



**AGENDA FOR ELKHART REDEVELOPMENT COMMISSION SPECIAL MEETING
MUNICIPAL BUILDING (2ND FLOOR), COUNCIL CHAMBERS
TUESDAY, APRIL 6, 2021 at 4:00 P.M.**

THIS MEETING WILL BE HELD ELECTRONICALLY VIA WEBEX

To join, go to <http://coei.webex.com>, enter 160 612 0131 as the event number and "Special21" as the event password. The meeting can also be accessed using the following link:

<https://coei.webex.com/coei/j.php?MTID=m04bfe2dfede5b3cf4a11831c562a6b04>

To join by phone, call 1-415-655-0001, enter 160 612 0131 # #

*Press * 6 to unmute telephone*

Comments and questions may be submitted via the WebEx app during the meeting, or may be submitted to dana.donald@coei.org prior to the meeting.

1. **Call to Order**
2. **Approval of Minutes**
March 9, 2021
3. **New Business**
 - a) State of Community Development Block Grant (CDBG) Programs
 - i. Project Spenddown
 - ii. Parks Projects
 - b) 169 State Street – Approval of Amended Subrecipient Agreement
 - c) 146 State Street – Approval of Subrecipient Agreement
4. **Public Comment**
5. **Adjournment**

**REGULAR MEETING
ELKHART REDEVELOPMENT COMMISSION
LOCATION: CITY HALL, 2ND. FLOOR, COUNCIL CHAMBERS via WeBex
Tuesday, March 9, 2021
4:00 P.M.**

PRESENT IN-PERSON: WES STEFFEN ALEX HOLTZ, ADAM FANN, DORIANNE NIELSEN, GARY BOYN, ASHLEY ELSASSER, KACEY JACKSON, JAMIE ARCE, CRYSTAL WELSH of Abonmarche, DAYNA BENNETT, and DANA DONALD (RECORDING SECRETARY)

PRESENT BY WEBEX: KURT BULLARD, GERRY ROBERTS, MAYOR ROD ROBERSON, LAURA MILLER, DR. STEVE THALHEIMER, JAMES KRABILL, PAULA KILLOUGH, SHELLEY MOORE, MIKE HIGBEE, DANIELLE GARLINGTON, RYAN CLUSSMAN, CORINNE STRAIGHT-REED, COUNCILMAN KEVIN BULLARD, ERIC TROTTER, and CHRIS POTTRATZ

CALL TO ORDER

This meeting was held in-person, telephonically, and virtually through WEBEX. Due to the nature of the meeting. The meeting was called to order at 4:01 p.m. by Ms. Schreiber, President.

APPROVAL OF AMENDED AGENDA

Motion made by Mr. Steffen seconded by Mr. Holtz to amend the agenda to add “b) *Elkhart Thrive Economic Development Implementation Plan* All were in favor and none opposed. Voice vote carried.

NEW BUSINESS

- a) **Elkhart Community Schools Presentation – Dr. Steven Thalheimer:** Dr. Thalheimer presented information regarding the 2021 Referendum that will be coming up on the May 4th election.

Ms. Schreiber asked for any questions or comments from the Commission or public.

Councilman Kevin Bullard stated that City Council and Redevelopment Commission have the duty to do an annual review to levy taxes in the economic development and TIF area. I don’t think this is the appropriate place to push a tax increase. It’s wrong for one governing body to encourage another taxing body to increase taxes on residents and this also gives a perception of conflict of interest. Thank you.

Ms. Schreiber thanked Councilman Bullard and Dr. Thalheimer.

- b) **Elkhart Thrive Economic Development Implementation Plan:** Dayna Bennett, Chief of Staff, presented the Elkhart Thrive Economic Development Implementation Plan and was joined by Shelley Moore and Mike Higbee.

Mayor Rod Roberson thanked all the Commissioners for serving and thanked Ms. Bennett for her eloquent presentation. He also thanked Ms. Moore and Mr. Higbee. He asked if Ms. Bennett had been introduced as the newly appointed Director of Development Services.

Ms. Bennett stated no not yet.

Mayor Roberson stated that if you go through the Thrive Plan, we know that we should be able to see ourselves in this Plan and see all the effort that has been previously made and how those efforts should pan out for outcomes as the end. Not just economics, but true community working together to achieve some very high level, very progressive, tangible results. The Redevelopment Commission is just as much on the line as this Administration, Ms. Bennett, the consultants as everyone will be in order to deliver. And as an Administration we will accept nothing less. I want to make sure our community understands that when I ran I talked about equitable investment across the girth of Elkhart, we talked about moving projects we currently have, we talked about making sure that everyone would enjoy and be a part of what our future was going to become. And this is the start of bringing all of those pieces together and move the ball forward; and Ms. Bennett will be that leadership. We have Mr. Trotter at the helm of our Planning Department and we have our Building Commissioner and Permit Center and this team will capture some of the goals of the Thrive 2040.

Ms. Schrieber stated I think we need to introduce staff.

Ms. Bennett stated that she was going to do that during Staff Updates, but she could do it now. I have taken the position as Director of Development Services effective Monday, March 15th. I want to take this time to thank Mr. Trotter for his work as interim because it really helped us, positioned us to get to where we could do a plan like this. Kacey Jackson has agreed to move into the role of Assistant Director of Community and Redevelopment, Henry Terrazas has accepted the role of Building Commissioner, so he will be permanent by next week. Thank you.

- c) **Abonmarche Contract Proposals:** Ms. Welsh of Abonmarche 1009 Ninth Street- Goshen, stated that were are two contracts one for the Redevelopment Commission to update the manual and provide training and one for the Controller's Office and making sure to meet your reporting obligations.

Motion made by Mr. Bullard, second by Mr. Steffen to approve Abonmarche to update the Commission's operating manual and provide training sessions at a fee of \$2900 plus \$600 per training session as requested by the Commission. Ms. Schreiber asked for any questions or comments from the Commission or public. No comments. All were in favor, none opposed. Voice vote carried.

Motion made by Mr. Steffen, second by Mr. Holtz to approve Abonmarche employment for annual reports. Ms. Schreiber asked for any questions or comments from the Commission or public. No comments. All were in favor, none opposed. Voice vote carried.

- d) **Subway Lease Amendment:** Mr. Boyn stated that Subway Real Estate, LLC leases the premises located at 315 E. Jackson Street, Ste. A, in the City of Elkhart, Indiana from the City of Elkhart, Department of Redevelopment acting by and through its Redevelopment Commission pursuant to the terms of a lease agreement dated October 11, 1989. The Lease Agreement states that either Landlord or Tenant may terminate the Lease Agreement at any time by given 180 days' advance notice of the termination; and on or about February 2, 2020, Tenant gave notice to Landlord that it intends to terminate the Lease Agreement earlier than 180 days after the notice of termination pursuant to the terms of the attached Addendum to Lease Agreement; and the Commission believes it is in the best interest of the City and its inhabitants that the City approve the Addendum to Lease Agreement. They will move out of the premises by May 31, 2021 and have made all payments as required.

Motion made by Mr. Steffen second by Mr. Bullard to approve the resolution. Ms. Schreiber asked for any questions or comments from the Commission or public.

Mr. Fann stated that they brought up if the Commission would consider a month to month lease.

Mr. Bullard asked if there was any demo scheduled.

Mr. Fann stated no we have Rent-A-Center in the building.

Mr. Holtz stated that month to month does not appeal to me maybe if it were a longer chunk of time like three months.

Ms. Schreiber asked where are we on repairs.

Mr. Fann stated that he stopped looking into the lights once they decided to leave.

Mr. Boyn asked if there were some roof problems too.

Mr. Fann stated that those were taken care of.

