

W.A.B.I.

Memorandum Date: May 3, 2006
Order Date: May 24, 2006

TO: Board of County Commissioners
DEPARTMENT: CAO, Community and Economic Development
PRESENTED BY: Peter Thurston, C&ED Coordinator
AGENDA ITEM TITLE: ORDER/IN THE MATTER OF APPROVING AN INTERGOVERNMENTAL AGREEMENT AND AWARDDING A CONTRACT (SUBRECIPIENT AGREEMENT) TO ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. FOR GRANT ADMINISTRATION AND MANAGEMENT OF THE REGIONAL HOUSING REHABILITATION PROGRAM (RHRP)

I. **MOTION:** IT IS MOVED THAT THE ORDER BE ADOPTED IN THE MATTER OF APPROVING AN INTERGOVERNMENTAL AGREEMENT AND AWARDDING A CONTRACT (SUBRECIPIENT AGREEMENT) TO ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. FOR GRANT ADMINISTRATION AND MANAGEMENT OF THE REGIONAL HOUSING REHABILITATION PROGRAM (RHRP)

II. **AGENDA ITEM SUMMARY**

Shall Lane County enter into a Subrecipient services agreement with St. Vincent DePaul Society of Lane County, Inc., in cooperation with the cities of Cottage Grove, Oakridge, Lowell, and Florence, to manage the Lane County Regional Housing Rehabilitation Program (RHRP) and administer grants that pay for housing rehabilitation?

III. **BACKGROUND/IMPLICATIONS OF ACTION**

A. **Board Action and Other History**

In 2002 St. Vincent De Paul Society of Lane County (SVDP) was the selected respondent to a request for proposals to administer the RHRP. In 2005 a similar RFP was advertised for RHRP administration and management services and SVDP was the sole respondent. The RHRP Policy Committee that provides guidance to the on-going activities of RHRP approved the proposal by St. Vincent De Paul and recommended that each of the jurisdictions approve Subrecipient Agreements, attached as Attachment A to this memorandum, and the RHRP Intergovernmental Agreement that is Exhibit B (marked as Ex. B) in the attached Subrecipient Agreement.

SVDP currently administers Lane County housing rehabilitation grant #HR410, attached as Exhibit A (marked as Ex. A) to the Subrecipient Agreement.

B. **Policy Issues**

Most of the day-to-day operations of the RHRP are carried out by SVDP on behalf of all city

members and Lane County. Each jurisdiction has a public agency member and a community member appointed as voting members of the RHRP Policy Committee. Lane County rural commissioners each have a voting position on the Policy Committee and each appoints a voting community representative.

C. Board Goals

Approving the IGA with St. Vincent de Paul to administer and manage the RHRP “contributes to appropriate community development” in the area of both housing and land development – two target areas cited as goals on p. 13 of the Lane County Strategic Plan 2001-2005. Approving this IGA can also contribute to “maintaining a healthy environment with regard to land use.” Affordable housing also contributes to the need for housing that is affordable and supports economic development opportunities for all activities. Collaborating with incumbent and sole applicant St. Vincent de Paul will allow Lane County to continue providing “efficient and effective financial and administrative support and systems to direct service departments”, in cooperation with other RHRP municipal members, the communities, and private sector partners.

D. Financial and/or Resource Considerations

The RHRP is funded principally with Community Development Block Grant (CDBG) funds through Oregon Housing and Community Services. Only non-metropolitan cities and areas of the county are eligible to receive benefits from these CDBG funds. Grant requirements include that eligible cities and counties are the only organizations that may apply and receive this CDBG funding. The grant recipient then must account for all expenditures of funds as they are drawn down, paid, and the grant is closed out. The resulting housing rehabilitation loan portfolio is owned by SVDP, as is required by CDBG rules. Staff participation from the C&ED program supports the application processes, coordinates contract procedures, facilitates environmental approvals for each loan as it is prepared by SVDP, authorizes grant draw downs and progress payments to SVDP, and monitors the project to grant closeout. This costs \$5-10,000 of staff time in any fiscal year for each application and grant. From the RHRP activity in the past three years, the current value of the combined RHRP portfolio of grants and loans is over \$3 million.

Following a public hearing on May 3, 2006, the Board of County Commissioners listed three CDBG project for development: 1) housing rehabilitation through RHRP, 2) Layng Creek water project, and 3) adult learning facilities development through the Sheriff’s Office.

E. Analysis

The need for rehabilitation of housing in small cities and the unincorporated areas of Lane County is substantial. In the first three years of RHRP operation 119 homes were rehabilitated; 63 projects were completed and closed out; and 248 people benefited from loans that averaged about \$20,000 each. The attached RHRP newsletter (Attachment C) describes these benefits in greater detail. Use of the CDBG funds provided for leveraging additional funds from weatherization programs, volunteers, and other contributions exceeding \$159,000. SVDP facilitates the resources from a variety of sources to best meet the needs of lower income residents who participate in RHRP.

The process followed by the Policy Committee and evaluation committee was open and consistent

with usual practices for selecting service providers. SVDP was the only respondent to the RFP. The RHRP Policy Committee reviewed the proposal and related IGA, and recommended that all RHRP member agencies approve both, as described in Attachment B to this memorandum.

F. Alternatives/Options

The Board may: 1) approve the Order authorizing the IGA and contract with SVDP; 2) determine not to approve the IGA and contract. Not authorizing these documents will affect the fulfillment of grant requirements for regional management of housing rehabilitation programs, 3) request more details before taking action in this matter.

IV. TIMING/IMPLEMENTATION

Approval of the Subrecipient Agreement and RHRP Intergovernmental Agreement are in the process with RHRP member agencies. The recommended Intergovernmental Agreement and contract with SVDP will continue the program for the current Lane County grant (HR410). It will be effective for three years and then may automatically renew for another 3-year period. The RHRP Policy Committee is monitoring three existing grants, planning future RHRP programs, and is scheduled to meet in Spring 2006 to facilitate 2006 housing rehabilitation applications from the city of Oakridge and Lane County.

V. RECOMMENDATION

Staff recommends Number 1, above, approval of the Order authorizing the IGA and Subrecipient Agreement with SVDP.

VI. FOLLOW-UP

Upon approval of the Board, the Intergovernmental agreement and contract for SVDP services will be executed in substantial conformance with the documents attached hereto. County counsel may adjust language for conformance with Lane Manual needs and usual contracting requirements. Other members of RHRP will take similar actions.

VII. ATTACHMENTS

- ORDER
- ATTACHMENT A - Subrecipient Agreement for SVDP management and administrative services, including: Exhibit A - Lane County housing rehabilitation grant HR410, and Exhibit B - Intergovernmental Agreement with RHRP city members
- ATTACHMENT B - RHRP Policy Committee Recommendation
- ATTACHMENT C – RHRP May 2006 Newsletter

\\BCC award of RHRP to SVDP 5-06.doc

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON
ORDER NO.) IN THE MATTER OF APPROVING AN
) INTERGOVERNMENTAL AGREEMENT AND AWARDDING A
) CONTRACT (SUBRECIPIENT AGREEMENT) TO ST.
) VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. FOR
) GRANT ADMINISTRATION AND MANAGEMENT OF THE
) REGIONAL HOUSING REHABILITATION PROGRAM
) (RHRP)
)

WHEREAS, in 2002 Lane County entered into an Intergovernmental Agreement (IGA) with the cities of Cottage Grove, Oakridge, Lowell, Creswell, and Westfir to facilitate a Regional Housing Rehabilitation Program (RHRP), and

WHEREAS, the current active RHRP members, based on receipt of rehabilitation funding, include: the cities of Florence, Oakridge, Cottage Grove, Lowell, and Lane County, and

WHEREAS, Lane County has an active housing rehabilitation grant (HR410) under management by St. Vincent de Paul of Lane County through a services agreement that requires renewal at three-year intervals, and

WHEREAS, in accordance with Lane County procurement rules it is necessary to review or select the RHRP subrecipient agency every three years, and

WHEREAS, the RHRP Policy Committee, in accordance with the IGA, and after completing the request for proposals process, recommends that St. Vincent DePaul Society of Lane County be awarded an extension of the Subrecipient Agreement to manage and administer grants and RHRP program activities as provided for in the, NOW, THEREFORE

IT IS HEREBY ORDERED that the contract (Subrecipient Agreement), as amended to include grant HR410, with St Vincent DePaul Society of Lane County, Inc, will be replaced with the new Subrecipient Agreement to continue RHRP management and grant administration services for three years, with the provision for 3-year additional extensions, as provided for in the IGA, Grant #HR410, and other grant and program requirements.

