

Resolution No. 89749-0506

**RESOLUTION TO APPROVE AN ADMINISTRATIVE PLAN FOR MUSCATINE'S 2006
HOUSING REHABILITATION PROGRAM**

WHEREAS, the City of Muscatine has received \$415,788 in federal housing funds through the Community Development Block Grant (CDBG) Housing Fund program; and provided an additional \$7,500 in local funds to aid in the rehabilitation of eligible properties within portions of the Riverbend neighborhood of the city; and

WHEREAS, the Iowa Department of Economic Development (IDED), as the coordinating state agency responsible for the CDBG program in Iowa, requires grant recipients to develop and utilize a comprehensive administrative plan for use in implementing the CDBG Housing Fund program within their communities; and

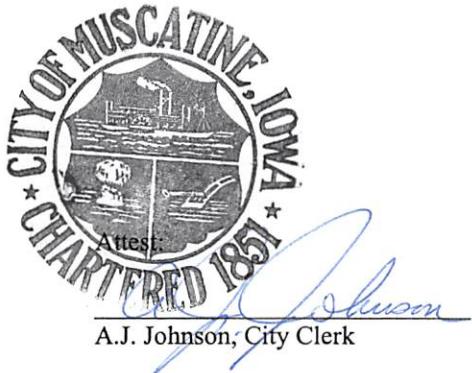
WHEREAS, the IDED has developed a standardized administrative plan for use by grant recipients to use for the above purpose; and

WHEREAS, the Planning, Zoning and Building Safety Department of the City of Muscatine has modified the state plan to cover the specific Housing Fund programming needs of the City of Muscatine, including (1) the substitution of Muscatine's Building Regulations for Iowa's Minimum Housing Rehabilitation Standards (2) inclusion of a tentative initial application period of July 31 to August 11; (3) inclusion of Exhibit A, a temporary relocation policy; and

WHEREAS, the Iowa Department of Economic Development must approve the City of Muscatine's administrative plan with these modifications prior to the city initiating its 2006 Housing Rehabilitation Program,

NOW, THEREFORE, BE IT RESOLVED, the City of Muscatine hereby approves Muscatine's Owner-Occupied Rehabilitation Administrative Plan For Program Year 2006 and submits the plan to the Iowa Department of Economic Development for its approval.

Passed, Approved and Adopted by the City of Muscatine this 4th day of MAY, 2006.



By the City Council of Muscatine, Iowa


Richard W. O'Brien, Mayor

MEMO

TO: A. J. Johnson, City Administrator

FROM: Jim Rudisill, Planning and Community Development Coordinator

SUBJECT: Request For Council Approval Of Muscatine's 2006 CDBG Housing Rehab Administrative Plan And Other Resolutions

DATE: April 27, 2006

The Iowa Department of Economic Development (IDED) awarded Muscatine a \$415,788.00 housing rehabilitation grant in March 2006 and is in the process of finalizing a contract between itself and the city.

There are several conditions the city must meet before a contract can be signed or funding released. Among these conditions is the city is required to develop an administrative plan that will be used to implement distribution of these funds to eligible property owners in the target area (a portion of the Riverbend Neighborhood area). This is a new area from previous CDBG-Housing Fund awards that targeted the East Hill area. The IDED developed a standardized plan in 2000, including all forms used in the program, and offered it to all grant recipients for their use. A revision of that plan for 2006 was also developed by the IDED. The Planning, Zoning and Building Safety Department staff modified this latest plan by the following:

1. **Substitution of Muscatine's Building Regulations (Title 8 of the Muscatine City Code) for the Iowa's Minimum Housing Rehabilitation Standards (a set of generic building codes developed by the IDED;**
2. **Inclusion of an initial application period that is tentatively scheduled to run from July 31 to August 11, 2006.**
3. **Inclusion of Exhibit A – Temporary Relocation Policy**

Other than these changes, Muscatine's administrative plan is the same as originally developed by the IDED and approved by the council for the prior program.

Upon approval by the council, the plan will be sent to the IDED for its approval. A resolution to approve the plan is attached.

In addition to the administrative plan resolution, there are four other resolutions attached:

1. **Resolution To Establish A Policy On The Prohibition Of The Use Of Excessive Force Within The City Of Muscatine**
2. **Resolution To Establish A Residential Anti-Displacement And Relocation Assistance Plan** (this is to cover permanent, not temporary, relocation. Permanent relocation is not an activity that will be covered by this program, but federal guidelines require such a plan still be approved)
3. **Resolution To Establish The Muscatine Rehabilitation Committee ... And Appoint The Membership Of That Committee**
4. **Resolution On Providing Forgivable Loans**

Each action is a requirement for the CDBG funds. Except for the forgivable loan resolution, all were approved in the past for prior programs. There have been no changes from those prior resolutions, except Steve Boka has suggested he not be on the rehab committee because of his new position. Rich Jones has agreed to replace Steve. Kas Kelly and Michelle Heller both served on the 2003 rehab committee and have agreed to serve again.

An environmental review must still be completed. That process could take anywhere from 45-90 days, so it will likely be late summer/early fall before any actual rehab work can begin.

IOWA DEPT. OF ECONOMIC DEVELOPMENT
MAY 22, 2006
DIVISION OF COMMUNITY DEVELOPMENT

**IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
HOUSING FUND CONTRACT**

RECIPIENT:	City of Muscatine
CONTRACT NUMBER:	06-HSG-037
CONTRACT EFFECTIVE DATE:	March 29, 2006
AWARD AMOUNT:	\$415,788
END DATE:	March 31, 2008

THIS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM ("CDBG") HOUSING FUND CONTRACT is made by and between the IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT, 200 East Grand Avenue, Des Moines, Iowa 50309 ("Department" or "IDED") and the Recipient, effective as of the date stated above.

