

**SUBRECIPIENT FUNDING AGREEMENT  
AGREEMENT BETWEEN THE CITY OF NILES MICHIGAN  
AND  
KINEXUS  
FOR  
ADMINISTRATION OF HOMEOWNER ASSISTANCE PROGRAM  
Program Year 2015 (October 1, 2015 – September 30, 2016)**

THIS AGREEMENT, entered into this 1st day of October 2015, by and between the City of Niles, A Michigan Municipal Corporation at 333 North 2<sup>nd</sup> Street Niles, Michigan 49120 hereinafter referred to as the “City” or “Grantee”, and Kinexus, a nonprofit/pseudo-governmental entity at 499 W Main St, Benton Harbor, MI 49022, hereinafter referred to as the “Subrecipient”;

WITNESSETH, THAT:

WHEREAS, the City has been approved by the United States Department of Housing and Urban Development, hereinafter referred to as “HUD”, to enter into a contract with HUD for the purpose of planning, developing, and implementing projects pursuant to Title I of the Housing and Community Development Act of 1974, as amended, hereinafter referred to as the “Act”; and

WHEREAS, the City desires to engage the Subrecipient to render certain services in connection with such projects; and

WHEREAS, the Subrecipient understands that services performed under this Agreement shall be principally extended to low- and moderate-income residents of the City; (See Exhibit 1 for income guidelines);

NOW THEREFORE, in consideration of the above, the parties hereto mutually agree as follows:

**Scope of Services**

**Activities**

The Subrecipient will be responsible for administering the City of Niles CDBG grant known as the, as set forth in Subrecipient’s Scope of Services, attached hereafter as Exhibit 2[SV1] in a manner satisfactory to the Grantee and consistent with any standards required as a condition of providing these funds. Such program will include only public service activities eligible under the Community Development Block Grant program as prescribed in Exhibit 2.

**National Objectives**

All activities funded with CDGB funds must meet one of the CDBG program’s National Objectives: benefit low- and moderate-income persons; aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208.

This National Objective will be met as described in the Compliance with National Objectives attached hereafter as Exhibit 2 in a manner satisfactory to the Grantee and consistent with any standards required as a condition of providing these funds

### **Levels of Accomplishment – Goals and Performance Measures**

The Subrecipient agrees to provide services consistent with the Scope of Services attached hereafter as Exhibit 2 in a manner satisfactory to the Grantee and consistent with any standards as required as a condition of providing these funds

### **Staffing**

The Subrecipient agrees to the Staffing Plan associated with the Scope of Services and hereafter attached as Exhibit 2. The Subrecipient agrees to notify the City of any changes in the Key Personnel assigned or their general responsibilities under this project and recognizes that any changes are subject to the prior approval of the Grantee.

### **Reporting**

It is understood that certain data and information is required for and to be used to plan, coordinate, and evaluate Community Development Block Grant programs and projects[GM2]. As such, the Subrecipient agrees to provide the following data and reports to the Community Development Department, City of Niles, Michigan, to wit:

1. Monthly reports on the number of individuals assisted, and the income levels of the individual's family, in accord with the attached Exhibit 8 .
2. Request for Payment must include copies of invoices and receipts for labor and materials prior to any reimbursement by the City for the same in accord with the attached Exhibit 8
3. An End of Year performance report may be required in order to close out the grant. The End of Year performance report will summarize the monthly reports on program accomplishments in accordance with Exhibit 8

### **Performance Monitoring**

The City will monitor the performance of the Subrecipient against goals and performance standards as stated in the Agreement and all associated Exhibits. Substandard performance as determined by the City of Niles will constitute noncompliance with this agreement. If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

The City will perform quarterly monitoring, including a combination of desk audits and onsite interviews to confirm accuracy of monthly reports, compliance with CDBG regulations and requirements, and Subrecipient procedures, protocols and systems. As a result of the monitoring, the City will provide the Subrecipient with a summary of the monitoring which identifies any issues and corrective actions the Subrecipient will be required to address.

### **Time of Performance**

It is mutually agreed that the services herein provided shall occur between October 1, 2015 and September 30, 2016. If the funds under this agreement are not obligated by September 30, 2016 the funds may be directed to some other project, as determined by the City of Niles. In the event that funding under the Act becomes unavailable for the activities described in the Scope of Services attached hereafter as Exhibit 2 during this time, it is hereby understood that this Agreement shall be terminated.

### **BUDGET**

The Subrecipient will be responsible for administering the approved budget, as set forth in the Budget Section of the Subrecipient's Scope of Services, attached hereafter as Exhibit 2 in a manner satisfactory to the Grantee and consistent with any standards required as a condition of providing these funds. Such expenditures will only include those previously defined as eligible under the Community Development Block Grant program. Any amendments to the budget must be approved in writing by both the Grantee and the Subrecipient.

No indirect costs will be allowed in cooperation with this agreement. In addition, the Grantee may require a more detailed budget breakdown than the one contained herein, and the Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the Grantee.

### **PAYMENT**

The City shall provide to the Subrecipient, funding for the provision of Homeowner Assistance Program Administration whose value is not to exceed Eight Thousand, Four Hundred Dollars (\$8,400.00) for Kinexus as set forth in the Subrecipient's Scope of Services, attached hereto as Exhibit 2. All funds must be used for Homeowner Assistance Program Administration. Payment shall be made to the Subrecipient upon presentation of the "Monthly Report and Invoice" attached hereto as Exhibit 8; with appropriate invoices for the payment of eligible expenses specified in the budget.

1. The Subrecipient shall perform those services as agreed to and set forth herein.
2. The Subrecipient agrees to comply with all regulations for CFDA 14.218.
3. No disbursements shall be made by the Subrecipient or reimbursements made by the City except in conformity with the following:
  - a. The definitions of allowable costs as contained in OMB Circular A-122 and such revisions as may be issued in the future; and

- b. The Community Development Block Grant Regulations set forth in 24 CFR 570.201 through 570.207 and any future amendments thereto.
4. The Subrecipient shall be responsible for reviewing and labeling each proposed expenditure of funds for conformity with the criteria for allowable costs as contained in OMB Circular A-122, and with the criteria for activity eligibility as contained in 24 CFR 570.201 through 570.207 prior to submission to the City for reimbursement.
5. Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in Paragraph 4.3 herein and in accordance with performance.
6. Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in 24 CFR 84.21.
- ~~7.~~ The City will withhold final payment of the grant balance until the Subrecipient submits an End of Year performance report summarizing program accomplishments during the program year to the satisfaction of the City in accordance with Exhibit 8.

## NOTICES

Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, or personal delivery or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice.

