

**RECIPIENT CONTRACT FOR  
COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME INVESTMENT  
PARTNERSHIP FUNDING**

THIS AGREEMENT is entered into by and between THE CITY OF FORT COLLINS, COLORADO, a municipal corporation (hereinafter referred to as "the City") and FORT COLLINS HABITAT FOR HUMANITY, INC. (hereinafter referred to as "the Subrecipient").

**W I T N E S S E T H:**

WHEREAS, the City has applied for and received funds from the United States Government under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383 and under Title II of the Cranston-Gonzales National Affordable Housing Act; and

WHEREAS, the City has set aside its own Affordable Housing Fund monies to assist in the development of affordable housing; and

WHEREAS, the City wishes to engage the Subrecipient to assist the City in utilizing such funds.

NOW, THEREFORE, in consideration of the mutual promises of the parties, it is agreed as follows:

**I. Scope of Services/Performance Monitoring.**

- A. The Scope of Services to be rendered by the Subrecipient is attached as Exhibit A hereto and made a part of this Contract. Subrecipient agrees to perform the work described in Exhibit A, Scope of Services, in compliance with all provisions of this Contract. Subrecipient warrants and represents that it has the requisite authority and capacity to perform all terms and conditions on Subrecipient's part to be performed hereunder.
- B. The City will monitor the performance of the Subrecipient against goals and performance standards required herein. Substandard performance as determined by the City will constitute non-compliance with this Contract. If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

## **II. Term of Contract.**

Except as provided in Section VI, H, below, this Contract shall be in effect as long as the Subrecipient retains control over Community Development Block Grant ("CDBG"), HOME funds, and/or Affordable Housing Fund ("AHF") monies, including income generated from the funds. The City's obligation to provide funding under this Contract shall be from January 1, 2004 to December 31, 2004, and shall be contingent upon full compliance by Subrecipient with all terms and conditions set forth herein.

## **III. Payment.**

If the Subrecipient is not in default hereunder, and subject to the City's receipt of the Department of Housing and Urban Development CDBG and HOME funds, and provided that the Contract and Scope of Services are eligible expenditures of CDBG and HOME funds, and provided that the City has available Affordable Housing Fund monies, the City agrees to pay the Subrecipient CDBG funding of **THIRTY THOUSAND ONE HUNDRED FORTY-FIVE DOLLARS (\$30,145)** and AHF funding of **THIRTY-TWO THOUSAND FOUR HUNDRED TWENTY-FOUR DOLLARS (\$32,424)** for a **TOTAL of SIXTY-TWO THOUSAND FIVE HUNDRED SIXTY-NINE DOLLARS (\$62,569)**. Payment shall be made upon presentation of invoices which Subrecipient certified are true and correct copies of payments due on behalf of the Subrecipient, for an activity covered by this Contract and made in accordance and compliance with the Scope of Services. In no event shall the City's obligation to make payment to the Subrecipient hereunder exceed **SIXTY-TWO THOUSAND FIVE HUNDRED SIXTY-NINE DOLLARS (\$62,569)**. Payments may be made during the term of this Contract once a month in cases covering reimbursement for operation costs, otherwise upon presentation of vouchers. Payment may be suspended by the City in the event of nonperformance of Subrecipient. Payments may also be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in Title 24, CFR, Part 85.

## **IV. Notices.**

Communications and details concerning this Contract shall be directed to the following Contract representatives:

City of Fort Collins:

CDBG/HOME Administrator  
Advance Planning Department  
City of Fort Collins  
P.O. Box 580  
Fort Collins, CO 80522-0580  
(970) 221-6758

Subrecipient:

Candace Mayo, Executive Director  
Fort Collins Habitat for Humanity, Inc.  
4001 S. Taft Hill Road  
Fort Collins CO 80526  
(970) 223-4522

**V. Special Conditions.**

The Subrecipient agrees to comply with the requirements of Title 24 Code of Federal Regulations, Part 570, of the Housing and Urban Development regulations concerning Community Development Block Grants, Title II of the Cranston-Gonzales National Affordable Housing Act and all federal regulations and policies issued pursuant to these regulations. The Subrecipient further agrees to utilize funds available under this Contract to supplement rather than supplant funds otherwise available.

