

City of Fayetteville Staff Review Form

2021-0125

Legistar File ID

2/23/2021

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Yolanda Fields

2/11/2021

COMMUNITY RESOURCES (642)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

Staff recommends the approval of a budget adjustment to reflect the reallocation of 2020 CDBG funds and authority for the mayor to sign the Subrecipient Grant Agreement.

Budget Impact:

2180.642.4940-5315.00

Community Development

2180.642.4970-5390.40

Account Number

Fund

N/A

N/A

Project Number

Project Title

Budgeted Item? NA

Current Budget \$ -

Funds Obligated \$ -

Current Balance \$ -

Does item have a cost? NA

Item Cost

Budget Adjustment Attached? Yes

Budget Adjustment \$ 50,000.00

Remaining Budget \$ 50,000.00

V20180321

Purchase Order Number: _____

Previous Ordinance or Resolution # _____

Change Order Number: _____

Approval Date: _____

Original Contract Number: _____

Comments:



MEETING OF FEBRUARY 23, 2021

TO: Mayor and City Council

THRU: Susan Norton, Chief of Staff

FROM: Yolanda Fields, Community Resources Director

DATE: February 11, 2021

SUBJECT: Approval of a budget adjustment and the reallocation of 2020 CDBG funds and authority for mayor to sign the Subrecipient Grant Agreement.

RECOMMENDATION:

Staff recommends the approval of a budget adjustment to reflect the reallocation of 2020 CDBG funds and authority for the mayor to sign the Subrecipient Grant Agreement.

BACKGROUND:

Resolution #242-20 approved the 2020 Action Plan. Based on community needs reallocation of \$50,000 to 7hills Homeless Center to implement the COVID-19 Cold Weather Response Plan was approved by HUD.

DISCUSSION:

7hills Homeless Center programs are designed to meet the changing needs of the homeless community in Northwest Arkansas. They provide basic needs, housing, and support services to people experiencing homelessness. The funding reallocated will support the 7hills Homeless Center's COVID-19 Cold Weather Response Plan.

BUDGET/STAFF IMPACT:

\$50,000 will be reallocated from Housing Contract Services (2180.642.4940-5315.00) to CDBG Projects – 7hills Day Center (2180.642.4970-5390.40) on the attached Budget Adjustment.

Attachments:

7hills Homeless Center Agreement
Budget Adjustment



GRANT YEAR 2021
PUBLIC SERVICES SUBRECIPIENT GRANT AGREEMENT

This Agreement is entered into on this ____ day of February 2021, between the City of Fayetteville, hereinafter known as the City, and 7hills Homeless Center, hereinafter known as the "Subrecipient".

WHEREAS the City has received funding under Title I of the Housing and Community Development Act of 1974, hereunder known as the "Act", through the United States Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) from the Entitlement Cities program established under the Act as amended, and the rules, regulations, policy memoranda, and other authority; and,

WHEREAS the Act contains certain requirements regarding the use of CDBG funds to fulfill a National Objective as defined in the Act; and,

WHEREAS the Act prohibits discrimination under any program or activity funded with CDBG monies on the basis of race, color, national origin, sex, age or handicap; and,

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the City and the Subrecipient agree as follows:

1. **TERM OF AGREEMENT:** The funding for this Agreement shall begin on the date first written above and expire on **December 31, 2021**; any funds not reimbursed prior to this date will revert back to the City. The final date reimbursement requests will be accepted is **December 7, 2021 at noon**.
2. **COMPLIANCE WITH APPROVED PROGRAM:** The City hereby designates and the Subrecipient hereby agrees to receive the City's CDBG Subrecipient Grant and to administer such grant in accordance with this agreement, and the Act; and the Subrecipient certifies that the activities carried out with funds provided under this Agreement will meet at least one of the CDBG Program's National Objectives set forth by HUD as indicated in **Attachment A (National Objective)**.
3. **LIMITATION ON FUNDING:** It is expressly agreed and understood that upon execution of the Agreement, the City agrees to allocate no more than the amount of **Fifty Thousand Dollars and Zero Cents (\$50,000.00)** for the full and complete satisfactory performance of this Agreement. Drawdowns for the payment of eligible expenses shall be made against the line-item budgets specified in **Attachment B (Project Budget)** and in accordance with performance.
4. **AMENDMENTS:** Any revision to this Agreement, including Attachments, shall only be made by a written amendment, approved by the City, to this Agreement.
5. **SCOPE OF PROJECT:** The Subrecipient shall perform all services according to the Statement of Work as indicated in **Attachment C (Project Description)**. Any deviation from the provisions detailed in the Statement of Work shall be prohibited unless approved by the City and made an amendment to the Agreement.
6. **FISCAL AND ADMINISTRATIVE RESPONSIBILITIES:** The Subrecipient agrees to comply with the provisions of **24 CFR 570.502 Applicability of Uniform Administrative Requirements**, as applicable, and all requirements and standards which include but are not limited to the following:



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- A. **Allowable and Allocable Costs:** Costs must be necessary, reasonable and directly related to the scope of the project in this agreement. In addition, costs must be legal and proper. The budget included in **Attachment B (Project Budget)** shall control amounts of allowable expenditures within budget categories.
- B. **Timeliness Requirement:** Seventy-five percent of the current grant allocation must be disbursed to the Subrecipient by **September 20th** of the current grant year.
- C. **Disbursement of Funds:** The Subrecipient shall render to the City a request for reimbursement of project expenditures.
- D. **Procurement:** All contracts for services and procurement for materials shall be carried out in compliance with **2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards** and all other applicable federal, state, and local rules and regulations, including regulations and policies from the City's Purchasing Division.
- E. **Documentation of Costs:** The Subrecipient shall maintain records on materials purchased, services performed, individuals and families served. All costs shall be supported by evidencing in proper detail the nature and propriety of charges. All checks, payrolls, invoices, contracts, vouchers, orders or other accounting documents pertaining in whole or in part to this Agreement shall be clearly identified and readily accessible.
- F. **Records and Reports:** The Subrecipient shall, at a minimum, submit the following reports to the City:
- 1) **Monthly beneficiary reports** shall be submitted to the City fifteen days after month end. Monthly beneficiary reports shall be submitted on the City provided form and will provide demographic information, income level information (verifying majority of clients fall within HUD LMI limits) and outline CDBG funded activities undertaken during each month for the duration of the project. It will include a description of progress in meeting the prescribed CDBG National Objective as indicated in **Attachment A**. Failure to provide the required documentation and information will affect the funding in this agreement and future requests for funding.
 - 2) **Financial statements** shall be submitted in order to receive reimbursement. Financial statements shall utilize the City provided reimbursement form and shall outline all expenses applicable to the CDBG assisted project that reimbursement is requested for.
 - 3) **A Final Summary Report** due no later than January 31, 2022 shall include a summary of all compiled information described in paragraphs 6(E) and 6(F) (1) (2) above.
 - 4) The Subrecipient agrees to maintain records and reports related to the project for a period of no less than **five years** following the term of this Agreement.
7. **CDBG PROGRAM INCOME:** Any income directly generated from the use of the CDBG grant funds shall be returned to the City of Fayetteville Community Development Block Grant Program in compliance with **24 CFR 570.504 (c) Program Income (Disposition of program income received by subrecipients)**.
8. **ACCESS TO RECORDS:** At any time during normal business hours and as often as the City deems necessary, the Subrecipient shall make available to the City for examination all of its records with respect to all matters covered by this Agreement. Further, the Subrecipient shall



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permit the City to make excerpts of transcripts from such records, make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement.

9. **MONITORING AND AUDITS:** The City is required to ensure that federal CDBG program requirements are met, that the funds are used for the purpose of the program, and the Subrecipient complies with reporting and auditing requirements. The City will monitor and audit the Subrecipient to assure the compliance of project progress as stated in **Attachment D (Project Schedule)** along with all other attachments.

A. **Remedies for Non-Compliance:** If the Subrecipient fails to comply with any term in this Agreement, the City may take one or more of the actions indicated in **2 CFR Part 200.338 Remedies for noncompliance.**

10. **PERFORMANCE TERM EXTENSION:** The City may consider an extension of the term of performance based on justifiable circumstances beyond the control of the Subrecipient. The Subrecipient shall make application and submit documentation to the City regarding such circumstances, and acceptance of a proposal for the new time frame constitutes an amendment to the agreement. Any such request for extensions shall be subject to the written approval of the City, acted upon by the City within fourteen (14) days of the receipt of the notice of request for extension. The decision of the City shall be final and conclusive, provided that such approval shall not be unreasonably withheld. No requests for extension will be accepted after August 31st.