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

<b>Grantee</b>	<b>Subrecipient</b>
City of Niles	Kinexus
Community Development	Place Division
<del>Juan Ganum, Director</del> <a href="mailto:sphillips@nilesmi.org">Sanya Phillips</a>	Todd Gustafson or Ryan Simpson
333 North 2 <sup>nd</sup> Street	499 W Main Street
Niles, Michigan 49120	Benton Harbor, Michigan 49022
Phone: 269.683.4700 ext <del>3020</del> <a href="tel:269.683.4700">3021</a>	Phone: 269.927.1064
<del>iganum@nilesmi.org</del> <a href="mailto:sphillips@nilesmi.org">sphillips@nilesmi.org</a>	<a href="mailto:simpsonr@kinexus.org">simpsonr@kinexus.org</a>

## GENERAL CONDITIONS

### General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including Subpart K of these regulations, except that

1. the Subrecipient does not assume the recipient's environmental responsibilities described in 24 CFR 570.604 and
2. The Subrecipient does not assume the recipient's responsibility for initiating the review process under the provisions of 24 CFR Part 52.
3. 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. Including those attached hereafter as Exhibit 3, Exhibit 4, Exhibit 5 and Exhibit 6.
4. The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

### 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.

### **Workers Compensation**

The Subrecipient shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this agreement.

### **Indemnify and Hold Harmless**

The Subrecipient hereby indemnifies and holds harmless the City, its officers, officials, employees, agents and servants from any and all liability, wherever and whenever it may occur, including all injury and property damage, or any loss, claim, costs or expenses (including reasonable attorney fee's) as a result of performance of services pursuant to this Agreement. Provided, however, that the above indemnification obligation shall not apply to personal injury or property damage arising out of or resulting solely from the gross negligence or intentional misconduct of the City, its officers, officials, employees, agents and servants.

### **Subrecipient Liability Insurance**

The Subrecipient shall comply with the bonding and insurance requirements of 24 CFR 84.31 and 84.48, Bonding and Insurance.

1. The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and
2. as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the Grantee.
3. The Subrecipient shall obtain and maintain throughout the term of this Agreement insurance coverage for bodily injury and property damage in an amount acceptable to the City and shall identify the City as an additional insured.
4. The Subrecipient shall provide the City with evidence thereof.

### **Grantee Recognition**

The Subrecipient shall insure recognition of the role of the Grantee in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement shall be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

### **Amendments**

The Grantee or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's governing body. Such amendments shall not invalidate this Agreement, nor relieve or release the Grantee or Subrecipient from its obligations under this Agreement.

The Grantee may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the Scope of Services, or schedule of the activities to be

undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both Grantee and Subrecipient.

### **Suspension or Termination**

1. In accordance with 24 CFR 85.43, the Grantee may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to), the following:
  - a. 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;
  - b. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
  - c. Ineffective or improper use of funds provided under this Agreement; or
  - d. Submission by the Subrecipient to the Grantee reports that are incorrect or incomplete in any material respect.
2. In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the Grantee or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the Grantee determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the Grantee may terminate the award in its entirety.

### **Compliance with Laws/Regulations (§570.501) and Corrective Action**

Subrecipient's failure to comply with the following may lead to corrective actions:

1. Federal financial management standards, as stated in OMB Circular A-122, and OMB Circular A-110.
2. Federal Community Development Block Grant eligibility regulations 570.201 through 570.207.
3. Applicable federal, state, and local laws for program operation and financial management.
4. City's financial management requirements.
5. Implementing the Scope of Services.
6. Reporting requirements set forth in this Agreement.
7. Data and information collection and retention to document the program's operation.
8. The City shall provide the Subrecipient with written notice of the Subrecipient's failure to comply with any rules, requirements, laws and/or program regulations. The Subrecipient shall have seven days upon receipt of the notice to respond in writing as to the corrective action that will be taken. Failure to respond to the Notice and/or

implement the proposed corrective actions to the City's satisfaction will cause the City to take remedial action including but not limited to the following:

- a. Requests for payment will not be processed;
  - b. Written notice that the City will proceed to recapture funds in seven days if the issue in question involves expenditures already made;
  - c. Written notice that the City is going to terminate this Agreement;
  - d. Any other necessary remedial action required by the City.
9. If a significant change in the Scope of Service provided by the Subrecipient is anticipated, the City shall be advised in writing five days in advance of the change. Significant changes include but are not limited to: nature of service provided; beneficiaries receiving the service; target areas served; or other things relating to the Subrecipient's Scope of Services.

Within five (5) days of receipt of said notice, the City shall approve the change with documentation and justification supplied; disapprove the change and recommend an alternative; or require the service be provided as set forth in the Agreement.

10. Failure to comply with any Condition set forth herein may result in any of the following until the problem has been remedied:
- a. stopping payment requests;
  - b. recapturing funds spent in connection with this change from the Subrecipient's budget; or
  - c. terminating the Agreement.
11. The City has the right to require the Subrecipient to repay CDBG funds if any of the following conditions occur:
- a. HUD requires fund payback for any reason;
  - b. The City has not been informed of a service or program change by the Subrecipient and has expended funds for such purposes;
  - c. The City has decided a cost is disallowed or unauthorized;
  - d. The Subrecipient receives refunds, rebates, and/or interest on CDBG reimbursed expenses and has not forwarded these refunds to the City.
12. The Subrecipient shall respond to the City's request for repayment within seven days with an indication as to how repayment will be made. Under no circumstances shall the Subrecipient take more than 30 days to make the repayment requested. After 30 days, the City shall move to recapture the funds in question directly from the Subrecipient's budget or from the Subrecipient in accordance with law.
13. This Agreement shall be terminated by the City, after giving the Subrecipient not less than five days written notice thereof, for failure to comply with (1) through (4) above. Additionally, this Agreement may be suspended or terminated upon refusal to accept any additional conditions that may be imposed by HUD or by the City at any time, or if the grant to the City under the Act is suspended or terminated. In the event that the



Agreement is terminated, the Subrecipient must adhere to and complete a closeout procedure to be developed by the City. This procedure shall include but not be limited to such things as: proper payment of bills after termination of the Agreement; providing sufficient funds to meet priority obligations; and providing notice to all vendors of dates by which goods and services should be terminated. Upon termination, the Subrecipient shall transfer to the City any CDBG funds on hand at the time of termination and any accounts receivable attributable to the use of CDBG funds.

### **Assignability**

The Subrecipient shall not assign or transfer any interest in this Agreement without the prior written consent of the City.

## **ADMINISTRATIVE REQUIREMENTS**

### **Financial Management**

1. Accounting Standards: The Subrecipient agrees to comply with 24 CFR 84.21–28 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.
2. Cost Principles: The Subrecipient shall administer its program in conformance with OMB Circulars A-122, “Cost Principles for Non-Profit Organizations,” or A-21, “Cost Principles for Educational Institutions,” as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

### **Documentation and Record Keeping**

1. The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506, 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 one of the National Objectives of the CDBG program;
  - c. Records required to determine the eligibility of activities;
  - d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
  - e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
  - f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21–28; and
  - g. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.
  - h. The Subrecipient shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of four (4) years. The retention period begins on the date of the submission of the Grantee’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 four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

- i. The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name [Is obtaining the client name necessary?], address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to Grantee monitors or their designees for review upon request.
2. The Subrecipient understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the Grantee's or Subrecipient's responsibilities with respect to services provided under this contract, is prohibited by various State and/or Federal law, unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.
3. The Subrecipient's obligation to the Grantee shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: 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 Grantee), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income.
4. All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the Grantee, grantor agency, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The Subrecipient hereby agrees to have an annual agency audit conducted in accordance with current Grantee policy concerning Subrecipient audits and OMB Circular A-133.

