

RESOLUTION NO. 30062

A RESOLUTION AUTHORIZING THE ADMINISTRATOR FOR THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT TO ENTER INTO AN AGREEMENT, IN SUBSTANTIALLY THE FORM ATTACHED, WITH CHATTANOOGA NEIGHBORHOOD ENTERPRISE, INC., FOR MANAGEMENT AND IMPLEMENTATION OF THE HOUSING AND URBAN DEVELOPMENT (HUD) LEAD PAINT ABATEMENT GRANT.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, that it is hereby authorizing the Administrator for the Department of Economic and Community Development to enter into an agreement, in substantially the form attached, with Chattanooga Neighborhood Enterprise, Inc., for management and implementation of the Housing and Urban Development (HUD) Lead Paint Abatement Grant.

ADOPTED: September 3, 2019

/mem

Contractual Agreement
Between
City of Chattanooga
and
Chattanooga Neighborhood Enterprise
2019-2020

Program: Chattanooga Lead Hazard and Healthy Homes Initiative (Initiative or Program)

THIS AGREEMENT (“Agreement”), made and entered into by and between the City of Chattanooga, Tennessee, acting through the Department of Economic and Community Development with principal offices at 101 East Eleventh Street, Suite 200, Chattanooga, Tennessee 37402, as part of the first party hereinafter called "City" or "Grantor", and Chattanooga Neighborhood Enterprise, a nonprofit corporation organized pursuant to the laws of the State of Tennessee, with principal offices at 1500 Chestnut Street, Suite 102, Chattanooga, TN 37408, and its subcontractors, as part of the second party, hereinafter called, “CNE”, "Subrecipient" or “Sub-grantee”. Subrecipient (2 CFR 200.93)

WITNESSETH

WHEREAS, the City has received Healthy Homes Supplemental (HHSupp) and Lead-Based Paint Hazard Control (LBPHC) grants from U.S. Department of Housing & Urban Department’s (HUD’S) Office of Lead Hazard Control and Healthy Homes (OLHCHH) for eligible housing and related activities under the Chattanooga Lead Hazard and Healthy Homes Initiative/Program and,

WHEREAS, the City has unallocated program income generated from THDA funded projects, all to be used for eligible housing and related activities; and

WHEREAS, the Subrecipient is a successful respondent to a Request for Proposal for services to be performed using the funds; and

WHEREAS, the Subrecipient will be compensated for the services described in Part I; and

WHEREAS, the Subrecipient has agreed to provide services funded through this contract free from political activities, religious influences or requirements; and

WHEREAS, the Council of the City of Chattanooga has approved this Initiative and the allocation necessary funds: and

NOW, THEREFORE, the parties of this agreement for the consideration set forth below, do here and now agree to bind themselves to the following terms and conditions:

PART I. PROJECT DETAILS

1. Purpose and Scope of Services

A. Lead Hazard and Healthy Homes Initiative Description, Characteristics, and Location

The City of Chattanooga Community Development Office (CDO), a division within the City Department of Economic and Community Development (ECD), administers a Lead-Based Paint Hazard Control (LBPHC) grant in the amount of \$1,500,000, and a Healthy Homes Supplemental Grant (HHSupp) of \$150,000 received from the U.S. Department of Housing and Urban Development's (HUD's) **Office of Lead Hazard Control and Healthy Homes (OLHCHH)**.

- B. The grant funds are used to control or remediate hazardous conditions caused by the presence of deteriorating, peeling, and chipping, lead-based paint and to address harmful health and safety issues in pre-1978 homes where children may live, visit, or play. The control/remediation work can vary from painting hazardous surfaces to the replacement of deteriorated components. Control/remediation work must be performed by certified lead-based paint abatement contractors.

C. Eligibility

i. Grant

The LBPHC Program is authorized by Section 1011 of the Residential Lead-Based Paint Hazard Reduction Act of 1992 (Title X of the Housing and Community Development Act of 1992, Public Law 102-550).

ii. Projects/Applicants/Activities

Projects and applicants must meet the following eligibility requirements:

- a. Located within the City limits.
- b. Owner-occupied applicants must occupy the home in question as their primary residence.
- c. All owner-occupied units assisted must have a total household income at or below 80% of the area median income level.
- d. All owner-occupied units assisted shall be occupied by a child under the age of six years or shall be units where a child under the age of six years lives or spends a significant amount of time visiting. Significant amount of time is defined as at least three hours per day on two separate days in a week (six hours per week total) and at least 60 hours total per calendar year.
- e. Landlord applicants may apply for both occupied and vacant rental units.
- f. All occupied rental units assisted must have a total household income at or below 50% area median income level. This rental unit income limit may be waived by the City's Community Development Office on a case-by-case basis.
- g. Rental units assisted do not require a child under the age of six years reside in the unit, but the property owner must give priority for three years to families with a child under six years old or pregnant women.
- h. All work shall be provided in the form of a grant.

2. Objectives and Outcomes

- A. The goal for the LBPHC grant is to identify and remediate lead-based paint hazards in 75 units/projects in Chattanooga, with priority given to units occupied by a child under the age of 6 with an Elevated Blood Lead Level (EBLL) and assess and address other hazards in these units with

HHSupp funding. The City's goal under the Initiative is to provide lead hazard control and healthy home repairs in no less than 5 units per month. Utilizing the available funding, the City is committed to accomplish the following by December 31, 2020:

- i. Provide lead-based paint inspections and risk assessments in approximately 85 units
- ii. Provide lead hazard control and healthy home repairs in approximately 75 homes
- iii. Provided Healthy Home repairs in a minimum of 40 units where lead-based paint hazards have also been identified

B. One of the objectives of the City's Community Development Office is to improve housing for low-income households within the City. The Subrecipient has the capability to assist the City in meeting this objective by performing certain services relative to securing qualified contractors to address lead and other hazards identified in homes, and when necessary, to provide affected households with temporary relocation assistance. The City wishes to:

- i. Make U.S. Department of Housing and Development ("HUD") Lead-Based Paint Hazard Reduction ("LBPHC") funding available for eligible units/projects in the amount of \$850,000.00,
- ii. Make HUD **Healthy Homes Supplemental (HHSupp)** funding available for eligible units/projects in the amount of \$100,000.00, and
- iii. Use unallocated "THDA Program Income" to provide mobilization grant funding to the Subrecipient in the amount of \$75,000.00.

3. Services; Project Deliverables, Project Implementation – Subrecipient

A. The Subrecipient will partner with the City to manage the process and related requirements through which qualified lead based paint abatement contractors are competitively procured and subsequently compensated for work performed in identified projects. Additionally, Subrecipient will facilitate the provision of temporary relocation services to affected households, when the undertaking of a housing project necessitates such services.

B. Identify Contractors

Under this Agreement, the Subrecipient will identify qualified lead abatement contractors to respond to invitations to bid on projects that have been vetted and approved by CDO. All lead hazard remediation services for the City of Chattanooga Lead Hazard Control Grant Program shall be completed by TDEC certified Lead-Based Paint Abatement professionals.

- i. Funded activities must be conducted by persons qualified for the activities according to 24 CFR part 35, subparts B-R (possessing certification as risk assessors, inspectors, abatement supervisors, abatement workers, sampling technicians, or certified renovators (for workers and supervisors performing non-abatement work)), as applicable. The Subrecipient shall be responsible for maintaining evidence that contractor and workers have been trained and licensed in accordance with all local, state, and federal requirements.

- ii. Work can include but not be limited to: lead-safe work practices; abatement that includes component replacement, enclosure and encapsulation; scraping/prepping and painting interiors and exteriors; replacement or installation of exterior siding, windows and/or window-frames, interior/exterior doors and doorframes; along with any associated general carpentry/construction work necessary to accomplish timely, quality services and meet federal HUD funding compliance requirements.
- iii. All contractors that work on target housing projects must be trained on how to comply with all the regulatory requirements necessary to contain Lead-Based Paint (LBP) contaminants. This can only be done by the Certified Renovator. Their training records must be available on each job site they are working, just in case of an unannounced onsite visit by the State

C. Maintain Pool of Contractors

Subrecipient will work with CDO to develop and maintain a pool of qualified contractors to bid on projects.

