4/23/13

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE ADMINISTRATOR OF THE DEPARTMENT OF NEIGHBORHOOD SERVICES AND COMMUNITY DEVELOPMENT TO ENTER INTO AN AGREEMENT WITH CHATTANOOGA CHURCH MINISTRIES, INC. D/B/A THE CHATTANOOGA COMMUNITY KITCHEN, INC., TO COVER ALL ON-GOING CITY AND FEDERAL COMPLIANCE REQUIREMENTS ASSOCIATED WITH THE ASSUMPTION OF THE PROPERTY FROM ROSEWOOD SUPPORTIVE SERVICES, INC. LOCATED AT 2513 MCCRAE STREET, WHICH WAS DEVELOPED USING HOME INVESTMENT PARTNERSHIP ACT FUNDS.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That the Administrator of the Department of Neighborhood Services and Community Development is authorized to enter into an agreement with Chattanooga Church Ministries, Inc. d/b/a Chattanooga Community Kitchen, Inc., covering all on-going City and Federal requirements associated with property developed with HOME Investment Partnership Act funds, located at 2513 McCrae Street.

ADOPTED: _____, 2013

/mms

City of Chattanooga

Resolution/Ordinance Request Form

Date Prepared: April 5, 2013

Preparer: Beverly P. Johnson | Department: Neighborhood Svcs. and Comm. Dev.

Brief Description of Purpose for Resolution/Ordinance: Res./Ord. # _____ Council District # 9

A resolution authorizing the Administrator of the Department of Neighborhood Services and Community Development to approve the transfer of property from Rosewood Supportive Services, Inc., located at 2513 McCrae Street, which was developed with HOME Investment Partnership Act funds, to Chattanooga Church Ministries, Inc. d/b/a Chattanooga Community Kitchen, Inc., with Chattanooga Community Kitchen, Inc. assuming all rights and responsibilities.

Name of Vendor/Contractor/Grant, etc.		New Contract/Project? (Yes or No)	
Total project cost	$ 545,429.00	Funds Budgeted? (YES or NO)	
Total City of Chattanooga Portion	$ *90.000.00	Provide Fund	
City Amount Funded	$	Provide Cost Center	
New City Funding Required	$	Proposed Funding Source if not budgeted	
City's Match Percentage	%	Grant Period (if applicable)	

List all other funding sources and amount for each contributor.

Amount(s)	Grantor(s)
$8,129.00	Rosewood's contribution
$447,300.00	Federal Home Loan Bank
$	

Agency Grant Number

CFDA Number if known

Other comments: (Include contingency amount, contractor, and other information useful in preparing resolution)

*** The $90,000 was allocated from the 2007-2008 HOME program year. No additional funding is required for property transfer.**

Approved by: Beverly P. Johnson 4/5/2013

Reviewed by: FINANCE OFFICE — DESIGNATED OFFICIAL/ADMINISTRATOR

Please submit completed form to @budget, City Attorney and City Finance Officer

Revised: 1/26/09

ASSIGNMENT AND ASSUMPTION OF PROJECT AGREEMENT

This Assignment and Assumption of Project Agreement (the "Assignment") is made and entered into the _____ day of _____, 2013, (the "Effective Date"), by and between Rosewood Supportive Services, Inc., a corporation organized under the laws of the State of Tennessee (the "Assignor"), and Chattanooga Community Kitchen, Inc., a non-profit organization organized pursuant to the laws of the State of Tennessee with principal offices at 727 E. 11th Street, Chattanooga, TN (the "Assignee").

WHEREAS, Assignor and the City of Chattanooga, Tennessee entered into that certain Project Agreement dated September 30, 2008, attached to and made a part of this Agreement, as **Exhibit "A,"** and

WHEREAS, simultaneously with the execution of this Assignment, Assignor and Assignee are consummating a transaction whereby Assignor is transferring to Assignee all of its right, title and interest into that certain real property located at 2513 McCrae Street, Chattanooga, Tennessee, which property is more particularly described on **Exhibit "B,"** attached hereto and made a part hereof by reference (the "Property"); and

WHEREAS, Assignor is subject to certain covenants set forth in the Project Agreement; and

WHEREAS, Assignee wishes to assume the obligations and rights under the Project Agreement; and

WHEREAS, the City of Chattanooga has agreed to the assignment of Assignor's interest and its obligations under the Project Agreement to Assignee;

NOW, THEREFORE,

FOR AND IN CONSIDERATION of the Premises and for Ten and 00/100 Dollars ($10.00) and hand paid by the parties one to another and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. Assignor warrants and represents that the Project Agreement is in full force and effect and is fully assignable.

2. The Assignee hereby assumes and agrees to perform all the remaining and executory obligations of the Assignor under the Project Agreement and agrees to indemnify and hold the Assignor harmless from any claim or demand resulting from non-performance by the Assignee.

3. The Assignor warrants that the Project Agreement has not been modified and remains on the terms contained in the Project Agreement.

4. The Assignor further warrants that it has full right and authority to transfer the Project Agreement and that the contract rights herein transferred are free of lien, encumbrance, or adverse claim.

5. This Assignment shall be binding upon and inured to the benefit of the parties, their successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Assignment on the day and year first above written.

ASSIGNOR:	ASSIGNEE:
ROSEWOOD SUPPORTIVE SERVICES, INC.	CHATTANOOGA COMMUNITY KITCHEN, INC.
By:_____	By:_____
Title:_____	Title:_____

EXHIBIT "B"

Legal Description and Street Address of HOME Assisted Property

Street Address: 2513 McCrae Street

Map, Group and Parcel Number: 137I B 023

Legal Description of the Property:

Lot 1, Baldwin's Addition Revised, as shown on plat recorded in Plat Book 92, Page 98, in the Register's Office of Hamilton County, Tennessee.

Exhibit A

ATTACHMENT PJ-R

Prepared By and Return To:
Geoffrey G. Young
Miller & Martin PLLC
Suite 1000, Volunteer Building
832 Georgia Avenue
Chattanooga, Tennessee 37402-2289

PROJECT AGREEMENT BETWEEN THE CITY OF CHATTANOOGA AND

Rosewood Supportive Services, Inc.
FOR THE USE OF HOME INVESTMENT PARTNERSHIP FUNDS (HOMEAGAIN)

For Rental Housing Activities

THIS AGREEMENT, entered into this 30 day of Sept, 2008 by and between the City of Chattanooga, a municipal corporation ("City"), and Rosewood Supportive Services, Inc., a nonprofit corporation organized pursuant to the laws of the State of Tennessee, with principal offices at 1903 McCallie Ave, Chattanooga, TN, or "Grantee," to include any and all other parties associated with the project described herein;

WHEREAS, the City is the recipient of HOME Investment Partnership (HOME) funds granted by the U.S. Department of Housing and Urban Development (HUD) under Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990 (P.L. 101-625), as amended; and WHEREAS, the City wishes to utilize HOME Investment Partnership (HOME) funds to assist the Grantee with affordable rental housing activities; and

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

PART I

1. **PURPOSE AND SCOPE OF SERVICES:**

   A. 1. The Grantee shall use HOME funds, provided by the City of Chattanooga To: construct a home for 8 disabled persons who have experienced long-term homelessness and one caregiver;

   2. The Grantee shall provide affordable rental housing for a minimum period of twenty years from the time when all HOME assisted units associated with this project, are occupied by eligible occupants. Upon *rent up*, preference will be given to households under 60% median family income over the

term of this agreement. According to HOME regulations, rental housing assisted with HOME Investment Partnership funds shall have a deed restriction placed upon it, requiring adherence to the occupancy and rent restrictions of 24 CFR 92.252, with the effective term of said instrument in accordance with 24 CFR 92.252(a)(5).

B. Within 30 days after the closing of permanent financing (if applicable) or at the signing of this agreement, the GRANTEE shall have properly recorded in the appropriate office of the Hamilton County Recorder any mortgage, security agreement, financing statement or similar document required by the City under this agreement, with all recording charges being paid by the GRANTEE.

C. Development of any architectural designs for the project shall be the responsibility of the GRANTEE, subject to written concurrence by the City.

D. The City shall provide technical assistance to the GRANTEE concerning compliance with the terms of this Agreement. The GRANTEE shall be responsible for all bidding procedures and sub-contractual arrangements. All procedures shall be carried out in accordance with all Federal, State and local standards, and shall be monitored by the City.

E. The Project shall be completed in compliance with all applicable state and local building codes; and upon completion, shall be operated in compliance with all applicable state and local codes and ordinances. The GRANTEE agrees the facilities shall be used solely for the purpose of providing affordable rental housing as detailed in Part I.1.A of this Agreement.

2. **TIME OF PERFORMANCE:**

The GRANTEE shall perform according to the following schedule:

Program Element	Deadline
1. Execute contract for project	September 30, 2008
2. Acquisition of property	NA
3. Pre-construction conference	September 30, 2008
4. Project start date	September 30, 2008
5. Construction/ rehab completion date	June 30, 2009
6. Project rent-up started	July 1, 2009
7. Project rent-up completed	August 30, 2009
8. Monitoring period	September 30, 2009

This schedule is subject to change by mutual agreement of both parties in writing.

3. Project Budget

	Grantee's Contribution	City's (HOME) Contribution
Real property acquisition	$8,129	$
Construction expenses	$420,000	$90,000
Architect\engineering	$14,000	$
State & local fees	TBD	$
Financing fees	TBD	$
Environmental and appraisal fees	$100	$
Project overhead & developer fee	TBD	$
Accounting, legal and misc. fees	TBD	$
Leasing and operating reserves	TBD	$
Other Expenses (will be used for fees above To Be Determined)	$12,300	$
Sub Totals	$455,429	$90,000
Total Project Cost		$545,429

4. **COMPENSATION AND METHOD OF PAYMENT:**

The City shall pay and the GRANTEE agrees to accept in full no more than $ 90,000.00 (ninety thousand dollars and no\100) *(hereinafter "Grant")* for performance under this Agreement, as follows:

A. Maximum Per Unit Subsidy

Grantee agrees that the amount of HOME funds invested on a per unit basis may not exceed the limits as defined in 24 CFR 92.250 **(SL-1).**

B. Based on the approved budget, partial payments shall be made on a reimbursement basis, upon presentation of (i) purchase agreements and invoices, and/or (ii) other source documents demonstrating that costs have been incurred and paid. Payments will be made for eligible expenses actually incurred by the GRANTEE, and not to exceed

actual cash requirements. With prior arrangement and approval, the City will make payments directly to the Grantee's vendor if payments by reimbursement creates an undo hardship on the organization.