WHEREAS, the Department is designated to receive, administer, and disburse CDBG funds; and

WHEREAS, the Department desires to disburse grant funds to the Recipient for eligible purposes primarily benefiting low and moderate income persons, eliminating slums and blight, or meeting community development needs having particular urgency; and

WHEREAS, the Recipient submitted an Application for funding to the Department and the Department has approved the Application; and

WHEREAS, in approving the Application the Department has relied upon the representations of proposed activities; management and financial condition of the Recipient; investment of other funds; and other material information contained therein; and

WHEREAS, the Recipient has certified to the Department that the primary purpose for obtaining CDBG funds is to primarily benefit low and moderate income persons, eliminate slums and blight, or meet community development needs having a particular urgency;

NOW, THEREFORE, the Recipient accepts this grant upon the terms and conditions set forth in this Contract. In consideration of the mutual promises contained in this Contract and other good and valuable consideration, it is agreed as follows:

ARTICLE 1
DEFINITIONS

As used in this Contract, the following terms shall apply:

- 1.1 **ACT.** "Act" means Title I of the Housing and Community Development Act of 1974 as amended (42 U.S.C. 5301 et seq.).
- 1.2 **ACTIVITY.** "Activity" means the description of work, services, and other accomplishments to be performed by the Recipient as described in the Housing Fund Application approved by the Department.
- 1.3 **ALLOWABLE COSTS.** "Allowable Costs" are those costs which are identified on Attachment A, "Program Description and Budget;" Attachment B, Application; and consistent with Federal regulations and guidelines applicable to the CDBG program.
- 1.4 **COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG).** "Community Development Block Grant Program" means the grant program authorized by Title I of the Housing and Community Development Act of 1974, as amended.
- 1.5 **CONTRACT.** "Contract" means this Contract and all of the leases, assignments, and similar documents referred to in the Contract and all other instruments or documents executed by the Recipient or otherwise required in connection with the Contract, including the Housing Fund Application together with any related submittal documents.

1.6 **CONTRACT END DATE.** "Contract End Date" means the date the Contract ceases to be in force and effect, unless the Contract is terminated earlier. The Contract expires upon the occurrence of one of the following: a) the Recipient fulfills the conditions and accomplishments agreed to herein as of the Contract End Date; or b) the Contract is terminated by the Department due to any default under Article 9; or c) the Contract is terminated in accordance with provisions set forth in Sections 8 and 9 of the General Provisions, Attachment C of this Contract.

1.7 **GRANT.** "Grant" means the award of CDBG funds to the Recipient for activities.

1.8 **HUD.** "HUD" means the U.S. Department of Housing and Urban Development.

1.9 **LOW- AND MODERATE-INCOME FAMILIES.** "Low- and Moderate-Income Families" means those families earning no more than 80 percent of the higher of the median family income of the county or the statewide nonmetropolitan area as determined by the latest U.S. Department of Housing and Urban Development, Section 8 income guidelines. Unrelated individuals shall be considered as one-person families for this purpose.

1.10 **LOW- AND MODERATE-INCOME PERSONS.** "Low and Moderate Income Person" means a member of a low- and moderate-income family as defined above.

1.11 **PROJECT.** "Project" means a discrete item of work as determined to be eligible under program guidelines.

ARTICLE 2 FUNDING

2.1 **FUNDING SOURCE.** The source of funding for the Grant is a Federal appropriation for the Community Development Block Grant (CDBG) Program, Housing Fund Set-Aside.

2.2 **RECEIPT OF FUNDS.** All payments under this Contract are subject to receipt by the Department of sufficient Federal funds for the CDBG program. Any termination, reduction, or delay of CDBG funds to the Department shall, at the option of the Department, result in the termination, reduction or delay of CDBG funds to the Recipient.

2.3 **PRIOR COSTS.** If any Recipient has received written approval from the Department to incur certain costs prior to the Effective Date of this Contract, then said written approval and the terms and conditions therein are incorporated herein and made a part of this Contract by this reference as if fully set forth. Any such costs incurred prior to the Effective Date of this Contract are subject to the Special Conditions and General Conditions of this Contract.

2.4 **DISBURSEMENT OF LESS THAN THE TOTAL AWARD AMOUNT.** If the total award amount has not been requested by the Recipient within sixty (60) days after the Contract End Date, then the Department shall be under no obligation for further disbursement. The Department may allow access to funds after this time for allowable costs associated with the conduct of the audit(s) required in Article 2.0 of the General Provisions, Attachment C to this Contract.

ARTICLE 3 TERMS OF GRANT

3.1 **TIME OF PERFORMANCE.** The services of the Recipient are to commence as of the Effective Date and shall be undertaken in such sequence as to assure their expeditious completion. All of the services required hereunder shall be completed on or before the Contract End Date.

3.2 **MAXIMUM PAYMENTS.** It is expressly understood and agreed that the maximum amounts to be paid to the Recipient by the Department for any item of work or service shall conform to the budget as presented in Attachment A, "Program Description and Budget." It is further understood and agreed that the total of all payments to the Recipient by the Department for all work and services required under this Contract shall not exceed the Award Amount unless modified by written amendment of this Contract as provided in Section 1.0 of the General Provisions.

3.3 **LOCAL CONTRIBUTION REQUIREMENT.** The Recipient agrees to provide local contribution to the Activity or Activities as defined on Attachment A, "Program Description and Budget."

3.4 **ADMINISTRATION.** This Contract shall be administered in accordance with 261 Iowa Administrative Code, Chapter 25 and all applicable State and Federal laws and regulations, including the Iowa Housing Fund Management Guide and the required elements of the IDED's model of the Owner-Occupied Rehabilitation Administrative Plan (as applicable), which have been provided by IDED to the Recipient.

ARTICLE 4 ACTIVITY REQUIREMENTS

4.1 **PERFORMANCE TARGETS.** On the Contract End Date, the Recipient shall have accomplished the activities and performance targets as described in Attachment A, "Program Description and Budget," and as further elaborated in Attachment B, Housing Fund Application, as approved by the Department.