### **Reporting and Payment Procedures**

1. **Program Income:** The Subrecipient shall report quarterly on all program income (as defined at 24 CFR 570.500(a)) generated by activities carried out with CDBG funds made available under this contract. The use of program income by the Subrecipient shall comply with the requirements set forth at 24 CFR 570.504. By way of further limitations, the Subrecipient may use such income during the contract period for activities permitted under this contract and shall reduce requests for additional funds by the amount of any such program income balances on hand. All unexpended

program income shall be returned to the Grantee at the end of the contract period. Any interest earned on cash advances from the U.S. Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the Grantee.

2. Indirect Costs: If indirect costs are charged, the Subrecipient will develop an indirect cost allocation plan for determining the appropriate Subrecipient's share of administrative costs and shall submit such plan to the Grantee for approval, in a form specified by the Grantee.
3. Payment Procedures: The Grantee will pay to the Subrecipient funds available under this Agreement based upon information submitted by the Subrecipient and consistent with any approved budget and Grantee policy concerning payments. With the exception of certain advances, payments will be made for eligible expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. Payments will be adjusted by the Grantee in accordance with advance fund and program income balances available in Subrecipient accounts. In addition, the Grantee reserves the right to liquidate funds available under this contract for costs incurred by the Grantee on behalf of the Subrecipient.
4. Monthly Reports: The Subrecipient shall submit monthly Progress Reports hereafter attached as Exhibit 8 to the Grantee in the form, content, and frequency as required by the Grantee.

#### **Procurement**

1. The Subrecipient shall comply with current Grantee policy Federal procurement requirements (24 CFR 84.40-48) 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 Grantee upon termination of this Agreement.

1. OMB Standards Unless specified otherwise within this agreement, the Subrecipient shall procure all materials, property, or services in accordance with the requirements of 24 CFR 84.40–48.
2. Travel The Subrecipient shall obtain written approval from the Grantee for any travel outside the metropolitan area with funds provided under this Agreement.

#### **Use and Reversion of Assets:**

The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:

- A. The Subrecipient shall transfer to the Grantee any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
- B. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until five (5) years after expiration of this Agreement [or such longer period of time as the Grantee deems appropriate]. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National

Objective for the prescribed period of time, the Subrecipient shall pay the Grantee an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such payment shall constitute program income to the Grantee. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the five-year period [or such longer period of time as the Grantee deems appropriate].

- C. In all cases in which equipment 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 Grantee for the CDBG program or (b) retained after compensating the Grantee [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

### **RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT**

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); (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 24 CFR 570.606(d) governing optional relocation policies. [The Grantee may preempt the optional 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 Grantee ordinances, resolutions and policies concerning the displacement of persons from their residences.

### **PERSONNEL & PARTICIPANT CONDITIONS**

- A. **Civil Rights Compliance** The Subrecipient agrees to comply with [fill in local and state civil rights ordinances here] and with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.
- B. **Nondiscrimination** 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. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.
- C. **Land Covenants** This contract is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P. L. 88-352) and 24 CFR 570.601 and 570.602. 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 Grantee 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.

- D. **Section 504** The Subrecipient agrees to comply with all 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 Grantee shall provide the Subrecipient with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.
- E. **Affirmative Action Approved Plan** The Subrecipient agrees that it shall be committed to carry out 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. Upon written request, the Grantee shall provide Affirmative Action guidelines to the Subrecipient to assist in the formulation of such program. The Subrecipient shall maintain and submit a plan for an Affirmative Action Program upon request by the Grantee.
- F. **Women- and Minority-Owned Businesses (W/MBE):** The Subrecipient will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this contract. As used in this contract, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's 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 Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.
- G. **Access to Records** The Subrecipient shall furnish and cause each of its own Subrecipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the Grantee, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.
- H. **Notifications** The Subrecipient will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of the Subrecipient's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

- I. **Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement** The Subrecipient will, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.
- J. **Employment Restrictions:** The Subrecipient is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; and nepotism activities.
- K. **Labor Standards** The Subrecipient agrees to comply with the requirements of the Secretary of Labor in accordance with the
  1. Davis-Bacon Act as amended,
  2. the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.) and
  3. all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement.
  4. The Subrecipient agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 et seq.) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5.
  5. The Subrecipient shall maintain documentation that demonstrates compliance with Hour and Wage requirements of this part.
  6. Such documentation shall be made available to the Grantee for review upon request.
- L. **“Section 3” Clause**
  1. Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this contract, shall be a condition of the Federal financial assistance provided under this contract and binding upon the Grantee, the Subrecipient and any of the Subrecipient’s Subrecipients and subcontractors. Failure to fulfill these requirements shall subject the Grantee, the Subrecipient and any of the Subrecipient’s Subrecipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided.
  2. The Subrecipient further agrees to comply with these “Section 3” requirements and to include the following language in all subcontracts executed under this Agreement:
 

*“The work to be performed under this Agreement is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located.”*
  3. The Subrecipient further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-



funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low- and very low-income residents within the service area or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs.

4. The Subrecipient certifies and agrees that no contractual or other legal incapacity exists that would prevent compliance with these requirements.

#### **M. Conduct**

1. Assignability The Subrecipient shall not assign or transfer any interest in this Agreement without the prior written consent of the Grantee thereto; provided, however, that claims for money due or to become due to the Subrecipient from the Grantee under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Grantee.
2. The Subrecipient agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of \$2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided under this contract, shall comply with Federal requirements adopted by the Grantee pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Subrecipient of its obligation, if any, to require payment of the higher wage.
3. Subcontract The Subrecipient shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.
  - a. 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 Grantee prior to the execution of such agreement.
  - b. Monitoring: The Subrecipient will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall

be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

c. **Content:** The Subrecipient shall cause all of the provisions of this contract in its entirety to be included in and made a part of any subcontract or purchase order, specifically or by reference executed in the performance of this Agreement so that such provisions will be binding upon each of its own Subrecipients or subcontractors.

d. **Selection Process:** The Subrecipient shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements.

e. Executed copies of all subcontracts shall be forwarded to the Grantee along with documentation concerning the selection process.

N. **Hatch Act** the Subrecipient agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

O. **Conflict of Interest** The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which include (but are not limited to) the following:

1. 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.
2. 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.
3. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-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, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-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 Grantee, the Subrecipient, or any designated public agency.

