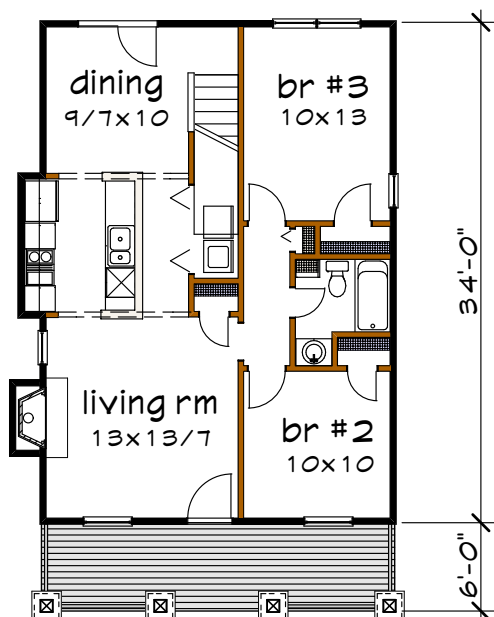
Fl 1 ceiling 8'

Fl 2 ceiling Vaulted

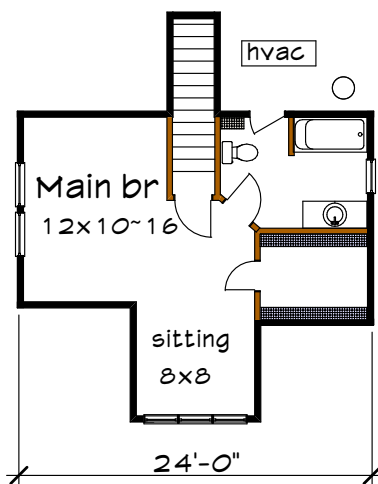
Roof pitch 9/12

Height 22'

Prints 5 sets Please see
Prints 8 sets web site for
Vellums current
Material list pricing
CAD thank you



Floor 1 plan



Floor 2 plan

Please specify foundation type (crawl standard) Available types - Crawl, Slab or Basement