C. All payments under this agreement are subject to receipt by the City of sufficient federal funds for the HOME Investment Partnership program. HOME Investment Partnership funds shall be drawn from the U.S. Treasury by the City through the Integrated Disbursement and Information System (IDIS). The City shall retain exclusive direct access rights to the IDIS system. All access to the IDIS system will be by duly authorized persons designated by the City as approved by HUD. Any termination, reduction or delay of receipt of HOME Investment Partnership funds to the City shall, at the option of the City, result in the termination, reduction or delay of HOME Investment Partnership funds to the GRANTEE.

D. Funds provided to the GRANTEE shall be expended within 10 business days from the date of disbursement to the GRANTEE by the City. Any funds not disbursed by the GRANTEE in the aforementioned time period shall be returned to the City and will be deposited in the U.S. Treasury, HOME Investment Partnership Trust Account. Any interest earned on cash advances from the U.S. Treasury and/or City of less than one hundred dollars ($100.00) per year may be retained by the GRANTEE and used for project expenses. Any interest in excess of one hundred dollars ($100.00) per year shall be remitted promptly to the City.

5. **TERMS AND CONDITIONS:**

A. The City may, from time to time, request changes in the scope of the Agreement and obligations to be performed hereunder by the Grantee. Such changes, which are mutually agreed upon by and between the City and the grantee shall be incorporated by written directive to the Grantee.

B. Affordability

The Grantee will abide by the HOME affordability requirements of 24 CFR 92.252 & 2.254, as applicable. The HOME-assisted units must meet the affordability requirements for not less than the applicable period specified in the following tables, beginning after project completion. The affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership. If HOME-assisted housing fails to meet the affordability requirement for the specified period, the HOME funds are to be repaid in accordance with 24 CFR 92.503.

RENTAL HOUSING ACTIVITIES – Minimum period of affordability in years rehabilitation or acquisition of existing housing per unit amount of HOME funds:

i. Under $15,000	5 Years
ii. $15,000 – 40,000	10 Years
iii. Over $40,000 or rehabilitation involving refinancing	15 Years
iv. New construction or acquisition of newly v. constructed housing	20 Years

C. The GRANTEE agrees to comply with all applicable federal, state, and local laws and regulations governing the funds provided under this contract. Said HOME regulations are published in 24 CFR Part 92.

D. The City shall have no responsibility or liability for the maintenance, operation or program funding for the GRANTEE.

E. Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The GRANTEE shall at all times remain an independent contractor with respect to the services to be performed under this Agreement. The City shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance as the GRANTEE is an independent contractor.

F. During the period of this Agreement, effective as of the start of the Project, the GRANTEE shall, at its own expense, procure and maintain all-risk property damage and liability insurance. For the term of this agreement, the GRANTEE shall list the City as a loss payee on said property insurance. Property damage coverage shall not be less than the current market value of the property. Liability coverage shall include contractual insurance as well as comprehensive form insurance. Proof of insurance shall be shown to the City by furnishing a copy of the certificate of insurance issued by an insurance company licensed to do business in the State Tennessee. The certificate of insurance shall include a statement guaranteeing that the insurance company shall notify the Community Development Office within 30 days of the lapse of said policy. The GRANTEE shall provide Workers' Compensation Insurance coverage for all employees involved in the performance of this contract.

G. Until at least September 30, 2029, the GRANTEE shall, in a manner satisfactory to the City, fulfill its stated purpose as outlined in Part I.1.A of this Agreement.

H. The GRANTEE shall not sell, assign or transfer any legal or equitable interest in the property at any time prior to September 30, 2029 without written concurrence of the City; but in such event, the GRANTEE shall pay to the City the amount of the grant in full relating to the property sold or, if the GRANTEE discontinues its program or if the GRANTEE discontinues the provision of affordable rental housing as funded under this Agreement prior to September 30, 2029 of this Agreement, the GRANTEE shall pay to the City, the amount of the grant in full. If the GRANTEE fully complies with its

obligations hereunder, on October 1, 2029 the lien against the property shall be released by the City.

I. Except as provided herein, the terms of this Agreement shall be effective from the date of execution through and including September 30, 2029.

J. In order to document the low and moderate income benefit required in 24 CFR 92.254, Grantee shall maintain records that document all clients served by the Grantee with HOME funds. The GRANTEE shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, signed verification of income statement, or other basis for determining eligibility, and description of service provided. Such information shall be made available to City monitors or their designees for review upon request.

K. In addition to records that document the number of clients served, the Grantee shall also document each client's race, family size, annual household income, and whether or not the family is female-headed. Grantee agrees to keep records, which appropriately document its compliance with the requirements of this agreement and with 24 CFR 92 in connection with the use of HOME funds. The GRANTEE shall reexamine family income, size and composition at least annually unless waived by mutual consent by the U.S. Department of Housing and Urban Development, the City of Chattanooga and the GRANTEE.

L. All housing assisted with HOME Investment Partnership funds shall be maintained in compliance with the property standards defined in 24 CFR 92.251, and any locally enforceable housing standards, laws and codes of the City.

M. On-site inspections of HOME assisted rental housing. During the period of affordability, Grantee will work in concert with the City to insure that on-site inspections of HOME-assisted rental housing are carried out no less than; every three years for projects containing 1 to 4 units; every two years for projects containing 5 to 25 units; and every year for projects containing 26 or more units, to determine compliance with the property standards of 92.251 and to verify the information submitted in accordance with the requirements of 92.252. Inspections must be based on a sufficient sample of units.

N. GRANTEES shall maintain records indicating that an inspection of the rental housing was performed and at a minimum the rental housing meets HUD Section 8 Housing Quality Standards and all applicable local housing standards.

O. All mixed income housing projects funded under the terms of this Agreement shall comply with the provisions of 24 CFR 92.255.

P. All projects shall adhere to the project requirements found in Subpart F of 24 CFR Part 92, as applicable in with the type of project assisted.

Q. GRANTEES that receive HOME Investment Partnership funds for rental housing shall have a Tenant Participation Plan, approved by the City, in accordance with 24 CFR 92.303.

PART II

1. **PERFORMANCE AND REPORTING:**

A. The GRANTEE shall direct all notices, reports, insurance policies, and other communications related to or required by this Agreement to the office of the City of Chattanooga, Community Development Office, 101 E.11th Street, Suite 200, Chattanooga, TN 37402. Notice by both GRANTEE and City shall be given by ordinary mail.

B. Tenant and Participant Protections
Grantee will comply with all tenant and participant protections according to 24 CFR 92.253 on all rental properties assisted with HOME funds.

C. The GRANTEE shall submit annual reports (July 1 – June 30) by the first day of August of each contract year through 2023. The annual report shall, at a minimum, include statistics relating to the number of households being assisted with HOME Investment Partnership funds, household size, racial characteristics, single head of household by gender, household income and a narrative of project highlights.

D. No reporting requirements for City HOME funds shall extend beyond the final annual report that is due on September 30, 2029.

2. **OTHER REPORTS, AUDITS AND INSPECTIONS:**

A. The GRANTEE shall promptly furnish the City or HUD with any financial records, statements, other records, data and information as the City or HUD may reasonably request pertaining to this Agreement.

B. During the term of this Agreement, any time during normal business hours, the GRANTEE shall make available to the City, HUD and/or the Comptroller General of the United States, or their duly authorized representatives, all of the GRANTEES records in order to permit examination of any audits, invoices, materials, payrolls, personnel records, conditions of employment, and other data relating to all matters covered by this Agreement.

C. The GRANTEE shall retain financial records, supporting documents, statistical records, and all other records pertaining to expenditures under this Agreement for a period of five (5) years after the termination of this Agreement on September 30, 2029.

3. **ADMINISTRATIVE REQUIREMENTS:**

A. Financial Management

1. Accounting Standards

The GRANTEE agrees to comply with Attachment F of OMB Circular A-110 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 GRANTEE shall administer its program in conformance with *OMB Circular A-110/ HUD Handbook 2210.18, "Cost Principles for For-Profit Organizations*," for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record-Keeping

1. Records to be Maintained

The GRANTEE shall maintain all records that are pertinent to the activities to be funded under this Agreement, including but not limited to:

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

b. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with HOME assistance:.

c. Records documenting compliance with the fair housing and equal opportunity components of the HOME program; and

d. Financial records as required by OMB Circular A-122, and/or OMB Circular A-133, and/or OMB Circular A-110.

2. Client Data

The GRANTEE shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, signed verification of income statement, or other basis for determining eligibility, and description of service provided. Such information shall be made available to City monitors or their designees for review upon request.

3. National Objectives and Eligibility

The GRANTEE agrees to maintain documentation demonstrating the activities carried out with funds provided under this contract benefit low income persons, as defined in 24 CFR Part 92.216 and/or 92.217.

C. Procurement

1. Contractor: The Grantee selects a contractor through applicable procurement procedures and requirements. The contractor provides goods and services in accordance with a written agreement (the contract). For contractors who are administering a portion of a HOME funded program, the contract must include at a minimum the following provisions:

   i. Use of the HOME funds. The agreement must describe the use of the HOME funds, including the tasks to be performed, a schedule for completing the tasks, a budget, and the length of the agreement.
   ii. Program requirements. The agreement must list the requirements applicable to the activities the contractor is administering.
   iii. Duration of agreement. The agreement must specify the duration of the contract. Generally, the duration of a contract should not exceed two years.