FURTHER ORDERED that the County Administrator is authorized to sign the Subrecipient Agreement with St. Vincent De Paul Society of Lane County, the IGA, and related grant documents necessary to complete the grant work, including HR410 and other rehabilitation projects as they are received under this renewed RHRP Intergovernmental Agreement.

Signed this 24thth day of May 2006.

Bill Dwyer, Chair
BOARD OF COUNTY COMMISSIONERS

APPROVED AS TO FORM
Date 5/16/06, lane county
J. Haidlaw
OFFICE OF LEGAL COUNSEL

SUBRECIPIENT AGREEMENT
Lane County Regional Housing Rehabilitation Program

RECITALS

WHEREAS, the parties executing the agreement are Lane County, a political subdivision of the State of Oregon, and St. Vincent de Paul Society of Lane County, Inc., a corporation authorized to do business in the State of Oregon; and

WHEREAS, Lane County has been awarded a Community Development Block Grant (CDBG) Contracts H010004, H00023, & HR410 by the State of Oregon, acting through its Economic and Community Development Department ("State"); and

WHEREAS, the current grant (HR410) is subject to Title I of the Housing and Community Development Act of 1974, 42 U.S.C. §§5301-5321 (1994) ("the Act"), the regulations promulgated pursuant thereto, 24 C.F.R. §§570.1-.5 (1997), ORS §285A.075 (1997), and Oregon Administrative Rules (OAR) 123-080-0000 to 123-080-0050 (1998), all as may be amended from time to time; and

WHEREAS, the purposes of this grant include to (a) continue the Lane County Regional Housing Rehabilitation Program and revolving loan fund to meet the housing needs of low and moderate income residents of Lane County, and (b) for Lane County RHRP to provide new loans to low and moderate income residents to rehabilitate residential housing within the county; and

WHEREAS, the cities of Lowell, Cottage Grove, Florence and Oakridge have previously received CDBG Grant Contracts, have already made loans, those grants have been closed, but the entities have contributed past and current loan portfolios to the Lane County Regional Housing Rehabilitation Program for the revolving loan fund; and

WHEREAS, Lane County and the cities of Lowell, Cottage Grove, Oakridge, and Florence, desire to contract with Subrecipient for administering and managing funds covered by CDBG Grant Contracts; establishing and operating a revolving loan fund to provide maximum flexibility for a wide range of activities to be funded, including proceeds from Grant Contracts, assets contributed by the other entities, and such other assets as may be deposited into the Loan Fund in the future by these or other Lane County jurisdictions or by other private entities; and

WHEREAS, other eligible cities in Lane County may desire to join the Lane County Regional Housing Rehabilitation Program (RHRP). They shall enter into an Intergovernmental Agreement with the existing members and enter into a contract with the Subrecipient. For the purposes of this agreement wherever the term "Subrecipient" is used it may be substituted with the term "Subgrantee".

THEREFORE, the parties agree as follows:

I. TERM OF AGREEMENT

The term of this Agreement shall be for three years from the date of execution of this agreement, with the option that it may be renewed for additional three-year periods, unless terminated. However, Subrecipient must complete all approved grant activities for Grant Contract HR410 in conformance with grant requirements within 3 years from the date of execution of the Grant Contract. All Project activities must be completed by the Project Completion Date, or as otherwise amended by State including submission of the Project Completion Report and all cash requests (except cash requests for audit costs, if applicable).

II. SUBRECIPIENT STATUS

Subrecipient is an eligible Subrecipient to administer and manage CDBG grant monies and assets in a manner to result in non-program income in that it:

- A. Is a duly incorporated company authorized to do business in the State of Oregon;
- B. Serves the development needs of the community covered by this Agreement;
- C. Is an acceptable Subrecipient to the State of Oregon Housing and Community Services Department;

As a condition to Lane County's obligation to make funds available under this agreement, Subrecipient shall provide the documents required by the State to substantiate it as an eligible Subrecipient (Grant Contract, Exhibit B, paragraph 9) and shall maintain this status throughout the term of this agreement.

Wherever the term 'Subrecipient' is used in this agreement it may be substituted with the term 'subgrantee'.

III. GENERAL SCOPE OF DUTIES

- A. Prior to grant close out for Grant Contract # HR410, Subrecipient shall be responsible for the following, subject to Lane County's monitoring authority: (a) proper use of, administration, distribution and expenditure of funds provided by Lane County to Subrecipient, and (b) setting up, administering and operating a revolving Loan Fund for the Lane County Regional Housing Rehabilitation Program (RHRP), subject to Policies and Procedures adopted by Subrecipient with the advice and recommendation of the RHRP Policy Committee more fully described in paragraph IV.B.1.c. below and in the Intergovernmental Agreement: Lane County Regional Housing Rehabilitation Program (IGA) attached as Exhibit B.
- B. After grant closeout, Subrecipient shall own, control and manage the assets of the revolving Loan Fund, subject to the Policies and Procedures established prior to

closeout, to any responsibilities set forth in the Grant Close out agreement, to the continuing advice and recommendations of the Policy Committee, and to compliance with applicable federal and state laws and regulations.

- C. In performing its responsibilities in III.A. and B. above, Subrecipient shall ensure that its activities meet the national objective of principal benefit to low- and moderate-income persons as required by federal law and regulations.
- D. In performing its responsibilities in III. A. and B. above, Subrecipient shall be responsible for performing eligible activities under the Community Development Block Grant program, in accordance with Section 105(a) of the Act (42 USC §5305(a)), and the “program income rule” and its exceptions in 24 CFR 570.489(e)(2) and (3), and shall comply with all other applicable federal and state requirements regarding use and reporting of program income. For non-program income (“defederalized funds”), the eligible activities and reporting are those set forth in this Agreement, and Policies and Procedures to be adopted for the RHRP.
- E. In performing its responsibilities in III.A. above, Subrecipient agrees to comply, and cause its agents and contractors to comply, with all terms and conditions of the Grant Contract, except those expressly set forth in III. F., with any and all amendments to that Contract, and to comply with applicable Federal, state, and local laws and regulations, as may be amended from time to time, and in a manner satisfactory to Lane County.
- F. As to specific Grant Contract provisions, Lane County shall retain responsibility for requirements related to grant application; accepting grant funds and disbursing after appropriate request by Subrecipient and approval by state; for monitoring of Subrecipient activities; for providing required information and documents to the state as designated in the grant agreement 4.; for complying with regard only to purchases by Lane County; for maintaining its own records and making them accessible to the state and public; for ensuring compliance by its employees, agents, consultants, officers, or elected or appointed officials, and regarding conflicts of interest, and regarding debarment, etc., and Exhibit E regarding lobbying.
- G. Subrecipient shall assign such staff as is appropriate to carry out its responsibilities in a timely and professional manner. Upon Lane County’s request, Subrecipient shall provide the names and responsibilities of key staff assigned to perform work under this agreement, and shall notify Lane County in the event of changes in key staff assignments.

IV. SPECIFIC DUTIES RE: GRANT FUNDS AND REGIONAL PROGRAM MANAGEMENT

A. Grant Contract Responsibilities (Grant HR410).

- 1. Lane County shall contribute funds from Grant HR410 to the Loan Fund to be managed and administered by Subrecipient in accordance with

Schedule of Lane County Contributions. It is expressly agreed and understood that the total amount to be paid by the Lane County under this Agreement, through periodic draw downs as approved by the state, shall not exceed \$375,000, of which at least \$300,000 shall be used and administered by Subrecipient for rehabilitation loans.