4.2 **CALCULATION OF ACTIVITY COMPLETION.** The Department has the final authority to assess whether the Recipient has met their performance targets at the Contract End Date. The Department shall determine completion according to the performance targets set forth in Attachment A, "Program Description and Budget." The Department reserves the right to monitor and measure at any time during the Contract term the achievement of the performance targets.

ARTICLE 5 USE OF FUNDS

5.1 **GENERAL.** The Recipient shall perform in a satisfactory and proper manner, as determined by the Department, the work and services as written and described in the approved Housing Fund Application (Attachment B) as summarized in the Recipient's approved "Program Description and Budget" (Attachment A).

5.2 **PROGRAM INCOME.** Proceeds in excess of \$25,000 in a year generated from the use of CDBG funds (program income) received by the recipient prior to the Contract End Date, shall be expended prior to requesting additional CDBG funds. Proceeds in excess of \$25,000 in a year generated from the use of CDBG funds (program income) received by the recipient after the Contract End Date shall be returned to the Department.

5.3 **BUDGET REVISIONS.** Budget revisions that would result in increases of budgeted line item amounts in excess of ten percent (10%) or ten thousand dollars (\$10,000), whichever is less, shall be subject to approval of the Department through the Contract amendment process. Budget line item decreases that would lower the Recipient's performance level required under this Contract must be first approved by the Department through the amendment process. In no instance shall a budget revision result in total costs exceeding the total Contract amount. Budget revisions shall be compatible with the terms of this Contract and be of such a nature as to qualify as an allowable cost. These provisions shall not be construed as allowing general administrative costs to exceed the limits provided in Article 5.4. Budget revisions requested during the final ninety (90) days of the Contract period will be approved by the Department only if it determines that the revisions are necessary to complete all activities.

5.4 **GENERAL ADMINISTRATIVE COST LIMITATIONS.** Federal funds used for reasonable general administrative costs, as allowed under Federal and State regulations, shall be limited to ten percent (10%) of the total Housing Fund Award. Program income received by the Recipient during the Contract period is subject to the ten percent (10%) general administrative cost limitation.

ARTICLE 6 CONDITIONS TO DISBURSEMENT OF FUNDS

Unless and until the following conditions have been satisfied, the Department shall be under no obligation to disburse to the Recipient any amounts under this Contract:

6.1 **CONTRACT EXECUTED.** The Contract shall have been properly executed and, where required, acknowledged.

6.2 **COMPLIANCE WITH ENVIRONMENTAL AND HISTORIC PRESERVATION REQUIREMENTS.** Funds shall not be released under this Contract until the Recipient has satisfied the environmental review and release of funds requirements set forth in 24 CFR Part 58, "Environmental Review Procedures for the Community Development Block Grant Program," and summarized in the Iowa Housing Fund Management Guide. In addition, construction contracts for non-exempt activities shall not be executed and construction shall not begin prior to providing the Department with documentation of the Recipient's compliance with Section 106 of the National Historic Preservation Act and 36 CFR Part 800, "Protection of Historic Properties" And the Request for Release of Funds is issued. The Recipient shall comply with the Programmatic Memorandum of Understanding between the Iowa Department of Economic Development and the Iowa State Historic Preservation Office, applicable to any activities included in this Contract.

6.3 **PERMITS AND LICENSES.** The Department reserves the right to withhold funds until the Department has reviewed and approved all documents, such as permits or licenses from other local, state or federal agencies, which may be required prior to Activity commencement.

6.4 **EXCESSIVE FORCE POLICY.** The Department, prior to release of funds under this Contract, shall review and approve the Recipient's policy on protecting individuals engaged in nonviolent civil rights demonstrations from the use of excessive force by law enforcement agencies within its jurisdiction, and enforcing state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstrations within its jurisdiction, consistent with the provisions of Section 906 of the National Affordable Housing Act of 1990 and Subsection 104(l) of the Housing and Community Development Act of 1974, as amended.

6.5 **RESIDENTIAL ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN APPROVAL.** The Department, prior to release of funds under this Contract, shall review and approve the Recipient's Residential Anti-Displacement and Relocation Assistance Plan, consistent with the requirements of Section 104(d) of the Housing and Community Development Act of 1974, as amended.

6.6 **ADMINISTRATIVE PLAN.** The Recipient shall establish a written Administrative Plan that is consistent with the approved Application and in compliance with the Housing Fund Administrative Rules and the required elements of the IDED's model of the Owner-Occupied Rehabilitation Administrative Plan (as applicable). The release of housing funds shall be contingent upon the Department's receipt of the Administrative Plan. The Department reserves the right to withhold funding if it determines that the Recipient's Administrative Plan is not adequate to ensure the operation of the activity in compliance with the state and Federal requirements.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES OF RECIPIENT

To induce the Department to make the Grant referred to in this Contract, the Recipient represents, covenants and warrants that:

7.1 **AUTHORITY.** The Recipient is duly authorized and empowered to execute and deliver the Contract. All action on the Recipient's part, such as appropriate resolution of its governing board for the execution and delivery of the Contract, has been effectively taken.

7.2 **FINANCIAL INFORMATION.** All financial statements and related materials concerning the Activity that have been provided to the Department are true and correct in all material respects and completely and accurately represent the subject matter thereof as of the Effective Date of the statements and related materials, and no material adverse change has occurred since that date.

7.3 **HOUSING FUND APPLICATION.** The contents of the Application the Recipient submitted to the Department for funding is a complete and accurate representation of the Activity as of the date of submission and there has been no material adverse change in the organization, operation, or key personnel of the Recipient since the date the Recipient submitted its Housing Fund Application to the Department.

7.4 **CLAIMS AND PROCEEDINGS.** There are no actions, lawsuits or proceedings pending or, to the knowledge of the Recipient, threatened against the Recipient affecting in any manner whatsoever their rights to execute the Grant or the ability of the Recipient to make the payments required under the Grant, or to otherwise comply with the obligations of the Grant contained under the Grant. There are no actions, lawsuits or proceedings at law or in equity, or before any governmental or administrative authority pending or, to the knowledge of the Recipient, threatened against or affecting the Recipient or any property involved in the Activity.