**VI. General Conditions.**

**A. General Compliance.**

The Subrecipient agrees to comply with all applicable federal, state and local laws and regulations governing the funds provided under this Contract.

**B. Independent Contractor.**

Nothing contained in this Contract 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 Contract. The City shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation insurance as the Subrecipient is an independent Subrecipient.

**C. Liability.**

As to the City, Subrecipient agrees to assume the risk of all personal injuries, including death resulting therefrom, to persons, and damage to and destruction of property, including loss of use therefrom, caused by or sustained, in whole or in part, in connection with or arising out of the performance or nonperformance of this Contract by Subrecipient or by the conditions created thereby. Subrecipient further agrees to indemnify and save harmless the City, its officers, agents and employees, from and against any and all claims, liabilities, costs, expenses, penalties and attorney fees arising from such injuries to persons or damages to property or based upon or arising out of the performance or nonperformance of this Contract or out of any violation by Subrecipient of any statute, ordinance, rule or regulation.

**D. Workers' Compensation.**

The Subrecipient shall provide Workers' Compensation insurance coverage for all employees involved in the performance of this Contract.

**E. Insurance and 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 blanket fidelity bond covering all employees in an amount equal to cash advances from the City.

**F. Grantor Recognition.**

The Subrecipient shall ensure recognition of the role of the City in providing services through this Contract. All activities, facilities and items utilized pursuant to this Contract shall be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Contract. Such labeling and/or reference shall include the following credit line: "This project is partially supported by a Community Development Block Grant and/or a HOME grant from the City of Fort Collins."

**G. Amendments.**

The City or Subrecipient may amend this Contract at any time, provided that such amendments make specific reference to this Contract and are executed in writing, signed by a duly authorized representative of both organizations. Such amendments shall not invalidate this Contract, nor relieve or release the City or Subrecipient from its obligations under this Contract, except as expressly provided therein.

The City may, in its discretion, amend this Contract 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 Contract, such modifications will be incorporated only by written amendment signed by both the City and Subrecipient.

**H. Suspension or Termination.**

1. Either party may terminate this Contract at any time by giving written notice to the other party of such termination and specifying the effective date thereof at least thirty (30) days before the effective date of such termination. Partial terminations of the Scope of Service in Paragraph I above may only be undertaken with the prior approval of City.
2. The City may also suspend or terminate this Contract, in whole or in part, if Subrecipient materially fails to comply with any term of this Contract, or with any of the rules, regulations or provisions referred to herein; and the City may declare the Subrecipient ineligible for any further participation in

City CDBG/HOME/AHF contracts, in addition to other remedies as provided by law. In the event there is probable cause to believe the Subrecipient is in noncompliance with any applicable laws, rules, or regulations, the City may withhold up to one hundred (100) percent of said Contract funds until such time as the Subrecipient is found to be in compliance by the City or is otherwise adjudicated to be in compliance, or to exercise the City's rights under any security interest of the City arising hereunder.

3. In the event of any termination, all finished or unfinished documents, data, studies, surveys, maps, models, photographs, reports or other materials prepared by Subrecipient under this Contract shall, at the option of the City, become the property of the City, and Subrecipient shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents or materials prior to the termination.
4. This Contract, and the City's obligations under it, will automatically terminate in the event of suspension or non-receipt of CDBG/HOME/AHF funds by the City.

## **VII. Administrative Requirements.**

### **A. Financial Management.**

#### **1. Accounting Standards.**

The Subrecipient agrees to comply with 24 CFR Part 85 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls and maintain necessary source documentation for all costs incurred.