2. Compliance

In the event of termination for cause as provided in paragraph 12 or termination for convenience as provided in paragraph 13, a pro-rated portion of program assets (unexpended program income, property, equipment, etc.) attributable to the City's HOME investment shall revert to the City upon termination of this contract, as provided in Paragraph 12 or Paragraph 13 of this Agreement.

3. OMB Standards

The GRANTEE shall procure materials in accordance with the requirements of A-133, A-122, Attachment O of OMB Circular A-110, Procurement Standards, and shall subsequently follow Attachment N, Property Management Standards, covering utilization and disposal of property. Copies of said circulars are provided and by execution of this Agreement, the GRANTEE acknowledges their receipt.

D. Amendments

The City or GRANTEE may amend this Agreement at any time provided that such amendments are executed in writing and signed by a duly authorized representative of both organizations. Such amendments shall not invalidate this

Agreement, nor relieve or release the City or GRANTEE from its obligations under this Agreement.

4. **NON-DISCRIMINATION and AFFIRMATIVE MARKETING:**

No person shall be excluded from or denied the benefits of the GRANTEE'S service on the basis of age, race, color, religion, creed, national origin, sex, marital status, disability, gender identity or sexual orientation. All current and prospective project beneficiaries must, however, be persons in need of the programs provided by the GRANTEE. The GRANTEE shall comply with the affirmative marketing requirements set forth in 24 CFR 92.351.

5. **SECTION 504 COMPLIANCE:**

No otherwise qualified individual with handicaps shall, solely by reason of his or her handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. This includes, but is not limited to, programs and/or activities related to housing, employment, and the delivery of services.

6. **EQUAL EMPLOYMENT OPPORTUNITY and FAIR HOUSING:**

The GRANTEE certifies that it is an "Equal Opportunity Employer" and that it will comply with Title 3 (Human Rights) of the City Code, Chapter 216 (State Civil Rights) of the Iowa Code, and all applicable regulations of the U.S. Department of Housing and Urban Development pertaining to equal opportunity and affirmative action in employment. Further, the GRANTEE shall ensure that all contracts for work under this Agreement contain appropriate equal employment opportunity statements. In addition, GRANTEES shall comply with all provisions of 24 CFR 92.350.

7. **SECTION 3:**

Contractors retained by the GRANTEE shall adhere to the following Section 3 requirements and provide reports as required by HUD. The GRANTEE agrees to comply with Section 3 requirements, the requirements under 24 CFR 24 92.350, the regulations set forth in 24 CFR 135, and to include the following language in all subcontracts executed under this Agreement:

A. The work to be performed under this contract 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). 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.

B. 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.

C. 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;.9 and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with the 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.

1. 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 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.

2. 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.

3. 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 sub- contracts 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).

8. **W/MBE:**

The GRANTEE will use its best efforts to afford minority and women-owned business enterprises (at least fifty-one (51) percent owned and controlled by minority group members or women) the maximum practicable opportunity to participate in the performance of this Agreement.

9. **LABOR:**

Grantee agrees that projects involving the construction (rehabilitation or new construction) of housing that includes 12 or more units assisted with HOME funds under this Agreement, the Grantee will adhere to the Davis-Bacon Act, Copeland Anti-Kickback Act (40 U.S.C. 276c), as amended, which requires all laborers and mechanics working on the project to be paid not less than prevailing wage-rates as determined by the Secretary of Labor. By reason of the foregoing requirement, the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.) also applies. These requirements apply to the rehabilitation of residential property only if such property contains eight or more units.

10. **ENVIRONMENTAL ASSESSMENT AND HISTORIC PRESERVATION:**

Grantee agrees that in accordance with the National Environmental Policy Act of 1969 and 24 CFR part 58, it will cooperate with the City in complying with the Act and regulations, and that no activities will be undertaken until notified by the City that the activity is in compliance with the Act and regulations. Prior to beginning an activity, an environmental review must be conducted on each by the CD staff.

In accordance with 24 CFR part 58 and the environmental review required on each activity, effective July 1, 2004, the Grantee may be charged a fee of $100.00 per environmental review. The fee will be charged against the grant amount as approved.

11. **LEAD-BASED PAINT POISONING PREVENTION:**

The GRANTEE shall comply with requirements of Section 302 of the Lead-Based Paint Poisoning Prevention Act and HUD regulations thereunder (24 CFR 92.355) insofar as they apply to the performance of this Agreement.

12. **TERMINATION OF AGREEMENT FOR CAUSE:**

If the GRANTEE fails to fulfill its obligations under this Agreement in a timely and proper manner, or if the GRANTEE violates any of the terms, agreements or stipulations of this Agreement, the City shall thereupon have the right to terminate this Agreement by giving written notice to the GRANTEE of such termination, specifying the default or defaults, and stating that this Agreement shall be terminated 30 days after the giving of such notice unless such default or defaults are remedied

within such cure period. The City shall be obligated to make no payment due hereunder after it gives said notice unless the defaults are remedied within said 30-day period. In the event of such termination, the GRANTEE shall promptly repay to the City the full loan amount or that portion of the amounts that have been disbursed to the GRANTEE prior to such termination.

13. **TERMINATION OF AGREEMENT FOR CONVENIENCE:**

This Agreement may be terminated in whole or in part upon the mutual agreement of the parties hereto, in which case the City and the GRANTEE shall agree upon the termination conditions, including the effective date, the disposition of contract amounts, and in the case of partial termination, the portion to be terminated. However, if, in the case of partial termination, the City determines that the remaining portion of the award will not accomplish the purposes for which the award was made, and the award is terminated in its entirety, the GRANTEE shall promptly repay to the City the full grant and/or loan amount or that portion of the amount which has been disbursed to the GRANTEE prior to such termination.

14. **INTEREST OF CERTAIN FEDERAL AND OTHER OFFICIALS:**

A. No member or delegate to the Congress of the United States, and no resident Commissioner, shall be admitted to any share or part of this Agreement, or to any benefit to arise herefrom.

B. No member of the governing body of the City, no officer, employee, official or agent of the City, or other local public official who exercises any functions or responsibilities in connection with the review, approval or carrying out of the Project to which this Agreement pertains, shall have any private interest, direct or indirect, in this Contract.

C. No federal funds appropriated under this contract shall be paid, by or on behalf of the GRANTEE, to any person for influencing or attempting to influence a member of Congress, an officer or employee of Congress or any federal agency 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 agreement.

D. 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 of Congress, or an employee of a Member of Congress in connection with this federal contract, the GRANTEE

shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

E. The GRANTEE shall require that the language of this certification be included in the award documents for all subrecipients and that all subrecipients shall certify and disclose accordingly.

F. The GRANTEE agrees to comply with the provisions of 24 CFR 92.356.

15. **GRANTOR RECOGNITION:**

Any publicity generated by the Grantee for the project funded pursuant to this Agreement, during the term of this Agreement or for one year thereafter, will make reference to the contribution of the City of Chattanooga in making the project possible. The words "City of Chattanooga's Department of Neighborhood Services and Community Development; Ron Littlefield, Mayor" will be explicitly stated in any and all pieces of publicity, including but not limited to flyers, press releases, posters, brochures, public service announcements, interviews, and newspaper articles.

16. **ASSIGNABILITY:**

The GRANTEE shall not assign or transfer any interest in this Agreement without the prior written approval of the City. Any assignment made without such consent shall be void. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

17. **HOLD HARMLESS PROVISION:**

The GRANTEE shall indemnify, defend and hold harmless the City, its officers, employees and agents from all liability, loss, cost, damage and expense (including reasonable attorney's fees and court costs) resulting from or incurred by reason of any actions based upon the negligent acts or omissions of the GRANTEE'S employees or agents during the performance of this Agreement.

18. **SEVERABILITY CLAUSE:**

If any one or more of the provisions contained in this Agreement are held to be invalid, illegal, or unenforceable, this Agreement shall be deemed severable and the remainder of the Agreement shall remain in full force and effect.

19. **WORKERS' COMPENSATION**

The GRANTEE shall provide Workers' Compensation Insurance coverage for all employees involved in the performance of this contract.

20. LIMITATIONS OF CITY LIABILITY - DISCLAIMER OF RELATIONSHIP:

The City shall not be liable to the GRANTEE, or to any party, for completion of or failure to complete any improvements which are part of the Project. Nothing contained in this Agreement, nor any act or omission of the City or the GRANTEE, shall be construed to create any special duty, relationship, third-party beneficiary, respondent superior, limited or general partnership, joint venture, or any association by reason of the GRANTEE'S involvement with the City.

21. LEGAL PROVISIONS DEEMED INCLUDED

Each and every provision of any law or regulations and clause required by law or regulation to be inserted in this Agreement shall be deemed to be inserted herein, and this Agreement shall be read and enforced as though it were included herein and if, through mistake or otherwise, any such provision is not inserted or is not correctly inserted, then upon application of either party this Agreement shall forthwith be amended to make such insertion.

In witness whereof, the parties hereto have made and executed this Agreement on the respective dates under each signature: THE CITY OF CHATTANOOGA, TENNESSEE, through its City Council, signing by and through its Manager of Community Development, authorized to execute same by Council action , and Rosewood Supportive Services, Inc., signing by and through its Executive Director, duly authorized to execute the same

CITY:
CITY OF CHATTANOOGA, TN

Sandra Haber
Sandra Gober, its Manager, CD office

September 30, 2008
Date

STATE OF TENNESSEE
COUNTY OF HAMILTON

Before me the undersigned Notary personally appeared Sandra Gober with whom I am personally acquainted or proved to me on the basis of satisfactory evidence and who upon oath acknowledged such person to be the Manager, CD office of CITY OF CHATTANOOGA, TN, the within named bargainor, a municipal corporation, and that he/she such as such Manager, CD Office executed the foregoing instrument for the purposes therein contained by personally signing the name of CITY OF CHATTANOOGA, TN, as Manager, CD Office.

Witness my hand and seal this 30th day of September 2008.