7.5 **PRIOR AGREEMENTS.** The Recipient has not entered into any verbal or written contracts, agreements, or arrangements of any kind, which are inconsistent with the Contract.

7.6 **EFFECTIVE DATE.** The covenants, warranties and representations of this Article are made as of the Effective Date of this Contract and shall be deemed to be renewed and restated by the Recipient at the time of each advance or request for disbursement of funds.

ARTICLE 8 COVENANTS OF THE RECIPIENT

8.1 **AFFIRMATIVE COVENANTS.** Until the Activity has been closed out, audited, and approved by IDED, the Recipient covenants with IDED that:

(a) **WORK AND SERVICES.** The Recipient shall perform work and services detailed in the approved Housing Fund Application and Attachment A of the Contract by the Contract End Date.

(b) **REPORTS.** The Recipient shall prepare, review and sign the requests and reports as specified below in the form and content specified by the Department. The requests and reports shall be submitted to the Department by the 15th of the month when due, and for final reports, within sixty (60) days after the Contract End Date. The Recipient shall review all reimbursement requests and verify that claimed expenditures are allowable costs. The Recipient shall maintain documentation adequate to support the claimed costs.

<u>REPORT</u>	<u>DUE DATE</u>
<u>Request for Payment – Housing Report</u>	As funds are needed (original and three copies)
<u>Housing Recipient Quarterly Performance Report</u> <u>— Activity Status</u>	15th of the month following the end of each quarter of the Contract (original and one copy)
<u>Final Request for Payment – Housing Report</u>	Within 60 days of Contract End Date
<u>Final Housing Recipient Quarterly Performance Report</u> <u>— Activity Status</u>	Within 60 days of Contract End Date
<u>Section 3 Report</u> <u>Updates to the Applicant/Recipient Disclosure Report</u>	Within 60 days of Contract End Date As needed due to changes
<u>Audit Report</u>	Within 30 days of Audit Completion

The Department reserves the right to require more frequent submission of the Housing Recipient Quarterly Performance Report—Activity Status than as shown above if, in the opinion of the Department, more frequent submissions would help improve the Recipient's CDBG Housing Fund program.

(c) **RECORDS.** The Recipient shall maintain books, records, documents and other evidence pertaining to all costs and expenses incurred and revenues received under this Contract in sufficient detail to reflect all costs, direct and indirect, of labor, materials, equipment, supplies, services and other costs and expenses of whatever nature, for which payment is claimed under this Contract. The Recipient shall maintain books, records and documents in sufficient detail to demonstrate compliance with the Contract and shall maintain these materials for a period of five (5) years beyond the date upon which the final audit of the Activity is accepted by IDED. Records for non-expendable property acquired under this Contract shall be retained for a five (5) year period after the final disposition of property. Records shall be retained beyond the

prescribed period if any litigation or audit is begun or if a claim is instituted involving the grant or agreement covered by the records. In these instances, the records shall be retained until the litigation, audit or claim has been finally resolved.

(d) **ACCESS TO RECORDS/INSPECTIONS.** The Recipient shall, without prior notice and at any time, permit HUD or its representatives, the General Accounting Office or its representatives, and the Department, its representatives or the State Auditor to examine, audit and/or copy (i) any plans and work details pertaining to the Activity, (ii) all of the Recipient's books, records and accounts, and (iii) all other documentation or materials related to this Grant; the Recipient shall provide proper facilities for making such examination and/or inspection.

(e) **USE OF GRANT FUNDS.** The Recipient shall expend funds received under the Grant only for the purposes and activities described in its Housing Fund Application, this Contract and as approved by the Department.

(f) **DOCUMENTATION.** The Recipient shall deliver to IDED, upon request, (i) copies of all contracts or agreements relating to the Activity, (ii) invoices, receipts, statements or vouchers relating to the Activity, (iii) a list of all unpaid bills for labor and materials in connection with the Activity, and (iv) budgets and revisions showing estimated Activity costs and funds required at any given time to complete and pay for the Activity.

(g) **NOTICE OF PROCEEDINGS.** The Recipient shall promptly notify IDED of the initiation of any claims, lawsuits or proceedings brought against the Recipient.

(h) **INDEMNIFICATION.** The Recipient shall indemnify and hold harmless the Department, its officers and employees from and against any and all losses in connection with the Activity.

(i) **NOTICE TO DEPARTMENT.** In the event the Recipient becomes aware of any material alteration in the Activity, initiation of any investigation or proceeding involving the Activity, or any other similar occurrence, the Recipient shall promptly notify the Department.

(j) **CERTIFICATIONS.** The Recipient certifies and assures that the Activity will be conducted and administered in compliance with all applicable Federal and State laws, regulations and orders. Certain statutes are expressly made applicable to activities assisted under the Act by the Act itself, while other laws not referred to in the Act may be applicable to such activities by their own terms. The Recipient certifies and assures compliance with the applicable orders, laws and implementing regulations, including but not limited to, the following:

(i) Financial Management guidelines issued by the U.S. Office of Management and Budget, OMB Circular A-133 ("Single Audit Act Amendment of 1996"), OMB Circular A-122 ("Cost Principles for Nonprofit Organizations"), OMB Circular A-87 ("Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally recognized Indian Tribal Governments").

(ii) Title I of the Housing and Community Development Act of 1974 as amended (42 U.S.C. 5301 et seq.); and regulations which implement these laws.