#### **2. Cost Principles.**

The Subrecipient shall administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations", or A-21, "Cost Principles for Educational Institutions", or A-87, "Cost Principles for State, Local, and Indian Tribal Governments", as applicable; 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 Part 570.506 and that are pertinent to the

activities to be funded under this Contract. Such records shall include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. When applicable, 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/HOME assistance;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG/HOME program;
- f. Financial records as required by 24 CFR Part 570.502, and 24 CFR Part 85; and
- g. Other records necessary to document compliance with Subpart K of 24 CFR 570.

**2. Retention.**

The Subrecipient shall retain all records pertinent to expenditures incurred under this Contract for a period of five (5) years after the termination of all activities funded under this Contract, or after the resolution of all Federal audit findings, which ever occurs later. Records for non-expendable property acquired with funds under this Contract shall be retained for five (5) years after final disposition of such property. Records for any displaced person must be kept for five (5) years after he/she has received final payment.

**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 City monitors or their designees for review upon request.

**4. Property Records.**

The Subrecipient shall maintain real property inventory records which clearly identify properties purchased, improved or sold. Properties retained shall continue to meet eligibility criteria and shall conform with the "changes in use" restrictions specified in 24 CFR Parts 570.503(b)(8).

**5. National Objectives.**

When CDBG funding is used, the Subrecipient agrees to maintain documentation that demonstrates that the activities carried out with funds provided under this Contract meet one or more of the CDBG program's national objectives: (1) benefit low/moderate income persons, (2) aid in the prevention or elimination of slums or blight, or (3) meet community development needs having a particular urgency, as defined in 24 CFR Part 570.208, specific documentation of which shall be maintained in the project file.

**6. Close-outs.**

Subrecipient obligation to the City 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 receivable accounts to the City), and determining the custodianship of records.

**7. Audits and Inspections.**

- a. All Subrecipient records with respect to any matters covered by this Contract shall be made available to the Subrecipient, the City, their designee or the Federal Government, at any time during normal business hours, as often as the Subrecipient or City deems necessary, to audit, examine and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the City within thirty (30) days after receipt by the City. Failure of the Subrecipient to comply with the above requirements will constitute a violation of this contract and may result in the withholding of future payments.
- b. Subrecipient acknowledges that the federal funds subgranted to it are subject to the Single Audit of the City. The City, the U.S. Department of Housing and Urban Development, the Comptroller General of the U.S. or any of their duly authorized representatives or auditors, shall have access to any books, documents, papers and records of the Subrecipient or its auditors which are directly

pertinent to the Contract for the purpose of the City's Single Audit. All financial records pertaining to this Contract upon completion shall remain the property of the City.

- c. If Subrecipient expends \$500,000 or more of federal awards (including, but not limited to funds received from the City pursuant to this Agreement), within any of its fiscal years during which this Agreement is in force, Subrecipient agrees to have a Single Audit performed, at no cost to the City, in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133. In the event that the expenditures of \$500,000 or more indicated above are all pursuant to this Agreement, Subrecipient may elect to have a program-specific audit conducted in accordance with said Act and Circular. Said audit shall be submitted to the Office of the Controller of the City within nine (9) months after the end of Subrecipient's fiscal year for which the audit is performed.

#### **C. Monitoring and Evaluation.**

The City reserves the right to monitor and evaluate the progress and performance of the Subrecipient to assure that the terms of this Contract are being satisfactorily met in accordance with City and other applicable monitoring and evaluating criteria and standards. Subrecipient shall cooperate with City relating to such monitoring and evaluation, and make available to the City any documents or other information requested by the City or relevant to the City's monitoring and evaluation.

#### **D. Reporting and Payment Procedures.**

##### **1. Budgets.**

A detailed contract budget for Subrecipient's proposed project, as described in Exhibit C, and the specific use of the funds provided to Subrecipient under this and other City grant programs, is included as Exhibit A, attached hereto and incorporated herein by this reference. The City and the Subrecipient may revise the budget from time to time in accordance with existing City policies, by amendment of this Agreement.