P. **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 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, 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; and
3. It will require that the language of Paragraph 9.P.4 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all Subrecipients shall certify and disclose accordingly:
4. **Lobbying 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.C. 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.
- Q. **Copyright** If this contract results in any copyrightable material or inventions, the Grantee 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 governmental purposes.
- R. **Religious Activities** The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.
- S. **Definition of HUD:** The term HUD is used herein to mean the Secretary of Housing and Urban Development, or the person authorized to act on his or her behalf.
- T. **Third Parties** None of the provisions of this Agreement shall be construed so as to create any right, duty, or benefit to third parties.
- U. **State of Michigan** This agreement shall be construed according to the laws of the State of Michigan.
- V. **Applicable Law** Both parties agree that this Agreement shall be subject to all applicable ordinances, resolutions and rules of the City.

## ENVIRONMENTAL CONDITIONS

- A. **Air and Water:** The Subrecipient agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:
  1. Clean Air Act, 42 U.S.C. , 7401, *et seq.*;
  2. Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, *et seq.*, as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other

requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder;

3. Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.
- B. **Flood Disaster Protection:** In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the Subrecipient shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).
- C. **Lead-Based Paint:** The Subrecipient agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-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. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.
- D. **Historic Preservation:** The Subrecipient agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this agreement.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, state, or local historic property list.

#### **SEVERABILITY**

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

#### **SECTION HEADINGS AND SUBHEADINGS**

The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.

**WAIVER**

The Grantee’s failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the Grantee to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

**ENTIRE AGREEMENT**

- A. This agreement constitutes the entire agreement between the Grantee and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the Grantee and the Subrecipient with respect to this Agreement and may not be modified except by a written instrument signed by both parties.
- B. **Binding Effect** This Agreement shall be binding on and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

ATTEST:

CITY OF NILES, MICHIGAN

~~NILES CITY~~

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

City Clerk, City of Niles, Michigan:  
Michigan

Mayor, City of Niles,

Kinexus

~~FERRY STREET RESOURCE CENTER, INC.~~


\_\_\_\_\_  
Signature, Kinexus

\_\_\_\_\_  
Signature

Board of Directors, Chair, Kinexus

**Exhibit 1**

[http://www.huduser.gov/portal/datasets/il/il2015/select\\_Geography.odn](http://www.huduser.gov/portal/datasets/il/il2015/select_Geography.odn)



## FY 2015 INCOME LIMITS DOCUMENTATION SYSTEM

[HUD.gov](#) [HUD User Home](#) [Data Sets](#) [Fair Market Rents](#) [Section 8 Income Limits](#) [MTSP Income Limits](#) [HUD LIHTC Database](#)

### FY 2015 Income Limits Summary

FY 2015 Income Limit Area	Median Income <a href="#">Explanation</a>	FY 2015 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
<b>Niles-Benton Harbor, MI MSA</b>	\$56,300	Very Low (50%) Income Limits (\$) <a href="#">Explanation</a>	19,750	22,550	25,350	<b>28,150</b>	30,450	32,700	34,950	37,200
		Extremely Low Income Limits (\$)* <a href="#">Explanation</a>	11,850	15,930	20,090	<b>24,250</b>	28,410	32,570	34,950*	37,200*
		Low (80%) Income Limits (\$) <a href="#">Explanation</a>	31,550	36,050	40,550	<b>45,050</b>	48,700	52,300	55,900	59,500

NOTE: Niles-Benton Harbor, MI MSA contains Berrien County, MI.

\* The FY 2014 Consolidated Appropriations Act changed the definition of extremely low-income to be the greater of 30/50ths (60 percent) of the Section 8 very low-income limit or the poverty guideline as established by the Department of Health and Human Services (HHS), provided that this amount is not greater than the Section 8 50% very low-income limit. Consequently, the extremely low income limits may equal the very low (50%) income limits.

Income Limit areas are based on FY 2015 Fair Market Rent (FMR) areas. For information on FMRs, please see our associated FY 2015 Fair Market Rent documentation system.

**Exhibit 2**

**Scope of Services:** A description of the services and/or activities that your agency will provide to eligible participants:

- [Assistance for repair/rehabilitation of residential homes](#)
  - The City of Niles allocates funding for homeowner repair/rehabilitation activities. The City has approved City of Niles HAP rules, requirements and regulations. They are attached separately.
  - Kinexus will seek out and provide support to eight (8) households needing home repairs/rehabilitation support.
  - The funding available through this subrecipient agreement must be used to support the administration of these repairs/rehabilitation.
- [Environmental Review Assessment](#)
  - Prior to executing and beginning any repair/rehabilitation, a certified environmental review must be conducted of each home within the requirements described with the CDBG legislation and all complementary NEPA regulations, laws and requirements.
- [Project Administration \(Must be actuals \(no indirect costs will qualify for reimbursement\) actual hourly](#)

staffing costs, actual mileage, etc.)

- Project coordination and management
- Repair/Rehabilitation Contractor liaison

## Program Goals and Outcomes

Action Steps
If not Already Verified, Ensure Homeowner Meets Program Requirements and Receive Approval for
Check SHPO Status (if applicable)
Environmental Review Process Completed
Create Scope of Work
Contractor Solicitation
Contractor Assessment and Award
Homeowner Documentation/Closing
Homeowner Coordination
Contractor Meeting to Review Contract, Schedule and Expectations
Contractor Submits Sworn Statement with Subcontractor Info.
Review Contract and Schedule with Homeowner
File Notice of Commencement
Contractor Pulls Applicable Permits
Ensure with Contractor Subcontractors Complete Notices of Furnishings
Ensure Contractor Completes Lien Waiver Paperwork
Weekly Meeting with Contractor(s) to discuss schedule, budget, scope of work, issues, etc.
Weekly Call with Homeowner
Submit Pay Requests to City of Niles at Predetermined Frequency
Process Payments as Necessary per Contract and Remit Payment to Contractor
Conduct Final Walkthrough at end of Substantial Project Completion with Contractor and
Create Punchlist with Homeowner
Schedule Lead/Asbestos Clearance Assessments (if applicable)

## Client Numbers

Numbers below represent (check one)

Individual Clients

Households

	Previous Year				Current Year			
	Oct 2014	to	Sept 2015		Oct 2015	to	Sept 2016	
Total Number of Primary Clients	3				8			
Average amount of time spent per client	10	Hours per...			10	Hours per...		
	Day	x	Week	Month	Day	x	Week	Month
	Year	Total program			Year	Total program		
Number of low/moderate income	3				8			

<b>A) Age</b>		0-4 years		5-17 years		18-24 years
	7	25-64 years	1	65 years & older		Unknown
	TOTAL of all above					
<b>B) Sex</b>	TBD	Female	TBD	Male	8	TOTAL

## CDBG/ESG Eligibility & National Objective Information

### City of Niles Residents ONLY

	People (General)		Small Households (≤ 4)
	Youth	1	Elderly Households
	Elderly		Businesses
7	Households (General)		Organizations
	Large Households (5+)		Housing Units

## National Objective

This program requests information on family size and income from all clients to determine whether clients are low income. A copy of the program intake form is included as an attachment to this agreement.