Mr. Boyn stated that would be appropriate for them to come back to use in a couple of months once they see how business is with an actual proposal.

Ms. Schreiber stated that that sounded like a good idea.

Mr. Bullard stated I agree

Mr. Fann stated that he'd let them know.

All were in favor, none opposed. Voice vote carried.

- e) **112 Division Street – Authorize Negotiations and Prepare Purchase Agreement:** Mr. Fann stated that no additional proposals have been received besides the one from several months ago.

Motion made by Mr. Steffen second by Mr. Holtz to authorize staff to enter into negotiations on the offer that we presently have and try to work out a final purchase agreement to be brought back to the Commission. Ms. Schreiber asked for any questions or comments from the Commission or public. All were in favor, none opposed. Voice vote carried.

- f) **203 S Main Street Façade Loan:** Ms. Jackson and Ms. Miller introduced James Krabill and Paul Killough. They have been working on acquiring this CDBG loan since 2007.

Ms. Killough stated they live in 201 S. Main and bought 203 S. Main in 2015 and it hadn't been upgraded since the 1940's. We've already done brick work in the back and will be having sandstone work done on the front. We put a new roof on about two years ago and with your help we would like to install windows.

Motion made by Mr. Holtz second by Mr. Steffen to approve the CDBG façade loan 203 S Main Street in the amount of \$25,000 as a forgivable five-year loan. Which would require execution and delivery of a reimbursement agreement in case the funds are not used as indicated in the promissory note. This would be forgivable at 20% a year with zero interest and a mortgage on the property as collateral for the loan; all subject and contingent to the availability of CDBG funding in order to provide the loan.

Ms. Schreiber asked for any questions or comments from the Commission or public.

Mr. Bullard asked why only \$25,000?

Ms. Miller stated that our program is only designed to go up to \$25,000.

Ms. Nielsen stated that it needs sprucing up on the outside.

Ms. Jackson stated that she had the opportunity to tour the building.

Mr. Boyn asked what the plans for the upper floors?

Ms. Killough stated that they worked with an architect in 2017 to have drawings to creat three apartments – one floor would be luxury and the third floor would be two smaller apartments. We would probably need to relook at those plans considering today’s realities-but that’s our dream to create living space.

Ms. Schreiber stated and the main floor would be retail.

Ms. Killough stated that is was currently leased to *Twisted String*. And they actually did a significant remodel-exposing the original 10-foot ceiling again, redid the floors, and tore out the false walls.

Ms. Miller stated to answer the 25% cap; that was in the original guidelines and that’s why I’m sticking with that.

Mr. Bullard asked if it can be raised?

Ms. Miller stated maybe down the line. The façade program was not okayed for the 2020 plan and we are trying to use up the 2019 CDBG funds

Mr. Bullard asked if that’s \$25,000 per property or per year?

Ms. Jackson stated that per property. There’s a time period between when they get funds.

Mr. Steffen asked will the units will be market rate?

Ms. Killough stated yes.

Mr. Bullard asked if that’s \$25,000 per property or per year?

Ms. Jackson stated that per property and after the affordability period, or the 5-year loan is forgiven. There is a time period they have to wait to apply for funding again for that specific property. Also the \$25,000 cap is specific to the Downtown Elkhart commercial and historic district. And I believe that is an internal policy; we did a review of other programs throughout the nation and most of them are like us from \$20,000 to \$40,000

All were in favor, none opposed. Voice vote carried.

- g) Appropriation Request – S. Main Street Quiet Zone:** Mr. Fann stated that there is a memorandum from Public Works and Utility- Engineering Department. This project is part of the four phase project that the Redevelopment Commission agreed to for the South Main corridor enhancement. We did Phase 1 in 2018 and Phase 2 had to be put on hold because of the Hively Overpass Plan. We had to wait to see what the State was doing with that to go forward with our design. That design has been completed, and you will see a request coming from me and Public Works for funding that project. But this project actually falls into Phase 4 which falls in line with the grade separation at Hively and then the closure of Lusher and creating a quiet zone coming through the southern corridor of our City. So the appropriation is asking for \$37,000 - 75% out of the Consolidated TIF and 25% from the Downtown TIF. We do have Danielle Garlington from Public Works-Engineering with us if you all have any questions.

Ms. Garlington stated that she was a graduate Engineer with Public Works and Mr. Fann did a great job explaining the appropriation request. This quiet zone does allow us to mitigate the train horn noise, as the trains are required to do before they cross every railroad crossing and still maintain a high level of safety at each at-grade crossing.

Motion made by Mr. Roberts second by Mr. Steffen to approve the resolution. Ms. Schreiber asked for any questions or comments from the Commission or public. All were in favor, none opposed. Voice vote carried.

- h) Approval of August Mack Invoice:** Mr. Boyn stated that August Mack has been employed as an expert witness for plaintiff and has submitted invoice 64979 for services from December 14, 2020 through January 24, 2021 in the amount of \$19,032.50 incurred in the preparation of their expert rebuttal report. The Commission previously appropriated \$16,000 to be applied to those services, and it is necessary that an additional \$3,032.50 be appropriated in order to cover the entire cost to be allocated from Area 1.

Motion made by Mr. Bullard second by Mr. Steffen to approve the resolution. Ms. Schreiber asked for any questions or comments from the Commission or public. All were in favor, none opposed. Voice vote carried.

- i) Approval of Ice Miller Invoice for 1101 E Beardsley:** Mr. Boyn stated that the Commission has employed Ice Miller, LLP to provide services related to the MACOG environmental review and the collection of clean-up costs from prior owners. The Commission has reviewed the attached Ice Miller billing for Services through January 31, 2021, being Invoice 01-2079125 for \$192.50 performed in accordance with the Fee Agreement and believes it is in the best interest of the City and its inhabitants that the billing be approved for payment from the Area 1 Fund. I suspect that this is probably the last billing we would receive from them on an hourly rate basis since the MACOG reviews have been completed and reports have been issued.

Motion made by Mr. Steffen second by Mr. Holtz to approve the resolution. Ms. Schreiber asked for any questions or comments from the Commission or public. All were in favor, none opposed. Voice vote carried.

Mr. Boyn stated that there is another item to bring up under new business just to inform the Commission. It appears in the Labour Pump litigation that you will be doing a mediation on April 30, 2021; and we received from Brent Huber the mediation notice that comes out from the mediator that's been selected. Mr. Huber asked if he could be authorized to approve those terms. They are standard mediation terms. The one item that I wanted you all to be aware of is that the mediator will be charging \$400 per hour for services. The [mediator] is a member of a large firm and was selected because he has some knowledge of environmental issues and litigation et cetera rather than someone who does general mediations. The \$400 per hour fee will be split amongst all parties. He indicated that that would be between six different people. So it's mostly a matter of making sure you are okay with paying your fair share which is 1/6th of whatever the total mediator fee is.

Ms. Schreiber asked if everyone was ok with this?

The consensus was yes.

Mr. Boyn stated that he will let Mr. Huber know.

STAFF UPDATES

CDBG: Ms. Jackson stated that we are back on track to plan out our annual action plan budget for fiscal year 2021 and will submit that by May 14, 2021. We are also planning to do a substantial amendment to either 2019 or 2020 to add in the \$447,000 that was received in August of 2020. We received an additional \$271,000 that were are currently planning for. We plan to have a better idea of exactly where that money is going to go. Also we've had our subrecipient meeting with 12 organizations that attended.

Downtown: Mr. Fann stated that the final walk through of the stage structure. We have had final pay offs on Hotel Elkhart. The work around the parking garage is pretty much coming to an end.

Economic Development Projects

Ms. Elsasser stated that she will be finishing up the application which is due March 11, 2021, and the survey is still out in the weekly bulletin. I will be including another couple grant opportunities as well in the weekly bulletin.