##### **2. Program Income.**

The Subrecipient shall report yearly all program income, as defined at 24 CFR 570.500(a) generated by activities carried out with CDBG and/or HOME funds made available under this Contract, including, but not limited to, any rental income or income derived from the sale of the property. 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 described in the attached Scope of Services and shall report any such income received and allocated to the Work to the City and reduce requests for additional funds by the amount of any such program income balances on hand. All program income not used in accordance with this Section shall be returned to the City at the end of the Contract period. Any interest earned on cash advances from the U.S. Treasury is not program income and shall be remitted promptly to the City.

**3. Indirect Costs.**

If indirect costs are charged, the Subrecipient will develop an indirect cost allocation plan for determining the appropriate City share of administrative costs and shall submit such plan to the City for approval prior to submission of requests for any payments for the same.

**4. Payment Procedures.**

The City will pay to the Subrecipient funds available under this Contract based upon information submitted by the Subrecipient and consistent with any approved budget and City policy concerning payments. With the exception of certain advances, payments will be made for eligible expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. Payments will be adjusted by the City in accordance with advance fund and program income balances available in Subrecipient accounts. In addition, the City reserves the right to liquidate funds available under this Contract for costs incurred by the City on behalf of the Subrecipient.

**5. Progress Reports.**

The Subrecipient shall submit regular Progress Reports to the City in the form, content and frequency as required by the City.

**E. Procurement.**

**1. Compliance.**

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

**2. Applicable Standards.**

The Subrecipient shall procure materials in accordance with the requirements of 24 CFR Part 85.36, covering procurement, and shall subsequently follow 24 CFR Parts 85.31 and 85.32, covering utilization and disposal of property.

**3. Relocation, Acquisition and Displacement.**

The Subrecipient agrees to comply with 24 CFR 570.606 relating to the acquisition and disposition of all real property utilizing grant funds and to the displacement of persons, businesses, non-profit organizations and farms occurring as a direct result of any acquisition of real property utilizing grant funds.

**4. Property Acquired With Program Funds.**

Subrecipient agrees to use all personal assets and all real property, acquired or improved, in whole or in part, with CDBG/HOME/AHF funds, as set forth in Exhibit A. In the event Subrecipient ceases to use a personal asset or real property acquired or improved, with CDBG/HOME/AHF funds, in accordance with Exhibit A, the Subrecipient shall return the personal asset or real property to the City, or pay to the City a sum equal to its fair market value, less any portion of the value attributable to expenditures of non-CDBG/HOME/AHF funds for the acquisition of, or improvement to, the asset or property. The Subrecipient shall transfer to the City any CDBG/HOME/AHF funds on hand at the time of expiration of this Contract and any accounts receivable of CDBG/HOME/AHF funds.

**5. No Liens on Items or Property.**

At the time of obtaining title or possession of any personal or real property listed in Exhibit D, attached hereto and incorporated herein by this reference, Subrecipient agrees to provide to the City, through an appropriate lien, deed of trust, or other security instrument, such evidence of the security interest in said property under this Agreement as the City may deem appropriate, based upon the nature of the property, the Scope of Services, the potential term of the security interest, and such other reasonable considerations as the City may deem appropriate in protecting its interest in the funds provided hereunder. Subrecipient further agrees that in addition to, or in lieu of the above, the City may require the execution and recordation of Deed Restrictions on real property purchased in connection herewith, in order to protect the City's interest in the funds provided hereunder.

## **VIII. Personnel and Participant Conditions.**

### **A. Civil Rights.**

#### **1. Compliance.**

The Subrecipient agrees to comply with Chapter 13, Article II, of the City Code and Title 24, Article 34, Parts 3 through 7, C.R.S., 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 109 of Title 1 of the Housing and Community Development Act of 1974, 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 with Executive Order 11246, as amended by Executive Orders 11375 and 12086.

