



REQUEST FOR COMMISSION ACTION
CITY OF INDEPENDENCE
February 27, 2020

Department _____ **Housing** _____ **Director Approval** _____ **April Nutt** _____

AGENDA ITEM Execute the 2019 Tenant Based Rental Assistance Grant award agreement between the City of Independence, Kansas and the Kansas Housing Resources Corporation.

SUMMARY RECOMMENDATION Execute agreement.

BACKGROUND The Independence Housing Authority has written, submitted and managed a Tenant Based Rental Assistance Grant on behalf of the City of Independence since 1998.

BUDGET IMPACT There is no anticipated budget impact as the Independence Housing Authority oversees all aspects of the grant implementation and oversight requirements.

SUGGESTED MOTION I move to authorize the Mayor to sign the attached Grant Agreement No. M-19-SG-20-0140 and the Home Investment Partnerships Program Authorized Signature Designation Form.

SUPPORTING DOCUMENTS

1. Grant Agreement No. M-19-SG-20-0140
2. Home Investment Partnerships Program Authorized Signature Designation Form.

HOME Investment Partnerships Program
State of Kansas
CFDA No. 14.239

Grant Agreement No. M-19-SG-20-0140

By and between the

Kansas Housing Resources Corporation (KHRC)

And

City of Independence, Kansas
DUNS No: 073031411

I. Grant Agreement

- A. This Grant Agreement, hereinafter called "Agreement" is between the **Kansas Housing Resources Corporation**, hereinafter called "**Corporation**" and **City of Independence, Kansas** hereinafter called the "Grantee." This Agreement consists of the body and the following attachment, which is incorporated herein: **Attachment A –Description of Activities.**
- B. Together, they embody the entire Agreement between the Corporation and Grantee with the respect to this grant program. All prior agreements, representations, statements, negotiations, and understandings with respect to this program are superseded hereby.

II. Authority

- A. This Agreement is financed in part through a grant provided to the Department by the United States Department of Housing and Urban Development (HUD) under Title II of the *National Affordable Housing Act of 1990*, hereinafter called "the Federal Act." As provided in the Federal Act, the State of Kansas, through the Department has elected to administer the federal program of *HOME Investment Partnerships Program*, hereinafter called "HOME."
- B. The Corporation, in accordance with provisions of *K.S.A. 74-50001 et seq.*, hereinafter called "the State Act," has approved the application of the Grantee and awarded funds for the purpose of supporting the Grantee's HOME Program.
- C. In the event of changes in any applicable Federal regulations and/or law, this Agreement shall be deemed to be amended when required to comply with any law so amended.

III. Description of Activities

Grantee agrees to perform, or cause to be performed, the work specified in the Attachment A and in compliance with the requirements of 24 CFR Part 92 and all State and Corporation Tenant Based Rental Assistance program requirements and policies.

IV. Period of Performance & Commitment

- A. The period of performance for all activities assisted by this Agreement shall commence upon grant execution, hereinafter called the "Commencement Date," and shall be complete on **November 1, 2022**, hereinafter called the "Completion Date," except those activities required for closeout.

- B. All FFY 2018 funds must be committed to projects according to the HOME Rule by November 1, 2021, hereinafter called the "Commitment Date."

V. Compensation

- A. In consideration of the Grantee's satisfactory performance of the work required under this Agreement and the Grantee's compliance with the terms of this Agreement, the Corporation shall provide the Grantee a total of **\$90,000** in Federal HOME funds. In addition, up to 7% of the amount awarded for direct assistance may be requested for program delivery costs/administration. The Grantee will be reimbursed according to the schedule provided for eligible costs including inspections and re-inspections, income certifications and recertifications. If the 7% administration is not drawn by the time the subsidy is fully expended, the remaining administration will not be reimbursed but may be converted to subsidy with KHRC approval. No other administrative fee will be provided.
- B. It is expressly understood and agreed that in no event will the total program funds provided by the Department exceed the sum of **\$90,000**. Any additional funds required to complete the program activities set forth in this Agreement will be the responsibility of the Grantee.
- C. The Grantee understands that this Agreement is funded in whole or in part by federal funds. In the unlikely event the federal funds supporting this Agreement become unavailable or are reduced, the Corporation may terminate or amend this Agreement and will not be obligated to pay the Grantee from State Revenues.
- D. The Grantee shall not anticipate future funding from the Corporation beyond the duration of this Agreement and in no event shall this Agreement be construed as a commitment by the Corporation to expend funds beyond the termination of this Agreement.