Cassopolis: Mr. Fann stated that Meijer's received their agreement and they are reviewing it. The next steps are for Meijer to make revisions to it consistent with our last discussions and send it to us for our review.

TIF Budgets Summary

OTHER BUSINESS

Approval of Invoice – Warrick & Boyn (February 2021)

Motion made by Mr. Bullard seconded by Mr. Steffen to pay the invoice. Ms. Schreiber asked for questions or comments from the Commission or public. All were in favor, none opposed. Voice vote carried.

CORRESPONDENCE/ANNOUNCEMENTS

PUBLIC COMMENT

ADJOURNMENT

There being no further discussion, the meeting was adjourned at 5:58 p.m.

SANDI SCHREIBER, PRESIDENT

Memo

To: Redevelopment Commission Members
From: Kacey Jackson
Date: 3-31-21
Re: LaCasa 169 and 146 State street projects

The City contracted with LaCasa Inc. for a rehabilitation project at 169 State Street in February of 2020, and the City crafted and executed a memorandum of understanding with LaCasa for 146 State Street between 3 program years. As a result of the pandemic, both projects were delayed.

As operating costs associated with the project have increased as a result of the pandemic, and the City's need to spend down CDBG funds to meet its timeliness requirement, the department requests the following:

1. That the Commission approves an amended contract for the 169 State street project increasing its funding from \$150,000 to \$189,786.24 for program year 2020.
2. That the Commission approves a Memorandum of Understanding with LaCasa to complete the 169 State street project in PY2021 with an anticipated allocation of \$128,000.
3. That the Commission approves the contract for 146 state street, originally proposed at \$75,000 in funding, to \$200,000 out of PY 2016, 2019, and 2020.

Thank you for your time and consideration.



MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is entered into by and between the City of Elkhart, Indiana ("City") and LaCasa, Inc. ("LaCasa") as of this ____ day of April 2021.

RECITALS

Whereas, The City has approved the subrecipient contract for the LaCasa 169 State Street Rehab for the Community Development Block Grant in the amount of \$189,786.24 for the purposes set forth therein which has been approved by the City; and

Whereas, the City will not have sufficient uncommitted CDBG funds available to fulfill the additional request of \$128,000 unless and until 2021 CDBG funding is received by the City from the federal government; and

Whereas, the parties desire to set forth herein their mutual understanding as to the conditional nature of the approval of this Grant and the method under which the funding may be finalized and an amended and final Grant Agreement executed.

TERMS OF UNDERSTANDING

1. The City has approved the LaCasa Grant Agreement for funding in the amount of \$189,786.24 in PY 2020 funds.
2. The City anticipates funding the LaCasa Grant an additional \$128,000 in PY 2021 funding when received.
3. At such time as the 2021 funding is received by the City, the amended Grant Fund Agreement will be executed by the City and LaCasa, and the Grant Funds will be made available to LaCasa at the time the program year begins on July 1, 2021.

In Witness Whereof, the parties have executed this Memorandum of Understanding as of the date above set forth.

City of Elkhart, Indiana

LaCasa Inc

By _____

By _____



2020 Community Development Block Grant Subrecipient Agreement

**By and Between the City of Elkhart
and
LaCasa Inc.**

Program managed by: Community and Redevelopment Department, City of Elkhart

Project Name: 169 State Street Rehabilitation (re-plumb and addition of a mechanical room)

Subrecipient ID: 35-1554538

FAIN: B-20-MC-18-0015

Federal Award Date: July 13, 2020

Federal Award Amount: \$761,406

Research & Development Award: No

Environmental Status: Environmental Assessment per 24 CFR 58.35

Other Fed Requirements: None

CDFA Number: 14.218

Account Number: 231-5-631-431-4260

Project Amount: **\$241,786.24 – Total**
\$189,786.24– CDBG
\$52,000 – In kind

Table of Contents

I.	<u>SCOPE OF SERVICE</u>
	A. <u>Activities</u>
	B. <u>National Objectives</u>
	C. <u>Levels of Accomplishment – Goals and Performance Measures</u>
	D. <u>Staffing</u>
	E. <u>Performance Monitoring</u>
II.	<u>TIME OF PERFORMANCE</u>
III.	<u>BUDGET</u>
IV.	<u>PAYMENT</u>
V.	<u>NOTICES</u>
VI.	<u>GENERAL CONDITIONS</u>
	A. <u>General Compliance</u>
	B. <u>“Independent Contractor”</u>
	C. <u>Hold Harmless</u>
	D. <u>Workers’ Compensation</u>
	E. <u>Insurance & Bonding</u>
	F. <u>Grantee Recognition</u>
	G. <u>Amendments</u>
	H. <u>Suspension or Termination</u>
VII.	<u>ADMINISTRATIVE REQUIREMENTS</u>
	A. <u>Financial Management</u>
	B. <u>Documentation and Record Keeping</u>
	C. <u>Reporting and Payment Procedures</u>
	D. <u>Procurement</u>
	E. <u>Use and Reversion of Assets</u>
VIII.	<u>RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT</u>
IX.	<u>PERSONNEL & PARTICIPANT CONDITIONS</u>
	A. <u>Civil Rights</u>
	B. <u>Affirmative Action</u>
	C. <u>Employment Restrictions</u>
	D. <u>Conduct</u>
X.	<u>ENVIRONMENTAL CONDITIONS</u>
	A. <u>NEPA</u>
	B. <u>Air and Water</u>
	C. <u>Flood Disaster Protection</u>
	D. <u>Lead-Based Paint</u>
	E. <u>Historic Preservation</u>
XI.	<u>SEVERABILITY</u>
XII.	<u>SECTION HEADINGS AND SUBHEADINGS</u>
XIII.	<u>WAIVER</u>
XIV.	<u>ENTIRE AGREEMENT</u>

THIS AGREEMENT, approved this 12th day of May, 2020 by and between the City of Elkhart through its Redevelopment Commission (herein called the "Grantee") and LaCasa Inc. (herein called the "Subrecipient"). This agreement has been amended on the 6th day of April 2021

WHEREAS, the Grantee has applied for and received funds from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383; and

WHEREAS, the Grantee wishes to engage the Subrecipient to assist the Grantee in utilizing such funds;

NOW, THEREFORE, it is agreed between the parties hereto that;

I. SCOPE OF SERVICE

A. Activities

The Subrecipient will be responsible for administering a CDBG Year 2020 **Rehabilitation Activity** in a manner satisfactory to the Grantee and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program: **169 State Street Rehabilitation (re-plumb and addition of a mechanical room).**

Program Delivery

Lacasa seeks to replace and modernize the plumbing system at the 10 unit building located at 169 State Street. This property was built in 1972 and the plumbing system is at the end of its useful life. The plumbing work will consist of a wholesale replacement of all drain lines, water lines, and plumbing fixtures throughout the 10 units. We are proposing the replacement of the main underground service lines as part of this project. The water service will be replaced to the curb stop and the sewer line will be replaced to the lot line.

In addition to the work in the residential units, we will construct a new mechanical room to accommodate the upgrade to the water heater system from electric to gas water heaters and the addition of a water softening system for the building. The addition of the mechanical room will greatly enhance the serviceability of the building over the long-term and will enhance the sustainability of the 10 units of affordable housing provided in this building. Conversion from electric to gas water heaters will be a lot more energy efficient to operate and provide long lasting cost savings for the building. The replacement of old plumbing fixtures to modern water saving models will also provide long lasting value to the building and will assure the sustainability of the affordable apartment units. In order to meet the scheduling desires of the City redevelopment department we will plan on doing this project in two phases.