(iii) Title VI of the Civil Rights Act of 1964 as amended (Public Law 88-352; 42 U.S.C. 2000d et seq.); Title VIII of the Civil Rights Act of 1968 as amended (Public Law 90-284; 42 U.S.C. 3601 et seq.); the Iowa Civil Rights Act of 1965; Iowa Code Section 19B.7, and Executive Order #34, dated July 22, 1988; Presidential Executive Order 11063, as amended by Executive Order 12259; Presidential Executive Order 11246, as amended; Section 504 of the Rehabilitation Act of 1973 as amended (29 U.S.C. 794); the Age Discrimination Act of 1975 as amended (42 U.S.C. 6101 et seq.); the Americans with Disabilities Act, as applicable, (P. L. 101-336, 42 U.S.C. 12101-12213); and related Civil Rights and Equal Opportunity statutes; and regulations which implement these laws.

(iv) Fair Housing Act, Public Law 90-284. The Fair Housing Act is part of Title VIII of the Civil Rights Act of 1968 as amended (42 U.S.C. 3601 et seq.); Section 109 of the Title I of the Housing and Community Development Act of 1974, as amended; Section 3 of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701u); and regulations which implement these laws.

- (v) Department of Housing and Urban Development regulations governing the CDBG program, 24 Code of Federal Regulations, Part 570.
- (vi) Section 102 of the Department of Housing and Urban Development Reform Act of 1989 (P.L. 101-235), and implementing regulations.
- (vii) Requirements for the Notification, Evaluation, and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance; Final Rule (24 CFR Part 35, et al.).
- (viii) Davis-Bacon Act, as amended (40 U.S.C. 276a - 276a-5), where applicable under Section 110 of the Housing and Community Development Act of 1974, as amended; Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.); the Copeland Anti-Kickback Act (18 U.S.C. 874); the Department of Defense Reauthorization Act of 1986; and regulations which implement these laws.
- (ix) National Environmental Policy Act of 1969 and implementing regulations.
- (x) Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (URA)(42 U.S.C. 4601 - 4655) and implementing regulations; Section 104(d) of the Housing and Community Development Act of 1974, as amended, governing the residential antidisplacement and relocation assistance plan; and Section 105(a)(11) of the Housing and Community Development Act of 1974, as amended, governing optional relocation assistance.
- (xi) Housing Fund Administrative rules adopted by the Iowa Department of Economic Development, 261 Iowa Administrative Code, Chapter 25.
- (xii) Financial and Program Management guidelines issued by the Iowa Department of Economic Development; the Iowa Housing Fund Management Guide; the IDED Audit Guide.
- (xiii) Government-wide Restriction on Lobbying Certification [Section 319 of Public Law 101-121] and implementing regulations.
- (xiv) Fair Labor Standards Act and implementing regulations.
- (xv) Hatch Act (regarding political partisan activity and federally funded activities) and implementing regulations.
- (xvi) Citizen participation, hearing and access to information requirements found under sections 104(a)(2) and 104(a)(3) of Title I of the Housing and Community Development Act of 1974, as amended.
- (xvii) Subsection 104(l) of Title I of the Housing and Community Development Act of 1974, as amended, regarding the prohibition of the use of excessive force in nonviolent civil rights demonstrations and the enforcement of state and local laws on barring entrance to or exit from facilities subject to such demonstrations.
- (xviii) Drug-Free Workplace Act.

(k) **MAINTENANCE OF ACTIVITY PROPERTY AND INSURANCE.** The following provision shall apply to Activity Number(s) None. The Recipient and any subrecipient shall maintain the property in good repair and condition, ordinary wear and tear excepted, and shall not suffer or commit waste or damage upon the property. At the Department's request, the Recipient or subrecipient shall pay for and maintain insurance as is customary in their industry. This insurance shall be in an amount not less than the full insurable value of the property. The subrecipient shall name the Recipient and Department as a mortgagee and/or an additional loss payee, as appropriate, and the Recipient shall name the Department as a mortgagee and/or an additional loss payee, as appropriate, and submit copies of the policies to the Department.

8.2 **NEGATIVE COVENANTS.** During the Contract term the Recipient covenants with IDED that it shall not, without the prior written disclosure to and prior written consent of IDED, directly or indirectly:

- (a) **ASSIGNMENT.** Assign its rights and responsibilities under this Contract.
- (b) **ADMINISTRATION.** Discontinue administration activities under the Contract.

ARTICLE 9
DEFAULT AND REMEDIES

9.1 **EVENTS OF DEFAULT.** The following shall constitute Events of Default under this Contract:

- (a) **MATERIAL MISREPRESENTATION.** If at any time any representation, warranty or statement made or furnished to the Department by, or on behalf of the Recipient in connection with this Contract or to induce the Department to make a grant to the Recipient shall be determined by the Department to be incorrect, false, misleading or erroneous in any material respect when made or furnished and shall not have been remedied to the Department's satisfaction within thirty (30) days after written notice by the Department is given to the Recipient.
- (b) **NONCOMPLIANCE.** If there is a failure by the Recipient to comply with any of the covenants, terms or conditions contained in this Contract.
- (c) **CONTRACT END DATE.** If the Activity, in the sole judgment of the Department, is not completed on or before the Contract End Date.
- (d) **MISSPENDING.** If the Recipient expends Grant proceeds for purposes not described in the Housing Fund Application, this Contract, or as authorized by the Department.
- (e) **INSURANCE.** If loss, theft, damage, or destruction of any substantial portion of the property of the Recipient occurs for which there is either no insurance coverage or for which, in the opinion of the Department, there is insufficient insurance coverage. This provision shall apply to Activity Number(s) None.

9.2 **NOTICE OF DEFAULT.** In the event of default, IDED shall issue a written notice of default providing therein a fifteen (15) day period in which the Recipient shall have an opportunity to cure, provided that cure is possible and feasible.

9.3 **REMEDIES UPON DEFAULT.** If, after opportunity to cure, the default remains, IDED shall have the right, in addition to any rights and remedies available to it, to do one or more of the following:

- (a) exercise any remedy provided by law,
- (b) require immediate repayment of up to the full amount of funds disbursed to the Recipient under this Contract, plus interest.