VI. Indemnification

The Grantee shall indemnify, defend, and hold harmless the Corporation and its officers and employees from any liabilities, claims, suits, judgments, and damages arising as a result of the performance of the obligations under this Agreement by the Grantee or any subgrantee, contractor, subcontractor, or person. The liability of the Grantee under this Agreement shall continue after the termination of the Agreement with respect to any liabilities, claims, suits, judgments, and damages resulting from acts occurring prior to termination of this Agreement. Grantee's liability to indemnify the Corporation and its officers and employees shall include liability arising from lead-based paint regulations found in 24 CFR 35.

VII. Obligations of Grantee

- A. All of the activities required by this Agreement shall be performed by personnel of the Grantee or by third parties (subgrantees, contractors, or subcontractor) under the direct supervision of the Grantee and in accordance with the terms of written contracts.
- B. The grantee shall adhere to the TBRA Administrative Plan submitted by the Grantee and approved by the Corporation. Any changes to the TBRA Administrative Plan must be submitted by the Grantee and approved by the Corporation prior to implementation.
- C. A certified HQS inspector shall perform all initial, annual, periodic and/or special unit inspections. Inspections shall be in accordance with guidelines provided in 24 CFR 982.401.
- D. The grantee shall adhere to lead based paint program requirements for all units. This requirement applies to tenants requesting security/utility deposits as well as to those applying for rental assistance coupons. During initial and periodic inspections, an inspector acting on the behalf of the designated party and trained in visual assessment for deteriorated paint surfaces in accordance with procedures established by HUD shall conduct a visual assessment of all painted surfaces in order to identify any deteriorated paint (24 CFR Part 35.1215 (a)(1). The visual assessment must take place as part of the initial and periodic inspections required by HUD. (24 CFR Part 35, Sec. 92.209(i). TBRA funding cannot be provided until the unit passes the lead based paint visual inspection.

- E. If assisted occupancy has commenced prior to an annual or periodic inspection, and the visual inspection reveals deteriorated lead-based paint, the owner shall stabilize each deteriorated paint surface in accordance with 24 CFR Part 35.1330(a) and (b). Such paint stabilization must be completed within 30 days of notification to the owner of the results of the visual assessment. Depending upon the scope of the work undertaken to stabilize the paint, and if necessary, the owner at his/her expense, is responsible for relocating the tenants to a comparable, safe, and sanitary dwelling free of lead-based paint while the work is taking place. Paint stabilization is considered complete when clearance is achieved in accordance with 24 CFR Part 35.1340. The owner shall provide a notice to occupants in accordance with 24 CFR 35.125(b)(1) and (c) describing the results of the clearance examination.
- F. The grantee shall provide lead based paint disclosure information to all tenants and landlords. Optional blood level verification forms will be provided to tenants with children under age 6 who have selected units that were constructed prior to 1978. Addresses of tenants with children under age 6 living in pre-1978 structures will be provided to the Local Health Department quarterly. (Refer to the attached 24 CFR 35.1225)
- G. The Grantee shall remain fully obligated and liable under the provisions of this Agreement, notwithstanding its designation of any third party or parties for the undertaking of part or the entire program being assisted under this grant.
- H. The Grantee shall require any third party to comply with all lawful requirements necessary to ensure that the program is carried out in accordance with this Agreement.
- I. The Grantee shall adhere to the uniform administrative requirements of 24 CFR 92.505.
- J. Pursuant to the requirements of Appendix II to 2 CFR Part 200, The Grantee shall comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 USC 7401-7671q) and the Federal Water Pollution Control Act as amended (33 USC 1251-1387).