2. With the rehabilitation loan funds, Subrecipient shall complete housing rehabilitation improvements for approximately 13 eligible low- and moderate- income, owner occupied units. No later than 90 days prior to the Project Completion Date, all funds designated for rehabilitation must be contractually committed in loan contracts as further set forth in paragraph V.A.2.
3. Subrecipient shall: (a) conduct outreach, including sufficient advertisement of the housing rehabilitation program, to ensure that a reasonable number of eligible applicants participate, (b) assist property owners, including providing accommodations for those with special needs, in completing loan applications for the RHRP program and, if applicable and requested, in securing other available loans from other private financial institutions. Tenants will be assisted only if tenant occupied units are, in the future, determined eligible through amendment of the Grant Contract between Lane County and the State.
4. Subrecipient shall provide program management services once loans approved, including but not limited to:
 - a. Assisting in identifying eligible work to be performed, obtaining property owners written approval, and assuring that only eligible rehabilitation work is contracted for and performed,
 - b. Estimating costs to complete work based on industry and regulatory standards,
 - c. Ensuring that property owners properly solicit and select qualified contractors,
 - d. Providing forms and sample contracts to property owners and ensuring that the description of work is accurate and complete,
 - e. Assuring that required building permits are timely obtained, and assisting Lane County, as it requests, in monitoring this duty,
 - f. Providing relocation assistance, if applicable and appropriate,
 - g. Performing periodic site visits to ascertain that contracted work is proceeding properly and satisfactorily,
 - h. Verifying that expenses invoiced by contractors are due and reasonable and request draw down of funds to be disbursed to contractors,
 - i. Obtaining owners' authority to execute change orders and execute them when necessary,
 - j. Conducting final building inspections,
 - k. Assuming responsibility for resolution of disputes between owners and contractors concerning rehabilitation contracts.

5. Subrecipient shall provide grant administration services including but not limited to:
 - a. Assuring proper use, record keeping and reporting of initial grant funds, loan repayments and interest,
 - b. Initial preparation of grant budgets, schedules and amendments;
 - c. Developing systems for and maintaining records sufficient for project monitoring by Lane County and by the State, including but not limited to, program files for each loan applicant with all documents related to the loan and all information required by the U.S. Department of Housing and Urban Development for State Community Development Block Grants. Subrecipient is responsible for producing and maintaining all financial records in accordance with Sections IV.B.1.a., V. and VI. of this Agreement.;
 - d. Developing systems to assure compliance with federal and state regulations;
 - e. Evaluating project results against the approved budget and scope of work;
 - f. Monitoring project activities, progress and compliance with the Grant Contract and federal and state requirements;
 - g. Preparing cash requests, reports and other compliance documents for submission to the state;
 - h. Coordinating the resolution of audit and monitoring findings and grant closeout.

6. Subrecipient may subcontract grant administration duties to a third party only with prior approval of the Lane County and on terms and conditions acceptable to Lane County.

B. Regional Housing Rehabilitation Program (RHRP) Management.

1. Subrecipient shall perform all tasks necessary to set up and operate the homeownership rehabilitation loan program called for in the Grant Contract, including but not limited to:
 - a. Setting up and managing a Regional Revolving Loan Fund (“Loan Fund”) capitalized with contributions from the Lane County, from other member jurisdictions of the RHRP and with other assets that Subrecipient or others may contribute. The Loan Fund shall also include income generated by such assets. Subrecipient shall manage and monitor existing loan portfolios assigned to it. Subrecipient shall separately account for and track program income from non-program income for each RHRP member’s assets, in accordance with requirements of Subrecipient and Closeout Agreements between the cities and the state, and between Lane County and State, as well as any other information as required by the Lane County.

- b. If appropriate, income resulting from loans made by Subrecipient, including loan repayments and interest, if any, shall be deposited as non-program income (defederalized funds) into the Loan Fund and used in accordance with III. B, above.
- c. Appointing a Policy Committee whose membership shall initially include two representatives from each public entity member as described in the Intergovernmental Agreement, attached and incorporated by reference. Jurisdictions who become members of the RHRP in the future shall be entitled to two representatives on the Policy Committee. Subrecipient shall consult with the Policy Committee in developing the Policies and Procedures describing operation of the Loan Fund, housing rehabilitation priorities, criteria for loan approval, systems for record keeping, reporting and financial management, and other matters that Subrecipient and/or the Policy Committee deem relevant. The Policy Committee shall advise Subrecipient on how best to meet the needs for affordable housing and related programs in the member jurisdictions.
- d. Appointing a Loan Committee to implement Policies and Procedures with regard to specific loan requests for the RHRP. Its membership shall represent broad interests and may include representatives from private lenders, from the public entity membership, other community representatives including those representing low- and moderate income levels.
- e. In conjunction with all member jurisdictions, Subrecipient shall develop model documents, including inter-jurisdictional agreements, subrecipient agreements, loan transfer documents, loan documents.
- f. Subrecipient will encourage and assist additional local governments in joining the RHRP.
- g. Subrecipient shall recruit private lenders to participate financially in the Loan Fund, to serve on the Loan Committee, and to make loans to eligible applicants in order to leverage public investment in the Loan Fund. The CDBG rules do not apply to such private contributions.
- h. No later than 30 days prior to the Project Completion Date set forth in the Grant Contract, Subrecipient shall submit to Lane County copies of agreements with at least two other governmental entities regarding: (1) the administration of their respective regional revolving loan funds by Subrecipient and the transfer of their funds to this regional revolving loan fund, (2) the administration by Subrecipient of the portfolios of the loans funded by the governmental entities' funds, and (3) the continued administration

of the regional revolving loan fund by Subrecipient. Subrecipient shall submit fully executed agreements with the governmental entities in form and substance satisfactory to the Lane County and state by the Grant Project Completion Date.

- i. No later than the Project Completion Date, Subrecipient shall perform all other regional rehabilitation program management tasks.

V. BUDGET AND METHOD OF COMPENSATION

- A. As to expenses related to Grant Contract HR410, Lane County shall pay Subrecipient in accordance with the Budget attached as Exhibit G, incorporated herein by this reference. Of the not to exceed amount of \$375,000, Subrecipient shall receive up to \$10,000 for Grant Administration and \$65,000 for Program Management.
 1. Subrecipient shall request periodic draw down of loan funds from the regional fund to pay contractors for the rehabilitation of eligible property after work has been completed and approved. Any request for draw down of funds for Subrecipient's administrative and management services shall also be on an expense reimbursement basis. The requests shall include documentation of work completed to date in a manner, form and substance acceptable to the Lane County and the State before any disbursement of loan funds will be made. Grant funds cannot be drawn in advance and cannot be used to establish escrow accounts. Draw downs for the payment of eligible expenses shall be made against the line item budget specified in Exhibit G in the grant contract. Final payments shall not be made until final inspection and sign-off by Subrecipient and property owner. Payments will be made for eligible expenses actually incurred and may not exceed actual cash requirements.
 2. All funds designated as rehabilitation funds in the Project budget shall be contractually committed in loan contracts to eligible property owners by ninety (90) days prior to the Project Completion date, unless there is good reason. Subrecipient shall provide Lane County 30 days advance notice of any potential failure to meet this commitment requirement and shall return to Lane County any rehabilitation funds not so committed within the time designated by the Lane County.
 3. If indirect costs are charged, the Subrecipient shall follow an indirect cost allocation plan for determining the appropriate Subrecipient's share of administrative costs and shall submit such plan to the Lane County with evidence that it has been negotiated and approved by the appropriate federal cognizant agency. If the Subrecipient's indirect cost proposal is under review by the federal agency, it may be followed by the Subrecipient until a final plan is negotiated and approved, unless it conflicts or interferes with existing funding requests or commitments. If the plan or some portion of it is not approved, Subrecipient shall return all

subject funds charged as indirect costs to the Loan Fund. To recover such funds, Lane County may withhold any existing or future payments due to Subrecipient for services it provides under this Agreement.

4. The Subrecipient may be paid for services outside of Grant funds from defederalized or other available funds provided that the Policy Committee has approved said payment.
5. The Subrecipient shall submit financial progress reports to the Lane County in the form, content and frequency as required by Lane County.
6. Lane County may require a more detailed budget breakdown than the one contained in Exhibit G, of the grant contract. Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the Lane County.
7. Any amendments to the overall budget must be approved in writing by Lane County and Subrecipient.

VI. ADMINISTRATIVE REQUIREMENTS

A. Financial Management.

The Subrecipient agrees to comply with Attachment F of OMB Circular A-110 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.

The Subrecipient shall administer its program in conformance with the policies, guidelines and requirements of 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 to all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record-keeping.

1. Records to be Maintained.

- a. The Subrecipient shall maintain all records required by the State of Oregon pursuant to federal regulations at CFR Part 570.490 that are pertinent to the activities to be funded under this Agreement. Instructions from the State are included in a Grant Management Handbook and by communication from State employees.
- b. The Subrecipient shall maintain any other information or records requested by County/City pertinent to this Agreement and in such a manner as to clearly document the Subrecipient's performance.
- c. For fair housing and equal opportunity purposes, the Subrecipient's records shall include, to the extent available, data on the racial, ethnic and gender characteristics of persons who are applicants for, participants in, or beneficiaries of the program.