RODERICK H. MORTON
STATE OF TENNESSEE NOTARY PUBLIC
HAMILTON COUNTY

NOTARY PUBLIC

My Commission Expires: January 5, 2010

AGREEMENT between THE CITY OF CHATTANOOGA, TENNESSEE AND Rosewood Supportive Services, Inc. IN THE AMOUNT OF $90,000.00 PROVIDING FOR FUNDING OF HOME PROJECTS.

GRANTEE:
Rosewood Supportive Services, Inc.

Rhonda Gilreath-Franklin

Rhonda Gilreath-Franklin, its President

09/30/08
Date

STATE OF TENNESSEE
COUNTY OF HAMILTON

Before me the undersigned Notary personally appeared Rhonda Gilreath Franklin with whom I am personally acquainted or proved to me on the basis of satisfactory evidence and who upon oath acknowledged such person to be the President of Rosewood Supportive Services, Inc., the within named bargainor, a municipal corporation, and that she such as such President executed the foregoing instrument for the purposes therein contained by personally signing the name of Rosewood Supportive Services, Inc., as President.

Witness my hand and seal this 30 day of September, 2008.

ELIZABETH M. HILL
STATE OF TENNESSEE
NOTARY PUBLIC
HAMILTON COUNTY

Elizabeth M Hill
NOTARY PUBLIC

My Commission Expires: 11-7-10

EXHIBIT A

Property Description

IN THE CITY OF CHATTANOOGA, HAMILTON COUNTY, TENNESSEE:
Lots One (1), Two (2) and Three (3), Baldwins' Addition, as shown by plat of record in Plat Book 6, Page 13, in the Register's Office of Hamilton County, Tennessee.

FOR PRIOR TITLE, see Warranty Deed from Herbert Clay Deloach Jr. and Jane Deloach Wooley to Rosewood Supportive Services, Inc., a Tennessee non-profit corporation, dated March 19, 2004 and recorded in Book 7064, Page 234, in the Register's Office of Hamilton County, Tennessee.

THIS CONVEYANCE MADE SUBJECT TO THE FOLLOWING:

Any governmental zoning and subdivision ordinances in effect thereon.

All notes, stipulations, restrictions, easements, conditions, and regulations as shown, described or noted on recorded plat.

PROJECT AGREEMENT BETWEEN THE CITY OF CHATTANOOGA

AND

CHATTANOOGA CHURCH MINISTRIES, INC. D/B/A CHATTANOOGA COMMUNITY KITCHEN, INC.

FOR THE USE OF HOME INVESTMENT PARTNERSHIP FUNDS (HOMEAGAIN)

For Rental Housing Activities

THIS AGREEMENT, entered into this ___ day of _____, 2013 by and between the City of Chattanooga, a municipal corporation ("City"), and Chattanooga Community Kitchen, Inc. (Community Kitchen), a nonprofit corporation organized pursuant to the laws of the State of Tennessee, with principal offices at 727 East 11th Street, or "Grantee," to include any and all other parties associated with the project described herein;

WHEREAS, the City is the recipient of HOME Investment Partnership (HOME) funds granted by the U.S. Department of Housing and Urban Development (HUD) under Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990 (P.L. 101-625), as amended; and WHEREAS, the City wishes to utilize HOME Investment Partnership (HOME) funds to assist the Grantee with affordable rental housing activities;
and

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

PART I

1. **PURPOSE AND SCOPE OF SERVICES:**

   A. 1. The Grantee shall use HOME funds and or the realty asset provided by the City of Chattanooga to:
   Manage a home for eight disabled persons who have experienced long term homelessness and one caregiver;

   2. The Grantee shall provide affordable rental housing for a minimum period of fifteen years from the time when all HOME assisted units associated with this Project, are occupied by eligible occupants. Upon *rent up*, preference will be given to households under 60% median family income over the term of this Agreement. According to HOME regulations, rental housing assisted with HOME Investment Partnership funds shall have a deed restriction placed upon the real property, requiring adherence to the occupancy and rent restrictions of 24 CFR 92.252, with the effective term of said instrument in accordance with 24 CFR 92.252(e).

   B. Within 30 days after the closing of permanent financing (if applicable) or at the signing of this Agreement, the Grantee shall have properly recorded in the Hamilton County Register's Office any mortgage, security agreement, financing statement or similar

document required by the City under this Agreement, with all recording charges and recording taxes being paid by the Grantee.

C. Development of any architectural designs for the Project shall be the responsibility of the Grantee, and shall require prior written approval by the City.

D. The City shall provide technical assistance to the GRANTEE concerning compliance with the terms of this Agreement. The GRANTEE shall be responsible for all bidding procedures and sub-contractual arrangements. All procedures shall be carried out in accordance with all federal, state and local laws, and shall be monitored by the City.

E. The Project shall be completed and operated in compliance with all applicable state and local building codes and ordinances. The Grantee agrees that the facilities constructed with HOME funds shall be used solely for the purpose of providing affordable rental housing as detailed in Part I.A.1 of this Agreement.

2. **TIME OF PERFORMANCE:**

The Grantee shall perform according to the following schedule:*

Program Element	Deadline
1. Execute contract for project	
2. Acquisition of property	
3. Pre-construction conference	
4. Project start date	
5. Construction/ rehab completion date	NA
6. Project rent-up started	
7. Project rent-up completed	
8. Monitoring period	

This schedule may be changed only by mutual written agreement of both parties.

3. Project Budget

	Grantee's Contribution	City's (HOME) Contribution
Real property acquisition	$	$
Construction expenses		
Architect\engineering		$
State & local fees		$
Financing fees	$	$
Environmental and appraisal fees	$	
Project overhead & developer fee		$
Accounting, legal and misc. fees	$	$
Leasing and operating reserves		$
Other Expenses		$
Sub Totals	$	$
Total Project Cost		$

4. **COMPENSATION AND METHOD OF PAYMENT:**

The City shall pay and the GRANTEE agrees to accept in full no more than $ 90,000.00 no\100) *(hereinafter "Grant")* for performance under this Agreement, as follows:

A. Maximum Per Unit Subsidy

Grantee agrees that the amount of HOME funds invested on a per unit basis may not exceed the limits as defined in 24 CFR 92.250 **(SL-1).**

B. Based on the approved budget, partial payments shall be made on a reimbursement basis, upon presentation of (i) purchase agreements and invoices, and/or (ii) other source documents demonstrating that costs have been incurred and paid. Payments will be made for eligible expenses actually incurred by the GRANTEE, and not to exceed actual cash requirements. With prior arrangement and approval, the City will make payments directly to the Grantee's vendor if payments by reimbursement creates an undo hardship on the organization.

C. All payments under this agreement are subject to receipt by the City of sufficient federal funds for the HOME program. HOME funds shall be drawn from the U.S. Treasury by the City through the Integrated Disbursement and Information System (IDIS). The City shall retain exclusive direct access rights to the IDIS system. All access to the IDIS system will be by duly authorized persons designated by the City as approved by HUD. Any termination, reduction or delay of receipt of HOME funds to the City shall, at the option of the City, result in the termination, reduction or delay of HOME funds to the Grantee.

D. Funds provided by the City to the Grantee shall be expended within ten (10) business days from the date of disbursement to the Grantee. Any funds not disbursed by the Grantee in the aforementioned time period shall be promptly returned to the City and will be deposited in the U.S. Treasury, HOME Investment Partnership Trust Account. Any interest earned on cash advances from the U.S. Treasury and/or City of less than one hundred dollars ($100.00) per year may be retained by the GRANTEE and used for Project expenses. Any interest in excess of one hundred dollars ($100.00) per year shall be remitted promptly to the City.

5. **TERMS AND CONDITIONS:**

A. The City may, from time to time, request changes in the scope of the Agreement and obligations to be performed hereunder by the Grantee. Any such changes that are mutually agreed upon by and between the City and the Grantee shall be incorporated herein by written amendment to this Agreement.

B. Affordability

The Grantee will abide by the HOME affordability requirements of 24 CFR 92.252 & 2.254, as applicable. The HOME-assisted units must meet the affordability requirements for not less than the applicable period specified in the following tables, beginning after project completion. The affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership. If HOME-assisted housing fails to meet the affordability requirement for the specified period, the HOME funds are to be repaid in accordance with 24 CFR 92.503.

RENTAL HOUSING ACTIVITIES – Minimum period of affordability in years rehabilitation or acquisition of existing housing per unit amount of HOME funds:

i. Under $15,000	5 Years
ii. $15,000 – 40,000	10 Years
iii. Over $40,000 or rehabilitation involving refinancing	15 Years
iv. New construction or acquisition of newly constructed housing	20 Years

C. The GRANTEE agrees to comply with all applicable federal, state, and local laws and regulations governing the funds provided under this Agreement. HOME fund regulations are published in 24 CFR Part 92.

D. The City shall have no responsibility or liability for the maintenance, operation or program funding for the Grantee.

E. Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The GRANTEE shall at all times remain an independent contractor with respect to the services to be performed under this Agreement. The City shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance as the Grantee is an independent contractor.

F. **INSURANCE**

At no additional cost to the City, Grantee will procure and maintain for the duration of this Agreement insurance of the types and in the amounts described below against claims for injuries to persons or damages to property which may arise from or in connection with the performance of this Agreement by Grantee, its agents, representatives, employees, volunteers, or subcontractors.

(1) *COMMERCIAL GENERAL LIABILITY INSURANCE*.

Grantee agrees during the term of this Agreement to maintain occurrence version commercial general liability insurance or equivalent form with a limit of not less than one million dollars ($1,000,000) each occurrence for bodily injury, personal injury and property damage. If such insurance contains a general aggregate limit, it will apply separately to this Agreement, or be no less than two (2) times the occurrence limit. Grantee agrees to provide the insurance policies at its sole expense, with commercially reasonable increases in coverage, but in no event shall the insurance coverage be less than the limits set by the Tennessee Governmental Tort Liability Act, as may be amended. Such insurance will:

a. Contain or be endorsed to contain a provision that includes the City, its officials, officers, and employees as insureds with respect to liability arising out of work or operations performed by or on behalf of Grantee including materials, parts, or equipment furnished in connection with such work or operations. The coverage will contain no special limitations on the scope of protection afforded to the above listed insureds. Liability coverage can be provided in the form of an endorsement to Grantee's insurance or as a separate owner's policy; and

b. For any claims related to this Agreement, be primary insurance as respects the City, its officials, officers and employees. Any insurance or self-insurance programs covering the City, its officials, officers and employees will be in excess of insurance and will not contribute with it.