#### **2. 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 status, or status with regard to public assistance. The Subrecipient will take affirmative action to ensure 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 City setting forth the provisions of this nondiscrimination clause.

#### **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 Part 1. 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 Subrecipient and the United States are beneficiaries of and entitled to enforce such covenants. The Subrecipient, in undertaking its obligation to carry 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 any federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 706), which prohibits discrimination against the handicapped in any federally-assisted program. The contracting agency shall provide the Subrecipient with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Contract.

**B. Affirmative Action.**

1. Approved Plan.

The Subrecipient agrees that it shall be committed to carry out pursuant to the City's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1965. The City shall provide Affirmative Action guidelines to the Subrecipient to assist in the formulation of such program. The Subrecipient shall submit a plan for an Affirmative Action Program for approval prior to the award of funds.

2. W/MBE.

The Subrecipient will use its best efforts to afford minority and women-owned business enterprises the maximum practicable opportunity to participate in the performance of this Contract. As used in this Contract, the term "minority and female business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans and American Indians. The Subrecipient may rely on written representations by Subrecipients 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 subSubrecipients to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the City, HUD, or its agent, or other authorized federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

**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 workers' 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. 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 VIII 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 subSubrecipient or vendor.

**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; sectarian or religious activities; lobbying, political patronage and nepotism activities.

**2. OSHA.**

Where employees are engaged in activities not covered under the Occupational Safety and Health Act of 1970, they shall not be required or permitted to work, be trained or receive services in buildings or surroundings or under working conditions which are unsanitary, hazardous or dangerous to the participants' health or safety.

**3. Right to Know.**

Participants employed or trained for inherently dangerous occupations, e.g., fire or police jobs, shall be assigned to work in accordance with reasonable safety practices. The Subrecipient will comply with all applicable "Right to Know" Acts.

4. Labor Standards.

- a. 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, the Copeland "Anti-Kickback" Act (40 U.S.C. 276, 327-333) 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 Contract. The Subrecipient shall maintain documentation which demonstrates compliance with wage and hour requirements of this part. Such documentation shall be made available to the City for review upon request.
- b. The Subrecipient agrees that, except with respect to the rehabilitation or construction of residential property designed for residential use for less than eight (8) units, all contractors engaged under contracts in excess of Two Thousand Dollars (\$2,000) for construction, renovation or repair of any building or work financed in whole or in part with assistance provided under this Contract, and/or with respect to the rehabilitation or construction of residential property where there are more than 12 HOME-assisted units, the Subrecipient shall comply with federal requirements adopted by the City pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 3, 1, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journeymen; 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.

5. "Section 3" Clause.

a. Compliance.

Compliance with the provisions of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701, 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 City, the Subrecipient and any subSubrecipients. Failure to fulfill these requirements shall subject the City, the Subrecipient and any subSubrecipients, their successors and assigns, to those sanctions specified by the Contract through which federal assistance is provided. The Subrecipient certifies and agrees that no contractual or other

disability exists which would prevent complaint 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 Contract:

The work to be performed under this contract 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 lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the areas of the project.

The Subrecipient certifies and agrees that no contractual or other disability exists which would prevent compliance with the 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 workers' 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 Subrecipient is in violation of regulations issued by the City. The Subrecipient will not subcontract with any subSubrecipient where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR 135 and will not let any subcontract unless the subSubrecipient 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 Contract or any property obtained using the funds provided under this Contract without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Subrecipient from the City 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 City.

**2. Conflict of Interest.**

The Subrecipient agrees to abide by the provisions of 24 CFR 570.611 with respect to conflict of interest, and covenants that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Contract. The Subrecipient further covenants that in the performance of this Contract, no person having such a financial interest shall be employed or retained by the Subrecipient hereunder. These conflict of interest provisions apply to any person who is an employee, agent, consultant, officer or elected official or appointed official of the City, or of any designated public agencies or subrecipients which are receiving funds under the HOME and/or CDBG Entitlement program.