2. Retention.

- a. The Subrecipient shall retain and keep accessible all such books, accounts, records, reports, files, and other papers, or property for a

minimum of three (3) years from closeout of the grant hereunder, or such longer period as may be required by applicable law, or until the conclusion of any audit, controversy or litigation arising out of or related to this Agreement, whichever date is later.

b. Property Records: The Subrecipient shall maintain real property inventory records which clearly identify property purchased, improved or sold. Properties retained shall continue to meet eligibility criteria and shall conform to the "change of use restrictions" specified in 24 C.F.R. Part 570.489(j).

C. Close-Outs. The Subrecipient's Grant Contract obligations to Lane County shall not end until the State determines that the project can be administratively closed.

D. Audits and Inspections.

1. *Audits shall be conducted annually in accordance with the Single Audit Act of 1984, 31 U.S.C. §§7501-7507 (1994) as amended by Pub. L. 104-156, §§1-3, 110 Stat. 1397 (1996) and the regulations promulgated pursuant thereto, 24 C.F.R. §§44.1-44.18 (1997), and the Office of Management and Budget (OMB) Circular A-133, 24 C.F.R. §§45.1-45.5 (1997).*

2. *Lane County, the State, and the federal government (including but not limited to the U.S. Department of Housing and Urban Development, the Inspector General, and the General Accounting Office) and their duly authorized representatives shall have access to all of Subrecipient's books, accounts, records, reports, files, and other papers, or property pertaining to the administration, receipt and use of CDBG funds.*

3. *The Subrecipient shall provide citizens with reasonable access to records regarding the use of CDBG funds consistent with State and local requirements concerning the privacy of personal records.*

VII. NOTICES

Lane County shall provide Subrecipient with a copy of all notices received by the Lane County from the State related to Subrecipient's obligations or performance under this Agreement. All other notices between the parties shall be in writing, mailed first class mailed unless agreed otherwise, and addressed to the following representatives:

CONTRACTOR

Contact: Anne Williams
P.O. Box 24608
Eugene, Or 97402
Phone: 541-687-5820, ext. 127
awilliams@svdp.us

Lane County

Contact: Peter Thurston
Phone: (541) 682-4062
peter.thurston@co.lane.or.us
Fax: (541) 682-4616

VIII. AMENDMENTS

- A. Lane County and 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 both organizations, and approved, if necessary, by Lane County's governing body.
- B. Lane County 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. Lane County shall notify Subrecipient in writing of any such amendment. 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 must be by written amendment, signed by both Lane County and Subrecipient.
- C. Changes to the project goals, scope of services, schedule, or budget related to the Grant Contract may, unless otherwise noted, be made only through a written amendment to this Agreement, signed by the Subrecipient and Lane County. The State of Oregon Economic Development Department or the Oregon Housing and Community Services (OHCS), shall have a minimum of ten days to review proposed amendments prior to signing by the parties.

IX. INSURANCE AND BONDING

- A. Subrecipient shall obtain and maintain the insurance coverages set forth on Exhibit D, incorporated herein by this reference, for the full period of this Agreement including amendments.
- B. Workers' Compensation. The Subrecipient shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement before work under the Agreement commences. The Subrecipient shall ensure that its contractors do likewise.
- C. The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud, and/or undue physical damage, and shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from Lane County, and a performance bond ensuring faithful performance of the Agreement.
- D. The Subrecipient shall comply with the bonding and insurance requirements of Attachment B of OMB Circular A-110, Bonding and Insurance.
- E. The Subrecipient shall maintain at all times comprehensive liability insurance and property damage insurance covering its activities and operations under this Agreement, and naming Lane County, its officers, agents and employees as additional named insureds. Subrecipient shall furnish to Lane County a certificate of insurance providing at least ten days written notice if the insurance coverage is canceled or reduced.

X. INDEMNIFICATION

Each party shall hold harmless, defend and indemnify the other party, members of its governing board, its officers, agents and employees from any and all claims, actions, suits, charges, and judgments whatsoever that arise out of the party's performance or nonperformance of the services or subject matter called for in this Agreement; however, Lane County's obligation is subject to the limits of the Oregon Tort Claims Act and Article XI, Section 10 of the Oregon Constitution.

XI. DISPUTE RESOLUTION

The parties shall exert every effort to cooperatively resolve any disagreements they may have under this Agreement. In the event that the parties alone are unable to resolve any conflict under this Agreement, they agree to present their disagreements to a mutually acceptable mediator for mediation. Each party shall bear its own costs for mediation and the parties shall share the cost of the mediator. This procedure shall be followed to its conclusion prior to either party seeking relief from the court, except in the case of emergency.

If the dispute remains unresolved through mediation the parties may agree in writing to submit the dispute to arbitration, using such arbitration process as they may choose at the time, except that it shall include the following conditions:

1. The location of the arbitration shall be in Eugene, Oregon.
2. Each party shall bear its own costs (except arbitration filing costs), witness fees and attorney's fees.
3. Arbitration filing costs and any arbitrator's fees will be divided equally between the parties, and
4. Judgment upon award rendered by the arbitrator may be entered in a court in Lane County, Oregon.

Notwithstanding the parties' dispute resolution obligations, the State of Oregon shall have independent authority to enforce the provisions of this agreement, including recovery of grant funds, as described in the grant agreement, and recovery of sums due for breach of this Agreement.

XII. SUSPENSION OR TERMINATION OF AGREEMENT

- A. Voluntary Termination. The parties may jointly agree to terminate this Agreement, and upon the terms of such termination.
- B. Involuntary Termination.
 1. This Agreement shall terminate immediately and automatically if the State terminates the Grant Contract. Lane County shall provide to Subrecipient a copy of any notice received from the State pursuant to its Grant termination authority;

2. Lane County may terminate this Agreement in accordance with Lane Manual 21.130(11) and (12);
 3. Lane County may terminate this Agreement by providing at least 24 hours advance notice if Subrecipient abandons its responsibilities under this agreement, fails to comply with any local, state, or federal laws or contract provisions which are not capable of being cured or would be unreasonable to cure as set forth below; or may terminate immediately if Subrecipient fails to execute a required amendment (see paragraph VIII B.), or Subrecipient's activities, or those of its employees, officers or agents seriously threaten to inflict personal injury or property damage, or inflict any substantial personal injury or property damage on property owners, contractors, or any others, or if Subrecipient commits any act which is intentional, reckless or outrageous.
- C. Subject to the exceptions in XII. B. above, if either party substantially breaches its obligations under this agreement, the other party shall provide an opportunity to cure preceded by at least 30 days advance written notice. If such noncompliance is not corrected within the time provided, the nondefaulting party may suspend or terminate this Agreement, in whole or in part. If Lane County has provided this written notice, it may withhold any further compensation to Subrecipient until such time as Subrecipient is in compliance.
 - D. If Subrecipient breaches several contract obligations, each of which separately does not constitute a substantial breach, the accumulation of three (3) such breaches may constitute a substantial breach. A substantial breach also includes the State providing notice of violation of grant requirements arising out of Subrecipient's performance or failure to perform under this Agreement.
 - E. In the event of a breach of this Agreement, the other party shall be entitled to recover sums due as a result of that breach and to pursue all available remedies. However, in no event shall this Agreement be considered in force and effect after the state has terminated the Grant Contract.
 - F. If the State imposes sanctions on Lane County for failure to perform or breach by Subrecipient, Lane County shall have the authority to recover from Subrecipient any funds Lane County is required to pay to the State.
 - G. Subject to XII.E. above, and in the event of termination by Lane County, Subrecipient shall be compensated for any services satisfactorily performed.
 - H. Upon termination or expiration of this Agreement and prior to Subrecipient ceasing to perform duties as generally described in III A. and B., Subrecipient shall execute an assignment to Lane County, or to another eligible subrecipient designated by the Lane County, assigning all of its rights to any promissory notes, trust deeds, or other agreements that Subrecipient has taken from Borrowers or in furtherance of its activities under this Agreement. All cash, assets, or unused program or non-program income, including those

resulting from Grant Contract proceeds and any privately contributed funds, in Subrecipient's possession or control or subsequently received shall be returned to Lane County, or other eligible Subrecipient as directed by Lane County.