9.4 **FAILURE TO MEET PERFORMANCE TARGETS.** If the Recipient is determined by the Department to be in default of this Contract due to meeting less than one hundred percent (100%) of its Performance Targets, the Department may require full Grant repayment or, at its discretion, the Department may require partial repayment of Grant proceeds which allows partial credit for the performance targets which have been met, or the Department may require other remedies that the Department determines to be appropriate. Performance targets include income targeting and affordability requirements as required in 261 Administrative Rule Section 25.4(1).

ARTICLE 10
INCORPORATED DOCUMENTS

10.1 **DOCUMENTS INCORPORATED BY REFERENCE.** The Recipient shall comply with the terms and conditions of the following documents that are hereby incorporated by reference:

1. Attachment A, "Program Description and Budget."

2. Attachment B, "Housing Fund Application."
3. Attachment C, "CDBG Program General Provisions," dated December 16, 2005.

10.2 **ORDER OF PRIORITY.** In the event of a conflict between documents of this Contract, the following order of priority shall govern:

1. Articles 1 through 11 herein.
2. Attachment C, "CDBG Program General Provisions," dated December 16, 2005.
3. Attachment A, "Program Description and Budget."
4. Attachment B, "Housing Fund Application."

ARTICLE 11
MISCELLANEOUS

11.1 **LIMIT ON GRANT PROCEEDS ON HAND.** The Recipient shall request funds only as needed and shall not have more than five hundred dollars (\$500.00) of Grant proceeds, including earned interest on hand for a period of longer than ten (10) working days, after which time any surplus amount shall be returned to the Department.

11.2 **BINDING EFFECT.** This Contract shall be binding upon and shall inure to the benefit of the Department and Recipient and their respective successors, legal representatives and assigns. The obligations, covenants, warranties, acknowledgments, waivers, agreements, terms, provisions, and conditions of this Contract shall be jointly and severally enforceable against the parties to this Contract.

11.3 **SURVIVAL OF CONTRACT.** If any portion of this Contract is held to be invalid or unenforceable, the remainder shall be valid and enforceable. The provisions of this Contract shall survive the execution of all instruments herein mentioned and shall continue in full force until the Activity is completed as determined by the Department.

11.4 **GOVERNING LAW.** This Contract shall be interpreted in accordance with the laws of the State of Iowa, and any action relating to the Contract shall only be commenced in the Iowa District Court for Polk County or the United States District Court for the Southern District of Iowa.

11.5 **NOTICES.** Whenever this Contract requires or permits any notice or written request by one party to another, it shall be in writing, enclosed in an envelope, addressed to the party to be notified at the address heretofore stated (or at such other address as may have been designated by written notice), properly stamped, sealed and deposited in the United States Mail. Any such notice given hereunder shall be deemed delivered upon the earlier of actual receipt or two (2) business days after posting. The Department may rely on the address of the Recipient set forth heretofore, as modified from time to time, as being the address of the Recipient.

11.6 **WAIVERS.** No waiver by the Department of any default hereunder shall operate as a waiver of any other default or of the same default on any future occasion. No delay on the part of the Department in exercising any right or remedy hereunder shall operate as a waiver thereof. No single or partial exercise of any right or remedy by the Department shall preclude future exercise thereof or the exercise of any other right or remedy.

11.7 **LIMITATION.** It is agreed by the Recipient that the Department shall not, under any circumstances, be obligated financially under this Contract except to disburse funds according to the terms of the Contract.

11.8 **HEADINGS.** The headings in this Contract are intended solely for convenience of reference and shall be given no effect in the construction and interpretation of this Contract.

11.9 **INTEGRATION.** This Contract contains the entire understanding between the Recipient and the Department and any representations that may have been made before or after the signing of this Contract, which are not contained herein, are nonbinding, void and of no effect. None of the parties has relied on any such prior representation in entering into this Contract.

11.10 **COUNTERPARTS.** This Contract may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Contract as of the Contract Effective Date first stated.

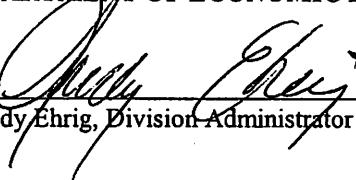
RECIPIENT: City of Muscatine

BY: 

Mayor
City of Muscatine
City Hall - 215 Sycamore St.
Muscatine, IA 52761

Typed or Printed Name and Title

IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT:

BY: 

Sandy Ehrig, Division Administrator

IOWA CDBG HOUSING FUND PROGRAM DESCRIPTION & BUDGET

ATTACHMENT A

DATE: March 29, 2006

To be filled in by IDED

Original

Amendment #

Proj. Mgr. Sgn. TV

Name of Recipient: MUSCATINE

Contract Number: 06-HSG-037

ACTIVITY DESCRIPTION	PERFORMANCE TARGETS	AMOUNT BUDGETED		
		CDBG	LOCAL	TOTAL
Activity 1: - OWNER-OCCUPIED REHABILITATION 97 Rehabilitate single-family, owner-occupied dwelling units in a target area of the City of Muscatine.	Rehabilitate twelve (12) single-family, owner-occupied dwelling units.	\$400,288	\$5,000	\$405,288
Activity 2: -				\$0
Activity 3:				\$0
Activity 4:				\$0
Activity 5:				\$0
Activity 6:				\$0
ADMINISTRATION 181		\$15,500	\$2,500	\$18,000
TOTAL AMOUNT OF ALL FUNDS BUDGETED:		\$415,788	\$7,500	\$423,288

ATTACHMENT C

GENERAL PROVISIONS
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
HOUSING FUND
December 16, 2005

1.0 AMENDMENT.

- (a) **WRITING REQUIRED.** The Contract may only be amended through written prior approval of IDED. Examples of situations where amendments are required include extensions for completion of Activities, changes to the Activities including, but not limited to, alteration of existing approved Activities or inclusion of new Activities.
- (b) **UNILATERAL MODIFICATION.** Notwithstanding Paragraph (a) above, IDED may unilaterally modify the Contract at will in order to accommodate any change in the Act or any change in the interpretation of the Act or any applicable Federal, State or local laws, regulations, rules or policies. A copy of such unilateral modification will be given to the Recipient as an amendment to this Contract.
- (c) **IDED REVIEW.** IDED will consider whether an amendment request is so substantial as to necessitate reevaluating IDED's original funding decision on the Activity. An amendment will be denied if it substantially alters the circumstances under which the Activity funding was originally approved or if it does not meet requirements set forth in 261 Iowa Administrative Code, Chapter 25.