(2) *WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE*.

Grantee shall maintain workers' compensation insurance with statutory limits as required by the State of Tennessee and employers' liability insurance with limits of not less than one million dollars ($1,000,000). Grantee shall require each of its subcontractors to provide workers' compensation for all of the subcontractor's

employees to be engaged in such work unless such employees are covered by Grantee's workers' compensation insurance coverage.

(3) *AUTOMOBILE INSURANCE*.

Grantee shall maintain automobile liability insurance for owned vehicles, hired and non-owned vehicles, with a policy limit of not less than one million dollars ($1,000,000.00), combined single limits, per occurrence and aggregate.

(4) *ADDITIONAL INSURANCE REQUIREMENTS*.

Grantee shall include the City as additional insured on all business and property insurance. Proof of said insurance shall be provided to the City's Risk Manager.

Grantee shall:

a. Prior to commencement of services, furnish City with original certificates of insurance and any amendatory endorsements effecting coverage required by this Section, and provide that such insurance will not be cancelled, allowed to expire, or be materially reduced in coverage except on thirty (30) days' prior written notice to the City Attorney and Risk Manager of City;

b. If requested by City, provide certified copies of endorsements and policies in lieu of or in addition to certificates of insurance;

c. Replace certificates, policies and endorsements for any such insurance expiring prior to completion of services;

d. Maintain such insurance from the time services commence until services are satisfactorily completed, and note that failure to maintain or renew coverage or to provide evidence of renewal may be treated by City as a breach of contract;

e. Place such insurance with an insurer that is licensed to do business in Tennessee and has an A.M. Best Company rating of no less than AV; and

f. Require all subcontractors to maintain during the terms of this Agreement, Commercial General Liability insurance, Business Automobile Liability insurance and Workers' Compensation/Employers' Liability insurance (unless subcontractor's employees are covered by Grantee's insurance) in the same manner as specified for Grantee, and furnish subcontractor's certificates of insurance to City prior to the commencement of work.

g. Furthermore, any deductibles or self-insured retentions must be declared to and approved by City.

G. Until at least September 30, 2029, the Grantee shall, in a manner satisfactory to the City, fulfill its stated purpose as outlined in Part I.A.1. of this Agreement.

H. The Grantee shall not sell, assign or transfer any legal or equitable interest in the property at any time prior to September 30, 2029 without prior written consent of the City; but in such event, the Grantee shall pay to the City the amount of the grant in full relating to the property sold or, if the Grantee discontinues its program or if the Grantee

discontinues the provision of affordable rental housing as funded under this Agreement prior to September 30, 2029 of this Agreement, the Grantee shall pay to the City the amount of the grant in full. If the Grantee fully complies with its obligations hereunder, on October 1, 2029 the lien against the property shall be released by the City.

I. Except as provided herein, the terms of this Agreement shall be effective from the date of execution through and including September 30, 2029.

J. In order to document the low and moderate income benefit required in 24 CFR 92.254, Grantee shall maintain records that document all clients served by the Grantee with HOME funds. The Grantee shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, signed verification of income statement, or other basis for determining eligibility, and description of service provided. Such information shall be made available to City monitors or their designees for review upon request.

K. In addition to records that document the number of clients served, the Grantee shall also document each client's race, family size, annual household income, and whether or not the female is head of household. Grantee agrees to keep records, which appropriately document its compliance with the requirements of this Agreement and with 24 CFR 92 in connection with the use of HOME funds. The GRANTEE shall reexamine family income, size and composition at least annually unless waived by mutual consent by HUD, the City, and the Grantee.

L. All housing assisted with HOME funds shall be maintained in compliance with the property standards defined in 24 CFR 92.251, and any locally enforceable housing standards, laws and codes of the City.

M. On-site inspections of HOME assisted rental housing. During the period of affordability, Grantee will work in concert with the City to insure that on-site inspections of HOME-assisted rental housing are conducted no less than every three years for projects containing 1 to 4 units; every two years for projects containing 5 to 25 units; and every year for projects containing 26 or more units, to determine compliance with the property standards of 92.251 and to verify the information submitted in accordance with the requirements of 92.252. Inspections must be based on a sufficient sample of units.

N. The Grantee shall maintain records indicating that an inspection of the Project was performed and at a minimum the Project meets HUD Section 8 Housing Quality Standards and all applicable local housing standards.

O. The Project funded under the terms of this Agreement shall comply with the provisions of 24 CFR 92.255.

P. The Project shall adhere to the project requirements found in Subpart F of 24 CFR Part 92, as applicable with the type of project assisted.

Q. The Grantee shall have a Tenant Participation Plan, approved by the City, in accordance with 24 CFR 92.303.

PART II

1. **PERFORMANCE, NOTICES, AND REPORTING:**

A. Any notice, report, or communication permitted or required by this Agreement shall be deemed effective when personally delivered or deposited, postage prepaid, in the First Class Mail of the United States, properly addressed to the appropriate party at address set forth below:

Grantee	**City of Chattanooga**
Charlie Hughes	**Beverly P. Johnson**
Executive Director	**Administrator**
Chattanooga Community Kitchen	**Department of Neighborhood Services**
P.O. Box 11203	**and Community Development**
727 East 11th Street	101 E. 11th Street, City Hall
Chattanooga, TN 37401	Chattanooga, TN 37402

B. The Grantee shall comply with all tenant and participant protections in accordance with 24 CFR 92.253 on all rental properties assisted with HOME funds.

C. The Grantee shall submit annual reports (July 1 – June 30) by the first day of August of each contract year through 2029. The annual report shall, at a minimum, include statistics relating to the number of households being assisted with HOME funds, household size, racial characteristics, single head of household by gender, household income and a narrative of Project highlights.

D. No reporting requirements for City HOME funds shall extend beyond the final annual report that is due on September 30, 2029.

2. **OTHER REPORTS, AUDITS, AND INSPECTIONS:**

A. The Grantee shall promptly furnish the City or HUD with any financial records, statements, other records, data and information as the City or HUD may reasonably request pertaining to this Agreement.

B. The City, HUD, and/or the Comptroller General of the United States, or their duly authorized representatives, may audit all financial and related records (including digital) associated with the terms of this Agreement including timesheets, reimbursable out of pocket expenses, materials, goods, and equipment claimed by the Grantee. The City may further audit any contractor records to conduct performance audits (to identify waste and abuse or to determine efficiency and effectiveness of the contract or agreement) or to identify conflicts of interest.

C. The Grantee shall at all times during the term of this Agreement and for a period of seven (7) years after the end of this Agreement, keep and maintain records of the work performed pursuant to this Agreement. This shall include proper records of quotations, contracts, correspondence, invoices, vouchers, timesheets, and other documents that support actions taken by the Grantee. Documents shall be maintained by the Grantee necessary to clearly reflect all work and actions taken. All such records shall be maintained in accordance with generally accepted accounting principles. The Grantee

shall at its own expense make such records available for inspection and audit (including copies and extracts of records as required) by the City at all reasonable times and without prior notice.

D. The obligations of this Section shall be explicitly included in any subcontracts or agreements formed between the Grantee and any subcontractors or suppliers of goods or services to the extent that those subcontracts or agreements relate to fulfilment of the Grantee's obligations to the City.

E. Costs of any audits conducted under the authority of this section and not addressed elsewhere will be borne by the City unless the audit identifies significant findings that would benefit the City. The Grantee shall reimburse the City for the total costs of an audit that identifies significant findings that would benefit the City.

F. This section shall not be construed to limit, revoke, or abridge any other rights, powers, or obligations relating to audit which the City may have by federal, state, or municipal law, whether those rights, powers, or obligations are express or implied.

3. **ADMINISTRATIVE REQUIREMENTS:**

A. Financial Management

1. Accounting Standards

The Grantee agrees to comply with Attachment F of OMB Circular A-110 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 Grantee shall administer its program in conformance with *OMB Circular A-110/ HUD Handbook 2210.18, "Cost Principles for For-Profit Organizations*," for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record-Keeping

1. Records to be Maintained

The Grantee shall maintain all records that are pertinent to the activities to be funded under this Agreement, including but not limited to:

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

b. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with HOME assistance;

c. Records documenting compliance with the fair housing and equal opportunity components of the HOME program; and

d. Financial records as required by OMB Circular A-122, and/or OMB Circular A-133, and/or OMB Circular A-110.

2. Client Data

The Grantee shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, signed verification of income statement, or other basis for determining eligibility, and description of service provided. Such information shall be made available to City monitors or their designees for review upon request.

3. National Objectives and Eligibility

The Grantee agrees to maintain documentation demonstrating that the activities carried out with HOME funds provided under this Agreement benefit low income persons, as defined in 24 CFR Part 92.216 and/or 92.217.

C. Procurement

1. Contractor: The Grantee selects a contractor in accordance with applicable procurement procedures and requirements. The contractor shall provide goods and services in accordance with a written agreement (the Contract). For contractors who are administering a portion of a HOME funded program, the Contract must include at a minimum the following provisions:

i. Use of the HOME funds. The Contract must describe the use of the HOME funds, including the tasks to be performed, a schedule for completing the tasks, a budget, and the length of the Contract.

ii. Program requirements. The Contract must list the requirements applicable to the activities the contractor is administering.

iii. Duration of the Contract. The Contract must specify the duration of the Contract. Generally, the duration of a contract should not exceed two years.

2. Compliance

In the event of termination for cause as provided in paragraph 12 or termination for convenience as provided in paragraph 13, a pro-rated portion of program assets (unexpended program income, property, equipment, etc.) attributable to the City's HOME investment shall revert to the City upon termination of this Agreement, as provided in Paragraph 12 or Paragraph 13.