XIII. GENERAL PROVISIONS

A. **General Compliance.** In performing obligations under this agreement, both parties agree to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570, to comply with all other applicable Federal, state and local laws, regulations, and policies. Subrecipient agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

B. Subrecipient shall comply with the Lane County's standard contract provisions contained in Lane Manual 21.130, attached as Exhibit C, and incorporated herein by this reference.

C. **Independent Contractor.**

1. Nothing 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 be responsible exclusively for payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance for its officers, agents and employees.
2. The Subrecipient and Lane County agree that there is no relationship under this agreement except as specified herein. Lane County exercises no control over, is not responsible for the acts of, assumes no specific responsibilities to or for officers, employees or agents or the public in general, except as specified in this Agreement. The Subrecipient shall not claim any relationship with the Lane County as agent, representative or employee which is not expressly set forth in this agreement.

D. **Subrecipient and Contractor/Subcontractor Covenants.** In addition to obligations in III. E., Subrecipient specifically agrees to comply, and cause its agents and contractors to comply with the following specific provisions of the Grant Contract which are hereby incorporated into this Agreement by this reference and with any exceptions set forth in III.F. of this Agreement as noted below:

1. Paragraph 5.A.(1)-(4), (6)-(17);
- 2 Paragraph 6.A.(1), B, C, E-M.

E. Subrecipient shall comply with ORS §§294.305-294.565 (1997) and other applicable state laws for Lane County and municipal administration.

F. Subrecipient shall comply with special program and grant administration requirements imposed by the Lane County related to the use of funds provided under the Grant Contract or Closeout Agreement (which requirements have been approved in accordance with the procedures set forth in the Grant Management Handbook).

- G. Recognition of Fund Sources. The Subrecipient shall insure recognition of the role of the Lane County and the federal and State of Oregon Community Development Block funding in providing services through the Agreement. All activities, facilities, and items utilized pursuant to this Agreement shall be prominently labeled as to funding source. All construction projects in excess of \$50,000.00, which are undertaken using funds from this Grant Contract, shall have a Project sign (which sign shall be in the form approved by the State) located prominently at the Project site. This sign shall be installed prior to construction and shall be maintained for the duration of the construction period. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.
- H. Nondiscrimination. The Subrecipient will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age, marital/familial status, or status with regard to public assistance. The Subrecipient will take affirmative action to insure that all employment practices are free from such discrimination. Such employment practices include but are not limited to the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Subrecipient agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause
- I. Lobbying. Subrecipient shall sign Exhibit E, the "Certification Regarding Lobbying," and shall cause all its first tier contractors or Subrecipients receiving subcontracts in excess of \$100,000.00 to sign and file with the Subrecipient a copy of Exhibit E.
- J. Copyright. If this contract results in any copyrightable material or inventions, the Grantee and/or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for government purposes.
- K. Lead-Based Paint. Subrecipient shall ensure that no lead-based paint will be used in residential units. Subrecipient shall comply with applicable federal law and regulations in providing proper notice to the appropriate persons concerning lead-based paint.
- L. Subrecipient shall comply with Exec. Order No. 11,063, 46 F.R. 1253 (1962), *reprinted as amended in* 42 U.S.C. §1982 (1994) and the regulations promulgated pursuant thereto, 24 C.F.R. §§107.10-107.65 (1997).
- M. Subrecipient shall comply with Exec. Order No. 11,246, 30 F.R. 12319 (1965), *as amended by* Exec. Order No. 11,375, 32 F.R. 14303 (1967), *reprinted in* 42 U.S.C. §2000e (1994), and the regulations promulgated pursuant thereto, 41 C.F.R. §§60-1.1 to 60-999.1 (1997)
- N. Subrecipient shall comply with the Age Discrimination Act of 1975, 42 U.S.C. §§6101-6107 (1994).
- O. Religious Organization. The Subrecipient agrees that funds provided under this contract will not be utilized for religious activities, to promote religious interests, or for the benefit of a religious organization in accordance with the

Federal regulations specified in 24 CFR 570.200(j).

P. Environmental Conditions.

1. *Air and Water.* The Subrecipient agrees to comply with the following requirements insofar as they apply to the performance of this contract:

- a. Clean Air Act, 42 U.S.C., 7401, et seq.
- b. 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 there under.
- c. Environmental Protection Agency (EPA) regulations pursuant to 40 C.F.R., Part 50, as amended.

Q. *Flood Disaster Protection.* In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 USC 4001), the Subrecipient shall assure that for activities located in an area identified by 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).

R. *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 contract. 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.

S. *Third Party Beneficiaries.* Except for the State of Oregon, nothing in this Agreement, expressed or implied, is intended to confer upon any person, other than the parties to this Agreement, any right or remedy of any nature whatsoever.

T. *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.

LIST OF EXHIBITS

- Exhibit A: Grant Contract HR410
- Exhibit B: Intergovernmental Agreement
- Exhibit C: Lane Manual 21.130
- Exhibit D: Insurance Coverages Required
- Exhibit E: Certification Regarding Lobbying

This Subrecipient Agreement is hereby executed by the parties on the dates set forth below.

Lane County

St. Vincent DePaul

By: _____

By:  _____

Title: _____

Title: *Executive Director* _____

Date: _____

Date: *3-29-06* _____

STATE OF OREGON
COMMUNITY DEVELOPMENT BLOCK GRANT
GRANT AGREEMENT #00440
PROJECT HR #410

STATE OF OREGON..... 1

COMMUNITY DEVELOPMENT BLOCK GRANT..... 1

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This Community Development Block Grant (Grant Program) Agreement (this "Agreement") is made and entered into by and between the State of Oregon, acting by and through its Housing and Community Services Department, hereinafter referred to as "OHCS" and,

**Lane County
County Administration Office
125 E 8th Ave.
Eugene OR 97401**

hereinafter referred to as "GRANTEE".

WHEREAS, the Community Development Block Grant ("CDBG") Program is funded from the U.S. Department of Housing and Urban Development ("HUD"), any other funds used will be specifically identified on the Exhibit D, Grant Program Compliance Requirements;

WHEREAS, these federal grants and subgrants are subject to Title I of the Housing and Community Development Act of 1974, 42 U.S.C. §§5301-5321 (1994) ("the Act"), the regulations promulgated pursuant thereto, 24 C.F.R. §570.1-.5 (1997), ORS §285A.075 (1997), and OAR 123-080-0000 to 123-080-0050 (1998), all as may be amended from time to time;

WHEREAS, OHCS has reviewed the GRANTEE's Application submitted in the year 2004 (the "Application") and determined the Project, as hereinafter defined, is feasible and merits funding; and because time is of the essence, this Agreement shall become null and void if it is not executed within 45 days of receipt of Grant Agreement Documents.

The parties hereto, for good and sufficient consideration including, but not limited to performance of the obligations herein described, agree as follows:

1. Agreement Purpose

The purpose of this Agreement is to provide the terms, among other essential information, for the disbursement by OHCS, and use by GRANTEE, of the grant funds described in this Agreement. Grant funds to be disbursed pursuant to this Agreement derive from the Grant Program and are intended for reimbursement of allowable costs incurred by GRANTEE consistent with the terms and conditions of this Agreement.

2. Term of Agreement

This Agreement shall become effective on the date this Agreement has been signed by every party hereto and, when required, approved by the Oregon State Department of Justice. Unless terminated or extended, this Agreement terminates on **December 31, 2006**. No amendment to this Agreement shall be effective unless it is in writing signed by the parties, with all approvals required by applicable law.

3. Statement of Work

The statement of work to be performed by GRANTEE is described in Exhibit A, hereby incorporated by reference. GRANTEE shall perform the work described in the statement of work in accordance with the terms and conditions of this Agreement.

4. Payment by OHCS

The amount of grant funds available through this Agreement and distributed to GRANTEE shall not exceed **\$375,000**. OHCS will disburse these grant funds for reimbursement of expenditures appropriately made by Grantee in fulfillment of the Statement of Work. Grantee's expenditures must meet the criteria herein of the Grant Program from which the funds for reimbursement hereunder derive.

5. Funding Appropriation

Funds specified in the Payment by OHCS section of this Agreement may include monies that have not yet been appropriated to OHCS, but which OHCS anticipates receiving for use in funding this Agreement. All disbursements of funds hereunder are contingent upon such funds being lawfully appropriated, allocated, and available to OHCS.