**3. 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 City prior to the execution of such contract.

**b. Monitoring.**

The Subrecipient will monitor all subcontracted services on a regular basis to assure compliance with both this Contract and the applicable subcontract. 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 Contract.

d. **Selection Process.**

The Subrecipient shall undertake to ensure that all subcontracts let in the performance of this Contract shall be awarded in a fair and open competition basis. Executed copies of all subcontracts shall be forwarded to the City, along with documentation concerning the selection process.

4. **Copyright.**

If this Contract results in any copyrightable material, the City 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 for government purposes.

5. **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).

**IX Environmental Conditions.**

When applicable, no funds shall be obligated or expended until an Environmental Review is completed and accepted by HUD and the City of Fort Collins.

**A. Air and Water.**

The Subrecipient agrees to comply with the following laws and regulations, along with any other environmental or public health related laws or regulations, insofar as they apply to the performance of this Contract:

- Clear Air Act, 42 U.S.C., 1857, et seq.;
- 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;

- Environmental Protection Agency (EPA) regulations pursuant to 40 CFR, Part 50, as amended;
- National Environmental Policy Act of 1969; and
- HUD Environmental Review Procedures (24 CFR Part 58).

**B. Flood Disaster Protection.**

The Subrecipient agrees to comply with the requirements of the Flood Disaster Protection Act of 1973 (P.L. 2234) in regard to the sale, lease or other transfer of land acquired, cleared or improved under the terms of this Contract, as it may apply to the provisions of this Contract. Compliance measures may include, but are not limited to, maintaining flood insurance, structural adaptation or other mitigation as required.

**C. Lead-based Paint.**

The Subrecipient agrees that any construction or rehabilitation of residential structures with assistance provided under this Contract shall be subject to HUD Lead-based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, and in particular Subpart B thereof. Such regulations pertain to all HUD-assisted housing and require that all owners, prospective owners, and tenants or properties constructed prior to 1978 be properly notified that such properties may include lead-based paint, and shall be inspected for lead hazards prior to purchase or rehabilitation.

**D. Historic Preservation.**

The Subrecipient agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this Contract.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty (50) years or older or that are included on a federal, state or local historic property list.

**X. Entire Agreement/Governing Law.**

The provisions set forth in Items I-IX, and all attachments of this Contract constitute the entire agreement between the parties hereto and no statement, promise, conditions, understanding, inducement or representation, oral or written, express or implied, which is not contained herein shall be binding or valid. This Contract shall be governed under the laws of the State of Colorado.

IN WITNESS WHEREOF, the parties have executed this Contract as of the date of the most recent signatory.

**THE CITY OF FORT COLLINS, COLORADO  
A Municipal Corporation**

Date: 1-28-04

By: *John F. Fischbach*  
John F. Fischbach, City Manager

ATTEST:

*Wanda K. Peay*  
City Clerk

APPROVED AS TO FORM:

*[Signature]*  
Deputy City Attorney

**FORT COLLINS HABITAT FOR HUMANITY, INC.  
A Colorado Non-Profit Corporation**

Date: 12/19/03

By: *Richard L. Belter*  
Title: *President*

Date: 12/19/03

By: *Glen R. Goff*  
Title: *Treasurer*

Fed. I.D. Number: 84-1217901

ATTEST:

*[Signature]*  
Board Secretary  
(Corporate Seal)