<u>Services Coordinator - Activity</u>		
<u>Charting</u>		
<u>Assistance with DHS functions</u>		
<u>Computer Lab academic/work programs</u>		
<u>Referrals to other agencies</u>		
<u>Assistance with the needs of the homeless and hungry</u>		
<u>Mentoring young people to reduce crime/drugs</u>		
<u>Executive Director - Activity</u>		
<u>Direct contact with clients</u>		
<u>Reporting</u>		
<u>Planning for Services</u>		
<u>Center Activity</u>	<u>Units/Month</u>	<u>Units/Year</u>
<u>DHS Issue</u>	<u>137</u>	<u>137</u>
<u>Fax Machine</u>	<u>156</u>	<u>156</u>
<u>Computer Use</u>	<u>196</u>	<u>196</u>
<u>Copy Machine</u>	<u>53</u>	<u>53</u>
<u>SER Form</u>	<u>52</u>	<u>52</u>
<u>Food Referral</u>	<u>24</u>	<u>24</u>
<u>Education - ABE</u>	<u>20</u>	<u>20</u>
<u>Housing Issue</u>	<u>27</u>	<u>27</u>
<u>Other</u>	<u>76</u>	<u>76</u>
<u>Total</u>	<u>741</u>	<u>741</u>
<u>Services Coordinator - Activity</u>		
<u>Charting</u>		
<u>Assistance with DHS functions</u>		
<u>Computer Lab academic/work programs</u>		
<u>Referrals to other agencies</u>		
<u>Assistance with the needs of the homeless and hungry</u>		
<u>Mentoring young people to reduce crime/drugs</u>		
<u>Executive Director - Activity</u>		
<u>Direct contact with clients</u>		
<u>Reporting</u>		
<u>Planning for Services</u>		

<b>Center Activity</b>	<b>Units/Month</b>	<b>Unit</b>
DHS Issue		
Fax Machine		
Computer Use		
Copy Machine		
SER Form		
Food Referral		
Education – ABE		
Housing Issue		
Other		
<b>Total</b>		

**Staffing Plan**

With a contract amount of \$8,400, over a one-year period, Ryan Simpson, will be able to schedule an average of 4-hours per week, or 10% of his time to the 2015 Niles Homeowner Assistance Program. All employees are required to pass a background check.



**Agency Budget**

**Oct 2013 – Sep 2014**

Actual Previous

Projected Next

Actual Previous

Projected Next

REVENUE	Actual Previous Year	Current Operating Year	Projected Next Year	CDBG
Contributions	333712	280320	444846	
Special Events				
Foundation & Corporate Grants				
City of Niles CDBG		15000	\$8,400	\$8,400
Berrien County/MSHDA ESG				
United Way Southwest Michigan				
Other Governmental Fees & Grants	8840155	7915785	9157065	
Membership Dues – Individuals				
Program Service Fees				
Investment Revenue				
Miscellaneous				
Other				
<b>TOTAL REVENUE</b>	<b>9173867</b>	<b>8211105</b>	<b>9610311</b>	<b>\$8,400</b>
EXPENSES				
Salaries	3553228	3340856	3561024	6720
Benefits	753749	704672	896223	1100
Payroll Taxes	337298	287553	324301	580
Client Wages				
Professional Fees	204607	144506	183000	
Supplies	91584	69694	107975	

Telephone and Facsimile	233637	256620	182640	
Marketing, Dues, Fees	145416	170069	176302	
Occupancy (including depreciation)	805666	785630	787075	
Equipment (including depreciation)	505198	250497	587803	
Contracted Program Services	1080028	900447	454549	
Travel	56154	70974	88597	
Conferences & Meetings (Training)	295353	255517	321802	
Direct Program Services	1098563	1015288	19023624	
Insurance	20927	27446	29125	
National Organization Dues				
Miscellaneous	21097	(213)	7570	
Other: Bad Debt Expense/Special Event Exp				
<b>TOTAL DIRECT EXPENSES</b>	<b>9202505</b>	<b>8279556</b>	<b>9610310</b>	<b>\$8,400</b>

**Exhibit 7: RESERVED BLANK 2015/2016 Kinexus Not Applicable**

**Exhibit 8: Monthly Report and Invoice**

<b>Project/Program:</b> Kinexus	<b>Submitted By:</b> Ryan Simpson												
<b>Site Address:</b> 499 W Main St, Benton Harbor, MI 49022	<b>Phone Number:</b> 269.927.1064 x1175												
<b>Program Contact:</b> Ryan Simpson	<b>Email Address:</b> Simpson, Ryan (simpsonr@kinexus.org)												
<b>Contract Dates:</b> October 1 2015 – September 30 2016	<b>Reporting Month:</b> <table border="0"> <tr> <td><b>Oct</b></td> <td><b>Nov</b></td> <td><b>Dec</b></td> <td><b>Jan</b></td> <td><b>Feb</b></td> <td><b>Mar</b></td> </tr> <tr> <td><b>Apr</b></td> <td><b>May</b></td> <td><b>June</b></td> <td><b>July</b></td> <td><b>Aug</b></td> <td><b>Sept</b></td> </tr> </table>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>Aug</b>	<b>Sept</b>
<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>								
<b>Apr</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>Aug</b>	<b>Sept</b>								

Check Register/Expenditure Sheet Initialed by Accountant and Executive Director Attached
Copies of Receipts, Invoices, Payroll Registers, Timesheets
Monthly Report and Invoice Certification Signed by Executive Director Attached

Expense Category	Original Budget Amount	Previous Expenditures	Expenses requested this period	Remaining Grant Funds
Salaries, benefits & taxes	\$8,400			
Totals				

**Certification**

I certify that the information contained in this form and accompanying documents is a correct and true representation of units produced and expenses incurred for the time period. By signing this Agreement, the Subrecipient certifies that the activity (ies) reported above have met the NATIONAL OBJECTIVE TO BENEFIT LOW- AND MODERATE-INCOME PERSONS. I acknowledge that intentional falsification of any portion of this form or accompanying documents may result in non-reimbursement of current and future expenses, restitution of past reimbursements, and debarment from applying for and receiving future City of Niles Michigan Community Development Block Grant funds.

\_\_\_\_\_  
 Ryan Simpson, Place Division Director

\_\_\_\_\_  
 Date

## **Exhibit 3: 24 C.F.R. PART 570**

### **PART 570—COMMUNITY DEVELOPMENT BLOCK GRANTS**

#### **Contents**

##### **Subpart A—General Provisions**

§ 570.1 Purpose and primary objective.

§ 570.3 Definitions.

§ 570.4 Allocation of funds.

§ 570.5 Waivers.

##### **Subpart B [Reserved]**

##### **Subpart C—Eligible Activities**

§ 570.200 General policies.

§ 570.201 Basic eligible activities.

§ 570.202 Eligible rehabilitation and preservation activities.

§ 570.203 Special economic development activities.

§ 570.204 Special activities by Community-Based Development Organizations (CBDOs).

§ 570.205 Eligible planning, urban environmental design and policy-planning-management-capacity building activities.