- i. Acting as subcontractors to the Subrecipient, qualified lead abatement contractors that meet the criteria established by ECD and are part of a pool of such contractors will be assigned work by the Subrecipient.
- ii. The work assignments will be made by the Subrecipient on a rotating basis (i.e., each lead abatement contractor that is part of the pool will be awarded work on a rotating basis).
- iii. In order to develop and maintain this pool of subcontractors, the Subrecipient will be required to perform the following:
 - a. Recruit eligible lead abatement contractors into a pool of such contractors (eligibility criteria, including those requirements for licensure,
 - b. Maintain a consistent number of lead abatement contractors in the pool by recruiting additional contractors as needed.
 - c. Encourage the recruitment of contractors that are of low or very-low income or to those contractors who employ persons of low or very-low income, and reports to ECD the use of such contractors.
 - d. Ensure contractors maintain their eligibility for participation in the program and if they do not, removes them from the pool.

D. Solicit and Award Bids

Using its written procurement process, within seven (7) days of receiving the scope of work from CDO for a project, the Subrecipient will solicit bids from qualified contractors to complete repairs based on a scope of work created by CDO. The scope of work will consist of issues identified in a lead risk assessment and healthy homes evaluation and report, facilitated by CDO.

- i. Solicitation for bids and contract awards will be documented and conducted in an open and competitive manner. This documentation will be submitted to CDO with the Subrecipient’s request for payment. The Subrecipient will provide the award notification to the successful contractor, copying CDO.
- ii. The Subrecipient will prepare and obtain signatures on written agreement between the property owner and the lead abatement contractor for identified work to be performed. The Subrecipient original copy will be forwarded to CDO with the Subrecipient retaining a copy.

- iii. The Subrecipient will follow the City of Chattanooga's Purchasing Manual and all Tennessee competitive bid laws.
- iv. The contractors must complete the scope of work developed by CDO and within the pre-set costs determined by CDO.

E. Project Oversight

- i. After coordinating dates and timelines with the contractor and CDO, Subrecipient will provide the selected contractor with a "Notice to Proceed".
- ii. CDO, with assistance from the Subrecipient, will be responsible for providing project oversight while the work is being performed.
- iii. When required, Subrecipient will facilitate the process to obtain CDO's approval on any necessary change orders.
 - a. A change order is defined as written request to change an amount, requirement or time period specified in the written agreement between the property owner and the lead abatement contractor, provided the change order is within the scope of the written agreement.
 - b. In the event change orders are required, the lead abatement contractor will notify the Subrecipient, who if after reviewing is in agreement, will obtain written approval from CDO.
 - c. The written approval of the change order will be maintained with the agreement between property owner and lead abatement contractor
- iv. Upon completion of the lead hazard control and/or healthy homes work, the lead abatement contractor will notify the Subrecipient and ECD. ECD will then review the completed work to ensure it meets the requirements as specified in the scope of work. If not, ECD will advise the lead abatement contractor of the deficiencies identified and advise the lead abatement contractor of the corrections needed to meet the original requirements.
- v. Once these requirements are met, CDO will collect lead dust wipe samples. Subrecipient will coordinate with CDO, the process to obtain required lead clearance on each project. If results of these dust wipe samples indicate the property has NOT been cleaned of lead, the lead abatement contractor will be required to re-clean the property until the requirements are satisfied.
- vi. If the results of these dust wipe samples indicate the property has been cleaned of lead, CDO will issue a Certificate of Compliance. The lead abatement contractor will then submit the Certificate of Compliance, along with the dust wipe sample results, to the Subrecipient, who will then perform the following:
 - a. Ensure all documentation has been submitted,
 - b. Process payments to contractors upon satisfactory completion of work and presentation of an invoice
 - c. Issue payment in the form of a check to the lead abatement contractor, in the amount stated in the agreement including change orders, if applicable
 - d. Submit invoice, and supporting documentation, to CDO for reimbursement

- i. Contractors performing lead hazard control will be reimbursed for their work at project completion and in accordance with the sub-recipients internal accounting policy and procedures. Progress payments may be approved by the Subrecipient upon approval of LBP Program Manager. All work must be approved by the ECD before any payment is made. No down payments or cash advances of grant funds for materials, labor or other contract-incurred costs will be made to the Contractor.

F. Facilitate Temporary Relocation Assistance

When necessary, as determined by ECD, facilitate process to provide relocation assistance to affected households, as prescribed in ECD's grant policies Uniform Relocation Assistance Act (URA). Temporary relocation may be required for households while the remediation is being conducted and/or until the affected unit receives clearance for re-occupancy. When persons with disabilities are temporarily relocated, they must be placed in housing that is compliant with Section 504 of the Rehabilitation Act (See 24 CFR part 8) It is expected that most temporary relocation for lead hazard control work will be for 10 days or less.

G. Program Marketing

Subrecipient will be responsible for assisting the City in managing a strategy to market the program to potential contractors and qualified homeowners/tenants whose household incomes do not to exceed 80% of AMI as defined by HUD. Subrecipient and the City will ensure that the property is properly marketed to obtain maximum exposure to target audience.

4. Services; Project Deliverables, Project Implementation – City Office of Community Development (CDO)

A. Outreach

The recruitment of eligible units involves collaboration, outreach, marketing, and referrals from a number of agencies including the City of Chattanooga's Lead and Healthy Homes Program, sub-recipients, state and local health departments, community-based organizations, and other public and private sources.

B. Intake

The program will use an application process in determining eligibility for receiving assistance. Applications will be made available and processed through CDO. For applicants, CDO:

- i. Reviews application and supporting documentation received from applicants for completeness and contacts the property owner to request additional documentation, if applicable (application requirements will be provided to the partner entity by the CD).
- ii. Verifies applicant's homeownership and proof of property insurance.
- iii. Determines applicant's eligibility
- iv. Notifies applicant of their eligibility in writing

C. Facilitate Process to Obtain Assessments and Clearances

A complete lead-based paint inspection and lead hazard risk assessment, including either separate reports or a combined report are required for all units enrolled under this program. Costs associated with lead hazard testing include Lead Inspection, Lead Risk Assessment, and Clearance Testing. These will be facilitated by CDO. For units deemed to be eligible for assistance, CDO will:

- i. Verify age of property and other eligibility requirements
- ii. Facilitate the process to have all lead risk assessments completed on the unit(s),
- iii. Conduct safe and healthy homes assessments,

- iv. Develop work specifications based on the Lead Inspection, Risk Assessment Report, and Healthy Home hazard assessment, with cost estimates, that are provided to Subrecipient for bidding out,
- v. Monitor the progress and work performance of the contractor. ECD shall conduct and document no less than two site visits per project to ensure lead hazard control work and Healthy Home Supplemental work are in accordance with the contract and meet Federal and State guidelines.
- vi. Facilitate obtaining clearance tests,
- vii. Provide occupants with applicable post-clearance written materials,

D. Program Performance Timeline

The goal for the LBPHC grant is to identify and remediate lead- based paint hazards in 75 units/projects in Chattanooga, with priority given to units occupied by a child under the age of 6 with an Elevated Blood Lead Level (EBLL) and assess and address other hazards in these units with HHSupp funding. The City’s goal under the Initiative is to provide lead hazard control and healthy home repairs in no less than 5 units per month. Utilizing the available funding, the City is committed to accomplish the following by December 31, 2020:

- iv. Provide lead-based paint inspections and risk assessments in approximately 85 units
 - v. Provide lead hazard control and healthy home repairs in approximately 75 homes
 - vi. Provided Healthy Home repairs in a minimum of 40 units where lead-based paint hazards have also been identified
- i. The Subrecipient shall perform the activities for the Project/Program under this Agreement during the timeframe beginning September17, 2019 and ending on December 30, 2020. However, the City reserves the right to extend the terms of this Agreement and any necessary and applicable provisions herein to cover any additional time period during which the Subrecipient remains in control of funds or other assets, including program income.
 - ii. Timely Expenditure of Funds
Agency funding is also subject to performance by the Subrecipient in regards to expending funds in a timely manner. In accordance with 2 CFR 200.338 and 200.339, if the Subrecipient fails to expend its grant funds in a timely manner, such failure shall constitute a material failure to comply with this Agreement and invoke the Suspension and Termination provisions of Part VII. For purposes of this Agreement, timely expenditure of funds means the Subrecipient shall expend or obligate by contract, as applicable, funds as specified in the approved timetable in this PART.

