

**SUBRECIPIENT AGREEMENT
BETWEEN
CITY OF STEVENSON AND COLUMBIA CASCADE HOUSING CORPORATION**

This Agreement is made between the City of Stevenson (herein called the Local Government) and Columbia Cascade Housing Corporation (herein Called Subrecipient) for the Klickitat-Skamania Home Rehabilitation Program Phase 2 for Low- and Moderate-Income Homeowners project (herein called the Project).

As the Washington State Department of Commerce (Commerce) is authorized by the federal Department of Housing and Urban Development (HUD) to provide funds to units of local government selected to undertake and carry out projects under the Washington State Community Development Block Grant (CDBG) Program in compliance with all applicable local, state, and federal laws regulations and polices; and

As the Local Government has applied for and received a CDBG award, contract number **18-62210-037** (CFDA 14.228), to fund the Project with Federal Award Identification Number B-18-DC-53-0001; and

As it benefits the Local Government to engage the Subrecipient to accomplish the Scope of Work and the objectives of the local CDBG project;

The parties agree that:

I. SCOPE OF SERVICES

A. Local Government Responsibilities

The Local Government is responsible for administration of the CDBG contract, and ensuring CDBG funds are used in accordance with all program requirements [(24 CFR 570.501(b)] and its CDBG contract with Commerce referenced above. The Local Government will provide such assistance and guidance to the Subrecipient as may be required to accomplish the objectives and conditions set forth in this Agreement.

B. Subrecipient Responsibilities

The Subrecipient will complete in a satisfactory and proper manner as determined by the Local Government the following tasks to accomplish the objectives of principally benefiting low- and moderate-income persons. The Subrecipient will periodically meet with the Local Government to review the status of these tasks.

1. Assist Local Government in completing the first-tier environmental review and prepare environmental review record in compliance with NEPA requirements for CDBG.
2. Establish CDBG housing rehabilitation assistance program policies and procedures, incorporating CDBG income qualification and beneficiary reporting requirements.
3. Conduct outreach and market the rehabilitation assistance program.
4. Monitor program progress and compliance with applicable federal and state regulations.
5. Review and process applications for assistance and determine CDBG eligibility.
6. Assist Local Government in completing second-tier, site-specific environmental review for any improvement activities outside the original documentation.
7. Conduct housing inspection.
8. Develop scope of work and cost estimate.
9. Approve projects and process loan agreement documents with homeowners.
10. Establish financial management systems for tracking CDBG eligible housing rehabilitation costs, grant receipts, and program income.
11. Develop a revolving loan program for tracking and reusing program income earned from rehabilitation loans.
12. Monitor rehabilitation progress and receive homeowner acceptance of work as project progresses.
13. Once costs are approved, prepare and submit payment request and progress status report to Local Government.
14. Conduct final inspection and receive homeowner acceptance of completed work prior to final payment.

15. Submit CDBG Beneficiary Reports to Local Government within 30 days of each calendar quarter.

II. TIME OF PERFORMANCE

The effective date of this Agreement will be the date the parties sign and complete execution of this agreement and will be in effect for the time period during which the Subrecipient remains in control of CDBG funds or other CDBG assets.

III. AGREEMENT REPRESENTATIVES

Each party to this Agreement shall have a representative. Each party may change its representative upon providing written notice to the other party. The parties' representatives are as follows:

A. Subrecipient:

Dave Peters
Columbia Cascade Housing Corp.
500 E. 2nd Street
The Dalles OR 97058
Phone: 541-296-3397 Ext. 18
Fax: 541-296-8570
E-mail: davep@columbiscascaehousingcorp.org

B. Local Government

Leana Kinley
City of Stevenson
7121 E. Loop Rd. PO Box 371
Stevenson, WA 98648-0371
Phone: 509-427-5970
Fax: 509-427-8202
E-mail: leana@ci.stevenson.wa.us

IV. BUDGET

The Local Government will pass through to the Subrecipient no more than \$400,000 in CDBG funds for eligible incurred costs and expenses for the Project according to the following budget.

Project Budget Element	Budgeted Amount
General Administration	\$5,000
Rehabilitation Administration	\$80,000
Rehabilitation – Single-Unit Residential	\$315,000
Indirect Cost Rate: ____% Federally Approved Indirect Rate, or 10% de minimis rate, or fill out “N/A” declining to charge indirect	N/A

Indirect Cost Rate if the Subrecipient chooses to charge Indirect Costs, under this grant, the Subrecipient shall provide their indirect cost rate that has been negotiated between their entity and the Federal Government. If no such rate exists a de minimis indirect cost rate of 10% of modified total direct costs (MTDC) will be used.