6. Revocation of Grant Funds

If GRANTEE's performance hereunder is untimely, inappropriate, or inefficient, as determined by OHCS in its sole and absolute discretion, OHCS may revoke some or all of GRANTEE's funding and redistribute such funding to other GRANTEES. Revocation of funds pursuant to this subsection may be implemented by means of an amendment to this Agreement, by directive of OHCS, or otherwise. The right to exercise this remedy by OHCS is in addition to, and not exclusive of, any other right or remedy available to OHCS under this Agreement, at law, in equity, or otherwise.

7. Termination

- a. Either party to this Agreement may, upon written notice, terminate this Agreement in whole or in part, upon the occurrence of any of the following:
 - 1) GRANTEE or OCHS fails to fulfill timely any of its obligations under this Agreement.
 - 2) GRANTEE fails to comply timely with directives received from OHCS.

- 3) GRANTEE fails to perform, or Funds provided under this Agreement are not used, properly, efficiently, or legally by GRANTEE.
 - 4) Federal or state laws, regulations or guidelines are modified or interpreted in such a way that either a grant program included in the GRANTEE's Application is prohibited or OHCS is prohibited from paying for such grant program from the planned funding source.
 - 5) Funding, appropriations, limitations or expenditure authorization to expend funds is denied, suspended, reduced or eliminated or otherwise unavailable for the purposes of this Agreement, in whole or in part, as determined by OHCS or GRANTEE at their discretion.
 - 6) Any certification, license or certificate required by law to be held by GRANTEE to provide the services required by this Agreement is for any reason denied, revoked or not renewed.
 - 7) GRANTEE (a) applies for or consents to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or its property, (b) admits in writing its inability, or is generally unable, to pay its debts as they become due, (c) makes a general assignment for the benefit of its creditors, (d) commences a voluntary case under the federal Bankruptcy Code (as now or hereafter in effect), (e) is adjudicated as bankrupt or insolvent, or (f) fails to controvert in a timely or appropriate manner, or agrees in writing to, an involuntary petition for bankruptcy.
 - 8) GRANTEE is suspended, debarred, proposed for debarment, declared ineligible or voluntarily excluded from participating in agreements or contracts with any federal or state department or agency.
 - 9) OHCS or GRANTEE otherwise determines to terminate this Agreement in whole or in part for good cause including, but not limited to the best interests of the grant program.
- b. Upon issuance of the notice to terminate this Agreement and prior to the effective date of the termination, OHCS may, in its sole and absolute discretion, require that GRANTEE obtain prior OHCS approval from the Administrator of the Housing Division of OHCS for any additional expenditures.

A determination or approval by OHCS of additional expenditures shall not relieve GRANTEE of its obligations for performance under this Agreement nor release Grantee from any liability hereunder.

1. Notwithstanding the above, GRANTEE shall not be relieved of its liability

to OHCS for damages sustained by OHCS by virtue of any breach of this Agreement by GRANTEE.

2. In the event of any termination of this Agreement by either party, all unexpended money, property, finished or unfinished documents, data, financial reports, audit reports, program reports, studies and reports purchased or prepared by GRANTEE under this Agreement shall be delivered to OHCS as soon as possible, but not later than 60 days from the date of termination or upon such date as may be requested by OHCS.

3. In addition to the foregoing remedies, OHCS and GRANTEE shall have, and may exercise, any other remedy available to it under this Agreement, in law, equity, or otherwise.

8. Compliance

GRANTEE shall comply with federal, state, and local laws, rules, regulations, or guidelines applicable to the grant program from which whether the requirement is listed on the Exhibit D, Compliance Requirements, or existing at the time the Agreement is executed, or amended, enacted or adopted subsequent thereto. Services must be delivered efficiently, effectively and within program time lines.

GRANTEE shall comply with, and OHCS' performance hereunder is conditioned upon GRANTEE's compliance with, the provisions of ORS 279.312, 279.314, 279.316, and 279.555.

9. Prior Approvals

An individual who is authorized to act for OHCS must sign all requests for prior approval. Prior approval requests should be addressed to and approved by the OHCS Housing Resources Manager at the time of GRANTEE's request, unless specifically noted otherwise. GRANTEE must request prior written approval from OHCS in order to decrease or otherwise use any of the grant fund balance in any way different for the budget plan as approved by OHCS. Any other uses outside the approved statement of work if approved by OHCS must require the Agreement statement of work be amended. These requests should be in the format of the approved submission, unless specifically providing additionally requested detail and they must be supported by a narrative justification. Other prior approval requests may be made by letter. All prior approval originals shall be filed in the OHCS Agreement Working File.

10. Agreement Documents in Order of Precedence

This Agreement consists of the following documents which are listed in descending order of precedence:

- This Agreement less all exhibits;
- Exhibit A, Statement of Work (Project Plans);
- Exhibit B, Required Reports
- Exhibit C, Special Conditions of Award
- Exhibit D, Compliance Requirements (Laws, Statutes, Regulations, Rules, or Guidelines containing the compliance requirements for the grant program)
- Exhibit E, Assurances and Certifications (Reps and Certs)
- Exhibit F, Description of Project Approved by OHCS
- Exhibit G, Project Budget Approved by OHCS- (this exhibit supersedes the project budget submitted in the GRANTEE's Application).
- Exhibit H, GRANTEE's Application
- Exhibit I, Notice of Grant Award

Exhibits A, B, C, D & E are attached hereto and incorporated herein by reference. Exhibits F, G, H & I are incorporated herein by this reference.

11. Further Authorization Required

The obligation or expenditure of funds by the GRANTEE for the approved activities described in this Agreement is prohibited without the further express written authorization of OHCS.

12. Project Completion Date

- A. The approved grant activities must be completed within two years from the date of execution of this Agreement or by the date specified below the signature blocks of this Agreement ("Project Completion Date").
- B. By the Project Completion Date, all Project activities must be completed, including submission of the Project Completion Report and all cash requests (except cash requests for audit costs, if applicable). Unless exempt by OMB Circular A-133, the audit for the final fiscal year of the Project shall be submitted to the Oregon Housing and Community Services as soon as possible after it is received by the GRANTEE, but in any event no later than December 31 after the Project Completion Date.

13. Governing Law; Venue; Consent to Jurisdiction

This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively, "Claim") between OHCS and GRANTEE that arises from or related to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Marion County for the State of Oregon; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District

Court for the District of Oregon. GRANTEE by execution of this Agreement, hereby consents to the *in personam* jurisdiction of said courts.

14. Confidentiality

GRANTEE shall protect the confidentiality of all information concerning applicants for and recipients of funds, whether directly or indirectly, under this Agreement. GRANTEE shall not release or disclose any such information except as necessary for the administration of the grant program(s) relevant to this Agreement, as authorized in writing by the applicant for or recipient of grant funds, or as required by law. All records and files shall be appropriately secured to prevent access by unauthorized persons.

GRANTEE shall ensure that all its officers, employees and agents are aware of and comply with this confidentiality requirement.

15. Monitoring Cooperation

GRANTEE shall fully cooperate with OHCS in the performance of any and all monitoring activities including, but not limited to the following: arranging for limited scope audits, conducting on-site visits, reviewing GRANTEE reports, requiring prior approval, requiring third-party evaluations, providing training and technical assistance, making telephone calls and using such other means of communication such as e-mail in order to ask or answer questions, and following any related news coverage.

16. Monitoring: Remedies

OHCS may monitor GRANTEE's performance hereunder as it deems appropriate. If OHCS determines that GRANTEE has failed to comply with any part of this Agreement, OHCS may, among other remedies, require GRANTEE to satisfy a corrective action plan. Failure by GRANTEE to timely perform such a required corrective action plan shall constitute a material breach of GRANTEE's obligations under this Agreement. For any breach by GRANTEE of its obligations under this Agreement, OHCS may exercise any remedy described in this Agreement, including the imposition of appropriate sanctions, (including, but not limited to requiring immediate repayment of any or all grant funds, outstanding loans, return of undistributed funds, and/ or, termination of this Agreement permitted by the terms of this Agreement. OHCS is not obligated to require a corrective action plan, before exercising other remedies. Also, the requirement by OHCS that GRANTEE adhere to a corrective action plan shall not constitute a waiver or release of any other remedy available to OHCS hereunder or otherwise.

The rights and remedies of OHCS provided in this Section shall not be exclusive and are in addition to any other rights and remedies provided under this Agreement, at law, in equity, or otherwise.