2.0 AUDIT REQUIREMENTS.

- (a) **SINGLE AUDIT.** The Recipient shall ensure that an audit is performed in accordance with the Single Audit Act Amendment of 1996 and OMB Circular A-133, as applicable, the IDED's administrative rules for the Housing Fund (261 Iowa Administrative Code Chapter 25), and the Housing Fund Management Guide.
- (b) **ADDITIONAL AUDIT.** As a condition of the grant to the Recipient, IDED reserves the right to require the Recipient to submit to a post Activity completion audit and review in addition to the audit required above.

3.0 COMPLIANCE WITH LAWS AND REGULATIONS. The Recipient shall comply with all applicable State and Federal laws, rules, ordinances, regulations and orders.

- 4.0 **UNALLOWABLE COSTS.** If IDED determines at any time, whether through monitoring, audit, closeout procedures or by other means or process that the Recipient has expended funds which are unallowable, the Recipient will be notified of the questioned costs and given an opportunity to justify questioned costs prior to IDED's final determination of the disallowance of costs. Appeals of any determinations will be handled in accordance with the provisions of Chapter 17A, Iowa Code. If it is IDED's final determination that costs previously paid by the IDED are unallowable under the terms of the Contract, the expenditures will be disallowed and the Recipient shall repay to IDED any and all disallowed costs.
- 5.0 **PROGRAM INCOME.** All program income as defined in OMB Circular A-102 and 261 Iowa Administrative Code, Chapter 25, shall be added to the Activity Budget and used to further eligible Activity objectives as defined in the Contract and the Scope of Work in the Housing Fund Application for funding. Program income received after the Contract End Date shall be returned to IDED, or may be used in another CDBG Contract that is "open" when the Program Income is received. Proceeds totaling less than \$25,000 from any CDBG Contract or Contracts received in one year would not be considered Program Income.
- 6.0 **INTEREST EARNED.** To the extent that interest is earned on advances of CDBG funds, this interest shall be returned to IDED, except that the Recipient may keep interest amounts of up to \$100 per year for administrative expenses.
- 7.0 **SUSPENSION.** When the Recipient has failed to comply with the Contract, award conditions or standards, IDED may, on reasonable notice to the Recipient, suspend the Contract and withhold future payments, or prohibit the Recipient from incurring additional obligations of CDBG funds. Suspension may continue until the Recipient completes the corrective action as required by IDED. IDED may allow such necessary and proper costs which the Recipient could not reasonably avoid during the period of suspension provided IDED concludes that such costs meet the provisions of HUD regulations issued pursuant to OMB Circular A-87.

8.0 TERMINATION.

- (a) **FOR CAUSE.** IDED may terminate the Contract in whole, or in part, whenever IDED determines that the Recipient has failed to comply with the terms and conditions of the Contract.

- (b) **FOR CONVENIENCE.** IDED, the Recipient may terminate the Contract in whole, or in part, when all parties agree that the continuation of the Activity would not produce beneficial results commensurate with the future disbursement of funds.
- (c) **DUE TO REDUCTION OR TERMINATION OF CDBG FUNDING.** At the discretion of IDED, the Contract may be terminated in whole, or in part, if there is a reduction or termination of CDBG funds to the State.

9.0 PROCEDURES UPON TERMINATION.

- (a) **NOTICE.** IDED shall provide written notice to the Recipient of the decision to terminate, the reason(s) for the termination, and the effective date of the termination. If there is a partial termination due to a reduction in funding, the notice will set forth the change in funding and the changes in the approved budget. The Recipient shall not incur new obligations beyond the effective date and shall cancel as many outstanding obligations as possible. IDED's share of noncancelable obligations which IDED determines were properly incurred prior to notice of cancellation will be allowable costs.
- (b) **RIGHTS IN PRODUCTS.** All finished and unfinished documents, data, reports, or other material prepared by the Recipient under the Contract shall, at IDED option, become the property of IDED.
- (c) **RETURN OF FUNDS.** The Recipient shall return to IDED all unencumbered funds within one week of receipt of the notice of termination. Any costs previously paid by IDED which are subsequently determined to be unallowable through audit, monitoring, or closeout procedures shall be returned to IDED within thirty (30) days of the disallowance.

10.0 ENFORCEMENT EXPENSES. The Recipient shall pay upon demand any and all reasonable fees and expenses of the Department, including the fees and expenses of their attorneys, experts and agents, in connection with the exercise or enforcement of any of the rights of the Department under this Contract.

11.0 INDEMNIFICATION. The Recipient shall indemnify and hold harmless the Department, its officers and employees, from and against any and all losses, accruing or resulting from any and all claims subcontractors, laborers and any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the performance of this Contract, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by the Recipient in the performance of this Contract.

12.0 CONFLICT OF INTEREST.

- (a) **GENERAL.** Except for the use of CDBG funds to pay salaries and other related administrative or personnel costs, no persons identified in paragraph (b) below who exercise or have exercised any functions or responsibilities with respect to CDBG assisted Activities or who are in a position to participate in a decision making process or gain inside information with regard to such Activities, may obtain a personal or financial interest or benefit from a CDBG assisted Activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.
- (b) **PERSONS COVERED.** The conflict of interest provisions described above apply to any person who is an employee, agent, consultant, officer, or elected or appointed official of the Recipient, or of any designated public agencies, or subrecipients which are receiving CDBG funds.
- (c) **CONFLICTS OF INTEREST.** Chapter 68B, Code of Iowa, the "Iowa Public Officials Act," shall be adhered to by the Recipient, its officials and employees.