“Modified Total Direct Costs (MTDC)” shall mean all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, and rental costs.

Any amendments to this Agreement’s Budget must first be determined by the Local Government as consistent with its CDBG contract with Commerce and then approved in writing by the Local Government and the Subrecipient.

V. PAYMENT

The Local Government shall reimburse the Subrecipient in accordance with the payment procedures outline in the CDBG Management Handbook, Financial Management Section for all allowable expenses agreed upon by the parties to complete the Scope of Service.

Reimbursement under this agreement will be based on billings, supported by appropriate documentation of costs actually incurred. It is expressly understood that claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary to carry out the purposes of the agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

It is understood that this agreement is funded in whole or in part with CDBG funds through the Washington State CDBG Program as administered by Commerce and is subject to those regulations and restrictions normally associated with federally-funded programs and any other requirements that the state may prescribe.

VI. PERFORMANCE MONITORING

The Local Government will monitor the performance of the Subrecipient by tracking project progress, reviewing payment requests for applicable costs, managing the timely pass-through of CDBG funds, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the Local Government will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the Local Government, contract suspension or termination procedures will be initiated.

VII. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with:

- The requirements of Title 24 of the Code of Federal Regulations, Part 570 (HUD regulations concerning CDBG); and
- All other applicable Federal, state and local laws, regulations, and policies, governing the funds provided under this Agreement.

B. CDBG National Objective

The Subrecipient certifies the activities carried out under this Agreement meet a CDBG Program National Objective defined in 24 CFR 570.208.

C. Independent Contractor

Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an “independent contractor” with respect to the services to be performed under this Agreement. The Local Government will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Worker’s Compensation Insurance, as the Subrecipient is an independent contractor.

D. Hold Harmless

The Subrecipient will hold harmless, defend and indemnify the Local Government from any and all claims, actions, suits, charges and judgments

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

E. Worker's Compensation

The Subrecipient will provide Worker's Compensation Insurance Coverage for all of its employees involved in the performance of this Agreement.

F. Insurance and Bonding

1. The Subrecipient will carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or physical damage, and as a minimum will purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the Local Government.
 - a. Worker's Compensation – in compliance with State and Federal laws.
 - b. Comprehensive Automobile Liability -- \$1,000,000 combined single limit of liability for bodily injuries and property damage resulting from any one occurrence, including all owned, hired, and non-owned vehicles.
 - c. Comprehensive General Liability -- \$1,000,000 combined single limit of liability for bodily injuries, death, and property damage, and personal injury resulting from any one occurrence, including the following coverages:
 - i. Premises and Operations; and
 - ii. Broad Form Commercial General Liability Endorsement to include blanket contractual liability (specifically covering, but not limited to, the contractual obligations assumed by the firm); Personal Injury (with employment and contractual exclusions deleted); and Broad Form Property Damages coverages.
2. The Local Government shall be named as an additional insured on all policies related to the project, excluding worker's compensation and professional liability.
3. The Subrecipient shall furnish the Local Government with properly executed certificate of insurance or a signed policy endorsement which

shall clearly evidence all insurance required in this section prior to commencement of services. The certificates will, at a minimum, list limits of liability and coverage. The certificate will provide that the underlying insurance contract will not be cancelled or allowed to expire except on thirty (30) days prior written notice to the Local Government.

G. Funding Source Recognition

The Subrecipient will insure recognition of the roles of Commerce, the WA State CDBG program, and the Local Government in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement will be prominently labeled as to the 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 Agreement.

H. Amendments

The Local Government or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the Local Government's governing body. Such amendments will not invalidate this Agreement, nor relieve or release the Local Government or Subrecipient from its obligations under this Agreement.

I. Suspension or Termination

In accordance with 2 CFR 200.338-9, the Local Government may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission by the Subrecipient to the Local Government of reports that are incorrect or incomplete in any material aspect.

In accordance with 2 CFR 200.339, this Agreement may also be terminated by either the Local Government or Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the Local Government determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the Local Government may terminate the award in its entirety.

VIII. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 2 CFR 200 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 will administer its program in conformance with 2 CFR 200. These principles will be applied for all costs whether charged on a direct or indirect basis.

3. Duplication of Costs

The Subrecipient certifies that work to be performed under this Agreement does not duplicate any work to be charged against any other contract, subcontract or other source.