§ 570.206 Program administrative costs.

§ 570.207 Ineligible activities.

§ 570.208 Criteria for national objectives.

§ 570.209 Guidelines for evaluating and selecting economic development projects.

§ 570.210 Prohibition on use of assistance for employment relocation activities.

##### **Subpart D—Entitlement Grants**

§ 570.300 General.

§ 570.301 Activity locations and float-funding.

§ 570.302 Submission requirements.

§ 570.303 Certifications.

§ 570.304 Making of grants.

§ 570.307 Urban counties.

§ 570.308 Joint requests.

§ 570.309 Restriction on location of activities.

##### **Subpart E—Special Purpose Grants**

§ 570.400 General.

§ 570.401 Community adjustment and economic diversification planning assistance.

§ 570.402 Technical assistance awards.

§ 570.403 New Communities.

§ 570.404 Historically Black colleges and universities program.

§ 570.405 The insular areas.

§ 570.406 Formula miscalculation grants.

§ 570.410 Special Projects Program.

§ 570.411 Joint Community Development Program.

§ 570.415 Community Development Work Study Program.

§ 570.416 Hispanic-serving institutions work study program.

##### **Subpart F—Small Cities, Non-Entitlement CDBG Grants in Hawaii and Insular Areas Programs**

§ 570.420 General.

§ 570.421 New York Small Cities Program design.

§§ 570.422-425 [Reserved]

§ 570.426 Program income.

§ 570.427 Program amendments.

§ 570.428 [Reserved]

§ 570.429 Hawaii general and grant requirements.

§ 570.431 Citizen participation.

§ 570.440 Application requirements for insular area grants funded under section 106.

§ 570.441 Citizen participation—insular areas.

§ 570.442 Reallocations-Insular Areas.

##### **Subpart G—Urban Development Action Grants**

§ 570.450 Purpose.

§ 570.456 Ineligible activities and limitations on eligible activities.

§ 570.457 Displacement, relocation, acquisition, and replacement of housing.

§ 570.461 Post-preliminary approval requirements; lead-based paint.

§ 570.463 Project amendments and revisions.

§ 570.464 Project closeout.

§ 570.465 Applicability of rules and regulations.

§ 570.466 Additional application submission requirements for Pockets of Poverty—employment opportunities.

##### **Subpart H [Reserved]**

##### **Subpart I—State Community Development Block Grant Program**

§ 570.480 General.

§ 570.481 Definitions.

§ 570.482 Eligible activities.

§ 570.483 Criteria for national objectives.

§ 570.484 Overall benefit to low and moderate income persons.

§ 570.485 Making of grants.

§ 570.486 Local government requirements.

§ 570.487 Other applicable laws and related program requirements.

§ 570.488 Displacement, relocation, acquisition, and replacement of housing.

§ 570.489 Program administrative requirements.

§ 570.490 Recordkeeping requirements.

§ 570.491 Performance and evaluation report.

§ 570.492 State's reviews and audits.

§ 570.493 HUD's reviews and audits.

§ 570.494 Timely distribution of funds by states.

§ 570.495 Reviews and audits response.

§ 570.496 Remedies for noncompliance; opportunity for hearing.

§ 570.497 Condition of State election to administer State CDBG Program.

##### **Subpart J—Grant Administration**

§ 570.500 Definitions.

§ 570.501 Responsibility for grant administration.

§ 570.502 Applicability of uniform administrative requirements.

§ 570.503 Agreements with Subrecipients.

§ 570.504 Program income.

§ 570.505 Use of real property.  
§ 570.506 Records to be maintained.  
§ 570.507 Reports.  
§ 570.508 Public access to program records.  
§ 570.509 Grant closeout procedures.  
§ 570.510 Transferring projects from urban counties to metropolitan cities.  
§ 570.511 Use of escrow accounts for rehabilitation of privately owned residential property.  
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§ 570.600 General.  
§ 570.601 Public Law 88-352 and Public Law 90-284; affirmatively furthering fair housing; Executive Order 11063.  
§ 570.602 Section 109 of the Act.  
§ 570.603 Labor standards.  
§ 570.604 Environmental standards.  
§ 570.605 National Flood Insurance Program.  
§ 570.606 Displacement, relocation, acquisition, and replacement of housing.  
§ 570.607 Employment and contracting opportunities.  
§ 570.608 Lead-based paint.  
§ 570.609 Use of debarred, suspended or ineligible contractors or Subrecipients.  
§ 570.610 Uniform administrative requirements and cost principles.  
§ 570.611 Conflict of interest.  
§ 570.612 Executive Order 12372.  
§ 570.613 Eligibility restrictions for certain resident aliens.  
§ 570.614 Architectural Barriers Act and the Americans with Disabilities Act.  
**Subpart L [Reserved]**  
**Subpart M—Loan Guarantees**  
§ 570.700 Purpose.  
§ 570.701 Definitions.

§ 570.702 Eligible applicants.  
§ 570.703 Eligible activities.  
§ 570.704 Application requirements.  
§ 570.705 Loan requirements.  
§ 570.706 Federal guarantee; subrogation.  
§ 570.707 Applicability of rules and regulations.  
§ 570.708 Sanctions.  
§ 570.709 Allocation of loan guarantee assistance.  
§ 570.710 State responsibilities.  
§ 570.711 State borrowers; additional requirements and application procedures.  
**Subpart N—Urban Renewal Provisions**  
§ 570.800 Urban renewal regulations.  
**Subpart O—Performance Reviews**  
§ 570.900 General.  
§ 570.901 Review for compliance with the primary and national objectives and other program requirements.  
§ 570.902 Review to determine if CDBG-funded activities are being carried out in a timely manner.  
§ 570.903 Review to determine if the recipient is meeting its consolidated plan responsibilities.  
§ 570.904 Equal opportunity and fair housing review criteria.  
§ 570.905 Review of continuing capacity to carry out CDBG funded activities in a timely manner.  
§ 570.906 Review of urban counties.  
§§ 570.907-570.909 [Reserved]  
§ 570.910 Corrective and remedial actions.  
§ 570.911 Reduction, withdrawal, or adjustment of a grant or other appropriate action.  
§ 570.912 Nondiscrimination compliance.  
§ 570.913 Other remedies for noncompliance.  
Appendix A to Part 570—Guidelines and Objectives for Evaluating Project Costs and Financial Requirements

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Authority: 42 U.S.C. 3535(d) and 5301-5320.

Source: 40 FR 24693, June 9, 1975, unless otherwise noted.