5. Budget, Match Requirement/Leverage

A. Budget

A total of \$1,025,000 is available to control or eliminate lead-based paint hazards or to conduct other housing interventions that are specifically required to effectively control such hazards as follows:

Budget Item	Funding Source		TOTAL
	OLLHCHH Grants	THDA Program Income	
Lead-Based Paint Hazards Repairs (LBPHC)	\$850,000.00	\$	\$850,000.00
Healthy Homes Repairs (HHSupp)	\$100,000.00	\$0	\$100,000.00
Mobilization Grant – Non-federal		75,000.00	\$75,000.00
TOTALS	\$950,000.00	\$75,000.00	\$1,025,000.00

- i. OLLHCHH funds are available to cover eligible project costs under the grants. Eligible project costs include payments made to contractors for control/remediation and healthy homes work performed, stipends to households for temporary relocation, and compensation paid to the Subrecipient for activities performed under Part I(3)(A-G)
- ii. The Mobilization Grant is provided to the Subrecipient for program set-up to enable the entity to expeditiously cover those initial payments to contractors as the process reimbursement requests from the CDO. Eligible costs include the same cost under the OLLHCHH and with written approval from the City may include other eligible relative the Chattanooga Lead and Healthy Homes Initiative and the City’s other affordable housing initiatives. Any Mobilization Grant funds remaining at the close-out of the Chattanooga Lead and Healthy Homes Initiative must be used on affordable housing activities approved by the City.
- iii. Budget Amendments: The City of Chattanooga will accept requests for Budget Amendments from Subrecipients. Any amendments to the budget must be approved in writing by both the City and the Subrecipient. All Budget Amendments request must be turned in prior to submitting the “Request for Payment”. A letter from the Director of the Agency must accompany all budget amendments. Under no circumstance shall the total amount awarded to the Subrecipient change. Budget Amendments can only occur between existing Line Items as requested in the agency’s original application.

B. Match/Leverage Requirement

- i. The LBPHC grant requires a match that will be satisfied by the City of Chattanooga and not passed on to the Subrecipient under this agreement .

6. Compensation and Method of Payment

Fee for Services – Fixed Fee

With the exception of compensation for services related to providing temporary relocation assistance, the City will pay a fixed fee for the services outlined at Part I(3)(A-G). The fee amount will be expressed as a percentage of the total cost of each project. The maximum fee the City will pay is 15% on projects with costs under \$5,000 and 10% for projects above that amount. Project cost per unit is expected to range from \$1,500 to \$12,500. The Maximum assistance to a unit is \$15,000.00.

Fee for Services – Hourly Rate – Family Temporary Relocation

For the sake of protecting the occupants, the City anticipates that occasionally a family will not be able to remain in the home while certain work is being performed. When this occurs the family is

temporarily located. This can last from a few hours up to days. The maximum time will be 10 days. An initial assessment is performed by CDO to determine if this will be required. If temporary relocation is required, the Subrecipient will manage the process from doing a more thorough assessment of the household's needs and providing assistance, within the perimeters allowed under the grant.

The Subrecipient will be compensated at the rate of \$44.00 per hour for providing this service.

Requests for payment will be broken down into three components.

1. Reimbursement of payments made to contractors for work performed
2. Subrecipient's percentage of project cost fee
3. Subrecipient's fee for family temporary relocation management and expenditures incurred to temporarily relocate the family

- A. The City shall pay and the Subrecipient agrees to accept in full no more than \$ ("*Allocation*") for performance under this Agreement.
- B. Based on the approved budget, payments shall be made on a reimbursement basis, upon presentation of purchase agreements and original invoices, original cancelled checks and/or other source documents demonstrating that costs have been incurred and paid. Payments will only be made for approved, eligible expenses actually incurred by the Subrecipient per contractual agreement(s). Total payments will not exceed actual funds needed to complete the activity funded by Grant. At the City's discretion and with prior arrangement and approval, the City may make payments directly to the Subrecipient's vendor if payment by reimbursement creates an undue hardship on the organization.
- C. Requests for reimbursements for the payment of eligible expenses shall be made against the line item budget specified in Part I (4)(A) herein and in accordance with performance. If applicable, under this contract, project delivery may be requested in an amount not to exceed the established percentage of the grant amount, (corresponding with project completion percentages). Project delivery may be requested along with direct cost reimbursement requests or at the conclusion of the project. Total project delivery reimbursement will not exceed the pre-approved percentage of grant funds expended on direct project costs.
- D. Project/Program Budget spreadsheet summarizing expenses must be prepared and submitted with each Request for Reimbursement. This report should also account for other resources and match utilized under this activity. The subrecipient will work closely with the City to establish the specific documentation requirements for this contract. Examples of supporting documentation include: cancelled checks, copies of timesheets, pay stubs, mileage reports, invoices, statements, receipts, etc.
- E. Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in 2 CFR Part 200.302.
- F. Requests for reimbursement will not be processed prior to the following, at minimum:
 - i. The City having conducted an environmental review on the project;
 - ii. The City having on file a completed and current W-9 Tax Form;
 - iii. The City having on file a completed CDBG Program project set-up form; and
 - iv. The City having on file, current, up-to-date Quarterly Status Reports.

- G. In lieu of reimbursements to Subrecipient, the City may, at its discretion and with prior approval, make direct payments to the Subrecipient's vendor for eligible costs incurred under this Agreement.
- H. If the City disburses CDBG funds to Subrecipient on a basis other than reimbursement, the CDBG funds must be expended by within seven days of its receipt for the requested disbursement from the City. Subrecipient may not request disbursement of funds until the funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed.

I. Advance Funding

With the exception of the Mobilization Grant, the City will not provide advance funding to the Subrecipient or any subcontractor hereunder. Advanced funding is not meant to include eligible unpaid cost incurred by Subrecipient. The Subrecipient may not request disbursement of CDBG funds until the funds are needed for eligible costs incurred.

- J. The final request for payment must be submitted to the City no later than 30 days after the expiration date of this Agreement in order to meet federal grant requirements.
- K. At project completion, any unexpended funds shall be retained by the City. Upon written request, the City may consider the reallocation of unexpended funds to eligible projects proposed by Subrecipient.
- L. All payments under this agreement are subject to receipt by the City of sufficient federal funds for the program. Any termination, reduction or delay of receipt of funds to the City shall, at the option of the City, result in the termination, reduction or delay of funds to the Grantee.

M. Pre-Award Costs

To insure the timely start-up or uninterrupted continuation of Subrecipient programs and activities:

- i. With prior written approval from the City, Subrecipient may incur pre-award costs up to ninety (90) days prior to the effective date of the Agreement.
- ii. Pre-award costs incurred by the Subrecipient must be necessary for the effective and economical conduct of the project, and the costs must be otherwise eligible in accordance with federal guidelines.
- iii. Any pre-award costs are made at the Subrecipient's risk. The incurring of pre-award costs by the Subrecipient does not impose any obligation on the City to reimburse such costs in the absence of appropriations of federal funds, if an award is not subsequently made, or if an award is made for a lesser amount than the Subrecipient anticipated receiving.

PART II. ADMINISTRATIVE PROJECT REQUIREMENTS

1. General Administration

- A. The Subrecipient understands that these funds are made available through the United States Department of Housing and Urban Development (HUD). To facilitate the receipt of these funds the Subrecipient agrees to comply with all applicable City, State, and HUD requirements.

