City of Carroll

627 N. Adams Street Carroll, Iowa 51401 (712) 792-1000 FAX: (712) 792-0139

MEMO TO: Mike Pogge-Weaver, City Manager

FROM: Laura A. Schaefer, Finance Director/City Clerk

DATE: November 2, 2021

SUBJECT: Community Development Block Grant (CDBG) Owner Occupied Housing Rehabilitation Grant - Subrecipient Agreement Amendment No. 2

In Fall 2016, the City began working with Region XII to gather information to apply for a CDBG owner occupied housing rehabilitation grant. On July 17, 2019, the official announcement was made that Carroll was 1 of 29 communities to receive this grant in the amount of $210,500 to assist five homeowners. Program success resulted in amendments approved by IEDA for additional funds and a sixth project raising the amount of CDBG funds to $220,500.

At the July 12, 2021, Council held a public hearing regarding the progress of the grant. Karla Janning, Housing Programs Coordinator with Region XII, addressed Council about the progress. No other public comments were received.

On August 31, 2021, Joyce Brown, Housing Project Manager with Iowa Economic Development Authority, conducted a site monitoring of the program. No programmatic findings were noted. A copy of the report is included with this memo.

Iowa Economic Development Authority (IEDA) is requiring the sub-recipient agreement with Region XII to be amended to include updated federal language. The updated language is bolded in the attached sub-recipient agreement. This is required to maintain the grant.

RECOMMENDATION: Council consideration and approval of a Resolution Approving the Subrecipient Agreement Amendment No. 2 with Region XII for the Iowa Economic Development Authority Housing Grant Contract #19-HSG-002.

RESOLUTION NO. _____

A RESOLUTION APPROVING THE SUBRECIPIENT AGREEMENT AMENDMENT NO. 2 WITH REGION XII FOR THE IOWA ECONOMIC DEVELOPMENT AUTHORITY HOUSING GRANT CONTRACT #19-HSG-002

WHEREAS, Chapter 17, of the Code of Ordinances of the City of Carroll, Iowa, provides that all contracts made by the City be reduced to writing and approved by the City Council by resolution; and

WHEREAS, the Subrecipient Agreement Amendment No. 2 with Region XII for administration of the Iowa Economic Development Authority Housing Grant Contract #19-HSG-002 is attached hereto as Exhibit "A"; and

WHEREAS, it is determined that the approval of the attached agreement is in the best interest of the City of Carroll, Iowa; and

NOW, THEREFORE, BE IT RESOLVED that the Subrecipient Agreement Amendment No. 2 with Region XII for the administration of the Iowa Economic Development Authority Housing Grant #19-HSG-002 attached as Exhibit "A", be authorized and accepted.

PASSED AND APPROVED by the City Council of the City of Carroll, Iowa, this 8th day of November, 2021.

CITY COUNCIL OF THE
CITY OF CARROLL, IOWA

By:_____
Eric P. Jensen, Mayor

ATTEST:

By:_____
Laura A. Schaefer, City Clerk

CITY OF CARROLL - REGION XII COG
SUBRECIPIENT AGREEMENT
AMENDMENT #2

for

IOWA ECONOMIC DEVELOPMENT AUTHORITY
CONTRACT #19-HSG-002

The following bolded text amendments are made to Sections 10-and Section 14 the agreement:

Section 10. Federal and State Laws.

Federal Laws. By virtue of the Federal funding provided for under this agreement, the parties hereto shall be bound by and adhere to all applicable Federal laws, rules, policies, orders and directions, including by way of specification but not limited to the following:

A. The requirements of Title VIII of the Civil Rights Act of 1968, 42 U.S.C. 3601-19 and implementing regulations; Executive Order 11063, as amended by Presidential Executive Order 12259; Title VI of the Civil Rights Act of 1964 (42 U.S.C. 200d-1), and 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 of 1965; Section 109, Title I of the Housing and Community Development Act of 1974, as amended; and, regulations which supplement these laws and orders.
B. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and the prohibitions against discrimination against handicapped individuals under Section 504 of the Rehabilitation Act of 1973 (24 U.S.C. 794).
C. The requirements of Executive Order 11246, as amended by Presidential Executive Order 11375 and the regulations issued under the Order at 41 CFR Chapter 60. **During the performance of this contract, the contractor agrees as follows:**
    1. **The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.**
    2. **The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.**
    3. **The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of the Executive Order**

No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

4. The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
5. The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
6. In the event of the contractor's non-compliance with the nondiscrimination clause of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
7. The contractor will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

D. The requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3).

1. The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
2. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
3. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
4. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the

contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

5. **The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.**
6. **Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.**
7. **With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).**

E. The requirements of Executive Orders 11625, 12432, and 12138. Consistent with responsibilities under these Orders, the provider must make efforts to encourage the use of minority- and women-owned business enterprises in connection with activities funded under this part.