**Exhibit 4: Eligible Activities as defined: 24 CFR 570.201-.206**

<b>Eligible Activity:</b>	<b>Source</b>
Acquisition of Real Property	570.201(a)
Counseling – Homeowner & Tenant	570.201(e), 570.201(n), 570.201(k)
Homeownership Assistance	570.201(n)
Public Facilities and Improvements	570.201(c)
Renovation of Closed Buildings	570.202(e)
Housing Services/HOME Program Support	570.201(k), 570.206(h)(i)(2)
Acquisition/Disposition of Property for Housing	570.201(a),(b)
Acquisition for Rehabilitation	570.202(b)(1)
Rehabilitation	570.202
Rehab – Loan Guarantee	570.202(b)
Rehab – Subsidies/Reduction of Lead-Based Paint	570.202(f)
Reconstruction	Will be codified under 570.202
Construction	570.204
Match-IDA Homeownership Assistance	570.201(g,) 570.201(n)
Fair Housing	570.201(e), 570.206(c)
Tornado Safe Shelters	570.201(c), 570.202
Homeownership Activities carried out by Community-Based Development Organizations	570.204(c), 570.201(e)
Site Preparation (Public Improvements and Clearance)	570.201(c)(d)

**Ineligible Activities**

In general, activities that are not specifically identified as eligible are considered by HUD to be ineligible. The following activities are specifically identified by HUD as activities that are not eligible for CDBG funding.

- a. Acquisition, construction, or reconstruction of buildings for the general conduct of government
- b. General government expenses
- c. Political activities
- d. Purchase of construction equipment, fire protection equipment, furnishings and personal properties
- e. Operating and maintenance expenses
- f. Income payments
- g. Construction of new housing

## Exhibit 5: Referenced Rules, Laws, Regulations and Guidelines

CFDA 14.218	<a href="https://www.cfda.gov/?s=program&amp;mode=form&amp;tab=step1&amp;id=c07ce7bfea90655020819b913a8548b6">https://www.cfda.gov/?s=program&amp;mode=form&amp;tab=step1&amp;id=c07ce7bfea90655020819b913a8548b6</a>
OMB Circular A-122	<a href="http://www.whitehouse.gov/omb/circulars_a122_2004">http://www.whitehouse.gov/omb/circulars_a122_2004</a>
24 CFR 570.201-207	<a href="#">§ 570.201 Basic eligible activities.</a>
25 CFR 570.201-207	<a href="#">§ 570.202 Eligible rehabilitation and preservation activities.</a>
26 CFR 570.201-207	<a href="#">§ 570.203 Special economic development activities.</a>
27 CFR 570.201-207	<a href="#">§ 570.204 Special activities by Community-Based Development Organizations (CBDOs).</a>
28 CFR 570.201-207	<a href="#">§ 570.205 Eligible planning, urban environmental design and policy-planning-management-capacity building activities.</a>
29 CFR 570.201-207	<a href="#">§ 570.206 Program administrative costs.</a>
30 CFR 570.201-207	<a href="#">§ 570.207 Ineligible activities.</a>
Section 3 Clause	<a href="#">Section 3 HUD Act of 1968</a>
41 CFR 601	<a href="http://www.dol.gov/dol/cfr/Title_41/Chapter_60.htm">http://www.dol.gov/dol/cfr/Title_41/Chapter_60.htm</a>
24 CFR 570 Subpart K	<a href="http://law.justia.com/cfr/title24/24-3.1.1.3.4.11.html">http://law.justia.com/cfr/title24/24-3.1.1.3.4.11.html</a>
OMB Circular A-110	<a href="http://www.whitehouse.gov/omb/circulars_a110">http://www.whitehouse.gov/omb/circulars_a110</a>
24 CFR 570.506	<a href="#">24 CFR 570.506</a>
24 CFR 84.21-28	<a href="#">§ 84.21 — Standards for financial management systems.</a>
25 CFR 84.21-28	<a href="#">§ 84.22 — Payment.</a>
26 CFR 84.21-28	<a href="#">§ 84.23 — Cost sharing or matching.</a>
27 CFR 84.21-28	<a href="#">§ 84.24 — Program income.</a>
28 CFR 84.21-28	<a href="#">§ 84.25 — Revision of budget and program plans.</a>
29 CFR 84.21-28	<a href="#">§ 84.26 — Non-Federal audits.</a>
30 CFR 84.21-28	<a href="#">§ 84.27 — Allowable costs.</a>
24 CFR PART 84 - HUD	<a href="#">24 CFR PART 84 - HUD</a>
24 CFR 507.502-504	<a href="#">§ 570.502 Applicability of uniform administrative requirements.</a>
25 CFR 507.502-504	<a href="#">§ 570.503 Agreements with Subrecipients.</a>
26 CFR 507.502-504	<a href="#">§ 570.504 Program income.</a>
24 CFR 570.208	<a href="#">§ 570.208 Criteria for national objectives.</a>

Standard Form- LLL, Disclosure Form to Report Lobbying	<a href="#">DISCLOSURE OF LOBBYING ACTIVITIES - The White House</a>
Section 1352, Title 31, US Code	<a href="http://www.law.cornell.edu/uscode/text/31/1352">http://www.law.cornell.edu/uscode/text/31/1352</a>
Title VI of Civil Rights Act of 1964	<a href="#">Title VI of the Civil Rights Act of 1964</a>
Title VIII of Civil Rights Act of 1968 as amended	<a href="#">Title VIII: Fair Housing and Equal Opportunity - HUD</a>
Section 504 of Rehabilitation Act of 1973	<a href="http://www.hhs.gov/ocr/504.html">http://www.hhs.gov/ocr/504.html</a>
Americans with Disabilities Act of 1990	<a href="#">AMERICANS WITH DISABILITIES ACT OF 1990, AS AMENDED</a>
Age Discrimination Act of 1975	<a href="#">Age Discrimination Act of 1975 - United States Department of Labor</a>
Executive Order 11063	<a href="#">Executive Order 11063 - HUD</a>
Executive Order 12107	<a href="#">EO 12107</a>
Executive Order 12086	<a href="#">Executive Order 12086</a>
Non-Discrimination in Employment and Contracting Opportunities	<a href="#">§ 570.607 Employment and contracting opportunities.</a>
Section 3 of the Housing and Urban Development Act of 1968	<a href="#">12 USC § 1701u</a>
Sections 104(b) and 109 of Title I of Housing and Community Development Act of 1974	<a href="http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/FHLaws/109">http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/FHLaws/109</a>
Sections 104(b) and 109 of Title I of Housing and Community Development Act of 1974	<a href="http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/FHLaws/109">http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/FHLaws/109</a>
Sections 104(b) and 109 of Title I of Housing and Community Development Act of 1974	<a href="http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/FHLaws/109">http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/FHLaws/109</a>
24 CFR part 135	<a href="#">24 CFR 135</a>
Section 3(A) of Small Business Act as amended	<a href="#">15 USC § 632</a>