- B. The Subrecipient will be responsible for administering the funded Project/Program in a manner satisfactory to the City and consistent with any standards required as a condition of providing these funds. The Subrecipient will maintain program and financial records documenting eligibility, provisions of services, and Subrecipient's expenses relative to the program/project. The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.
- C. In particular, Subrecipient agrees to establish internal controls in order to have reasonable assurance that Subrecipient is carrying out the Project in compliance with federal statutes, regulations, and terms and conditions of this contract, as required by 2 C.F.R. §200.303.
- D. The Subrecipient agrees to comply with provisions regarding protection of personally identifiable information as required by 2 C.F.R. §200.303 and 2 C.F.R. §200.512.
- E. The Subrecipient shall be responsible for procedures and sub-contractual arrangements. All procedures shall be conducted in accordance with all federal, state and local laws, and shall be monitored by the City.
- F. The City will provide technical assistance to the Subrecipient and monitor the Subrecipient's performance against goals and performance standards required herein.
- G. Subrecipient will not undertake activities or expend funds until, at minimum:
 - i. Until Agreement has been signed by all parties;
 - ii. The activity is in compliance with the National Environmental Policy Act of 1969 and 24 CFR Part 58; and
 - iii. Subrecipient has received approval from the City

2. Other LBPHC and HHSupp Grant Requirements

Additional Paperwork and Staff Required for Lead Based Paint Jobs

Each job will require a file that will include:

- a) Renovate Right Brochure(s) – signed by owner and tenant(s), if applicable
- b) Contract – Outlining scope of the work to be done
- c) LBP testing results, if testing is authorized to be conducted
- d) Training records of employees assigned to job
- e) RRP Certified Renovators final report certifying that all work was done in compliance with regulations

Additional general information about the rules, regulations, and guidelines governing the lead remediation activity is available through these websites:

Rules of Department of Environment and Conservation Division of Solid Waste Management Chapter 1200-1-18 Lead-Based Paint Abatement

<http://publications.tnsosfiles.com/rules/1200/1200-01/1200-01-18.pdf>

Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing (2012 Edition)

https://www.hud.gov/program_offices/healthy_homes/lbp/hudguidelines

EPA Renovation, Repair and Painting Program

<https://www.epa.gov/lead/renovation-repair-and-painting-program>

OSHA Lead in Construction Standard
<https://www.osha.gov/Publications/osha3142.pdf>

All remediation, healthy home, and repair service is under the City of Chattanooga building code as listed on the City Of Chattanooga website:
<http://www.chattanooga.gov/economic-community-development/land-development-office/adopted-codes>

International Building Code, 2012 edition;
 International Residential Code, 2012 edition;
 National Electrical Code, 2011 edition;
 International Fire Code, 2012 edition;
 International Mechanical Code, 2012 edition;
 International Plumbing Code, 2012 edition;
 International Energy Conservation Code, 2009 edition;

3. Financial Management

A. Accounting Standards

- i. The Grantee agrees to comply with 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Cost Principles

- i. The Grantee shall administer its program in conformance with 2 CFR 200. These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

- C. The Grantee certifies that work to be performed under this Agreement does not duplicate any work to be charged against any other contract, subcontract or other source.

4. Staffing/Organizational Capacity

- A. Subrecipient must maintain overall capacity to continue as a going concern through the term of the contract. The Subrecipient shall retain and assign qualified personnel, as applicable, to carryout activities/programs through the term of the Agreement. Any changes in the Key Personnel assigned or their general responsibilities under this project are subject to the prior approval of the City. The following staff/key personnel are assigned this project/program.

Staff Member	Duties
Carolyn Burke, Homeownership Center Manager	Processing, closing, and auditing program, oversees progress
Martina Guilfoil, CEO	Management and oversight of program
Darla Bland, CFO	Financial oversight

5. City and Subrecipient Contacts

- A. Communication and details concerning this contract shall be directed to the following contract representatives:

City of Chattanooga	Subrecipient
Sandra Gober	Martina Guilfoil
City of Chattanooga	Chattanooga Neighborhood Enterprise
101 E 11 th Street, Suite 200	1500 Chestnut Street, Suite 102
Chattanooga, TN 37402	Chattanooga, TN 37408
Email: ctate@chattanooga.gov	Email: mguilfoil@cneinc.org
Phone: 423.643.7331	Phone: 423.756.6224

6. Procurement

A. The Subrecipient shall procure all materials, property, or services in accordance with the requirements of 2 CFR Part 200.318-326 and 24 CFR Part 570.502 and shall subsequently follow, Property Standards as defined by 2 CFR Part 200.313(d) and (e), covering utilization and disposal of property.

i. Compliance

The Subrecipient shall comply with current City 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 provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this contract. The Subrecipient shall also comply with 24 CFR Part 570.207 Ineligible activities.

ii. Standards

The Subrecipient shall procure all materials, property, or services in accordance with the requirements of 2 CFR Part 200.318-326 and 24 CFR Part 570.502 and shall subsequently follow, Property Standards as defined by 2 CFR Part 200.313(d) and (e), covering utilization and disposal of property.

B. Sub-agreements and Contracts

i. Selection Process

The Subrecipient shall undertake to ensure that all subcontracts comply in the performance of this Agreement, and shall be awarded on a fair and open competition basis, in accordance with applicable procurement requirements. Executed copies of all subcontracts shall be forwarded to the City along with documentation concerning the selection process.

ii.

Approvals

The Subrecipient shall not enter into any subcontracts with any agency or individual in the performance of this contract without the written consent of the City prior to the execution of such agreement.

iii. Lead hazard control and HHSupp funding repairs should be bid together and under one contract to minimize the amount of time for procurement and project completion.

iv. No contract award may be made to parties listed on the government-wide exclusions in the System for Award Management (SAM) or Federal Awardee Performance and Integrity Information System (FAPIIS), in accordance with the OMB guidelines on debarment and suspension at 2 CFR part 180.2. Prompt Payments to Contractors must adhere to 2 CFR §

200.305, Payment: The Subrecipient must submit timely invoices to ECD in accordance with the contract provisions.

- v. When the reimbursement method is used, ECD will make payments within 30 calendar days after receipt of the billing, unless the OLHCHH or sub-recipient believes the request to be improper (See 2 CFR § 200.53, Improper Payments). Note that, if non-federal laws or regulations applicable to a Non- Federal Entity specify a shorter prompt payment period, the Entity must comply with that shorter period.
- vi. Contractors must be approved by the ECD Program Manager prior to entering into a contract with the Subrecipient. Subrecipients and partners in conjunction with the Lead Program will set up an eligible pool of contractors.

PART III. GENERAL CONDITIONS

1. Term

The term of this Agreement shall commence on the date when the Agreement is signed by the Administrator of Economic & Community Development and shall end at the completion of all program activities, but in no event, no earlier than any additional time period during which the Subrecipient remains in control of OLHCHH Program funds or other assets, including program income funds, or according to Part VII, SUSPENSION AND TERMINATION.

2. General Compliance

The Subrecipient agrees to comply with the requirements of the OLHCHH grants including subpart K of these regulations, except that (1) the Subrecipient does not assume the recipient's responsibility for initiating the review process under the provisions of 24 CFR Part 52. Subrecipient will also comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements set forth in this contract and in 2 C.F.R. Part 200, (which have been adopted by HUD through 2 C.F.R. Part 2400) as now in effect, and as such law may be amended during the term of this contract, or any reasonably equivalent procedures and requirements that the Department may require. The Subrecipient also agrees to comply with all other applicable Federal, state, and local laws, regulations, and policies governing the funds provided under this Contract. The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

3. Program Income

- A. If, at any time, the City permits the Subrecipient to retain program income, program income retained by Subrecipient will be expended/disbursed first (prior to making requests for reimbursements) and will only be expended on eligible activities with pre-approval from the City
- B. Funds recaptured because housing no longer meets the affordability requirements under 24 CFR 570.503 (b)(3) is program income and subject to the requirements of 24 CFR Part 570.

4. Use and Reversion of Assets

- A. Real Property.** The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 2 CFR Part 200.311 and 24 CFR 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:
- i. The Subrecipient shall transfer to the City any funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
 - ii. Real property under the Subrecipient's control that was acquired or improved in whole or in part with federal funds in excess of \$25,000.00 must comply with 24 CFR Part 570.505 "Use of Real Property" and 570.503(b)(7). The property acquired or improved must be used to meet one of the national objectives in 24 CFR 570.208 until five (5) years after the expiration of this Agreement.
- B. Equipment.** In all cases in which equipment is acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement shall be (a) transferred to the City for the affordable housing program or (b) retained after compensating the City [an amount equal to the current fair market value of the equipment less the percentage of non-federal funds used to acquire the equipment].
- C. Dissolution of Organization.** In the event that the subrecipient should cease to be a nonprofit entity, liquidate, dissolve, or cease to operate, the subrecipient agrees to assign and transfer to the City of Chattanooga all its rights, title and interest in real property that was purchased and/or improved using OLHCHH, CDBG, HOME Investment Act, ESG, or any other funds provided by the City, under this contract.