B. Documentation and Record Keeping

1. Records to Be Maintained

The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement and those records described in the CDBG Management Handbook. Such records will include but not be limited to:

- a. Records providing a full description of each activity undertaken;

- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG Program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the civil rights components of the CDBG program;
- f. Financial records as required by 24 CFR 570.502, and 2 CFR 200.333.
- g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, State and Local laws and regulations applicable to CDBG funded construction projects; and
- h. Other records necessary to document compliance with Subpart K of 24 CFR 570.

2. Access to Records and Retention

The Local Government, Commerce, and other authorized representatives of the state and federal governments shall have access to any books, documents, papers and records of the Subrecipient that are directly pertinent to the contract for the purposes of making audit, examination, excerpts and transcriptions.

All such records and all other records pertinent to this agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of six years after final audit of the Local Government's CDBG project, unless a longer period is required to resolve audit findings or litigation. In such cases, the Local Government will require a longer period of record retention.

3. Audits and Inspections

All Subrecipient records with aspect to any matters covered by this Agreement will be made available to the Local Government, Commerce, and duly authorized officials of the state and federal government, at any time during normal business hours, as often as deemed 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 Subrecipient within 30 days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

The Subrecipient that expends \$750,000 or more in fiscal year in federal funds from all sources hereby agrees to have an annual agency audit conducted in accordance with current Local Government policy concerning Subrecipient audits and 2 CFR 200.501. The Catalog of Federal Domestic Assistance (CFDA) number is 14.228.

C. Reporting

1. Program Income

The Subrecipient will report annually all program income (as defined at 24 CFR 570.500(a)) generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504.

2. Periodic Reports

The Subrecipient, at such times and in such forms as the Local Government may require, will furnish the Local Government such periodic reports as it may request pertaining to the work or services undertaken pursuant to this agreement, the costs and obligations incurred or to be incurred in connection therewith, and any other matters covered by this agreement.

D. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 2 CFR 200.311 and 313, 24 CFR

570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient will transfer to the Local Government any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Commerce and the Local Government is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objectives for this 10-year period of time, the Subrecipient will pay the Local Government an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisitions or, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the Local Government. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.
3. In cases in which equipment is acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income. Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the local Government for CDBG-eligible activities as approved by the CDBG Program or (b) retained after compensating the Local Government.

X. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Title VI of the Civil Rights Act of 1964

Under Title VI of the Civil Rights Act of 1964, no person will, on the grounds of race, color, creed, religion, sex or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

2. Section 109 of the Housing and Community Development Act of 1974

No person in the United States will on the grounds of race, color, creed, religion, sex or national origin be excluded from participation in, be denied benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

3. Age Discrimination Act of 1975, as Amended

No person will be excluded from participation, denied program benefits, or subjected to discrimination on the basis of age under any program or activity receiving federal funding assistance. (42 U.S.C. 610 et. Seq.)

4. Section 504 of the Rehabilitation Act of 1973, as Amended

No otherwise qualified individual will, solely by reason of his or her disability, be excluded from participation (including employment), denied program benefits, or subjected to discrimination under any program or activity receiving Federal funds. (29 U.S.C. 794)

5. Public Law 101-335, Americans with Disabilities Act of 19909

Subject to the provisions of this title, no qualified individual with a disability will, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by any such entity.

B. Section 3 of the Housing and Community Development Act of 1968

Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on 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. 1701u. 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 person residing in the area of the project.

2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of HUD and Commerce issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.
3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.
4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR 135. The Subrecipient will not subcontract with any subcontractor where is has notice of knowledge that the latter has been found in violation of regulations under 24 CFR 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR 135, and all applicable rules and orders of HUD and Commerce issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR 135.

C. Conduct

1. Assignability

The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the Local Government thereto; provided, however, that claims for money due or to become due to the

Subrecipient from the Local Government 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 will be furnished promptly to the Local Government and Commerce.

2. Conflict of Interest

No member of the Local Government's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with planning or carrying out of the project, will have any personal financial interest, direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

The Subrecipient agrees to abide by the provisions of 24 CFR 200.318 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

3. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions

- a. The lower tier contractor certifies, by signing this contract, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- b. Where the lower tier contractor is unable to certify to any of the statements in the contract, such contractor will attach an explanation to this contract.

D. Copyright

If this Agreement results in any copyrightable material or inventions, the Local Government and/or Commerce reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

F. Religious Activities

The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious, instruction, or proselytization.

XI. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

XII. PERFORMANCE WAIVER

The Local Government’s failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the Local Government to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

XIII. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Local Government and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the Local Government and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the Local Government and the Subrecipient have executed this agreement as of the date and year last written below.

CITY OF STEVENSON

COLUMBIA CASCADE HOUSING CORPORATION

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Approved As to Form:

Approved As to Form:

Attorney

Attorney