3. OMB Standards

The Grantee shall procure materials in accordance with the requirements of A-133, A-122, Attachment O of OMB Circular A-110, Procurement Standards, and shall subsequently follow Attachment N, Property Management Standards, covering utilization and disposal of property. Copies of said circulars are provided and by execution of this Agreement, the Grantee acknowledges their receipt.

B. Amendments

The City or Grantee may amend this Agreement at any time provided that such amendments are executed in writing and signed by a duly authorized representative of both organizations. Such amendments shall not invalidate this Agreement, nor relieve or release the City or GRANTEE from its obligations under this Agreement.

4. **NON-DISCRIMINATION and AFFIRMATIVE MARKETING:**

No person shall be excluded from or denied the benefits of the Grantee's service on the basis of age, race, color, religion, creed, national origin, sex, marital status, disability, gender identity or sexual orientation. All current and prospective project beneficiaries must, however, be persons in need of the programs provided by the Grantee. The Grantee shall comply with the affirmative marketing requirements set forth in 24 CFR 92.351.

5. **SECTION 504 COMPLIANCE:**

No otherwise qualified individual with handicaps shall, solely by reason of his or her handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. This includes, but is not limited to, programs and/or activities related to housing, employment, and the delivery of services.

6. **EQUAL EMPLOYMENT OPPORTUNITY and FAIR HOUSING:**

The Grantee certifies that it is an "Equal Opportunity Employer" and that it will comply with all state laws and regulations, and all applicable regulations of the U.S. Department of Housing and Urban Development pertaining to equal opportunity and affirmative action in employment. Further, the Grantee shall ensure that all contracts for work under this Agreement contain appropriate equal employment opportunity statements. In addition, Grantee shall comply with all provisions of 24 CFR 92.350.

7. **SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT:**

Contractors retained by the Grantee shall adhere to the following Section 3 requirements and provide reports as required by HUD. The Grantee agrees to comply with Section 3 requirements, the requirements under 24 CFR 24 92.350, the regulations set forth in 24 CFR 135, and to include the following language in all subcontracts executed under this Agreement:

A. The work to be performed under this contract 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). 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.

B. 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 certify that they are under no contractual or other impediments that would prevent them from complying with the Part 135 regulations.

C. 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, 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.

D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with the 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.

1. 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 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.

2. 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.

3. 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 sub- contracts 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).

8. **W/MBE:**

The Grantee will use its best efforts to afford minority and women-owned business enterprises (at least fifty-one (51)) percent owned and controlled by minority group members or women) the maximum practicable opportunity to participate in the performance of this Agreement.

9. **LABOR:**

Grantee agrees that projects involving the construction (rehabilitation or new construction) of housing that includes 12 or more units assisted with HOME funds under this Agreement

shall adhere to the Davis-Bacon Act, Copeland Anti-Kickback Act (40 U.S.C. 276c), as amended, which requires all laborers and mechanics working on the project to be paid not less than prevailing wage-rates as determined by the Secretary of Labor. By reason of the foregoing requirement, the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.) also applies. These requirements apply to the rehabilitation of residential property only if such property contains eight or more units.

10. **ENVIRONMENTAL ASSESSMENT AND HISTORIC PRESERVATION:**

Grantee agrees that in accordance with the National Environmental Policy Act of 1969 and 24 CFR part 58, it will cooperate with the City in complying with the Act and regulations, and that no activities will be undertaken until notified by the City that the activity is in compliance with the Act and regulations. Prior to beginning an activity, an environmental review must be conducted on each activity by the Community Development staff.

In accordance with 24 CFR part 58 and the environmental review required on each activity, effective July 1, 2004, the Grantee may be charged a fee of $100.00 per environmental review. The fee will be charged against the grant amount as approved.

11. **LEAD-BASED PAINT POISONING PREVENTION:**

The Grantee shall comply with requirements of Section 302 of the Lead-Based Paint Poisoning Prevention Act and HUD regulations thereunder (24 CFR 92.355) insofar as they apply to the performance of this Agreement.

12. **TERMINATION OF AGREEMENT FOR CAUSE:**

If the Grantee fails to fulfill its obligations under this Agreement in a timely and proper manner, or if the Grantee violates any of the terms, agreements or stipulations of this Agreement, the City shall thereupon have the right to terminate this Agreement by giving written notice to the Grantee of such termination, specifying the default or defaults, and stating that this Agreement shall be terminated 30 days after the giving of such notice unless such default or defaults are remedied within such cure period. The City shall be obligated to make no payment due hereunder after it gives said notice unless the defaults are remedied within said 30-day period. In the event of such termination, the Grantee shall promptly repay to the City the full loan amount or that portion of the amounts that have been disbursed to the Grantee prior to such termination.

13. **TERMINATION OF AGREEMENT FOR CONVENIENCE:**

The City may terminate for its convenience this Agreement at any time by giving at least thirty (30) days' notice in writing to the Grantee. If the Agreement is terminated by the City, as provided herein, the City will reimburse for any actual and approved expenses incurred, including those costs involved in terminating the contracts and shutting down the work as of the date of the notice, and the Grantee will be paid as a fee an amount, which bears the same ratio to the total compensation as the services actually performed bear to the total service of the Grantee covered by this Agreement, less payments of compensation previously made.

14. **DEFAULT – LOSS OF GRANT FUNDS:**

A. If the Grantee fails in any manner to fully perform or carry out any of the terms, covenants, and conditions of this Agreement, and more particularly if the Grantee refuses or fails to proceed with the work with such diligence as will ensure its completion within the time limits set forth in Paragraph 2 of this Agreement, the Grantee shall be in default and notice in writing shall be given to the Grantee of such default by the City or an agent of the City. If the Grantee fails to cure such default within such time as may be required by such notice, the City may, at its option, terminate and cancel this Agreement.

B. In the event of such termination, all grant funds awarded to the Grantee pursuant to this Agreement shall be immediately revoked and any approvals related to the Project shall immediately be deemed revoked and cancelled. In such event, the Grantee will no longer be entitled to receive any compensation for work undertaken after the date of the termination of this Agreement, as the grant funds will no longer be available for this Project.

C. Such termination shall not affect or terminate any of the rights of the City as against the Grantee then existing, or which may thereafter accrue because of such default, and the foregoing provisions shall be in addition to all other rights and remedies available to the City under the law and the note and mortgage (if in effect), including but not limited to, compelling the Grantee to complete the Project in accordance with terms of this Agreement in a court of equity.

D. The waiver of a breach of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition hereof.

15 **CONFLICT OF INTEREST PROVISIONS:**

The Grantee warrants and covenants that it presently has no interest and shall not acquire any interest, directly or indirectly, which could conflict in any manner or degree with the performance of its services hereunder. The Grantee further warrants and covenants that in the performance of this Agreement, no person having such interest shall be employed.

16. **INTEREST OF CERTAIN FEDERAL AND OTHER OFFICIALS:**

A. No member or delegate to the Congress of the United States, and no resident Commissioner, shall be admitted to any share or part of this Agreement, or to any benefit to arise herefrom.

B. No member of the governing body of the City, no officer, employee, official or agent of the City, or other local public official who exercises any functions or responsibilities in connection with the review, approval or carrying out of the Project to which this Agreement pertains, shall have any private interest, direct or indirect, in this Agreement.

C. No federal funds appropriated under this Agreement shall be paid, by or on behalf of the Grantee, to any person for influencing or attempting to influence a member of Congress, an officer or employee of Congress or any federal agency 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 agreement.

D. 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 of Congress, or an employee of a Member of Congress in connection with this federal Agreement, the Grantee shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

E. The Grantee shall require that the language of this certification be included in the award documents for all subrecipients and that all subrecipients shall certify and disclose accordingly.

F. The Grantee agrees to comply with the provisions of 24 CFR 92.356.

17. **GRANTOR RECOGNITION:**

Any publicity generated by the Grantee for the project funded pursuant to this Agreement, during the term of this Agreement or for one year thereafter, will make reference to the contribution of the City of Chattanooga in making the project possible. The words "City of Chattanooga's Department of Neighborhood Services and Community Development; Andy Berke, Mayor" will be explicitly stated in any and all pieces of publicity, including but not limited to flyers, press releases, posters, brochures, public service announcements, interviews, and newspaper articles.

18. **ASSIGNABILITY:**

The Grantee shall not assign or transfer any interest in this Agreement without the prior written approval of the City. Any assignment made without such consent shall be void. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

19. **HOLD HARMLESS PROVISION:**

Grantee agrees to protect, defend, indemnify, and hold the City and its officers, employees, and agents free and harmless from and against any and all losses, penalties, damages, injuries, settlements, costs, charges, professional fees or other expenses or liabilities of every kind and character arising out of or relating to any and all claims, liens, demands, obligations, actions, proceedings or causes of action of every kind and character in connection with the performance of the services provided by Grantee, its agents, servants, employees or subcontractors, or anyone directly employed by any of them for his acts any of them may be liable. This indemnification shall survive the expiration or sooner termination of this Agreement.

20. **LIMITATIONS OF CITY LIABILITY - DISCLAIMER OF RELATIONSHIP:**

The City shall not be liable to the Grantee, or to any party, for completion of or failure to complete any improvements which are part of the Project. Nothing contained in this Agreement, nor any act or omission of the City or the Grantee, shall be construed to create any special duty, relationship, third-party beneficiary, respondent superior, limited or general partnership, joint venture, or any association by reason of the Grantee's involvement with the City.

21. **LEGAL PROVISIONS DEEMED INCLUDED**

Each and every provision of any law or regulations and clause required by law or regulation to be inserted in this Agreement shall be deemed to be inserted herein, and this Agreement shall be read and enforced as though it were included herein and if, through mistake or otherwise, any such provision is not inserted or is not correctly inserted, then upon application of either party this Agreement shall forthwith be amended to make such insertion.