17. Return of Undistributed Funds

All undistributed funds (cash or income from such funds remaining) for the grant program covered by this Agreement must be returned by GRANTEE to OHCS as soon as possible and no later than thirty (30) days following the expiration of the program's end, the termination of this Agreement, or by such other date as may be requested by OHCS, whichever is earlier.

18. Distribution of Funds Properly Supported

Distribution of funds be they Loans or Expenditures made with grant funds under this agreement shall be supported by either appropriate loan documentation cost allocations or properly executed payroll and time records, invoices, contracts, vouchers, orders, canceled checks and/or any other accounting documents pertaining in whole or in part to the Agreement in accordance with generally accepted accounting principles, Oregon Administrative Rules and applicable requirements as specified herein.

19. Records Maintenance

GRANTEE shall prepare and maintain such records as necessary for performance of and compliance with the terms of this Agreement.

The GRANTEE shall retain all records pertinent to distribution or expenditure incurred under this Agreement for a period consistent with those listed in OHCS's Record Retention Schedule, as may be modified from time to time.

Notwithstanding the above, if there are litigation, claims, audits, negotiations or other actions that involve any of the records cited, then such records must be retained until completion of the actions and resolutions of all issues.

20. Records Access

OHCS, the Oregon Secretary of State's Office, the federal government and the duly authorized representatives of such entities shall have free access to property and records related in any way to this Agreement, including but not limited to records deemed necessary or appropriate by one or more of them for the purposes of performing an audit, an examination, or for obtaining excerpts, and transcripts. These records are the property of OHCS, who may take possession of them at any time after three (3) business days' notice to GRANTEE or Other, as the case may be. GRANTEE may retain copies of all records taken by OHCS under this Section.

In its agreements with Subgrantees, GRANTEE shall require its Subgrantees to comply with the requirements of this Section and to grant the right of access to property and records related to this Agreement and ownership by OHCS of the Subgrantee's books and records related to this Agreement.

21. Audit of Grant Funds

GRANTEE must produce an annual report due by August 31 for the prior fiscal year's distributions from and to any monies associated with this Agreement, principal and any interest or earnings. The report form and content must be acceptable to OHCS in fulfillment of these grant program requirements; otherwise OHCS may exercise any available remedy in this Agreement up to and including termination.

22. Determination

OHCS has made the determination that GRANTEE is a subrecipient, in accordance with OMB Circular A-133 and Section .102 of Oregon Accounting Manual 04 03 00.P0 (effective June 1, 1998). SUBGRANTEE agrees to monitor any local government or non-profit organization subrecipient to whom it may pass funds.

23. Subgrantee Agreements

GRANTEE shall not enter into any agreement with subrecipients without prior written approval of OHCS as outlined in section 9. OHCS' approval of any subrecipient shall not relieve GRANTEE of any of its duties or obligations under this Agreement.

Subrecipient shall comply with all applicable provisions of this Agreement between OHCS and GRANTEE, each of which must be specifically incorporated into the Agreement in a manner satisfactory to OHCS. OHCS reserves the right to request any Subrecipient Agreements be submitted for review by OHCS within 10 business days from date of written notification.

24. Workers Compensation

GRANTEE and all employers providing work, labor, or materials under this Agreement are subject employers under the Oregon workers' compensation law and shall comply with ORS 656.017, which requires them to provide workers' compensation coverage that satisfies Oregon law for all their subject workers. Out-of-state employers must provide Oregon worker's compensation coverage for their workers who work at a single location within Oregon for more than 30 days in a calendar year.

25. Third Party Beneficiaries

OHCS and GRANTEE are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons unless such third persons are individually identified by CDBG (Housing Rehabilitation)

name herein and expressly described as intended beneficiaries of the terms of this Agreement.

26. Notices

Except as otherwise expressly provided in this Agreement, any communications between the parties hereto or notices to be given hereunder shall be given in writing by personal delivery, facsimile, or mailing the same, postage prepaid, to GRANTEE or OHCS at the address or number set forth in this Agreement, or to such other addresses or numbers as either party may hereafter indicate pursuant to this Section; provided however that any notice of termination hereunder shall be given by certified or registered mail, return receipt requested. Any communication or notice so addressed and mailed shall be deemed to be given five (5) days after mailing. Any communication or notice delivered by facsimile or email shall be deemed to be given when receipt of the transmission is generated by the transmitting machine. To be effective against OHCS, such facsimile transmission must be confirmed by telephone notice to OHCS' primary contact. Any communication or notice by personal delivery shall be deemed to be given when actually delivered.

27. Other GRANTEE Obligations, Certifications, Representations & Warranties

- a. GRANTEE shall perform all work under this Agreement as an independent contractor. GRANTEE is not an officer, employee or agent of the State, as those terms are used in ORS 30.265, with respect to work performed under this Agreement.
- b. GRANTEE agrees that insurance coverage, whether purchased or by self-insurance, for GRANTEE's agents, employees, officers and/or subcontractors is the sole responsibility of GRANTEE.
- c. GRANTEE certifies that it is not employed by or contracting with the federal government for the work covered by this Agreement.
- d. GRANTEE certifies to the best of its knowledge and belief that neither the GRANTEE nor any of its principals, officers, directors or employees:
 - 1) Is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any federal department or agency;
 - 2) Has within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against it for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, State or local) transaction or contract related to a public transaction; violation of federal or State

antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;

- 3) Is presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in subsection (d)(2); and
 - 4) Has within a three-year period preceding this Agreement had one or more public transactions (federal, State or local) terminated for cause or default.
- e. GRANTEE represents and warrants to OHCS that (1) GRANTEE has the power and authority to enter into and perform this Agreement, and (2) this Agreement, when executed and delivered, shall be a valid and binding obligation of GRANTEE enforceable in accordance with its terms.

28. Unallowable Costs and Lobbying Activities

GRANTEE is cautioned to carefully review the allowable cost and other provisions applicable to expenditures under this particular grant program. If funds are spent for purposes or in amount inconsistent with the allowable cost or any other provisions governing expenditures in a grant program, OHCS may pursue a number of remedies against the GRANTEE, including, recovery of such funds, termination of the award, suspension or debarment of the GRANTEE from future awards, and criminal prosecution for false statements.

Particular care should be taken by the GRANTEE to comply with the provisions prohibiting the expenditure of funds for lobbying and related activities. OMB Circular A-122 gives a lengthy guidance around particular items of cost including, but not limited to, Lobbying.

29. Disallowance of Costs

If a cost is disallowed after reimbursement has occurred, GRANTEE shall, within thirty (30) days of formal notice of disallowance, either demonstrate to the satisfaction of OHCS that such proposed disallowance is in error or make repayment of such cost.

If GRANTEE is a governmental entity, such disallowed costs may be recovered by OHCS only through repayment or withholding to the extent permitted by the Oregon Constitution, Article XI, Section 10. If GRANTEE is other than a city or county, OHCS may recover such disallowed costs through repayment, withholding, offset or other means permitted by law.

In cases of suspected fraud by applicants, employees, vendors, or others GRANTEE

shall cooperate and shall cause any others to cooperate, with all appropriate investigative agencies and shall assist in recovering invalid payments.

30. Attorney Fees

In the event a lawsuit of any kind is instituted on behalf of OHCS or the GRANTEE to collect any payment due under this Agreement or to obtain performance of any kind under this Agreement, the prevailing party is, to the extent permitted by law, entitled to such additional sums as the court may adjudge for reasonable attorney fees and to pay all costs and disbursements incurred therein.

31. Captions

The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions of this Agreement.

32. Severability

If any term or provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof.

33. Execution and Counterparts

This Agreement may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

34. Grant Funds; Indemnification; Hold Harmless

GRANTEE agrees that grant funds shall only be used consistently with this Agreement and assumes sole liability for breach of its obligations and any terms of this Agreement, including directives of OHCS related hereto, by GRANTEE or by any of its subrecipients, employees, agents, and assigns, and shall, upon breach of any obligations, terms, or directives by which OHCS requires GRANTEE to return funds to OHCS, whether such breach is by GRANTEE or by others, GRANTEE shall hold harmless and indemnify OHCS for an amount equal to the grant funds received under this Agreement. If there are legal limitations outside of GRANTEE'S control, which prevent it from making this indemnification, GRANTEE shall still be obligated to pay to OHCS the maximum amount of funds available by GRANTEE for expenditure, including any available contingency funds or other available non-appropriated funds, up to the amount of grant funds received by it under this Agreement.