VIII. **Program Costs**

- A. The Grantee, if not environmentally exempt, shall not incur costs on any program activity until the Environmental Review required by 24 CFR 58 has been completed and the Corporation has issued the "Notice of Release of Funds."
- B. Any program activities performed by the Grantee in the period between notification of award and execution of this Agreement shall be performed at the sole risk of the Grantee. In the event this Agreement is not duly executed by the Grantee, the Corporation shall be under no obligation to pay the Grantee for any costs incurred or monies spent in conjunction with program activities, or to otherwise pay for any activities performed during such period.
- C. At any time during the period of performance under this Agreement, the Corporation may review all Program Costs incurred by the Grantee and all payments made to date. Upon such review the Corporation shall disallow any items of expense not determined to be allowable or are determined to be in excess of approved expenditures; and shall, by written notice specifying the disallowed expenditures, inform the Grantee of any such disallowance.

IX. **Drawdown of Grant Funds**

- A. The Grantee shall be entitled to drawdown funds at the time the funds are actually needed for payment. Funds are to be drawn for immediate cash needs only, as required in U.S. Department of Treasury Circular 1075. The Grantee shall not issue TBRA to a beneficiary until such time as all project set-up information has been received and entered into the Integrated Disbursement Information System (IDIS).
- B. The Grantee shall establish procedures to ensure that any funds set forth in (A) above shall be expended within fifteen (15) days of receipt of the funds in the electronic depository account.

X. **Depositories for Program Funds**

- A. The Grantee must establish, or have established, an account in a local financial institution for the receipt, deposit, and disbursement of HOME Program funds.
- B. The local account shall also be used for the deposit and disbursement of repayments of HOME funds. TBRA and security deposit program repayments of HOME funds must be refunded to the Corporation for return to HUD. Program income must be disbursed prior to requesting HOME funds from the Corporation.

XI. **Financial Management**

- A. Grantees shall establish and maintain a system which assures effective control over and accountability for all funds used in the HOME Program, and follow the requirements of 24 CFR 85.20 and 2 CFR 200, respectively.
- B. Grantees shall certify to the Corporation, in writing, prior to making the first drawdown of funds that the system proposed for use shall meet the following standards:
 - 1. Maintenance of separate accounting records and source documentation for the HOME Program;
 - 2. Provision for accurate, current, and complete disclosure of the financial status of the Program;
 - 3. Establishment of records of budgets and expenditures for each approved activity;
 - 4. Demonstration of the sequence and status of receipts, obligations, disbursements and fund balance;
 - 5. Provision of financial status reports in the form specified by the Corporation.
 - 6. Compliance with the Corporation audit requirements (2 CFR 200); and,
 - 7. Consistency with generally accepted accounting principles or other basis of accounting as specified by the Kansas Department of Administration, if applicable, and 24 CFR 85.20.
- C. Grantees shall transfer to the Corporation any HOME funds on hand at the time of expiration of this Agreement, and any accounts receivable attributable to the use of HOME funds, as required in 24 CFR 92.503.

XII. **Program Income**

The Grantee shall retain any repayment, interest, and any other return on the investment of HOME funds to be used for additional eligible activities under this Agreement.

XIII. **Recordkeeping**

The Grantee shall establish and maintain sufficient records for five years to enable the Corporation to determine whether the Grantee has met the requirements of the HOME Program. The Grantee shall follow the guidelines in 24 CFR 92.508.

XIV. **Monitoring and Reporting**

- A. The Grantee shall monitor the activities of the HOME Program, including those of the contractors and subcontractors, to assure that all program requirements are being met. The Grantee shall establish and maintain a standard procedure for internal monitoring.
- B. The Grantee shall submit quarterly progress reports to the Corporation. The reporting periods consist of **October/November/December, January/February/March, April/May/June, and July/August/September**. *Quarterly Progress Reports* are to be submitted to the Corporation on or before ten (10) days after the end of each quarter (**April 10, July 10, October 10, and January 10**). A *Quarterly Progress Report* shall be

submitted for each quarter, or portion thereof, during the Period of Performance as provided in Section IV. A *Grant Completion Report* is required of the Grantee within 60 days of the final payment request.