22. **INDEPENDENT CONTRACTOR**

The Grantee and its employees and agents shall be deemed to be independent contractors, and not agents or employees of the City, and shall not attain any rights or benefits under ordinances of the City, or any rights generally afforded classified or unclassified employees.

23. **MISCELLANEOUS PROVISIONS**

A. If any provision of this Agreement is determined to be unenforceable or invalid, such determination shall not affect the validity of other provisions contained in this Agreement. Failure to enforce any provision of this Agreement does not affect the rights of the parties to enforce such provision in another circumstance, nor does it affect the right of the parties to enforce any of the provision of this Agreement at any time.

B. Funding for this Agreement is contingent on the availability of funds and continued authorization for program activities and is subject to amendment or termination due to lack of funds, or authorization, reduction of funds, and/or changes in regulations.

B. This Agreement shall be governed and construed in accordance with the laws of the State of Tennessee. Any action or proceeding arising under this Agreement shall be brought in either the courts of the State of Tennessee in Chattanooga, Tennessee or it shall be brought in a United States District Court for the Eastern District of Tennessee, Southern Division, whichever is applicable.

C. This Agreement shall be binding upon and shall inure to the benefit of the Grantee and the City and to their respective successors and assigns.

D. This Agreement forms the entire agreement between the City and the Grantee. Any prior representations, promises, agreements, or otherwise, between the parties, which are not embodied in this writing, will be of no force and effect.

E. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, and all of which counterparts together shall constitute but one and the same instrument.

CITY:

CITY OF CHATTANOOGA, TN

DEPARTMENT OF NEIGHBORHOOD SERVICES
AND COMMUNITY DEVELOPMENT

_____
Beverly P. Johnson, Administrator

_____
Date

AGREEMENT BETWEEN THE CITY OF CHATTANOOGA, TENNESSEE AND CHATTANOOGA CHURCH MINISTRIES, INC. D/B/A/ CHATTANOOGA COMMUNITY KITCHEN, INC. FOR THE AMOUNT OF $90,000 PROVIDING FOR FUNDING OF HOME PROJECTS.

GRANTEE:

CHATTANOOGA COMMUNITY KITCHEN, INC.

_____
Executive Director

_____
Date

EXHIBIT A

Legal Description and Street Address of HOME Assisted Property

Street Address: 2513 McCrae Street

Map, Group and Parcel Number: 137I B 023

Legal Description of the Property:

Lot 1, Baldwin's Addition Revised, as shown on plat recorded in Plat Book 92, Page 98, in the Register's Office of Hamilton County, Tennessee.

EXHIBIT B
Building Plans and Design

NA, acquisition only

EXHIBIT C
APPLICATION PRO FORMA NA

Outline in detail the sources and uses of funds for project/program

Please complete and submit the information required in this pro forma with your HomeAgain application. If the proposed project consists of scattered site rental housing, this form must be completed for each unit. A project may include more than one site only if the sites are within a four block area of each other.

PART I: PROJECT INFORMATION

A. PROJECT NAME _____

Project Address _____

City _____ State _____ Zip Code _____

Project Owner _____

B. PROJECT DETAILS

1. Total Amount of HOME Funds Being Requested for Rental Housing Project:

$_____

2. Type of Project — Number of Units

_____	Multifamily Rental Residential	_____
_____	Single Room Occupancy Housing	_____
_____	Elderly Housing	_____
_____	Single Family Dwelling	_____
_____	Congregate Care Facility	_____
_____	Other _____	_____

3. Type of Activity

_____	New Construction
_____	Acquisition
_____	Acquisition/Rehabilitation
_____	Rehabilitation only

4. _____ Total number of units Number of HOME-assisted units _____

5. Are or will all low-income units be of a least equal comparability in terms of construction quality and amenities when compared to non HOME assisted units of the project?

☐ YES ☐ NO

C. SITE INFORMATION

1. Is the site currently under control of the applicant? ☐ YES ☐ NO

   If YES, control is in the form of: ☐ Deed ☐ Option ☐ Sales Contract

   Expiration date of contract or option _____

2. Is site properly zoned for the development? ☐ YES ☐ NO

   If NO, is site currently in the process of re-zoning? ☐ YES ☐ NO

   When is the zoning issue to be resolved? _____ (month/year)

3. Are all necessary utilities presently available at the site? ☐ YES ☐ NO

   If NO, which utilities need to be brought to the site? _____

D. RELOCATION INFORMATION

Does this project propose any relocation of tenants? ☐ YES ☐ NO

If YES, STOP. You must notify City's Community Development Office **PRIOR to submitting the application.**

E. PROPOSED SOURCE OF FUNDS *(Commitment letters must be attached)*

1. Amount of contribution

   a. HOME Funds $ _____

   b. Loan Proceeds $ _____

   c. Equity Contributions $ _____

   d. Other Local Government Funds $ _____

   e. Other Federal Funds $ _____

   f. Other (Explain)_____ $ _____

   g. Other (Explain) _____ $ _____

   h. TOTAL FUNDING AVAILABLE $ _____

PART II: PROJECT FEASIBILITY WORKSHEET

A. PROJECT COSTS	COSTS TO BE COVERED BY HOME FUNDS	COSTS TO BE COVER FROM OTHER SOURCES	TOTAL COSTS
1.To Purchase Land/Buildings	$	$	$
2.Site Work	$	$	$
3.Rehabilitation & New Construction	$	$	$
New Building Hard Costs	$	$	$
Rehabilitation Hard Costs	$	$	$
Contractor Overhead	$	$	$
Contractor Profit	$	$	$
Subtotal	$	$	$
4.Contingency	$	$	$
Construction Contingency	$ XXXXXXXXXX	$	$
Subtotal	$ XXXXXXXXXX	$	$
5*.Architectural & Engineering Fees	$	$	$
Architect Fee-Design	$	$	$
Architect Fee-Supervision	$	$	$
Subtotal	$	$	$
6.*Interim Costs	$	$	$
Construction Insurance	$ XXXXXXXXXX	$	$
Construction Interest	$ XXXXXXXXXX	$	$
Construction Loan Origin	$	$	$
Construction Loan Credit	$	$	$
Taxes	$	$	$
Subtotal	$	$	$
7.*Financing Fees and Expenses	$	$	$
Bond Premium	$	$	$
Credit Report	$	$	$
Permanent Loan Origin fee	$	$	$
Cost of Issue/Underwriter		$	$
Title and Recording	$	$	$
Counsel's Fee	$	$	$
Subtotal	$	$	$
8.*Soft Costs	$	$	$
Property Appraisal	$	$	$
Market Study	$	$	$
Environmental Study	$ XXXXXXXXXX	$	$
Rent-Up	$ XXXXXXXXXX	$	$
Relocation Costs	$	$	$
Affirmative Marketing Activities	$ XXXXXXXXXX	$	$
Subtotal	$	$	$
9. Initial Operating Reserves	$ XXXXXXXXXX	$	$
10.TOTAL DEVELOPMENT COSTS	$	$	$

**If the total of project costs from Sections A5, A6, A7 and A8 exceed 12% of Total Development Costs (A10), you must provide written justification. If project consists of twelve (12) or more units the Davis-Bacon Act, the Contract Work Hours, and Safety Standards Act and the Copeland (Anti-Kickback) Act apply. Please take this into consideration when developing project costs.*

B. MONTHLY UTILITY ALLOWANCE CALCULATIONS
(If utilities are paid by tenant use Attachment B Utility Allowances to estimate utility cost)

UTILITY TYPE	ALLOWANCE AMOUNT				
	0 BR	1 BR	2 BR	3 BR	4 BR
Heating					
Air Conditioning					
Cooking					
Lighting					
Water					
Sewer					
Trash					
TOTAL ALLOWANCE					

SOURCE OF UTILITY AMOUNTS: [X] Local PHA (Attachment U1)

[ ] Other _____(provide justification)

C. MAXIMUM HOME RENTS (If projects consists of 5 or more units please contact Community Development Office for additional information on rents)

RENT	0 BR	1 BR	2 BR	3 BR	4 BR
Maximum	535	565	666	820	964
Less: Utilities					
Net HOME Rent					

D. PROPERTY INCOME CALCULATIONS

If charging less than allowable net rents, you must attach a written justification.

1. 0 Bedroom _____ # units x _____ monthly rent $_____
2. 1 Bedroom _____ # units x _____ monthly rent $_____
3. 2 Bedroom _____ # units x _____ monthly rent $_____

4. 3 Bedroom _____ # units x _____ monthly rent $_____

5. 4 Bedroom _____ # units x _____ monthly rent $_____

6. Total monthly income (D1 + D2 + D3 + D4 + D5) $_____

7. Less vacancy allowance _____% $_____

If the estimated vacancy allowance exceeds 10%, attach a written justification.

8. Other income (List) _____ $_____

9. Net monthly income (D6 - D7 + D8) $_____

10. Total annual project income (D9 x 12) $_____

E. PROJECT OPERATING EXPENSES

1. Management $_____
2. Utility $_____
3. Water/Sewer $_____
4. Trash Removal $_____
6. Insurance $_____
7. Real Estate Taxes $_____
8. Maintenance $_____
10. Other $_____

11. Total Annual Operating Expenses $_____

If "Annual Operating Expenses" (E11) exceeds 50% of "Total Annual Income" (D10), you must attach a written justification.

F. ANNUAL REPLACEMENT RESERVES FOR UNITS $_____

G. TOTAL AVAILABLE FOR DEBT SERVICE

1. Annual Project Income (D10) $_____

2. Less Annual Operating Expenses (E11) $_____

3. Less Annual Replacement Reserves (F) $_____

4. Total available for debt service (G1 - G2 - G3) $_____

H. DEBT PROJECT WILL SUPPORT

1. Total available for debt service (G4) $_____

2. Debt Service Coverage Ratio Required from Lender _____%
   (Percentage of net income from the project the lender will consider available to pay debt)

3. Actual Amount Available for Debt Service $_____
   (Total available for debt service divided by debt service ratio)

4. Specifics of Debt

a. Interest Rate _____%

If the interest rate exceeds 10%, your lender must attach a written justification.

b. Amortization Term _____ Years

If the amortization term is less than 15 years, your lender must attach a written justification.