5. Insurance

- A.** The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum, shall purchase a blanket fidelity bond covering all employees having access to cash. In compliance with the bonding and insurance requirements of 2 CFR Part 200.304 and Part 200.310, Bonding and Insurance, the subrecipient must, at minimum, provide insurance coverage for real property and equipment acquired or improved with Federal funds provided by the City.
- B.** At no additional cost to the City, the Subrecipient will procure and maintain, for the duration of this Agreement, insurance of the types and in the amounts described below against claims for injuries to persons or damages to property which may arise from or in connection with the performance of this Agreement by Subrecipient, its agents, representatives, employees, volunteers, or subcontractors.
- C.** The Subrecipient, Subcontractors, Consultants or Material Suppliers shall not commence work on the Project prior to providing, to the City's satisfaction, written evidence of conformance with all insurance requirements set forth herein. Insurance shall be placed by the Subrecipient with one or more insurance carriers licensed to do business in the State of Tennessee. Each insurance policy shall be renewed ten (10) days before the expiration date of the policy.
- D.** Certificates of insurance shall be filed with the City prior to commencement of the work. These certificates shall contain a provision that coverages afforded under the policies will not be changed or

canceled unless at least fifteen (15) days' written notice has been given to the City. The Contract shall not be binding upon the City until the insurance coverage required herein has been obtained and certificates have been filed with the City.

- i. **Workmen's Compensation Insurance** that shall protect the Subrecipient against all claims under applicable state workmen's compensation laws shall be maintained. The Subrecipient shall also be protected against claims for injury, disease, or death of employees which, for any reason, may not fall within the provisions of a workmen's compensation law. This policy shall also include an endorsement providing coverage in all states in which work is performed. The Subrecipient shall require all Subcontractors to provide similar Workmen's Compensation Insurance for all Subcontractors' employees on the work unless such employees are covered by the protection afforded by the Subrecipient. The liability limits shall not be less than that required by the statute.
- ii. **General Public Liability and Property Damage Insurance** that shall be written in comprehensive form and shall protect the Subrecipient against all claims arising from injuries including death, to members of the Public or damage to property of others arising out of any act or omission of the Subrecipient or his agents, employees, or Subcontractors. In addition, this policy shall specifically insure the contractual liability assumed by the successful proposer to defend and indemnify the City of Chattanooga against such claims or suits.
 - a. The general public liability and property damage insurance shall carry an endorsement in form satisfactory to the City to the effect that the Subrecipient shall save harmless the City from any claims and damage whatsoever, including patent infringement. General public liability and property damage insurance shall be kept in force at all times during the course of the work until such time as the work covered by these Contract Documents has been completed and accepted by the City.
 - b. To the extent that the work may require blasting, explosive conditions or underground operation, the **Comprehensive General Public Liability and Property Damage Coverage** shall contain no exclusion relative to blasting, explosion, collapse of buildings, or damage to underground property.
 - c. The comprehensive general public liability and property damage coverage shall also protect the Subrecipient against all claims resulting from damage to:
 - 1) Private driveways, walks, shrubbery, and plantings
 - 2) Public utility facilities
 - 3) United States Government monuments
 - d. The liability limits shall not be less than \$1,000,000 for each occurrence and \$2,000,000 in the general aggregate.
- iii. **Comprehensive Motor Vehicle Liability and Property Damage Insurance** that shall be written in comprehensive form and shall protect the Subrecipient against all claims for injuries to members of the public and damage to property of others arising from the use of motor vehicles, and shall cover operation on or off the site of all motor vehicles licensed for highway use, whether they are owned, non-owned, or hired.

- a. The liability limits shall not be less than \$1,000,000 for each accident, combined single limit for bodily injury and property damage.
- E.** Adequate insurance coverage shall be maintained by the Subrecipient at all times. Failure to maintain adequate coverage shall not relieve the Subrecipient of any responsibilities or obligations under these Contract Documents. In the event any insurance coverage is canceled or allowed to lapse, the Subrecipient will not be permitted to prosecute the work until adequate and satisfactory insurance has been obtained and certificates of insurance furnished to the City. Failure to keep insurance policies in effect will not be cause for any claims for extension of time under these Contract Documents.
- F.** All such policies shall be subject to approval by the City Attorney. Should the City Attorney at any time in his sole discretion determine that the insurance policies and certificate provided may not be sufficient to protect the interests of the City because of the insolvency of the insurance company or otherwise, the Subrecipient shall replace such policies with policies meeting his approval.
- a. The contractor is administering.
 - b. Duration of the Contract. The Contract must specify the duration of the Contract. Generally, the duration of a contract should not exceed two years.

6. Publicity/Grantee Recognition

The Subrecipient agrees that all published signs, advertisements, descriptions of the sponsorships, literature, brochures, press releases, public notices, flyers, etc, prepared and released by the Subrecipient for, on behalf of, and/or about the program/project/activity shall include the statement and shall appear in the same size letters or type as the name of the Subrecipient:

“Financed In Part By U.S. Department of Housing and Urban Development (HUD) and City of Chattanooga Department of Economic & Community Development.”

This design concept is intended to disseminate key information regarding the development team as well as Equal Housing Opportunity to the general public. Construction signs shall comply with applicable City codes.

7. Audit Requirements

Federal Audit

- A. The Subrecipient that expends \$750,000 or more in a fiscal year in federal funds from all sources hereby agrees to have an annual agency audit conducted in accordance with current City policy concerning Grantee audits and 2 CFR 200.501. The appropriate CFDA number must be used in the Schedule of Expenditures of Federal Awards, 14.218 for CDBG.
- B. The cost for audits made in accordance with the provisions of 2 CFR Part 200.425 state that no federal funds should be used for the cost of an audit if an organization receives less than \$750,000 in federal funds.
- C. The Subrecipient also agrees to comply with 24 CFR 570.502, 24 CFR 570.610, and 2 CFR Part 200 Subpart F Audit Requirements.

- D. The Grantee is responsible for follow-up and corrective action on all audit findings. At the completion of the audit, the auditee shall prepare a corrective action plan to address each audit finding included in the current year auditor's report. The corrective action plan shall provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. Upon completion of the audit each grantee must also complete the following:
- i. Submit a copy of the single audit to the Department of Economic and Community Development; or
 - ii. If there were no Single Audit findings or questioned costs, the entity may provide written notification to the Department that an audit was conducted in accordance with Super Circular requirements (2 CFR 200) which were previously identified under A-133 (including the period covered by the audit, the name, amount and CDFA number of awards from the Department). A statement must be included stating that there were no current or continuing prior year findings or questioned costs.
 - iii. Submit to the Federal Clearinghouse in accordance with Super Circular requirements (2 CFR 200) which were previously identified under A-133, one copy of a signed data collection form (SF- SAC), and one copy of the reporting package for the clearinghouse to retain as an archival copy, and one copy for each federal awarding agency when the schedule of findings and questioned costs disclosed audit findings relating to federal awards that the federal awarding agency provided directly to the entity. (Awards from the Department come to the Grantee as pass-through awards, not directly from the United States Department of Housing and Urban Development).

City Audit.

The term "Contractor" is used interchangeably to describe signatories to contracts, grants, and agreements with the City and applies to reflect the relationship with the City (Engineer, Contractor, Licensee, Supplier, Vendor, Contractor, Grant Recipient, etc).

A. All records relating in any manner whatsoever to the Project, or any designated portion thereof, which are in the possession of the Contractor, or any of the Contractor's independent contractors, associates, and/or subcontractors, shall be made available for inspection upon request by the City to any state, federal or other regulatory authorities and any such authority may review, inspect and copy such records. Said records include, but are not limited to, all plans, specifications, submittals, correspondence, minutes, memoranda, tape recordings, videos, or other writings or things which document the Project, its design, and its construction. Said records expressly include those documents reflecting the time expended by the Contractor and its personnel to perform the obligations of this Agreement, and the records of expenses incurred by the Contractor and its performance under this Agreement. The Contractor shall maintain and protect these records for no less than seven (7) years after the completion of the Project, or for any longer period of time as may be required by applicable law, good professional practice, and upon notice during the pendency of any claims or litigation arising from the Project.

B. The City, or its assigns, may audit all financial and related records (including digital) associated with the terms of this Agreement, including timesheets, reimbursable out of pocket expenses, materials, goods and equipment claimed by the Contractor. The City may further audit any of the Contractor's records to conduct performance audits (to identify waste and abuse or to determine efficiency and effectiveness of the Agreement), or to identify conflicts of interest.