The first phase will be comprised of the replacement of the plumbing system for the 2nd and 3rd floor units. The second phase will be the work in the basement/first floor units to accommodate the new mechanical room, new water heaters, and the final replacement of the plumbing system to the underground work in the front yard. We expect the entire project to be completed by December 31, 2020. **Due to the coronavirus pandemic the timeline for this project has been delayed. The end date for this project is December 31, 2021.**

Lacasa's match will be provided in four ways:

- Our day-to-day operations of the 10 units of affordable housing costs \$4,500/unit/year.
- Lacasa will handle any and all accommodations necessary for our tenants during this project. This may include some temporary relocation while the plumbing system is down for replacement. We are budgeting \$5k for this work and expenses.
- This project will be subject to the Davis Bacon wage rules and Lacasa will provide at our expense the necessary program delivery costs for this type of work. We are budgeting \$2k for this work.
- Lacasa will also cover any cost overruns on the project that may not be able to covered by the CDBG funds.

Training Component:

Lacasa has a full suite of financial empowerment classes for all people in Elkhart County. We regularly inform our tenants of these services. Lacasa recently opened a new office two blocks from this building at 516 S. Main Street. We will be providing these services out of this location going forward. The proximity to these units of the training will make the attendance of our tenants at 169 State Street. more practical and we expect more of them to take advantage of the opportunities.

General Administration

LaCasa, Inc. is a community development corporation with 50 years of experience in Elkhart County. LaCasa helps to create attractive and economically stable neighborhoods and implement grant resources from local, state and federal funding agencies. The organization provides a wide range of resources to promote individual asset development and homeownership, while working at larger issues of housing and neighborhood revitalization. LaCasa has a proven track record of managing State and Federal grant programs that improve the lives of low and moderate income residents of Elkhart County. LaCasa also has a history of successful neighborhood organizing and outreach work, with trained staff that guide neighborhood residents as they identify and address a broad range of neighborhood issues. By promoting partnerships with residents, city government, neighborhood businesses and churches, LaCasa is able to make a significant impact on the neighborhood's infrastructure, economic stability, social structure, and appearance.

LaCasa's mission statement is as follows: "LaCasa works with individuals and community partners to create opportunities for personal growth, family stability, and neighborhood vitality." LaCasa's management structure includes a volunteer board of directors that governs with an emphasis on these values. Thirty-three percent of the board lives in low to moderate- income neighborhoods. The corporation is managed by a President working with a management team comprised of: CFO/COO, V.P. Client Services, V.P. Development, V.P. Real Estate Development, VP Asset & Property Management.

LaCasa owns and operates 109 affordable apartment units in Elkhart, with another 21 units currently under construction. 169 State Street is a 10 unit building built in 1972. We strive to provide the best affordable housing for all our tenants. We have a dedicated staff of maintenance and office personnel that take great care of our buildings and our residents. We are continually improving our units and buildings to the highest standards.

B. 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. The Subrecipient certifies that the activity carried out under this Agreement will meet the **National Objective of benefiting low- and moderate-income persons. As defined in 24 CFR 570.208 (a)(2)(A)** – as presumed to be principally low and moderate income including persons living with HIV/AIDS.

C. Levels of Accomplishment – Goals and Performance Measures

The Subrecipient agrees to provide the following levels of program services:

Activity

169 State Street Rehabilitation (re-plumb and addition of a mechanical room).

Total Units/Year

18 persons/year

OBJECTIVE for this project is:

Decent Housing

OUTCOME for this project is:

Improved Sustainability

INDICATOR for this project is:

Rental Housing (Indicator 6, 7): Report on units and accessibility, as well as topics such as years of affordability, units for chronically homeless persons.

D. Staffing

LaCasa has a trained and professional staff in Grant Compliance and Real Estate Development. LaCasa will function as the general contractor on this project. LaCasa staff will monitor and work with the sub-contractors hired to complete this work. All sub-contractors will be registered or licensed, as required by the City, and will carry sufficient insurance. LaCasa's real estate development line of business facilitates \$2-5 million investment in affordable housing in Elkhart County annually.

Chris Kingsley has been at LaCasa since 2011, serving as President since 2018. Working alongside Mr. Kingsley is our Chief Operating Officer James Davis who has over twenty years of experience directing projects. Brad Hunsberger has been at LaCasa for 20 years in various positions and is currently serving as VP of Real Estate Development. During his tenure he has overseen the successful start-up and leasing of over 150 units of affordable housing in Goshen and Elkhart.

Brad Hunsberger will be the lead person from LaCasa on this project. He, along with the team of experienced housing development / project managers will provide all the necessary construction management services to assure successful completion of the rehab work at 169 State Street. LaCasa staff will be responsible along with the various contractors to assure that all facets of the project are inspected by the building department and that we receive all necessary permits and inspections.

LaCasa's Property Managers and third party Compliance Company, will be responsible for the income verification ongoing at the property after completion and will provide all necessary paperwork and reporting required. The rental units will be registered with the City of Elkhart.

The outcome of this project is "Improved sustainability" and the indicator for this project is "Rental Housing." This will manifest itself in a new plumbing system for 10 affordable units. Utilizing these CDBG funds, Lacasa will update the aging plumbing system which will increase the sustainability of this quality affordable housing for decades to come. The added benefit of the project will be ongoing saving of energy and water thru the upgrade and improvement in both the water fixtures (gallons per min) and the enhance efficiency of the gas water heaters. The success of the 169 State Street Rehab project will be evidenced by its occupancy rate, which is tracked by our Elkhart Leasing Office and our property managers. Each month that an income qualified tenant lives at 169 State will be a measure of its success. Lacasa tracks occupancy on a month-to-month basis and annually. Additionally, this rehab work at 169 State Street will be integral to a larger project Lacasa is working on in that neighborhood at State Street to provide 8 more affordable housing units.

E. Performance Monitoring

At regular intervals during the term of this agreement the Grantee will monitor the performance of the Subrecipient against goals and performance standards as stated above. If, as a result of such review, it is the opinion of the Grantee that revisions of the Scope of Services are necessary or the performance of the subrecipient is substandard, the City will notify the subrecipient in writing of specific issues that need to be addressed. Upon receipt of such notification, the subrecipient shall, within ten (10) days, propose the manner in which the issues will be addressed. The proposed revisions shall be subject to the City's written approval. If action to correct identified issues are not taken by the Subrecipient within the prescribed period of time as indicated in the written notification, contract suspension or termination procedures will be initiated.

II. TIME OF PERFORMANCE

Services of the Subrecipient shall start on upon execution of the agreement and end on the 31st day of December, 2020, at which time the activities included in the Scope of Services shall be complete. The term of this Agreement and the provisions herein shall be extended to cover any additional time period during which the Subrecipient remains in control of CDBG funds or other CDBG assets, including program income.

III. BUDGET

Line Item	Amount	Funding Source
Plumbing System, Mechanical Room	\$189,786.24	CDBG
Annual Operations	\$45,000	Lacasa match
Temporary Relocation (estimate)	\$5,000	Lacasa match
Program Delivery and Compliance	\$2,000	Lacasa match
Total	\$241,786.24	

Any indirect costs charged must be consistent with the conditions of Paragraph VII (C)(2) of 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. Any amendments to the budget must be approved in writing by both the Grantee and the Subrecipient.

IV. PAYMENT

It is expressly agreed and understood that the total amount to be paid by the Grantee under this Agreement for the acceptable performance, as determined by the Grantee, of the above defined Scope of Services shall not exceed **One Hundred and Eighty-nine Thousand Seven Hundred Eighty-six and 24/100 (\$189,786.24) Dollars**. Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in Paragraph III herein and in accordance with performance measures as described in the Scope of Service. Each drawdown request must be presented to the Grantee in the drawdown request form and with approved sources of documentation for expenses. All expenses shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers or other official documentation evidencing in proper detail the nature and propriety of charges.