13.0 USE OF DEBARRED, SUSPENDED, OR INELIGIBLE CONTRACTORS OR SUBRECIPIENTS. CDBG funds shall not be used directly or indirectly to employ, award contracts to, or otherwise engage the service of, or fund any contractor or subrecipient during any period of debarment, suspension, or placement in ineligible status under the provisions of 24 CFR Part 24 or any applicable law or regulation of the Department of Labor.

14.0 CIVIL RIGHTS.

- (a) **DISCRIMINATION IN EMPLOYMENT.** The Recipient shall not discriminate against any qualified employee or applicant for employment because of race, color, religion, sex, national origin, age, or physical or mental disability. The Recipient may take affirmative action to ensure that applicants are employed and that employees are treated without regard to their race, color, religion, sex, national origin, age, or disability. Such action shall include but may not be limited to the following: employment, upgrading,

demotion or transfers; recruitment or recruitment advertising; lay-off or termination; rates of pay or other forms of compensation; and selection for training, including an apprenticeship. The Recipient agrees to post notices setting forth the provisions of the nondiscrimination clause in conspicuous places so as to be available to employees.

(b) **CONSIDERATION FOR EMPLOYMENT.** The Recipient shall, in all solicitations or advertisements for employees placed by or on behalf of the Recipient, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, age, disability, or familial status. **Solicitation and Advertisement -** The Recipient shall list all suitable employment openings in the State Employment Service local offices.

(c) **CIVIL RIGHTS COMPLIANCE IN EMPLOYMENT.** The Recipient shall comply with all relevant provisions of the Iowa Civil Rights Act of 1965 as amended, Iowa Code Section 19B.7, Federal Executive Order 11246, as amended; Title VI of the U.S. Civil Rights Act of 1964 as amended (42 U.S.C. Section 2000d et seq.), the Fair Labor Standards Act (29 U.S.C. Section 201 et seq.), The Americans with Disabilities Act, as applicable, (P.L. 101-336, 42 U.S.C. 12101-12213), Section 504 of the Rehabilitation Act of 1973 as amended (29 U.S.C. Section 794), and the Age Discrimination Act of 1975 as amended (42 U.S.C. Section 6101 et seq.). The Recipient will furnish all information and reports requested by the State of Iowa or required by or pursuant to the rules and regulations thereof and will permit access to payroll and employment records by the State of Iowa to investigate compliance with these rules and regulations.

(d) **CERTIFICATION REGARDING GOVERNMENT-WIDE RESTRICTION ON LOBBYING.** The Recipient certifies, to the best of his or her knowledge and belief, that:

- i) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- ii) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Recipient shall complete and submit Standard Form-LLL, "Disclosure Form to Report Federal Lobbying" in accordance with its instruction.
- iii) The Recipient shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

(e) **PROGRAM NONDISCRIMINATION.** The Recipient shall conform with requirements of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and HUD regulations issued pursuant thereto contained in 24 CFR Part 1. No person in the United States shall on the basis of race, color, national origin, sex or religion or religious affiliation be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or Activity funded in whole or in part with funds made available through this Contract. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et. seq.) or with respect to an otherwise qualified individual with a disability as provided in the Americans with Disabilities Act, as applicable, (P.L. 101-336, 42 U.S.C. 12101-12213) or Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794) shall also apply to any such program or Activity.

(f) **FAIR HOUSING.** The Recipient shall comply with Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), generally known as the Fair Housing Act, and with HUD regulations found at 24 CFR Part 107, issued in compliance with Federal Executive Order 11063, as amended by Federal Executive Order 12259. The recipient shall also comply with Section 109, Title I of the Housing and Community Development Act of 1974, as amended.

(g) **SECTION 3 COMPLIANCE.** The Recipient shall comply with provisions for training, employment, and contracting in accordance with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u).

(h) **NONCOMPLIANCE WITH THE CIVIL RIGHTS LAWS.** In the event of the Recipient's noncompliance with the nondiscrimination clauses of this Contract or with any of the aforesaid rules, regulations, or requests, this Contract may be canceled, terminated, or suspended either wholly or in part. In addition, the State of Iowa may take further action, imposing other sanctions and invoking additional remedies as provided by the Iowa Civil Rights Act of 1965 (Chapter 216, Code of Iowa 1997) or as otherwise provided by law.

(i) **INCLUSION IN SUBCONTRACTS.** The Recipient will include the provisions of the preceding paragraphs of Section 14 in every subcontract unless exempt by the State of Iowa, and said provisions will be binding on each subcontractor. The Recipient will take such action with respect to any subcontract as the State of Iowa may direct as a means of enforcing such provisions including sanctions for noncompliance. In the event the Recipient becomes involved in or is threatened by litigation with a subcontractor or vendor as a result of such direction by the State of Iowa, the Recipient may request the State of Iowa to enter into such litigation to protect the interests of the State of Iowa.

15.0 **POLITICAL ACTIVITY.** No portion of program funds shall be used for any partisan political activity or to further the election or defeat of any candidate for public office. Neither the program nor the funds provided therefore, nor the personnel employed in the administration of this Contract, shall be in any way or to any extent, engaged in the conduct of political activities in contravention of The Hatch Act (5 U.S.C. 15).

16.0 **LIMIT ON RECOVERY OF CAPITAL COSTS.** The Recipient will not attempt to recover any capital costs of public improvements assisted in whole or part under this Contract by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (i) funds received under this Contract are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under Title I of the Housing and Community Development Act of 1974, as amended, or (ii) for purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the Recipient has certified to the Department that it lacks sufficient funds received under Title I of the Housing and Community Development Act of 1974, as amended, to comply with the requirements of clause (i) above.

1.0