**EXHIBIT A  
SCOPE OF SERVICES**

- 1. Project Description and Objectives.** Fort Collins Habitat for Humanity, Inc. will develop at least one affordable unit on at least one lot purchased with funds awarded. CDBG-eligible, acquisition-related costs are also considered to be qualifying expenditures. The balance of the funds necessary to produce the housing unit(s) will be raised by the Subrecipient.
- 2. Low and Moderate Income Benefit.** The units are will be occupied by households with income to or less than 50% of the area median income. Income limits are attached to this document as Exhibit B and may be amended as necessary.
- 3. Encumbrances Transfer to First Purchaser from Subrecipient as Due-on-Sale Loan.** The Promissory Note and securing Deed of Trust for funds awarded to the Subrecipient through this Contract shall be assumable by the family purchasing the Habitat property and meeting the income requirements described herein ("First Purchaser").
- 4. Affordability Requirements.** The property (or any subsequently developed property required in this paragraph) shall be dedicated to occupancy for a period of not less than twenty years by the First Purchaser. If the First Purchaser subsequently sells or transfers any interest in the property, or in the event that the First Purchaser ceases to occupy the property as First Purchaser's primary residence within twenty (20) years from the date of property transfer from the Subrecipient, the Subrecipient shall commence, within two years of the Purchaser's property transfer, construction in the City of a new dwelling unit, which is above and beyond those units already scheduled for construction, and which shall be occupied by a family at or below fifty percent (50%) of Area Median Income (AMI) for the City of Fort Collins, and shall complete construction of such new dwelling unit within three years of the First Purchaser's property transfer.
- 5. Deed Restriction.** The City shall be responsible for executing a deed restriction that will ensure that the property will remain affordable without regard to the term of any mortgage or the transfer of ownership for not less than the appropriate term described in the previous paragraph.
- 6. Contract Administration.** Fort Collins Habitat for Humanity, Inc. shall be responsible for the administration of the contract.
- 7. City Monitoring.** The City of Fort Collins CDBG and HOME Program will monitor this project.
- 8. Housing Standards.** These units will, at a minimum, meet the HUD's Housing Quality Standards (24 CFR, Section 982.401, incorporated by reference), and all applicable local and state building codes and standards.

**9. Time of Performance.** The Project shall commence upon the full and proper execution of this Contract and shall be completed on or before December 31, 2004. However, the Project Time of Performance may be extended by letter, subject to mutual agreement of the City and the Contractor. To initiate this process, a written request shall be submitted to the City by the Contractor at least sixty (60) days prior to December 31, 2004 and shall include a full justification for the extension request.

**EXHIBIT B  
INCOME LIMITS**

2003 Income Limits (as of 2/24/03)  
2003 Median Income for a Family of 4: **\$64,800**

	Household members							
Income (% AMI*)	1	2	3	4	5	6	7	8
100%	45,375	51,812	58,312	64,800	70,000	75,187	80,175	85,562
80%	<b>36,300</b>	<b>41,450</b>	<b>46,650</b>	<b>51,850</b>	<b>56,000</b>	<b>60,150</b>	<b>64,300</b>	<b>68,450</b>
50%	22,700	25,900	29,150	32,400	35,000	37,600	40,200	42,750
30%	13,600	15,550	17,500	19,450	21,000	22,550	24,100	25,650

**\* AMI = Area Median Income**

**EXHIBIT C  
PROJECT BUDGET**

<b>Project Activities</b>	<b>Cost Per Home</b>	<b>City CDBG Funds</b>
<b>A. Acquisition Costs</b>		
1. Land	62,000	62,000 (minimum 1 home)
2. Appraisals	250	0
3. Soils Tests	150	0
4. Surveys	500	0
<b>B. Construction Costs</b>		
1. Building Permit Fees	8,600	
2. Tap Fees & City Fees	13,000	
3. Construction	60,000	
4. Landscaping	2,500	
<b>C. Design Fees</b>		
1. Engineering Fees	775	
<b>D. Interim Costs</b>		
1. Construction Insurance	325	
<b>E. Project Management</b>		
1. Project/Construction Management	10,000	
2. Consultants Energy Test	125	
<b>F. Homebuyer Assistance</b>		
1. Downpayment Assistance	19,152	
2. Closing Costs	500	
<b>G. General Administration</b>		
1. Operating/Supplies	200	
2. Environmental Review	600	569
3. Environmental Notification	250	
<b>GRAND TOTAL</b>	<b>\$178,927</b>	<b>\$62,569</b>

**EXHIBIT D**

**No item or property will be liened under this agreement.**