Payments are contingent upon the Subrecipient's compliance with the financial management system in accordance with the standards specified in 24 CFR 84.21.

In the event that the Subrecipient does not expend the amount allocated under this agreement or the project is canceled or terminated for any reason, any funds not claimed and approved for allowable costs shall revert back to the Grantee.

V. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending.

VI. GENERAL CONDITIONS

A. 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. The Subrecipient also agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this contract. The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

B. "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 Grantee 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.

C. Hold Harmless

The Subrecipient shall hold harmless, defend and indemnify the Grantee, its officers, agents, employees, staff, and elected or appointed officials from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

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

E. Insurance & Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the Grantee. The Subrecipient is required to provide proof of insurance from time to time upon request but no less than annually. The Subrecipient shall comply with the bonding and insurance requirements of 24 CFR 84.31 and 84.48, Bonding and Insurance.

F. Grantee Recognition

The Subrecipient shall insure recognition of the role of the Grantee in providing services through this Agreement.

All buildings, offices, automobiles, trucks, vans, etc. purchased or supported in whole or part with funds made available under this agreement shall identify the City of Elkhart Community Development Program as a sponsor of the activity.

All pamphlets, brochures or other printed material prepared and/or distributed by the subrecipient in connection with activities for which Community Development Funding is provided under this Agreement shall identify the Community Development Department and HUD as sponsors of the activity by the inclusion of the following statement on all such materials: This (brochure, pamphlet, etc.) was produced (in whole or part) with the assistance of the City of Elkhart Community Development Program through funds made available by the US Department of Housing and Urban Development through the Housing and Community Development Act of 1977.

Failure to comply with the above shall result in a disallowance of all costs incurred in the printing and/or identification of said facility, publication, etc. Noncompliance shall result in an immediate halt in the processing of all claims submitted and payments due the subrecipient.

G. 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.

H. Suspension or Termination

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:

1. 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;
2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission of reports by the Subrecipient to the Grantee that are incorrect or incomplete in any material respect.

If the Subrecipient materially fails to comply with any terms of this agreement, the Grantee may take any of the following actions:

1. Temporarily withhold cash payments pending correction of the deficiency by the Subrecipient,
2. Disallow (that is deny both use of funds and matching credit for all or part of the cost of the activity or action not in compliance,
3. Wholly or partly suspend or terminate the current award for the Subrecipient's program,
4. Withhold further awards for the program, or
5. Take other remedies that may be legally available. In taking an enforcement action, the Grantee will provide the Subrecipient an opportunity for such hearing, appeal or other administrative proceeding to which the Subrecipient is entitled under any statute or regulation applicable to the action involved.

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.

VII. ADMINISTRATIVE REQUIREMENTS

As of December 19, 2014, 2 CFR Part 200 (Uniform Administrative Requirements for Federal Awards) replaces and rescinds OMB Circular A-21 (Cost Principles for Educational Institutions), OMB Circular A-87 (Cost Principles for State, Local and Indian Tribal Governments), OMB Circular A-110 (Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations), OMB Circular A-122 (Cost Principles for Non-Profit Organizations), OMB Circular A-89 (Catalog of Federal Domestic

Assistance), OMB Circular A-102 (Grants and Cooperative Agreements With State and Local Governments), OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations) and OMB Circular A-50 (Audit Follow-up).

A. 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. All checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to this contract shall be clearly identified and readily accessible.

2. Cost Principles

The Subrecipient shall administer its program in conformance with 2 CFR Part 200 (formerly 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.

B. Documentation and Record Keeping

1. Records to be Maintained

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.

2. Retention

The Subrecipient shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of seven (7) 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 seven-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the seven-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, 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.

4. Disclosure

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 the Privacy Act of 1974, 5 USC 552a, unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

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.

6. Audits & Inspections

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. Further, the Subrecipient will permit the Grantee, HUD and/or representatives of the Comptroller General to audit, examine and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this contract. 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 conformance with 2 CFR Part 200 (formerly OMB Circular A-133).

C. Reporting and Payment Procedures

1. Program Income

The Subrecipient shall report 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. 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 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. Progress Reports

The Subrecipient shall submit monthly Progress Reports on the form provided by the Grantee detailing the expenditures of funds and progress made toward achieving program goals as described in the Scope of Service. The Subrecipient shall submit an annual report within 30 days of that report form becoming available by the Grantee. This report must provide all required data regarding beneficiaries and the services provided to them in accordance with the Scope of Service.

D. Procurement

1. Compliance

The Subrecipient shall comply with current Grantee policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the Grantee upon termination of this Agreement.

2. 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.

3. Travel

The Subrecipient shall obtain written approval from the Grantee for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets

The subrecipient shall keep inventory records, acceptable to the Grantee, on all nonexpendable property purchased with project funds. The Agency shall submit an inventory record of all items at the end of the program year and resubmit it each program year with revisions as necessary.

The Subrecipient shall be responsible for the maintenance and upkeep of all nonexpendable property. The subrecipient shall also maintain sufficient insurance to cover the cost of replacement of any property purchased with supplemental funds, of loss due to fire, theft or accidental damage.

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:

1. 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.
2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until the completion of the prescribed affordability period indicated in the recorded note for the project. If the Grantee determines that 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 note balance less any portion forgiven by the date of the default. 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 affordability period.
3. 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 which 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].

VIII. 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 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.

IX. PERSONNEL & PARTICIPANT CONDITIONS

- A. Civil Rights
 1. Compliance

The Subrecipient agrees to comply with City Fair Housing Ordinance 4210 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.

2. 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.

3. 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.

4. 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.

B. Affirmative Action

1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

6. Subcontract Provisions

The Subrecipient will include the provisions of Paragraphs X.A, Civil Rights, and B, Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own subrecipients or subcontractors.

C. Employment Restrictions

1. Prohibited Activity

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.

2. Labor Standards

The Subrecipient agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 *et seq.*) and 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. The Subrecipient agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 *et seq.*) and the implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. The Subrecipient shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.

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. 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.

3. "Section 3" Clause

a. Compliance

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

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."

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.

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

b. Notifications

The Subrecipient agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c. Subcontracts

The Subrecipient will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. The Subrecipient will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

D. 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. Subcontracts

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 executed in the performance of this Agreement.

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

3. 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.

4. 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:

a. 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.

b. 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.

c. 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.

The Subrecipient agrees that it will incorporate into every contract required to be in writing the following provisions: Interest of Contractor and Employees.--The Contractor covenants that no person who presently exercises any functions or responsibilities in connection with the Program, has any personal financial interest, direct or indirect, in this Contract.

The assistance provided under this agreement shall not be used in payment of any bonus or commission for the purpose of obtaining HUD approval of the application for such assistance, or HUD approval of applications for additional assistance, or any other approval or concurrence of HUD required under this Agreement, Title I of the Housing and Community Development Act of 1977, or HUD regulations with respect thereto; provided, however, that reasonable fees or bona fide technical, consultant, managerial or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as program costs.

5. Lobbying

The Subrecipient hereby certifies that:

a. 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;

b. 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

c. It will require that the language of paragraph (d) 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:

d. 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.

6. Copyright & Patents

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.

Any discovery or invention arising out of or developed in the course of work aided by this Contract shall be promptly and fully reported to HUD for determination by HUD as to whether patent protection on such invention or discovery, including rights under any patent issued thereon, shall be disposed on and administered, in order to protect the public interest.

7. 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.