F. The maintenance of books, records, documents and other such evidence pertaining to all costs and expenses incurred and revenues received under this contract/subagreement to the extent and in such detail as will properly reflect all costs, direct and indirect, of labor, materials, and equipment, supplies, services, and other costs and expenses of whatever nature, for which payment is claimed under their contract/subagreement as specified in 261- -Chapter 23, Iowa Administrative Code and OMB Circular A-102, **so that all reporting requirements for the City's CDBG may be fulfilled.**

G. At any time during normal business hours and as frequently as deemed necessary, the parties heretofore shall make available to the Iowa Economic Development Authority, the State Auditor, the General Accounting Office, and the Department of Housing and Urban Development, for their examination, all of its records pertaining to all matters covered by this contract/subagreement and permit these agencies to audit, examine, make excerpts or transcripts from such records, contract, invoices, payrolls, personnel records, conditions of employment, and all other matters covered by this contract/subagreement.

H. Lead-safe housing regulations, as applicable, in 24 CFR Part 35 et. al.

I. The requirements of Section 306 of the Clean Air Acts (42 USC 1857(h)), Section 508 of the Clean Water Act (33 USC 1368), and Executive Order 11738. During the performance of this contract, the COG agrees as follows:

1. **The COG will certify that any facility to be utilized in the performance of any nonexempt contract or subcontract is not listed on the Excluded Party Listing System pursuant to 40 CFR 32.**
2. **The COG agrees to comply with all the requirements of Section 114 of the Clean Air Act, as amended, (42 U.C 1857c-8) and Section 308 of the Federal Water Pollution Control Act, as amended (33 USC 1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder.**
3. **The COG agrees that as a condition for the award of the contract, prompt notice will be given of any notification received from the Director, Office of Federal Activities, Environmental**

Protection Agency, indicating that a facility utilized or to be utilized for the contract is under consideration to be listed on the Excluded Party Listing System.

4. **The COG agrees that it will include or cause to be included the criteria and requirements in Paragraph (1) through (4) of this section in every nonexempt subcontract and require every subcontractor to take such action as the Government may direct as a means of enforcing such provisions.**

J. Others as applicable.

State Laws. By virtue of the funding provided for under this agreement, the parties hereto shall be bound by and adhere to all applicable State of Iowa laws, rules, policies, orders and directions, including by way of specification but not limited to the following:

A. **The requirements of Iowa Code Chapter 8A 315-317 and Iowa Administrative Code Chapter 11-117.6 (5) – Recycled Product and Content.**
B. **Iowa Civil Rights Act of 1965.**

Section 14. Termination. Upon written agreement between the City and the COG, this contract may be declared null and void, whereupon all work completed to date of nullification shall be turned over to the City and the City shall reimburse the COG proportionately for the work completed. **In addition to mutual termination, the following shall constitute events of default under this agreement:**

A. ***Material Misrepresentation*. If at any time any representation, warranty or statement made or furnished to the City by, or on behalf of the COG in connection with this agreement or to induce the City to make a grant to the COG shall be determined by the City to be incorrect, false, misleading or erroneous in any material respect when made or furnished and shall not have been remedied to the City's satisfaction within thirty (30) days after written notice by the City is given to the COG.**
B. ***Noncompliance*. If there is a failure by the COG to comply with any of the covenants, terms or conditions contained in this agreement.**
C. ***Misspending*. If the COG expends grant proceeds for purposes not described in the CDBG application, this agreement, or as authorized by the City.**

IN WITNESS THEREFORE, both parties agree to the above amendment and hereto have executed this amendment on the day and year specified below.

CITY OF CARROLL	**REGION XII COG, INC.**
_____	Richard T. Hunsaker
Eric Jensen Mayor	Richard T. Hunsaker Executive Director
Date:_____	Date: 7-22-2021

Carroll

Recipient: Carroll
Contract Number: 19-HSG-002
Award Date: August 2, 2019
Award Amount: $ 220,500

Monitoring Notification Date: July 28, 2021
Date of Site Visit: August 31, 2021
Report Date: September 1, 2021
Person Interviewed: Karla Janning, Region XII

Elected Official

Honorable Eric Jensen, Mayor
112 East Fifth Street
Suite 1
Carroll, Iowa 51401
ejensen@ci.carroll.ia.us
712.792.1000

Administrator

Karla Janning, Housing Programs Coordinator
Region XII Council of Governments
1009 East Anthony St.
Carroll, Iowa 51401
kjanning@region12cog.org
712.792.9914

Project Manager

Joyce Brown
200 E. Grand Ave.
Des Moines, Iowa 50309
515.348.6209
Joyce.Brown@IowaEDA.com

The following areas were reviewed for compliance with the HUD CDBG requirements:

National Objectives / Project Progress
Carroll has met the National Objective of serving low- to moderate-income (LMI) individuals.

Citizen Participation
Carroll has met the requirements for Citizen Participation.

Environmental
Carroll has met the the requirements of the environmental review.

Financial Management
Carroll has adequate financial management controls in place.

Procurement
Carroll has met the requirements for Procurement.
Additional Comments: Region 12 has a sub-recipient agreement with the City as well as a contract for administration and technical services.

Administration & Project Administration
Carroll has met the requirements for Administration.

Other Professional / Technical Services
Carroll has met the requirements for Other Professional / Technical Services.

Civil Rights
Carroll has met the requirements for Civil Rights.

Section 3
Carroll has met the requirements for Section 3.

Individual Housing File Review
Carroll has met the requirements for the Individual Housing File Review.

**Please upload the requested documents to IowaGrants.gov and e-mail your project manager by the date indicated for each document.