C. The Subrecipient shall at all times during the term of this Agreement, and for a period of seven (7) years after the end of this Agreement, keep and maintain records of the work performed pursuant to this Agreement. This shall include proper records of quotations, contracts, correspondence, invoices, vouchers, timeheets, and other documents that support actions taken by the Contractor. Documents shall be maintained by the Contractor, which are necessary to clearly reflect all work and actions taken. All such records shall be maintained in accordance with general accepted accounting principles. The Contractor shall, at its own expense, make such records available for inspection and audit (including copies and extracts of records as required) by the City at all reasonable times and without prior notice.

D. The obligations of this section shall be explicitly included in any subcontracts or agreements formed between the Contractor and any subcontractors or suppliers of goods or nonprofessional services to the extent that those subcontracts or agreements relate to fulfillment of the Contractor's obligations to the City.

E. Costs of any audits conducted under the authority of this section and not addressed elsewhere will be borne by the City, unless the audit identifies significant findings that would benefit the City. The Contractor will reimburse the City for the total costs of an audit that identifies significant findings that would benefit the City.

F. This section shall not be construed to limit, revoke, or abridge any other rights, powers, or obligations relating to audit which the City may have by federal, state, or municipal law, whether those rights, powers, or obligations are express or implied.

8. Amendments

The City or Grantee may amend this Agreement at any time provided that such amendments are executed in writing and signed by a duly authorized representative of both organizations. Such amendments shall not invalidate this Agreement, nor relieve or release the City or Subrecipient from its obligations under this Agreement.

9. Independent Contractor

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient shall at all times remain an independent contractor with respect to the services to be performed under this Agreement. The City shall be exempt from payment of all unemployment compensation, FICA, retirement, life and/or medical insurance and workers' compensation insurance as the Subrecipient is an independent contractor. The City shall have no responsibility or liability for the maintenance, operation, or program funding for the Subrecipient.

10. Dissolution of Organization

In the event the Subrecipient should cease to be a nonprofit entity, liquidate, dissolve, or cease to operate, the Subrecipient agrees to assign and transfer to the City of Chattanooga any unexpended funds awarded by the City, and all its rights, title and interest in real property that was acquired and/or improved using OLHCHH, CDBG, HOME Investment Act, ESG or other funds provided by the City, under this contract. City shall only pay Subrecipient for services performed and documented, eligible costs incurred, prior to dissolution

11. Closeout

- A. The Subrecipient's obligation to the City shall not end until all close-out requirements are completed. Close-out requirements shall include, but are not limited to: submitting, Completion Forms, making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Subrecipient), and determining the custodianship of records.

PART IV. RECORD KEEPING, REPORTING AND MONITORING REQUIREMENTS

1. Progress Reports

Subrecipient shall prepare and submit to the City of Chattanooga's Department of Economic and Community Development (ECD), status reports regarding progress on activities/projects/programs, funding, expenditures, and client data upon request. ECD may request reports as often as daily, but at minimum with the Subrecipient request **for payments or reimbursements. The City reserves the right to change reporting requirements, as needed. All reports shall be submitted to your City grant contact and copied to:**

Dwan Austin
City of Chattanooga
Department of Economic & Community Development
101 E. 11th Street, Suite 200
Chattanooga, TN 37402
daustin@chattanooga.gov

2. Monitoring

- A. The City will monitor the performance of the Subrecipient against goals and performance standards required herein. Substandard performance as determined by the City will constitute non-compliance with this Agreement. If action to correct such substandard performance is not taken by the Subrecipient after being notified by the City, contract termination and all funding may end, and the subrecipient may be required to relinquish any unused funds.
- B. The Subrecipient's performance will be based on adherence to all requirements outlined in this document. Failure to adhere particularly to requirements outlined at PART I (will be deemed, by the City to be substandard performance by Subrecipient.
- C. If the Subrecipient fails to adhere to the performance outcomes indicated in Part I of this agreement, the following actions will be taken:
 - i. A formal letter will be sent from the City reminding the Subrecipient of their obligations and the time frame and outcomes for which the Subrecipient has for getting back on schedule. If the problem is not rectified;
 - a. Technical assistance will be provided to the Subrecipient to assist in helping to correct the deficiency. If the problem still persists;

- b. The Subrecipient may be found in breach of contract and all remaining funding may be pulled and reallocated. All expended funding may be repaid to the City for reallocation.
- D. If the issue(s) attributable to the substandard performance is/are not satisfactorily addressed within the timeframe provided by the City, at its discretion the City may recapture any or all remaining funds available to the Subrecipient hereunder. Thereafter, the Subrecipient shall have no right or authority to request additional funds hereunder and the Agreement may be terminated.
- E. The City will perform a formal monitoring of the Subrecipient, at minimum, one time during the term of this contract. If Subrecipient's project/activity is on-going for more than one year, Subrecipient will be monitored annually. Areas of concentration will include, but not be limited to:
- i. Programmatic performance
 - ii. Financial management and accountability
 - iii. Project management and progress
 - iv. Organizational on-going capacity

3. Documentation and Recordkeeping

A. Records to be Maintained

- i. The Subrecipient shall maintain, all records required by the Federal regulations specified in 24 CFR Part 570.506, 24 CFR 570.502, 24 CFR 570.503 (b)(2), and 2 CFR Part 200.333 that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:
 - a. Records providing a full description of each activity undertaken;
 - b. Records demonstrating that each activity undertaken meets an objective of the LBPHC and/or HHSupp grants;
 - c. Adequate documentation to support costs charged to the OLHCHH grants ;
 - d. Records required to determine eligibility of activities
 - e. Financial records as required by 24 CFR Part 570.502, and 2 CFR Part 200.302; All Subrecipient internal control policies must be written and provided to the City at the time of monitoring visits.
 - f. Other records necessary to document compliance with Subpart K of 24 CFR 570
 - g. Records documenting all grievances filed by employees and/or clients and written documentation as to the means by which such grievances were resolved. The Subrecipient must have written grievance policies for both clients and employees.
- ii. **Client Data**
 The Grantee shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, signed verification of income statement, or other basis for determining eligibility, racial, ethnic, and gender characteristics, and description of service provided. Such information shall be made available to City monitors or their designees for review upon request during the affordability period and for at least three (3) years following the conclusion of this agreement.

iii. Retention

- a. The Subrecipient shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of three (3) years. The retention period begins on the date of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the three-year period, then such records must be retained until completion of the action and resolution of all issues, or expiration of the three-year period, whichever occurs later.
- b. Records for individual activities subject to the reversion of assets provisions at §570.503(b)(7) or change of use provisions at §570.505 must be maintained for as long as those provisions continue to apply to the activity (records for equipment or real property acquired and or improved with Federal funds must be retained for 3 years after final disposition); and records for individual activities for which there are outstanding loan balances, other receivables, or contingent liabilities must be retained until such receivables or liabilities have been satisfied.
- c. Grantee also agrees to comply with the methods for collection, transmission and storage of information as described in 2 C.F.R §200.335.

iv. Access

- a. Subrecipient shall make all records for this project available to the City, the U.S. Department of Housing and Urban Development, the Comptroller General of the United States, or any of their duly authorized representatives for the purpose of making audits, examinations, excerpts and transcriptions.
- b. The City, HUD, and/or the Comptroller General of the United States, or their duly authorized representatives, may audit all financial and related records (including digital) associated with the terms of this Agreement including timesheets, reimbursable out of pocket expenses, materials, goods, and equipment claimed by the Subrecipient. The City may further audit any contractor records to conduct performance audits (to identify waste and abuse or to determine efficiency and effectiveness of the contract or agreement) or to identify conflicts of interest.
- c. The Subrecipient shall furnish and cause each of its own sub-recipients or subcontractors to furnish all information and reports required in 24 CFR 570.502 & 570.508 hereunder and will permit access to its books, records and accounts, relating to this agreement, by the City, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

PART V. OTHER FEDERAL REQUIREMENTS

1. Subpart K

Except for 24 CFR 570.604 and 570.612, Subrecipient agrees to carry out each activity in accordance with Subpart K.