8. The Subrecipient will certify that it will or will continue to provide a drug-free workplace by:

- a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- b. Establishing an ongoing drug-free awareness program to inform employees about
 - i) The dangers of drug abuse in the workplace
 - ii) The grantee's policy of maintaining a drug-free workplace;
 - iii) Any available drug counseling, rehabilitation, and employee assistance programs;
 - iv) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- c. Making it a requirement that any each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
- d. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will-
 - i) Abide by the terms of the statement; and
 - ii) Notify the employer in writing of his or her conviction for a violation of a
- e. criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

Notifying the HUD in writing, within ten calendar days after receiving notice under subparagraph 4 (b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless HUD

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

- f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4 (b), with respect to any employee who is so convicted-
 - i) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - ii) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

9. Debarment and Suspension Common Rule

The Subrecipient shall comply with the non-procurement debarment and suspension common rule implementing E.O.'s 12549 and 12689 "Debarment and Suspension" at 24 CFR part 24. This common rule restricts sub-awards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

10. Architectural Barriers

The Subrecipient agrees to comply with the Architectural Barriers Act of 1968 when applicable and with access requirements of the State of Indiana and City of Elkhart.

11. Fair Housing

The Subrecipient agrees to affirmatively further fair housing.

X. ENVIRONMENTAL CONDITIONS

A. NEPA

The Subrecipient agrees to comply with the provisions of the National Environmental Protection Act of 1969 and regulations pursuant thereto.

B. 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.

C. 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).

D. 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.

E. 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.

XI. 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.

XII. 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.

XIII. 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.

XIV. ENTIRE AGREEMENT

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.

IN WITNESS WHEREOF, the parties have entered into this agreement on the 12th day of May, 2020 (the "effective date").

LaCasa Inc.
(Subrecipient)

City of Elkhart Redevelopment Commission
(Grantee)

By _____
Chris Kingsley, CEO

By _____
Sandi Schreiber, President



2020 Community Development Block Grant Subrecipient Agreement

**By and Between the City of Elkhart
and
Lacasa Inc.**

Program Managed by the Community and Redevelopment Department
City of Elkhart, Indiana

Project Name: Rehabilitation of 146 State Street

Project Type: Rehabilitation Activity

Subrecipient ID: 35-1554538

Grant Number: B-16-MC-18-0015, B-19-MC-18-0015, and B-20-MC-18-0015

Environmental Status: Environmental Assessment per 24 CFR 58.35

Other Fed Requirements: None

CDFA Number: 14.218

Account Number: 231-5-631-431-4260

Project Amount: \$442,254 Total

\$36,250 – Redevelopment Commission (LPI Grant)

\$200,000 – CDBG

\$174,550 – Federal (HOME Grant from IHCD)

\$31,454 – Federal (IHCD Development Loan Fund)

Table of Contents

I.	<u>SCOPE OF SERVICE</u>
A.	<u>Activities</u>
B.	<u>National Objectives</u>
C.	<u>Levels of Accomplishment – Goals and Performance Measures</u>
D.	<u>Staffing</u>
E.	<u>Performance Monitoring</u>
II.	<u>TIME OF PERFORMANCE</u>
III.	<u>BUDGET</u>
IV.	<u>PAYMENT</u>
V.	<u>NOTICES</u>
VI.	<u>GENERAL CONDITIONS</u>
A.	<u>General Compliance</u>
B.	<u>“Independent Contractor”</u>
C.	<u>Hold Harmless</u>
D.	<u>Workers’ Compensation</u>
E.	<u>Insurance & Bonding</u>
F.	<u>Grantee Recognition</u>
G.	<u>Amendments</u>
H.	<u>Suspension or Termination</u>
VII.	<u>ADMINISTRATIVE REQUIREMENTS</u>
A.	<u>Financial Management</u>
B.	<u>Documentation and Record Keeping</u>
C.	<u>Reporting and Payment Procedures</u>
D.	<u>Procurement</u>
E.	<u>Use and Reversion of Assets</u>
VIII.	<u>RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT</u>
IX.	<u>PERSONNEL & PARTICIPANT CONDITIONS</u>
A.	<u>Civil Rights</u>
B.	<u>Affirmative Action</u>
C.	<u>Employment Restrictions</u>
D.	<u>Conduct</u>
X.	<u>ENVIRONMENTAL CONDITIONS</u>
A.	<u>NEPA</u>
B.	<u>Air and Water</u>
C.	<u>Flood Disaster Protection</u>
D.	<u>Lead-Based Paint</u>
E.	<u>Historic Preservation</u>
XI.	<u>SEVERABILITY</u>
XII.	<u>SECTION HEADINGS AND SUBHEADINGS</u>
XIII.	<u>WAIVER</u>
XIV.	<u>ENTIRE AGREEMENT</u>

THIS AGREEMENT, entered this 6th day of April, 2021 by and between the City of Elkhart through its Redevelopment Commission (herein called the "Grantee") and Lacasa Inc. (herein called the "Subrecipient").

WHEREAS, the Grantee has applied for and received funds from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383; and

WHEREAS, the Grantee wishes to engage the Subrecipient to assist the Grantee in utilizing such funds;

NOW, THEREFORE, it is agreed between the parties hereto that;

I. SCOPE OF SERVICE

A. Activities

The Subrecipient will be responsible for administering a CDBG Year 2020 **Rehabilitation Activity** in a manner satisfactory to the Grantee and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program: **Rehabilitation of the historic 146 State Street into two new units of affordable housing.**

Program Delivery

Lacasa will be performing rehabilitation work at the house located at 146 State Street. It is a long-term vacant building that most recently was three rental units, though Lacasa will turn it into two units. As the building sits in the State and Division Historic District, Lacasa has already consulted with Indiana Landmarks about what will be necessary to gaining a Certificate of Appropriateness, While this CDBG application deals solely with the Rehab at 146 State Street, it is part of Lacasa's larger project that includes new construction of three duplexes at 152, 156, and 160 State Street. These duplexes will also fit in with the historic character of the neighborhood and will provide six new, 3-bedroom, affordable rental units.

The rehab work at 146 State Street will involve a complete exterior restoration back to its historic origins. Where original materials are missing or completely deteriorated, they will be replaced with like products. The house will receive all new mechanical systems, bringing the HVAC, electric and plumbing up to current code. The interior finishes will be restored to the historic standard or to a modern, complementary standard everywhere else. The kitchens and bathrooms will be completely new with modern fixtures and finishes.

The two units at 146 State Street will be occupied by tenants who income qualify as low- to moderate-income—one unit will be 40% AMI or below and the other 60% AMI and below. These are part of the HOME affordable housing program and require income qualification prior to tenancy and then annually thereafter. Assuring that the CDBG funds are benefiting the designated targeted recipients is built into the housing program and is monitoring closely by Lacasa and IHCD.

Lacasa's Elkhart and Goshen leasing offices and our Elkhart and Goshen organizational offices are ADA compliant. Neither of the units at 146 State Street will be accessible, but the three new

construction duplexes just down the road will include one fully ADA unit and two other adaptable units.

Each tenant at these State Street duplexes (both the 146 State Street rehab and the new construction duplexes down the road) is invited to take advantage of Lacasa's full line of financial education opportunities through our Financial Empowerment Center. Particularly applicable for income limited tenants is our Money 4 Life classroom series that will be offered regularly at our newly refurbished Main Street office, within walking distance just down the road from State Street. Financial coaching is open to any tenant in our portfolio and provides one-on-one assistance and accountability to address a client's financial situation and help them achieve their goals.

Due to the use of HOME funds in this project, it will have a 20-year affordability requirement. The success of the 146 State Street Rehab project will be evidenced by its occupancy rate, which is tracked by our Elkhart Leasing Office and our property managers. Each month that an income qualified tenant lives at 146 State will be a measure of success. Lacasa tracks occupancy on a month-to-month basis and annually.