- C. From time to time, as requested in writing by the Corporation, the Grantee shall submit such data and other information as the Corporation may require.
- D. Failure to report as required or respond to requests for data or information in a timely manner shall be grounds for suspension or termination of the Grant at the discretion of the Corporation.

XV. **Procurement Procedures**

- A. The Grantee shall use established procurement procedures, which reflect applicable State and local law and regulations, and the Corporation's Procedures for the establishment of procurement systems (24 CFR 84.40-84.48).
- B. These standards do not relieve the Grantee of any contractual responsibilities under its contracts. The Grantee is responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements entered into support of a grant. These include but are not limited to source evaluation, protests, disputes, and claims.
- C. The Grantee shall abide by the requirements of 24 CFR 24.200 and 2 CFR 200 Appendix II (H) concerning debarment and suspension on procurement procedures.

XVI. **Program Closeout**

- A. Program Closeout is the process by which the Corporation determines that all applicable actions and all required work of the program including audit and resolution of audit findings have been completed or that there are no additional benefits likely to occur by continuation of program activities or costs. All findings from Corporation monitoring visits must be cleared prior to closeout.
- B. Program closeout will occur when all grantee projects are closed, when the *Grant Completion Report* is received within 60 days of the final drawdown, when audits for the appropriate time periods have been conducted, and when the audit reports have been submitted and accepted by the Corporation.

XVII. **Termination for Convenience**

- A. The Corporation or Grantee may terminate the grant in whole, or in part, when both parties agree that the continuation of the program would not produce beneficial results commensurate with further expenditure of funds.
- B. The two parties shall agree upon the termination conditions, including the effective date and in the case of partial termination, the portion to be terminated.
- C. If a project is terminated before its completion, an amount equal to the HOME funds disbursed for the project must be paid by the HOME recipient to its HOME Investment Trust Fund. Such Funds are due to the Corporation within 30 days of the date of project cancellation. Such funds shall be returned to HUD by the Corporation in compliance with HUD Notice CPD 92-18, issued June 9, 1992.

XVIII. **Suspension or Termination-for Cause**

- A. The Corporation may suspend the grant, in whole or in part, at any time during the Grant Period, and upon reasonable notice to the Grantee, withhold further payments or prohibit the Grantee from incurring additional obligations of grant funds when it is determined that the Grantee has failed to substantially comply with the conditions of this Agreement. This will be done pending corrective action by the Grantee or a decision by the Corporation to terminate the grant.

- B. The Corporation, after reasonable notice following procedures pursuant to Section XVIII (A) of this Agreement, may terminate the grant, in whole or in part, at any time during the Grant Period when it is determined that the Grantee has failed to substantially comply with the conditions of this Agreement. The Corporation shall promptly notify the Grantee in writing, of the determination and the reasons for the termination, together with the effective date.

XIX. **Audit Requirements**

- A. The Grantee shall arrange for the performance of annual financial/compliance audits of the organization/grant. All audits must be performed by an independent auditor. The audit period is identical with the Grantee's regular fiscal year. The audit(s) shall be conducted in accordance with the requirements set forth in 2 CFR 200.
 - 1. If the Grantee expends \$750,000 or more of federal awards during the local fiscal year, a single audit is required in accordance with 2 CFR 200.501.
 - 2. If the Grantee expends more than \$25,000 but less than \$750,000 of federal awards during the local fiscal year, the grantee has the option of a single audit, or a program-specific audit conducted on a fiscal year basis, as required in 24 CFR Part 84.26 and 85.26. The program-specific audit must include a schedule of expenditures of federal awards.
- C. Grantees are required to submit one copy of a fiscal year audit report covering the program. The audit reports shall be sent within 30 days after the completion of the audit, but no later than nine months after the end of the audit period unless agreed to by the Corporation.
- D. If any expenditures are disallowed as a result of an audit, the obligation for reimbursement to the U.S. Treasury shall rest with the Grantee.