35. Additional Indemnity

GRANTEE further shall defend, save, hold harmless, and indemnify (consistent with CDBG (Housing Rehabilitation)

ORS Chapter 180) the State of Oregon and OHCS and their officers, employees and agents from and against all claims, suits, actions, losses, damages, liabilities, costs and expenses of any nature whatsoever resulting from, arising out of, or relating to the activities of GRANTEE or its officers, employees, subrecipients, subcontractors, or agents under this Agreement, subject to any applicable State of Oregon legal limitations.

36. Merger Clause

This Agreement and attached exhibits constitute the entire agreement between the parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both parties and all necessary OHCS approvals have been obtained. Such waiver, consent, modification or change if made shall be effective only in the specific instance and for the specific purpose given.

37. Waiver

The failure of OHCS to enforce any provision of this Agreement shall not constitute a waiver by OHCS of that or any other provisions.

GRANTEE Data

Name (as on tax filing): Lane County, Oregon
Address: PSB/CAO, 125 E 8th Ave., Eugene, OR 97401
Telephone #: 541-682-4062 Fax#: 541-682-4616
Email: peter.thurston@co.lane.or.us Federal Tax ID #: 93-6002303
Primary Contact Name & Title: Peter Thurston, C&ED Coor.
Phone # (if different than above): SAME
Fiscal Contact Name & Title: Malinda Dodson
Phone #: 541-682-3692

GRANTEE: YOU WILL NOT BE PAID FOR SERVICES RENDERED PRIOR TO NECESSARY OHCS APPROVALS.

GRANTEE, BY EXECUTION OF THIS AGREEMENT, HEREBY ACKNOWLEDGES THAT GRANTEE HAS READ THIS AGREEMENT, UNDERSTANDS IT, HAS THE LEGAL AUTHORITY TO BIND, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

William A. VanVactor William A. VanVactor, CAO 12/07/04
Authorized Signature Print or Type Name Date

N/A
Authorized Signature (if required) Print or Type Name Date

OREGON HOUSING AND COMMUNITY SERVICES (OHCS)

Address: 725 Summer St NE Ste B, Salem, Oregon 97301-1271
Telephone Number: (503) 986-2136 Ernie Kirchner, OHCS Program Manager
Fax #: (503) 986-2002 Federal Tax ID #: 93-0952117

Jack Kenny 20 Dec. 2004
Approved by Jack Kenny, Deputy Director Date

[Signature] 12-20-04
Reviewed by Housing Division Administrator Date

[Signature] 12/15/04
Reviewed for Legal Sufficiency by Assistant Attorney General Date

[Signature] 12/10/04
Reviewed by Sr. Procurement & Contracts Specialist Date

CDBG (Housing Rehabilitation) APPROVED AS TO FORM
Date 12/7/04 lane county
Malinda Dodson
OFFICE OF LEGAL COUNSEL

EXHIBIT A STATEMENT OF WORK

Non-assignment of Ultimate Responsibility for Work

GRANTEE shall retain ultimate responsibility for completing all services, tasks, or activities and providing all deliverables required by this Statement of Work regardless of any approvals received under this Agreement relating to Subrecipients or subcontractors.

Statement of Work

Each Statement of Work under a grant program is unique to the GRANTEE. It must reflect the purpose of the grant Program and the methods proposed by the GRANTEE to administer or deliver the grant program. The GRANTEE individual Project Plans and their associated Project Budgets are hereby incorporated by reference. The OHCS Program Manager shall approve and document each individual Project Plan and the documentation will become part of the records retained. GRANTEE must request prior approval for deviations to GRANTEE's approved Project Plans and their associated Project Budgets.

GRANTEE shall perform all activities, tasks, and deliverables hereunder in accordance with the terms and conditions of this Agreement, the specific program requirements, and in a manner satisfactory to OHCS.

1. Maintenance of Programmatic Capacity

GRANTEE shall provide for and maintain the capacity for administration of activities under programmatic requirements which must result in timely usage of funds.

Remedies for non-compliance with above tasks or for untimely usage of funds may include withholding of request for Funds or reduction and redistribution of current or future funding allocation.

If the rate of request for any expenditure category is substantially different than in approved budget submissions OHCS may reduce and redistribute any or all funds under this grant agreement. OHCS Program Manager shall, at their sole and absolute discretion, decide when a rate is to be considered "substantially different". This remedy is in addition to any other allowed under this agreement.

2. Financial Integrity

GRANTEE shall be responsible for financial integrity of accounting records and compliance with the following requirements in addition to those required by regulation.:

EXHIBIT A
STATEMENT OF WORK

- a. GRANTEE shall, and shall cause its subrecipients to, prepare and maintain accurate financial records documenting all expenditures made from funds provided under this Agreement. These records shall include financial and audit reports for the applicable accounting period for the program, including adjustments to reconcile the accounting records.
- b. GRANTEE shall reimburse expenditures of subrecipients under this agreement only if they are:
 - 1) In payment of eligible activities or services performed under this Agreement.
 - 2) In payment of services performed or supplies delivered during the applicable program period;
 - 3) In the aggregate not in excess of 100% of the funds provided to that grant program under this Agreement; and
 - 4) Not for duplicate payment for the same activities or services under both this Agreement and any other contract or agreement with subrecipients.
- c. GRANTEE shall pay their subrecipient within thirty (30) days of the date of request for payment.
- d. GRANTEE shall maintain documentation of its monitoring of subrecipients. The documentation shall include, but not be limited to:
 - 1) An agreement that complies with the requirements of this Agreement.
 - 2) Documentation of methodology for defederalization of grant funds.
 - 3) Documentation of the non-profit status of the subrecipient; and
 - 4) Copies of all of the subrecipient's OMB Circular A-133 audits if the subrecipient is required to have such an audit.
 - 5) Documentation of other methods used by GRANTEE for monitoring subrecipient activities.
- e. GRANTEE shall maintained an Accounting System which conforms with the following requirements:
 1. Expenditures shall be segregated by line item category within the accounting system of GRANTEE or subrecipient, as the case may be, and reported on the required fiscal reports.

EXHIBIT A STATEMENT OF WORK

2. Funds received together with any income that is attributable to funds provided thereby shall be identified and segregated for expenditures relating to the program(s) for which the original funds were provided. Any allocation methodology shall comply with any requirements applicable to that entity or program.

OHCS may, in its sole and absolute discretion, reduce GRANTEE funding and redistribute to other GRANTEEs. Adjustments pursuant to this subsection are implemented by means of amendment to this agreement. This remedy is in addition to any other allowed under this agreement.

3. Programmatic Integrity

GRANTEE shall be responsible for programmatic integrity and compliance with the programmatic intent including but not limited to the following requirements:

- a. GRANTEE shall provide and maintain adequate resources necessary to ensure that all staff, GRANTEE and subrecipient, are adequately trained to perform under this agreement including, but not limited to the training in processing of eligibility determinations and authorizations or other programmatic requirements.
- b. GRANTEE shall comply with programmatic regulations and guidelines as listed on Exhibit D, Grant Programs and their Compliances
- c. GRANTEE shall have a written procedure for the handling of client appeal of determinations and disputes with their construction contractors.

4. Deliverables – Exhibit B, Required Reports

- a. GRANTEE shall, and shall cause its subrecipients to submit the required reports so that they are **received by OHCS on or before the due dates specified** in Exhibit B, Required Reports Table of this agreement, as outlined in the individual grant program project plan, or as newly required by any provider of funding under this agreement. GRANTEE shall require its subrecipients to submit the required reports to GRANTEE in sufficient time to allow GRANTEE to fulfill its obligations under this Section.
- b. The reports shall be **complete and accurate and in the format required** by OHCS.
- c. The reports must **agree with the accounting records** maintained by GRANTEE and/or its subrecipients **and be certified by the chief executive officer** of GRANTEE or its subrecipients, as the case may be.

**EXHIBIT A
STATEMENT OF WORK**

If GRANTEE fails to produce or produces and submits incomplete, inaccurate, or untimely reports, OHCS may withhold any or all requests for funds of GRANTEE under this Agreement or any other contract or agreement in effect between OHCS and GRANTEE to the extent allowed by Law. OHCS may also use any of the above as basis for reduction and redistribution, suspension, or termination of funding of any or all funds under this Agreement.