General Administration

Lacasa, Inc. is a community development corporation with 49 years of experience in Elkhart County. Lacasa helps to create attractive and economically stable neighborhoods and implement grant resources from local, state and federal funding agencies. The organization provides a wide range of resources to promote individual asset development and homeownership, while working at larger issues of housing and neighborhood revitalization. Lacasa has a proven track record of managing State and Federal grant programs that improve the lives of low and moderate income residents of Elkhart County. Lacasa also has a history of successful neighborhood organizing and outreach work, with trained staff that guide neighborhood residents as they identify and address a broad range of neighborhood issues. By promoting partnerships with residents, city government, neighborhood businesses and churches, Lacasa is able to make a significant impact on the neighborhood's infrastructure, economic stability, social structure, and appearance.

Lacasa's mission statement is as follows: "Lacasa works with individuals and community partners to create opportunities for personal growth, family stability, and neighborhood improvement." Lacasa's management structure includes a volunteer board of directors that governs with an emphasis on these values. Thirty-three percent of the board lives in low to moderate- income neighborhoods. The corporation is managed by a President working with a management team comprised of: CFO/COO, V.P. Client Services, V.P. Development, V.P. Real Estate Development, VP Asset & Property Management.

Lacasa owns and operates 109 affordable apartment units in Elkhart, with another 21 units currently under construction. Along with this 146 State Street Rehab, we are proposing to construct another six units of affordable housing starting in 2020 on State Street. We strive to provide the best affordable housing for all of our tenants. We have a dedicated staff of maintenance and office personnel that take great care of our buildings and our residents. We are continually improving our units and buildings to the highest standards.

B. 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.

The Subrecipient certifies that the activity carried out under this Agreement will meet the **National Objective of benefiting low- and moderate-income persons. As defined in 24 CFR 570.208.**

C. Levels of Accomplishment – Goals and Performance Measures

The Subrecipient agrees to provide the following levels of program services:

Activity

Rehabilitation of historic 146 State Street

Total Units/Year

2 units rehabbed or 5 persons/year

The Performance Objective for this project is **"Provide decent affordable housing"**

The Performance Outcome for this project is **"Availability/accessibility"**

The Indicator for this project is Rental Housing (Indicator 6, 7): Report on units and accessibility, as well as topics such as years of affordability, units for chronically homeless persons.

D. Staffing

LaCasa has a trained and professional staff in Grant Compliance and Real Estate Development. LaCasa will function as the general contractor on this project. LaCasa staff will monitor and work with the sub-contractors hired to complete this work. LaCasa's staff are aware and capable of managing this project pursuant to the regulations in Davis Bacon and related acts. All of sub-contractors involved will be required to submit certified payrolls and have all been or will be notified as part of the procurement about the prevailing wage relevant to their work. LaCasa's real estate development line of business facilitates \$2-5 Million investment in affordable housing in Elkhart County annually.

Chris Kingsley has been at LaCasa since 2011, serving as President since 2018. Working alongside Mr. Kingsley is our Chief Operating Officer James Davis who has over twenty years of experience directing projects. Brad Hunsberger has been at LaCasa for 19 years in various positions and is currently serving as VP of Real Estate Development. During his tenure, he has overseen the successful start-up and leasing of over 150 units of affordable housing in Elkhart and Goshen.

Brad Hunsberger will be the lead person from Lacasa for this project. He, along with the team of experienced Housing Development and Project Managers, will provide all the necessary construction management services needed to assure a successful completion of the rehabilitation of lighting, flooring and HVAC systems at Water Tower Place. Lacasa staff will be responsible along with the various contractors to assure that all facets of the project are inspected by the building department and that we receive all necessary permits and inspections. The project will be conducted under the rules and regulations contained in the Davis Bacon and Related Acts. All workers will be paid wages consistent with the current wage determination in place at the time of contract signing and updated as necessary during the project itself. This will include the Lacasa staff persons who will complete some facets of the project (if applicable).

Lacasa's Property Managers and third party Compliance Company will be responsible for the income verification ongoing at the property after completion and will provide all necessary paperwork and reporting required. The rental units will be registered with the City of Elkhart.

E. Performance Monitoring

At regular intervals during the term of this agreement the Grantee will monitor the performance of the Subrecipient against goals and performance standards as stated above. If, as a result of such review, it is the opinion of the Grantee that revisions of the Scope of Services are necessary or the performance of the subrecipient is substandard, the City will notify the subrecipient in writing of specific issues that need to be addressed. Upon receipt of such notification, the subrecipient shall, within ten (10) days, propose the manner in which the issues will be addressed. The proposed revisions shall be subject to the City's written approval. If action to correct identified issues are not taken by the Subrecipient within the prescribed period of time as indicated in the written notification, contract suspension or termination procedures will be initiated.

II. TIME OF PERFORMANCE

Services of the Subrecipient shall start on the 1st day of July, 2020, and end on the 31th day of December 2021, at which time the activities included in the Scope of Services shall be complete. The term of this Agreement and the provisions herein shall be extended to cover any additional time period during which the Subrecipient remains in control of CDBG funds or other CDBG assets, including program income.

III. BUDGET

Source	Amount
Redevelopment Commission (LPI Grant)	\$36,250
Federal (HOME Grant from IHCD)	\$174,550
Federal (IHCD Development Loan Fund)	\$31,454
CDBG	\$200,000
Total	\$442,254

Any indirect costs charged must be consistent with the conditions of Paragraph VII (C)(2) of 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. Any amendments to the budget must be approved in writing by both the Grantee and the Subrecipient.

IV. PAYMENT

It is expressly agreed and understood that the total amount to be paid by the Grantee under this Agreement for the acceptable performance, as determined by the Grantee, of the above defined Scope of Services shall not exceed **Two Hundred Thousand and no/100 (\$200,000) Dollars**. Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in Paragraph III herein and in accordance with performance measures as described in the Scope of Service. Each drawdown request must be presented to the Grantee in the drawdown request form and with approved sources of documentation for expenses. All expenses shall be

supported by properly executed payrolls, time records, invoices, contracts, or vouchers or other official documentation evidencing in proper detail the nature and propriety of charges.

Payments are contingent upon the Subrecipient's compliance with the financial management system in accordance with the standards specified in 24 CFR 84.21.

In the event that the Subrecipient does not expend the amount allocated under this agreement or the project is canceled or terminated for any reason, any funds not claimed and approved for allowable costs shall revert back to the Grantee.

V. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending.

VI. GENERAL CONDITIONS

A. 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. The Subrecipient also agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this contract. The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

B. "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 Grantee 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.

C. Hold Harmless

The Subrecipient shall hold harmless, defend and indemnify the Grantee, its officers, agents, employees, staff, and elected or appointed officials from any and all claims, actions, suits, charges

and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

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

E. Insurance & Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the Grantee. The Subrecipient is required to provide proof of insurance from time to time upon request but no less than annually. The Subrecipient shall comply with the bonding and insurance requirements of 24 CFR 84.31 and 84.48, Bonding and Insurance.

F. Grantee Recognition

The Subrecipient shall insure recognition of the role of the Grantee in providing services through this Agreement.

All buildings, offices, automobiles, trucks, vans, etc. purchased or supported in whole or part with funds made available under this agreement shall identify the City of Elkhart Community Development Program as a sponsor of the activity.

All pamphlets, brochures or other printed material prepared and/or distributed by the subrecipient in connection with activities for which Community Development Funding is provided under this Agreement shall identify the Community Development Department and HUD as sponsors of the activity by the inclusion of the following statement on all such materials: This (brochure, pamphlet, etc.) was produced (in whole or part) with the assistance of the City of Elkhart Community Development Program through funds made available by the US Department of Housing and Urban Development through the Housing and Community Development Act of 1977.