2. Fair Housing

Subrecipient agrees that it will conduct and administer CDBG activities in conformity with Pub. L. 88-352, "Title VI of the Civil Rights Act of 1964", and with Pub. L. 90-284 "Fair Housing Act", and that it

will affirmatively further fair housing. One suggested activity is to use the fair housing symbol and language in Subrecipient publications and/or advertisements. Subrecipient shall pursue affirmative fair housing marketing policies in soliciting buyers and tenants, in determining their eligibility, and in concluding sales and rental transactions.

3. Section 504 Compliance

No otherwise qualified individual with disabilities shall, solely by reason of his or her disability, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. This includes, but is not limited to, programs and/or activities related to housing, employment, and the delivery of services.

The Subrecipient agrees to comply with any Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination against the individuals with disabilities or handicaps in any Federally assisted program. The City shall provide the Subrecipient with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

4. Land Covenants

This contract is subject to the requirements of Title VI of the Civil Rights Act of 1964 (Public Law 88-352), as amended in 1991, and 24 CFR 570.601 and 602. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this contract, the Subrecipient shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the City and the United States are beneficiaries of and entitled to enforce such covenants. The Subrecipient, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

5. Non-Discrimination in Participation

Subrecipient agrees to comply with 24 CFR Part I and Parts 5, 200, 203, 236, 400, 570, 574, 882, 891, and 982, and the Equal Access to Housing Final Rule of 2012 and the Equal Access in Accordance with Gender Identity Final Rule of 2016, which provide that no person shall on the ground of race, color, religion, sex, national origin, familial status, sexual orientation, gender identity, or marital status be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with federal funds made available pursuant to the Act.

6. Non-Discrimination and Residential Property

Subrecipient agrees, in accordance with Executive Order 11063, 12259, and 24 CFR Parts 5, 200, 203, 236, 400, 570, 574, 882, 891, and 982, and the Equal Access to Housing Final Rule of 2012 and the Equal Access in Accordance with Gender Identity Final Rule of 2016, that it will not discriminate based on race, color, religion, sex, national origin, familial status, sexual orientation, gender identity, or marital status in the sale, leasing, rental or other disposition of residential property and related facilities, or in the use of occupancy thereof, if such property and related facilities are, among other things, provided in whole or in part with the aid of loans, advances, grants, or contributions agreed to be made by the Federal Government.

7. Labor Standards General

Davis-Bacon Wage Rates. The Davis-Bacon wage rates are not applicable to these programs. However, if the Subrecipient uses grant funds in conjunction with other federal programs, Davis-Bacon requirements will apply to the extent required under the other federal programs.

8. Labor Matters

No person employed in the work covered by this contract shall be discharged, or in any way discriminated against, because he or she has filed any complaint or instituted, or caused to be instituted, any proceeding or has testified, or is about to testify, in any proceeding under or relating to the labor standards applicable hereunder to his or her employer.

9. Environmental Standards

A. Prior to the commitment of funds to an activity, an environmental review must be conducted on each activity by the CD staff. The Subrecipient agrees that in accordance with the National Environmental Policy Act of 1969 and 24 CFR part 58, it will cooperate with the City in complying with the Act and regulations, and that no activities will be undertaken until notified by the City that the activity is in compliance with the Act and regulations. It is the responsibility of the Subrecipient to submit a Request for Environmental Review to the City as soon as possible. The Subrecipient will submit the following to request an environmental review:

- i. Request for Environmental Review Form
- ii. Photos of site/property and vegetation to be removed
- iii. Maps
- iv. Site Plans
- v. Design Drawings

B. The Subrecipient agrees that all activities must be in compliance with the following National Environmental Policy Act (NEPA) laws and authorities.

10. Flood Insurance

Subrecipient agrees that OLHCHH funds shall not be expended for acquisition or construction in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards (representing the 100-year floodplain) unless the community is participating in the National Flood Insurance Program, or less than a year has passed since FEMA notification and flood insurance is obtained in accordance with section 102(a) of the Flood Disaster Protection Act of 1973.

11. Displacement and Relocation

A. The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); the requirements of 24 CFR 570.606(c) governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606 (b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The

Subrecipient also agrees to comply with applicable City ordinances, resolutions and policies concerning the displacement of persons from their residences.

12. Non-Discrimination in Employment

- 1) The Subrecipient will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age, marital/familial status, or status with regard to public assistance.
- 2) The Subrecipient agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279.
- 3) The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable. Such employment practices include but are not limited to the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- 4) The Subrecipient agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause.

13. Employment and Business Opportunities

A. Section 3

- i. Subrecipient agrees that to the greatest extent feasible, opportunities for training and employment be given to low and moderate income persons residing within the City, and that contracts for work in connection with the project, be awarded to eligible business concerns which are located in, or owned in substantial part by persons residing in, the City.
- ii. In accordance with 24 CFR Part 135.5 beneficiaries under Section 3 are residents that reside in public housing or individuals residing in the metropolitan area or non-metropolitan county in which the assistance is expended that are low or very low income and fall within 50-80% of the median family income guidelines. The business concerns are businesses that are 51% or more owned by Section 3 residents; or whose full time employees include persons, at least 30% of whom are currently Section 3 residents or can provide evidence of a commitment to subcontract in excess of 25% of the amount awarded to Section 3 business concerns.
- iii. Activities covered under Section 3 include the following projects financed in whole or part using **CDBG, HOME Investment Act funding and other competitive grants that include OLHCHH, Section 108, EDI/BEDI, HOPWA, Self-Help Homeownership Program, and Continuum of Care Homeless Assistance Programs:**
 - a. **housing rehabilitation** (including reduction and abatement of lead-based paint hazards, but excludes routine maintenance, repair and replacement);
 - b. **housing construction**, (including reconstruction, conversion); or

- c. **other public construction projects**, (including other buildings or improvements assisted with housing or community development assistance).
 - d. Contracts exclusively for supplies or materials are excluded unless the contract includes installation of materials.
- iv. Section 3 data must be reported quarterly and include the following reporting responsibilities:
- a. Notifying residents and business concerns about available economic opportunities
 - b. Notifying labor unions and organizations of the contractor's commitments under section 3
 - c. Notifying contractors of their responsibilities and incorporating the Section 3 clause into contracts
 - d. Facilitating training and employment of residents by applying priority preferences at 24 CFR 135.34 (a) (2)
 - e. Awarding contracts to Section 3 Businesses by applying priority preferences at 24 CFR 135.36 (a) (2)
 - f. **Documentation of all actions to comply with Section 3:**
 - 1) Number of contracts awarded
 - 2) Number of contracts awarded to Section 3 business concerns
 - 3) Number of new hires
 - 4) Number of new hires that are Section 3 residents
 - 5) Training provided to Section 3 residents
 - 6) Post notices conspicuously at all section 3-covered work sites describing:
 - a) The section 3 preference
 - b) The minimum number and job titles subject to hire
 - c) Apprenticeship and training positions available; the qualifications for each; and the name and location of the person taking applications
 - d) The anticipated start date of the work

14. **Lead-Based Paint**

Subrecipient agrees to comply with the Lead Based Paint Poisoning Prevention Act's prohibition against the use of lead-based paint in residential structures and to comply with 24 CFR 570.608 and 24 CFR 35 with regard to notification of the hazards of lead-based paint poisoning and the elimination of lead-based paint hazards. Such regulations pertain to all HUD-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken.

15. **Debarred, Suspended, or Ineligible Contractor**

Subrecipient agrees to comply with 24 CFR part 24 with regard to the direct or indirect use of any contractor during any period of debarment, suspension, or placement in ineligibility status.

16. **Drug Free Workplace**

In accordance with 24 CFR part 24, subpart A, Subrecipient agrees to administer a policy to provide a drug-free workplace that is free from illegal use, possession, or distribution of drugs or alcohol by its beneficiaries as required by the Drug Free Workplace Act of 1988.

17. Compliance with Laws

The Subrecipient shall comply with all applicable laws, ordinances and codes of the federal, state, and local governments and shall commit no trespass on any public or private property in performing any of the work embraced by this contract.

18. Assignability

The Subrecipient shall not assign any interest in this contract and shall not transfer any interest in the same without the prior written approval of the City.

19. Equal Employment Opportunity

The Subrecipient agrees to comply with the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR part 146 and the prohibitions against otherwise qualified individuals with handicaps under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. For purposes of the emergency shelter grants program, the term dwelling units in 24 CFR part 8 shall include sleeping accommodations.