XX. **Retention of and Access to Records**

- A. Financial records, supporting documents, statistical records, and all other records pertinent to this program shall be retained in accordance with the Corporation's Procedures and in accordance with 24 CFR 85.42 and 24 CFR 92.508.
- B. Authorized representatives of the Corporation, the Division of Legislative Post Audit, the Secretary of HUD, the Inspector General of the United States, or the U.S. General Accounting Office shall have access to all books, accounts, reports, files, papers, things, or property belonging to, or in use by, the Grantee pertaining to the administration of these grants and receipt of assistance under the HOME Program as may be necessary to make audits, examinations, excerpts, and transcripts.
- C. Any contract or agreement entered into by the Grantee shall contain language comparable to subsection (B) so as to assure access by authorized parties to the pertinent records of any subgrantee, contractor, or subcontractor.

XXI. **Conflict of Interest**

- A. In the procurement of supplies, equipment, construction, and services by Grantees and subgrantees, the conflict of interest provisions at 2 CFR 200.112, and 24 CFR 85.36, respectively, shall apply. In all cases not governed by the provisions of said circular and regulation, the provisions of subsection (B) and 24 CFR 92.356 (b) shall apply.
- B. No member of the Governing Body, officers or employee of the Grantee, or its designees or agents, or any other person who exercises any functions or responsibilities with respect to the program assisted by this Agreement during his tenure or for one year thereafter, shall have any direct interest in any contract or subcontract, or the proceeds thereof, for the work to be performed in connection with the program.

- C. The Grantee shall incorporate, or cause to be incorporated in all third party agreements, a provision prohibiting such interest pursuant to the purpose of this Section.
- D. The Grantee shall not employ, nor shall permit any third party to employ, any employee of the Corporation.

XXII. Equal Opportunity

In addition to all equal opportunity provisions and the Assurances incorporated by the reference herein, the Grantee agrees to comply with all the requirements of the Kansas Acts Against Discrimination relating to fair employment practices, to the extent applicable and shall cause the foregoing provision to be inserted in all contracts with third parties for any work covered by this Agreement so that such provisions will be binding upon such third parties. Grantee will conduct and administer the grant in conformity with 24 CFR 92.350.

XXIII. Lobbying

The undersigned certifies, to the best of his or her knowledge and belief that:

1. No appropriated federal funds have been paid, or will be paid, by or on behalf of the undersigned 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 the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of 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 in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit *Disclosure Form to Report Lobbying* (Standard Form-LLL), in accordance with its instructions.
3. The undersigned shall require that the language 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 sub-recipients shall certify and disclose accordingly.

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 failure.

XXIV. Waiver of Enforcement

No waiver by the Corporation of the right to enforce any provision of this Agreement shall be deemed a waiver of the right to enforce each and all the provisions hereof.

XXV. Revisions and Amendments and Approvals

- A. Any changes to this Agreement shall constitute an amendment.
- B. The Grantee shall notify the Corporation if, through the use of other funds, there is an intention to expand, enhance, or add to the scope of the program, covered by the Agreement, or there is a proposal to undertake activities that will have an impact upon the buildings, areas, or activities of this program. The Corporation reserves the right to require an amendment to this Agreement if such is deemed necessary.
- C. Amendments of the terms of this Agreement shall not become effective unless reduced to writing, numbered, and signed by the Corporation and the duly authorized representative of the Grantee.

XXVI. Contractual Provisions Attachment

The provisions found in Contractual Provisions Attachment, which is attached hereto.

Dated by the Corporation this _____ day of _____, 20__

KANSAS HOUSING RESOURCES CORPORATION

By: _____
Ryan Vincent
Executive Director
Kansas Housing Resources Corporation

Notary Public:
State of Kansas)
) ss.
County of Shawnee)

Subscribed and sworn to before me on this _____ day of _____, 20__

Notary Public

GRANTEE

City of Independence, Kansas

By: _____
Signature of Authorizing Official

Printed Name and Title of Authorizing Official for Grantee

Notary Public:
State of Kansas)
) ss.
County of _____)

Subscribed and sworn to before me on this _____ day of _____, 20__

Notary Public