**Exhibit 6: Referenced Rules, Laws, Regulations and Guidelines**

Provisions	Federal Regulations*	OMB Circulars for Non Gov't. Subrecipients	Other Federal Regulations**
National Objective Compliance/Eligibility	570.200(a)(1)+(2), 570.201-570.209, 570.506		
Scope of Work	570.503		
Time of Performance	570.503		
Compensations and Method of Payment	570.502, 570.513	A-122, A-21	24 CFR Part 85
Program Income	570.500(a), 570.503(b)(3), 570.504		
Record-Keeping Requirements	570.502, 570.503(b)(2), 570.506		24 CFR Parts 84 and 85
Reporting Requirements	570.502, 570.507		24 CFR Parts 84 and 85
Public Access to Program Records	570.502, 570.508		24 CFR Parts 84 and 85
Grant Closeout Procedures	570.502, 570.509		
Uniform Administrative and Program Management Standards	570.502, 570.503(b)(4), 570.610	A-122, A-21, A-133	24 CFR Parts 84 and 85
Reversion of Assets	570.502, 570.503, 570.505		
Real Property	570.502, 570.503(b)(7), 570.505		
Other Program Requirements	570.503(b)(5), 570.600-603, 570.605-614		
Termination	570.502, 570.503		24 CFR Part 84.43
Compliance with Laws/Regulations	570.501	A-122	24 CFR Parts 84 and 85
Antidiscrimination/Affirmative Action and EEO	570.601, 570.602, 570.607		
Financial Management	570.502, 570.610		24 CFR Parts 84.20 and 85.20 and Treasury Cir. 1075
Audits	570.502, 570.610	A-133	24 CFR Parts 84.26 and 85.26
Religious and Political Activities	570.200(j), 570.207		
Budget Modifications	570.502, 570.503(b)(1)		
Monitoring	570.501(b), 570.502(b)(vii), 570.503(b)(1)		24 CFR Parts 84 and 85
Conflict of Interest	570.611		24 CFR Parts 84 and 85
Procurement Methods	570.502		24 CFR Parts 84.40-48 and 85.36
Budget	570.503		
Project Schedule/Milestones	570.503		
Environmental Review	570.503(b)(3)(1)		



**Referenced Rules, Laws, Regulations and Guidelines**

Executive Order 11063 prohibits discrimination in the sale, leasing, rental, or other disposition of properties and facilities owned or operated by the federal government or provided with federal funds.	<a href="#"><u>Executive Order 11063</u></a>
Executive Order 11246, as amended, bars discrimination in federal employment because of race, color, religion, sex, or national origin.	<a href="#"><u>Executive Order 11246</u></a>
Executive Order 12892, as amended, requires federal agencies to affirmatively further fair housing in their programs and activities, and provides that the Secretary of HUD will be responsible for coordinating the effort. The Order also establishes the President's Fair Housing Council, which will be chaired by the Secretary of HUD.	<a href="#"><u>Executive Order 12892</u></a>
Executive Order 12898 requires that each federal agency conduct its program, policies, and activities that substantially affect human health or the environment in a manner that does not exclude persons based on race, color, or national origin.	<a href="#"><u>Executive Order 12898</u></a>
Executive Order 13166 eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation by beneficiaries in all federally-assisted and federally conducted programs and activities.	<a href="#"><u>Executive Order 13166</u></a>
Executive Order 13217 requires federal agencies to evaluate their policies and programs to determine if any can be revised or modified to improve the availability of community-based living arrangements for persons with disabilities.	<a href="#"><u>Executive Order 13217</u></a>
Fair Housing Act	<a href="#"><u>Fair Housing Act</u></a>
Section 109 prohibits discrimination on the basis of race, color, national origin, sex or religion in programs and activities receiving financial assistance from HUD's Community Development and Block Grant Program.	<a href="#"><u>Section 109 of Title I of the Housing and Community Development Act of 1974</u></a>
Section 504 prohibits discrimination based on disability in any program or activity receiving federal financial assistance.	<a href="#"><u>Section 504 of the Rehabilitation Act of 1973</u></a>
The Age Discrimination Act prohibits discrimination on the basis of age in programs or activities receiving federal financial assistance.	<a href="#"><u>Age Discrimination Act of 1975</u></a>
The Architectural Barriers Act requires that buildings and facilities designed, constructed, altered, or leased with certain federal funds after September 1969 must be accessible to and useable by handicapped persons.	<a href="#"><u>Architectural Barriers Act of 1968</u></a>
Title II prohibits discrimination based on disability in programs, services, and activities provided or made available by public entities. HUD enforces Title II when it relates to state and local public housing, housing assistance and housing referrals.	<a href="#"><u>Title II of the Americans with Disabilities Act of 1990</u></a>
Title IX prohibits discrimination on the basis of sex in education programs or activities that receive federal financial assistance.	<a href="#"><u>Title IX of the Education Amendments Act of 1972</u></a>
Title VI prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance	<a href="#"><u>Title VI of the Civil Rights Act of 1964</u></a>
Title VII Civil Rights Act (Fair Housing Act)	<a href="#"><u>Fair Housing Act</u></a>

Requirements	Federal Regulations	Other References
Federal Labor Standards	24 CFR 570.603; 29 CFR Parts 1, 3, and 5	Section 110, Housing and Community Development Act of 1974 (HCDA);
Davis-Bacon, Copeland Act (Anti-kickback), Contract Work Hours and Safety Standards		40 U.S.C. 276a-276a-5; 40 U.S.C. 276c; 40 U.S.C. 327 et seq.
Equal Employment Opportunity	24 CFR 570.601-602, 24 CFR 570.607, 41 CFR 60	Executive Orders 11246 and 12086, 12 U.S.C. 1701u
List of Debarred or Ineligible Contractors	24 CFR 570.609, 24 CFR 24	
Non-Discrimination	24 CFR Part 8, 24 CFR 570.601, 24 CFR 570.602	Section 504 of Rehab. Act of 1973, Americans with Disabilities Act of 1990, Exec. Order 11063
Fire Safety Codes		Local
Building, Housing, and Zoning Codes; Housing Quality Standards	24 CFR 570.208(b)(1)(iv) and (b)(2)	Local
Lead-Based Paint	24 CFR 570.608, 24 CFR 35	42 U.S.C. 4821 et seq.

Lump Sum Drawdowns	24 CFR 570.513	
Environmental/Historic Preservation/National Environmental Policy Act/Flood Insurance Requirements	24 CFR 570.503(b)(5)(i), 24 CFR 570.604, 570.202, 24 CFR 58	Sec. 104(g), HCDA
Siting Near Airports and Coastal Barrier Resources		
Fish and Wildlife Protection	Ref. At 24 CFR 58.6	
Flood Plain		
National Historic Preservation	See reference at 24.CFR 58.5570.605, 58.6	
Thermal/Explosive Hazards		42 U.S.C. 4001 et seq.
Relocation, Real Property Acquisition, and One-For-One Housing Replacement	24 CFR 570.201(i), 570.606, 49 CFR 24,	Sect. 104(d) and 105(a)(11) of HCDA, <a href="http://www.hud.gov/relocation">www.hud.gov/relocation</a>
One-for-One Replacement	24 CFR 570.606(c)(1)	
Definition of Computation of Units of Services	24 CFR 570.503(b)(1)	IDIS instructions
Section 108 Loan Guarantees	24 CFR 570.700-570.709	Sec. 108 of HCDA
Applicable Credits		A-87