11. **PROGRAM CLOSE-OUT:**

A. **Termination of Agreement:**

- 1) **Termination by City:** Notification shall be provided in the form of a written notice specifying the effective date of termination. The City may terminate this Agreement in whole or in part for cause, which shall include:
 - Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement, including compliance with approved program and Agreement conditions, and such statutes, executive orders and HUD directives as may become applicable at any time,
 - Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect,
 - Ineffective or improper use of funds provided under this Agreement,
 - Failure of the Subrecipient to supply the City with monthly reports and audits as required by the City herein,
 - Failure of the Subrecipient to comply with the City's corrective action plan respective to audits required by the City herein.
- 2) **Termination by the Subrecipient:** The Subrecipient may propose to terminate this Agreement in whole or in part, for good cause only by giving at least thirty (30) days written notice specifically stating the cause for such requested termination. Any such request for termination shall be subject to the written approval of the City, acted upon by the City within ten (10) days of the receipt of the notice of request to terminate. The decision of the Recipient shall be final and conclusive, provided that such approval shall not be unreasonably withheld.



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- 3) **Mutual Termination:** This Agreement may also be terminated by either the City or the Subrecipient in whole or in part, by mutual agreement setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated. However, in the case of partial termination, if the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.
- B. **Use and Reversion of Assets:** The Subrecipient shall use all CDBG-assisted property acquired under this Agreement in accordance with **24 CFR 570.505 Use of Real Property** for a period of five (5) years following the date of project completion. Project completion is denoted by final payout of the grant award respective to the CDBG Program. Unless specified otherwise within this Agreement, at the conclusion, cancellation, assignment or termination of this Agreement, the disposition of assets under this Agreement shall be in compliance with **24 CFR 570.503 Agreements with Subrecipients, 24 CFR 570.504 Program Income and 24 CFR 570.505 Use of Real Property**, as applicable, which include but are not limited to the following:
- 1) If this agreement is terminated or canceled in accordance with the terms, conditions, and procedures of this Agreement, thirty (30) days after termination of this agreement the Subrecipient shall provide and turn over to the City all materials, books, accounts, records, files and other papers, or items pertaining to the project.
 - 2) Any real property acquired or improved in whole or in part with CDBG funds in excess of \$500.00 under the Subrecipient's control upon expiration or termination of this agreement shall be used to meet one of the national objectives contained in section 570.208 of the Act for a period of five (5) years after the expiration of the agreement, or for such longer period of time as determined to be appropriate by the City.
 - 3) In the event the Subrecipient does not expend the amount allocated under this Agreement or the project is canceled, expired, assigned or terminated for any reason, any funds not claimed by the Subrecipient and approved by the City for allowable costs by the end of the term or by the date of cancellation, expiration, or termination of this Agreement, as the case may be, shall no longer be payable to the Subrecipient under this Agreement.
12. **COMPLIANCE WITH FEDERAL RULES AND REGULATIONS:** The Subrecipient agrees to comply with all applicable rules and regulations, as now in effect and as may be amended from time to time, including but not limited to those federal rules and regulations referred to in this Agreement. Unearned payments under this Agreement may be suspended or terminated upon refusal to accept any additional conditions that may be imposed by HUD at any time or if the grant to the City under Title I of the Housing and Community Development Act of 1974, is suspended or terminated.
13. **CLAIMS AGAINST THE CITY:** The Subrecipient agrees to defend, indemnify and save harmless the City from any and all claims of any nature whatsoever which may arise from the Subrecipient's performance of this Agreement; provided, however, that nothing contained in this Agreement shall be construed as rendering the Subrecipient liable for acts of the City, its officers, agents or employees.
14. **CONFLICTS OF INTEREST:** The Subrecipient represents that none of its employees, officers, or directors presently have any interest, either directly or indirectly, which would conflict in any



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manner with the Subrecipient's performance or procurement under this Agreement, and that no person having such interest will be appointed or employed by the Subrecipient.

15. **NOTICES:** Communication and details concerning the Agreement shall be directed to the following contract representatives:

7hills Homeless Center
Jessica Andrews
Chief Executive Officer
1832 S School Ave
Fayetteville, AR 72701

City of Fayetteville
Community Resources Division
Yolanda Fields, CGFM
Community Resources Director
113 W Mountain St
Fayetteville AR 72701

16. **BINDING AFFECT:** This Agreement shall be binding upon and shall ensure to the benefit of the parties hereto and their respective heirs and assigns; provided, however, that no assignment shall be effective to relieve a party of any liability under this Agreement unless the other party has consented in writing to the assignment and agreed to the release of such liability. The City and the Subrecipient hereby acknowledges receipt of a duly executed copy of this Agreement complete with all Exhibits attached hereto.

EXECUTION/SIGNATORIES TO AGREEMENT PROVIDED BELOW

IN WITNESS WHEREOF, we have hereunto set our hands on the date first written above.

7hills Homeless Center

City of Fayetteville



Jessica Andrews, Chief Executive Officer

Lioneld Jordan, Mayor

City of Fayetteville HUD Identification # B-20-MC-05-0001