Failure to comply with the above shall result in a disallowance of all costs incurred in the printing and/or identification of said facility, publication, etc. Noncompliance shall result in an immediate halt in the processing of all claims submitted and payments due the subrecipient.

G. 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.

H. Suspension or Termination

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:

1. 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;

2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission of reports by the Subrecipient to the Grantee that are incorrect or incomplete in any material respect.

If the Subrecipient materially fails to comply with any terms of this agreement, the Grantee may take any of the following actions:

1. Temporarily withhold cash payments pending correction of the deficiency by the Subrecipient,
2. Disallow (that is deny both use of funds and matching credit for all or part of the cost of the activity or action not in compliance,
3. Wholly or partly suspend or terminate the current award for the Subrecipient's program,
4. Withhold further awards for the program, or
5. Take other remedies that may be legally available. In taking an enforcement action, the Grantee will provide the Subrecipient an opportunity for such hearing, appeal or other administrative proceeding to which the Subrecipient is entitled under any statute or regulation applicable to the action involved.

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.

VII. ADMINISTRATIVE REQUIREMENTS

As of December 19, 2014, 2 CFR Part 200 (Uniform Administrative Requirements for Federal Awards) replaces and rescinds OMB Circular A-21 (Cost Principles for Educational Institutions), OMB Circular A-87 (Cost Principles for State, Local and Indian Tribal Governments), OMB Circular A-110 (Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations), OMB Circular A-122 (Cost Principles for Non-Profit Organizations), OMB Circular A-89 (Catalog of Federal Domestic Assistance), OMB Circular A-102 (Grants and Cooperative Agreements With State and Local Governments), OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations) and OMB Circular A-50 (Audit Follow-up).

A. 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. All checks, payrolls, invoices, contracts, vouchers,

orders, or other accounting documents pertaining in whole or in part to this contract shall be clearly identified and readily accessible.

2. Cost Principles

The Subrecipient shall administer its program in conformance with 2 CFR Part 200 (formerly 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.

B. Documentation and Record Keeping

1. Records to be Maintained

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.

2. Retention

The Subrecipient shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of seven (7) 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 seven-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the seven-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, 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.

4. Disclosure

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 the Privacy Act of 1974, 5 USC 552a, unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

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.

6. Audits & Inspections

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. Further, the Subrecipient will permit the Grantee, HUD and/or representatives of the Comptroller General to audit, examine and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this contract. 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 conformance with 2 CFR Part 200 (formerly OMB Circular A-133).

C. Reporting and Payment Procedures

1. Program Income

The Subrecipient shall report 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. 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 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. Progress Reports

The Subrecipient shall submit monthly Progress Reports on the form provided by the Grantee detailing the expenditures of funds and progress made toward achieving program goals as described in the Scope of Service. The Subrecipient shall submit an annual report within 30 days of that report form becoming available by the Grantee. This report must provide all required data regarding beneficiaries and the services provided to them in accordance with the Scope of Service.

D. Procurement

1. Compliance

The Subrecipient shall comply with current Grantee policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the Grantee upon termination of this Agreement.

2. 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.

3. Travel

The Subrecipient shall obtain written approval from the Grantee for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets

The subrecipient shall keep inventory records, acceptable to the Grantee, on all nonexpendable property purchased with project funds. The Agency shall submit an inventory record of all items at the end of the program year and resubmit it each program year with revisions as necessary.

The Subrecipient shall be responsible for the maintenance and upkeep of all nonexpendable property. The subrecipient shall also maintain sufficient insurance to cover the cost of replacement of any property purchased with supplemental funds, of loss due to fire, theft or accidental damage.

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:

1. 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.

2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until the completion of the prescribed affordability period indicated in the recorded note for the project. If the Grantee determines that 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 note balance less any portion forgiven by the date of the default. 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 affordability period.

3. 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 which 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].

VIII. 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-dWplacement 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 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.

IX. PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with City Fair Housing Ordinance 4210 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.

2. 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.

3. 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.

4. 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.

B. Affirmative Action

1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

6. Subcontract Provisions

The Subrecipient will include the provisions of Paragraphs X.A, Civil Rights, and B, Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own subrecipients or subcontractors.

C. Employment Restrictions

1. Prohibited Activity

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.

2. Labor Standards

The Subrecipient agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 *et seq.*) and 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. The Subrecipient agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 *et seq.*) and the implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. The Subrecipient shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.

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. 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.

3. "Section 3" Clause

a. Compliance

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

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."

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.

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

b. Notifications

The Subrecipient agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c. Subcontracts

The Subrecipient will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. The Subrecipient will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

D. 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. Subcontracts

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 executed in the performance of this Agreement.

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

3. 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.

4. 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:

a. 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.

b. 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.

c. 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.

The Subrecipient agrees that it will incorporate into every contract required to be in writing the following provisions: Interest of Contractor and Employees.--The Contractor covenants that no person who presently exercises any functions or responsibilities in connection with the Program, has any personal financial interest, direct or indirect, in this Contract.

The assistance provided under this agreement shall not be used in payment of any bonus or commission for the purpose of obtaining HUD approval of the application for such assistance, or HUD approval of applications for additional assistance, or any other approval or concurrence of HUD required under this Agreement, Title I of the Housing and Community Development Act of 1977, or HUD regulations with respect thereto; provided, however, that reasonable fees or bona fide technical, consultant, managerial or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as program costs.

5. Lobbying

The Subrecipient hereby certifies that:

a. 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;

b. 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

c. It will require that the language of paragraph (d) 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:

d. 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.

6. Copyright & Patents

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.

Any discovery or invention arising out of or developed in the course of work aided by this Contract shall be promptly and fully reported to HUD for determination by HUD as to whether patent protection on such invention or discovery, including rights under any patent issued thereon, shall be disposed on and administered, in order to protect the public interest.

7. 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.

8. The Subrecipient will certify that it will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

b. Establishing an ongoing drug-free awareness program to inform employees about

i) The dangers of drug abuse in the workplace

- ii) The grantee's policy of maintaining a drug-free workplace;
 - iii) Any available drug counseling, rehabilitation, and employee assistance programs;
 - iv) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - c. Making it a requirement that any each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
 - d. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will-
 - i) Abide by the terms of the statement; and
 - ii) Notify the employer in writing of his or her conviction for a violation of a
 - e. criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- Notifying the HUD in writing, within ten calendar days after receiving notice under subparagraph 4 (b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless HUD has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4 (b), with respect to any employee who is so convicted-
 - i) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - ii) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
 - g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

9. Debarment and Suspension Common Rule

The Subrecipient shall comply with the non-procurement debarment and suspension common rule implementing E.O.'s 12549 and 12689 "Debarment and Suspension" at 24 CFR part 24. This common rule restricts sub-awards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

10. Architectural Barriers

The Subrecipient agrees to comply with the Architectural Barriers Act of 1968 when applicable and with access requirements of the State of Indiana and City of Elkhart.

11. Fair Housing

The Subrecipient agrees to affirmatively further fair housing.

X. ENVIRONMENTAL CONDITIONS

A. NEPA

The Subrecipient agrees to comply with the provisions of the National Environmental Protection Act of 1969 and regulations pursuant thereto.

B. 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.

C. 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).

D. 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.

E. 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.

XI. 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.

XII. 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.

XIII. 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.

XIV. ENTIRE AGREEMENT

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.

IN WITNESS WHEREOF, the parties have entered into this agreement on the 9th day of April, 2019.

Lacasa Inc.
(Subrecipient)

City of Elkhart Redevelopment Commission
(Grantee)

By _____
Chris Kingsley, CEO

By _____
Sandi Schreiber, President