20. Affirmative Action

- A.** The Subrecipient agrees that it shall be committed to carry out activities in pursuant to the Grantee's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1966.
- B.** The Subrecipient will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, or familial status. The Subrecipient will take affirmative action to insure that applicants are reviewed fairly, and that all employees are treated equally and without regard to their race, color, religion, sex, national origin, or familial status. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or advertising; lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Subrecipient agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause.
- C.** The Subrecipient agrees to make efforts to encourage the use of minority and women-owned business enterprises in connection with funded activities and to comply with the City's Minority and Women Owned Business Outreach Plan.
- D.** As used in this contract, the term "minority and female business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are African-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Subrecipient

may rely on written representation by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

21. Consultant Activities

Consultants may not be paid, or provided reimbursement for payment, whether retained by the federal government, the City or the Subrecipient, at a rate more than the equivalent of General Schedule 15, Step 10 base pay rate for the current federal pay year in which the consultant performs services under the grant/cooperative agreement.

22. Hatch Act

- A.** The Subrecipient agrees that no funds provided, nor personnel employed under this contract, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of the Title V United States Code.

i. Lobbying

The Subrecipient hereby certifies that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of a Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form -LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
3. It will require that the language of paragraph (i) of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly; and
4. Lobby Certification -This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

23. Copyright

If this contract results in any copyrightable material or inventions, the City and/or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for government purposes.

24. Mandatory Disclosures

As required by 2 C.F.R. §200.113, Grantee must immediately disclose, to the Department, or to HUD or other appropriate authorities (with a copy to the Department), all violations of federal criminal law involving fraud, bribery or gratuity violations potentially affecting the use of funds provided under this contract.

25. Conflict of Interest

- A.** The Subrecipient agrees to abide by the provisions of 2 CFR Part 200.112 and 24 CFR Part 570.611 which include (but are not limited to) the following:
- i. The Subrecipient shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.
 - ii. No employee, officer or agent of the Subrecipient shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.
 - iii. No covered persons who exercise or have exercised any functions or responsibilities with respect to assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, subcontract, or agreement with respect to the assisted activity, or with respect to the proceeds from the assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a “covered person” includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the City, the Subrecipient, or any designated public agency.

PART VII. SUSPENSION AND TERMINATION

- A.** In accordance with 2 CFR Part 200.339, the City may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which includes (but are not limited to), the following:
- i. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
 - ii. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligation under this Agreement;
 - iii. Ineffective or improper use of funds provided under this Agreement; or

- iv. Submission by the Subrecipient to the City reports that are incorrect or incomplete in any material respect.
 - v. Failure by the subrecipient to provide the Office of Community Development with a plan of action to resolve any audit findings or monitoring findings within the specified time period as stated in the Agency's monitoring letter.
- B.** The Subrecipient agrees that if it materially fails to comply with any term of this Agreement, including the timely completion of activities as described in the timetable contained in the Statement of Work at Part I, or the provisions of Part I, the City may temporarily withhold cash payments pending correction of the deficiency, or wholly or partly suspend or terminate the current award for the Subrecipient's program.
- C.** Notwithstanding the above, the Subrecipient shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of this Agreement by the Subrecipient, and the City, in addition to any other remedies it may have at law or equity, may withhold any payments to the Subrecipient for the purposes of set off until such time as the exact amount of damages is determined.
- D.** In the best interest of the program and in order to better serve the people in the target areas and fulfill the purposes of the Act, either party may terminate this Agreement for convenience, upon giving thirty (30) days' notice in writing of its intent to terminate, stating its reasons for doing so. In the event City terminates the Agreement, City shall pay Subrecipient for documented committed eligible costs.
- E.** Notwithstanding any termination or suspension of this Agreement, Subrecipient shall not be relieved of any duties or obligations imposed on it under any Parts of this Agreement with respect to funds previously disbursed.

PART VIII. NOTICES

Whenever either party desires to give notice unto the other, such notice must be in writing, sent by certified United States mail, return receipt requested, addressed to the party for whom it is intended, at the place last specified, and the place for giving of notice shall remain such until it shall have been changed by written notice in compliance with the provisions of this paragraph. For the present, the parties designate the following as the respective places for giving of notice, to-wit:

FOR CITY:

Donna C. Williams, Administrator
 Department of Economic and Community Development
 101 E. 11th Street, Suite 200
 Chattanooga, Tennessee 37402

FOR SUBRECIPIENT:

Martina Guilfoil, President and CEO
 Chattanooga Neighborhood Enterprise
 1500 Chestnut Street, Suite 102
 Chattanooga, TN 37408

PART IX. INDEMNIFICATION CLAUSE

The Subrecipient will at all times hereafter indemnify and hold harmless, the City, its officers, agents, and employees, against any and all claims, losses, liabilities, for disallowed costs or non-complying expenditures of CDBG funds, determined by HUD audit to have been caused by Subrecipient 's breach of terms of this Agreement. Subrecipient will indemnify and hold harmless City, its officers, directors, agents, representatives, officials and employees against any and all claims, losses, liabilities or expenditures of any kind, including court costs, attorney fees and expenses, accruing or resulting from any or all suits or damages of any kind resulting from injuries or damages sustained by any person or persons, corporation or property, by virtue of the performance of this Agreement; provided.

PART X. ALL PRIOR AGREEMENTS SUPERSEDED

This document incorporates and includes all prior negotiations, correspondence, conversations, agreements, or understandings applicable to the matters contained herein and the parties agree that there are no commitments, agreements, or understandings concerning the subject matter of this Agreement that are not contained in this document. Accordingly, it is agreed that no deviation from the terms hereof shall be predicated upon any prior representations or agreements whether oral or written.

PART XI. LEGAL PROVISIONS DEEMED INCLUDED

Each and every provision of any law or regulations and clause required by law or regulation to be inserted in this Agreement shall be deemed to be inserted herein, and this Agreement shall be read and enforced as though it were included herein and if, through mistake or otherwise, any such provision is not inserted or is not correctly inserted, then upon application of either party this Agreement shall forthwith be amended to make such insertion.

PART XII. TIME IS OF THE ESSENCE

Time is of the essence in the performance of the terms, covenants and conditions of this Agreement.

PART XIII. MISCELLANEOUS PROVISIONS

- A. If any provision of this Agreement is determined to be unenforceable or invalid, such determination shall not affect the validity of other provisions contained in this Agreement. Failure to enforce any provision of this Agreement does not affect the rights of the parties to enforce such provision in another circumstance, nor does it affect the right of the parties to enforce any of the provision of this Agreement at any time.
- B. Funding for this Agreement is contingent on the availability of funds and continued authorization for program activities and is subject to amendment or termination due to lack of funds, or authorization, reduction of funds, and/or changes in regulations.
- C. This Agreement shall be governed and construed in accordance with the laws of the State of Tennessee. Any action or proceeding arising under this Agreement shall be brought in either the courts of the State of Tennessee in Chattanooga, Tennessee or it shall be brought in a United States District Court for the Eastern District of Tennessee, Southern Division, whichever is applicable.

- D. This Agreement shall be binding upon and shall inure to the benefit of the Subrecipient and the City and to their respective successors and assigns.
- E. This Agreement forms the entire agreement between the City and the Subrecipient. Any prior representations, promises, agreements, or otherwise, between the parties, which are not embodied in this writing, will be of no force and effect.
- F. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, and all of which counterparts together shall constitute but one and the same instrument.

In witness whereof, the parties hereto have made and executed this Agreement on the respective dates under each signature: THE CITY OF CHATTANOOGA, TENNESSEE, through its City Council, signing by and through its Mayor, authorized to execute same by Council action on the _____ and CNE, signing by and through its President and Executive Director duly authorized to execute the same.

City:
CITY OF CHATTANOOGA, TN

Andy Berke, Mayor

Date

AGREEMENT between THE CITY OF CHATTANOOGA, TENNESSEE AND CHATTANOOGA NEIGHBORHOOD ENTERPRISE, INC IN THE AMOUNT OF \$ _____ PROVIDING FOR FUNDING OF Healthy Homes Supplemental (HHSupp) grant, Lead-Based Paint Hazard Control (LBPHC) grant and THDA Program Income.

Subrecipient:

Signature

Print name and Title

Date