

**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. 2019-0042

This Contract is by and between the City of Franklin, (hereinafter "CITY") and Community Housing Partnership (hereinafter "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.

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**

**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:

Tiffani M. Pope, Staff Attorney

Date: _____

Community Housing Partnership:

By: Taborina R. Guffy Date: 8/22/19
Its: Executive Director Designate

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.

Community Housing Partnership of Williamson County Experience in Housing

Community Housing Partnership of Williamson County (CHP) has had extensive experience in the construction and rehabilitation of housing during the past twenty-two years of existence. After the initial organizational period in 1994, CHP became active in the purchase and rehabilitation of housing units for rental purposes. In 1995 CHP bought and rehabilitated 4 units for this purpose using a Tennessee Housing Development Agency (THDA) HOUSE grant. An additional unit that was purchased, renovated and sold for homeownership using private dollars. In 1996 CHP began construction on 9 new houses for rental purposes using a THDA HOME grant and completed one house that was purchased, renovated and sold for homeownership using private funds. In 1997 while the 9 houses were starting CHP purchased, renovated and sold an additional house.

During the course of these projects, that CHP owned and operated, CHP also administered a HOME grant for Williamson County that had substantial reconstruction activity on 8 homes in four different cities. Performed in 1997 and 1998, these reconstructions averaged \$29,456 each and each project had a different contractor. After the completion of the HOME grants and while CHP owned projects were on going, CHP additionally administered the construction activity under a Community Housing Block Grant for the City of Franklin. This program had 15 substantial reconstructions from the period of 1998-2001 and substantially changed a city block.

In 2002 CHP purchased and rehabilitated two units for rental using private sector funds and did this again in 2004. During the average year in business CHP also performs owner occupied rehabilitations across Williamson County using funds from Williamson County, the United Way of Williamson County, USDA RD and the City of Franklin. In the past year 175 rehabilitations were performed and has budgeted 200 rehabilitations in the current fiscal year with an average valuation (labor/ materials) of approximately \$1,000 each.

In the 2007-2008 fiscal year CHP has had an extensive list of completed projects. First CHP conducted approximately 190 owner occupied rehabilitations of various scale across Williamson County. These ranged from yard work issues to major rehabilitation on disabled housing. Within these projects was the partnership with MFUGE that brought 20 teenagers and 4 adults per week for 8 weeks in the summer of 2008. This mission work provided a number of these rehabilitations using volunteer labor. Additionally, in partnership with the Greater Nashville Regional Council, CHP performed 15 emergency rehabilitations for elderly Williamson County residents. Using Tennessee Housing Development Agency funds which were matched by CHP funds these projects included HVAC, water lines and wells, plumbing, electrical and roofing. Daily CHP performs owner occupied repairs using City of Franklin, United Way of Williamson County and Williamson County funding that fixes a number of issues for our residents including electrical, plumbing, HVAC and structural problems.

In 2009-2010 CHP continued this level of work with a THDA HOME grant to purchase and rehabilitate 8 units of rental housing in Franklin within the Hard Bargain/Mount Hope neighborhood. In 2011-2012 CHP received a THDA HOME grant to do 2 group homes and 4 independent living units for developmentally disabled families. These units were completed in July 2012. CHP received a THDA HOME grant for 2012-2013 to do 5 group homes for developmentally disabled. 3 of these units have been finished. We have released the balance of that grant back to THDA. This is the only time that CHP has not completed a grant. There were a number of reasons why this happened. The requirement of 24/7 care by the social service agencies became a problem as the funding for the social services agencies was severely cut in Tennessee. Additionally, the price of housing in Williamson County became so high that the ability to finance structures to buy and rehabilitate under a maximum of \$170,000 (most that the grant and mortgage would support) became impossible. Therefore the responsible thing to do was to release the funding back to THDA in a timely manner so some other not for profit could use it instead of it going back to HUD, and that is exactly what CHP did. Once again CHP did extensive owner occupied repairs in Williamson County using United Way and Williamson County funding. Over 175 repairs were done under these programs with the original funding being supplemented by MFUGE and THDA on larger projects. Group Workcamps has come in during 2010-14 to do projects.

CHP administered the first, second, third, fourth, fifth, sixth and seventh years of CDBG Emergency Rehabilitation grants for the City of Franklin. This entailed all environmental approvals for Franklin and the work write ups, bidding and contract fulfillment by approved contractors. The first year's funding completed 21 projects (only 15 were planned) and the second year's funding completed 8 units, the third year completed 7 units, the fourth year completed 13 units, the fifth year completed 10 units and the sixth year completed 9 units. The seventh year is under contract and 10 units are planned. All residents are certified income qualified for low income status, proper ownership of the property and documents are kept on file to meet all compliance issues. Property standards are maintained through an inspection process and city or county inspections are required where necessary. 225 additional repairs were done in the owner occupied repair program in 2016-2017.

CHP has also completed a number of homeownership units in this time period. Coupled with the City of Franklin on the Moderately Priced Development Unit (MPDU) program CHP has successfully completed 12 units in Ashton Park and sold them to a City of Franklin Fireman, a Franklin Special School District Teacher and a Williamson County Deputy in 2007. CHP has successfully done two homes under the City of Franklin CDBG CBDO program in the 2010-2011 fiscal year and completed one house in 2011-2012 under the CDBG CBDO program and one house in 2014-2015 under the CDBG CBDO program. Additionally, one house is under contract with the City of Franklin. Additionally, CHP has purchased, rehabilitated and resold sixty-three units under the HUD HOMES program, HOME Path with Fannie Mae, HOME STEP with Freddie Mac and other foreclosure programs through many individual banks through the past 8 years (3 houses in 2015). These successfully placed sixty-three low income Williamson County families in their first house. Additionally, CHP has used funds secured from the Federal Home Loan Bank of Atlanta to provide \$30,000 grants in the rural sections of Williamson County for homeownership. 45 grants have been awarded and closed during the past 8 years. CHP has used THDA NSP funding to do 12 houses for low income homebuyers and is constantly using funding from area banks under the THDA CITC program to buy, rehab and resell homes to first time buyers, it is a major portion of our programs. In conjunction CHP Executive Director is a certified Homebuyers Counselor holding sessions twice per month with 6-10 customers per class creating a pipeline of customers. Additional customers have appointments with the Executive Director every week. CHP has successfully completed a Low Income Tax Credit allocation from THDA to do 88 units of low income rental units in Fairview. CHP purchased the property for the construction and sale of 30 one bedroom condominiums on West Main street across from the Williamson County Administrative Complex and is in the final completion stages of the units. The units should be completed and sold to low income families by June 2018. CHP is using a 2014 THDA/HOME/CHDO grant to do 7 homes in Maury County of which 6 are in process and upon completion of the full 7 will recapture the funds and do 7 more homes. CHP continues to be the leading housing agency in Williamson County, actively helping in all housing issues.

Experience in housing