5. Debt project will support (should agree with TOTAL SOURCE OF FUNDS (Part I: F1g) on page 2) $_____

I. FEASIBILITY SUMMARY

1. **Total Development Costs** (Part II: A10) $_____

2. **Total Funding Sources**
   - a. Debt Project will Support (H4) $_____
   - b. Owner's Equity Contribution $_____
   - c. Other Grants $_____
   - d. Total Funding $_____

3. **The Gap**
   - a. Total Development Costs less Total Funding (I1 - I2d) $_____
   - b. HOME $_____
   - c. Balance to be funded by Owner (I3a - I3b) $_____

Maximum HOME subsidy possible:

0 BR	$102,226
1 BR	$117,183
2 BR	$142,494
3 BR	$184,341
4 BR	$202,350

Malueg Valerie

From: Gober Sandra
Sent: Friday, April 12, 2013 4:10 PM
To: Malueg Valerie
Subject: FW: Rosewood Supportive Services' Buidling - HOME Funding

From: Gober Sandra
Sent: Wednesday, February 13, 2013 12:34 PM
To: 'Wilson, Mary C'
Cc: Miller, Susan E; Clark, Geri C; Hoglund, Erik D; Malueg Valerie; Jenkins Countess; Gober Sandra
Subject: RE: Rosewood Supportive Services' Buidling - HOME Funding

Mary, in response to your Feb 6, 2013 e-mail regarding the status of Rosewood I indicated that we are in the process of working with them to transfer the property to Community Kitchen. There are two other properties that we are also working with them on through a Request for Proposals process to get transferred to a viable entity. The City will be a party to any legal paperwork transferring the properties, ensuring the units will remain eligible throughout the required period of affordability. So that you will have it all in one document, for your convenience, I attached the e-mail that sent to you November, 29, 2012 , along with your response, that contained the details on the three properties.

From: Wilson, Mary C [mailto:mary.c.wilson@hud.gov]
Sent: Thursday, November 29, 2012 2:42 PM
To: Gober Sandra
Cc: Malueg Valerie; McMahan Michael; Hoglund, Erik D; Miller, Susan E
Subject: RE:

Hi. The organization also had a SHP grant and that grant has now be assumed by Chattanooga Church Ministries. Under the below, you may want to review the City's lien position on each property. Also, it is the City's decision on transferring the properties. You know that for HOME properties that do not meet the affordability period, the City will be required to repay those funds back to its HOME account with nonfederal funds. The City needs to be on any legal paperwork transferring the properties to protect the funds and keep the units HOME and NSP eligible.

Any actions or changes on these properties should be reported in IDIS for HOME and DRGR for NSP. If the properties will have the same purposes of assisting LMI persons with affordable rental housing then formal amendments to the ConPlan for HOME and NSP1 are not required. The scope of the assistance will be the same.

From: Gober Sandra [mailto:gober_sandra@chattanooga.gov]
Sent: Thursday, November 29, 2012 2:08 PM
To: Wilson, Mary C; Hoglund, Erik D; Miller, Susan E
Cc: Malueg Valerie; McMahan Michael
Subject:

Mary, I wanted to make you aware of an issue we are dealing with and to get your input/guidance on handling it. We provided assistance to a local organization – Rosewood Supportive Services, Inc., to develop rental housing for its special needs clients. Due to loss of funding the organization is shutting its doors. The organization wants to transfer the properties to another non-profit that serves the same cliental and that is willing to adhere to all occupancy and federal requirements through the end of the period of affordability. Following is information on the properties.

Source	Amount	Purpose	Number/Type of	Restrictive	Currently	Period of

			unit(s)	Covenant In Place	Occupied by eligible tenants	Affordability
HOME	$90,000.00	New construction	Group home for 8	Yes	Yes	20 years – 9/30/2029
HOME	$60,000.00	Acquisition/Rehab	Single family home	Yes	Yes	15 years – 10/1/2025
NSP	$75,000.00	Acquisition/Rehab	Single family home	Yes	Yes	15 years – 10/1/2025

The funds were awarded to the organization through a competitive application process, treating the organization as a grantee/recipient versus a "subrecipient". The restrictive covenant with them prohibits them from *selling, assigning or transferring any legal or equitable interest in the property prior to the end of the affordability period without prior written consent of the City.* I have attached a copy of the correspondence with the organization.

My questions are:

1. Based our letter dated November 6, 2012, are we on the right track, is there anything else we have to take into consideration?
2. Does the property have to come back to the City or can the City work with Rosewood and through some selection process to choose an entity to transfer the property to?
3. Are there any notifications/information that we need to submit to HUD regarding this issue?

From: Wilson, Mary C [mailto:mary.c.wilson@hud.gov]
Sent: Thursday, February 07, 2013 7:33 AM
To: Gober Sandra
Cc: Miller, Susan E; Clark, Geri C; Hoglund, Erik D
Subject: RE: Rosewood Supportive Services' Buidling - HOME Funding

Thanks for the update

From: Gober Sandra [mailto:gober_sandra@chattanooga.gov]
Sent: Wednesday, February 06, 2013 4:43 PM
To: Wilson, Mary C
Cc: Miller, Susan E; Clark, Geri C; Hoglund, Erik D
Subject: RE: Rosewood Supportive Services' Buidling - HOME Funding

We are in the mist of working with the organization to transfer the property to Community Kitchen with Community Kitchen assuming all the HOME requirements through a new contract with the City.

From: Wilson, Mary C [mailto:mary.c.wilson@hud.gov]
Sent: Wednesday, February 06, 2013 2:23 PM
To: Gober Sandra
Cc: Miller, Susan E; Clark, Geri C; Hoglund, Erik D
Subject: Rosewood Supportive Services' Buidling - HOME Funding

Hi. Did the above organization, which is no longer in existence, receive $80,000 in HOME funding for the construction of its permanent housing facility for the homeless? If so, what has been done to protect the HOME funding in the homeless housing facility? Please advise.

Malueg Valerie

From: Gober Sandra
Sent: Friday, April 12, 2013 4:08 PM
To: Malueg Valerie
Subject: FW:

From: Gober Sandra
Sent: Thursday, November 29, 2012 3:27 PM
To: Malueg Valerie
Subject: RE:

Not surprised. They really don't get involved as long as we are not violating any regulations. I just thought I would notify her after I head your message regarding your and Mike's conversation. Their expectation is for us to make sure the properties remain available for the intended use for the required time, basically do what needs to be done to ensure that. So this brings us back to "what City process are we required to follow to get the property transferred to another, eligible organization"?

From: Malueg Valerie
Sent: Thursday, November 29, 2012 2:56 PM
To: Gober Sandra
Subject: FW:

I really do not understand her response to your questions – or lack thereof.

From: Wilson, Mary C [mailto:mary.c.wilson@hud.gov]
Sent: Thursday, November 29, 2012 2:42 PM
To: Gober Sandra
Cc: Malueg Valerie; McMahan Michael; Hoglund, Erik D; Miller, Susan E
Subject: RE:

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needs clients. Due to loss of funding the organization is shutting its doors. The organization wants to transfer the properties to another non-profit that serves the same cliental and that is willing to adhere to all occupancy and federal requirements through the end of the period of affordability. Following is information on the properties.

Source	Amount	Purpose	Number/Type of unit(s)	Restrictive Covenant In Place	Currently Occupied by eligible tenants	Period of Affordability
HOME	$90,000.00	New construction	Group home for 8	Yes	Yes	20 years – 9/30/2029
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NSP	$75,000.00	Acquisition/Rehab	Single family home	Yes	Yes	15 years – 10/1/2025

The funds were awarded to the organization through a competitive application process, treating the organization as a grantee/recipient versus a "subrecipient". The restrictive covenant with them prohibits them from *selling, assigning or transferring any legal or equitable interest in the property prior to the end of the affordability period without prior written consent of the City.* I have attached a copy of the correspondence with the organization.

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Malueg Valerie

From: Gober Sandra
Sent: Friday, April 12, 2013 4:08 PM
To: Malueg Valerie
Subject: FW:
Attachments: im3511_20121129_155754.pdf

From: Gober Sandra
Sent: Thursday, November 29, 2012 2:08 PM
To: 'Wilson, Mary C'; Hoglund, Erik D; Miller, Susan E
Cc: Malueg Valerie; McMahan Michael
Subject:

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3. Are there any notifications/information that we need to submit to HUD regarding this issue?

Malueg Valerie

From: Gober Sandra
Sent: Friday, April 12, 2013 4:09 PM
To: Malueg Valerie
Subject: FW:

From: Gober Sandra
Sent: Monday, December 03, 2012 3:50 PM
To: Malueg Valerie
Subject: RE:

Do we need to get together for a few minutes to discuss this?

From: Malueg Valerie
Sent: Thursday, November 29, 2012 2:56 PM
To: Gober Sandra
Subject: FW:

I really do not understand her response to your questions – or lack thereof.

From: Wilson, Mary C [mailto:mary.c.wilson@hud.gov]
Sent: Thursday, November 29, 2012 2:42 PM
To: Gober Sandra
Cc: Malueg Valerie; McMahan Michael; Hoglund, Erik D; Miller, Susan E
Subject: RE:

Hi. The organization also had a SHP grant and that grant has now be assumed by Chattanooga Church Ministries. Under the below, you may want to review the City's lien position on each property. Also, it is the City's decision on transferring the properties. You know that for HOME properties that do not meet the affordability period, the City will be required to repay those funds back to its HOME account with nonfederal funds. The City needs to be on any legal paperwork transferring the properties to protect the funds and keep the units HOME and NSP eligible.

Any actions or changes on these properties should be reported in IDIS for HOME and DRGR for NSP. If the properties will have the same purposes of assisting LMI persons with affordable rental housing then formal amendments to the ConPlan for HOME and NSP1 are not required. The scope of the assistance will be the same.

From: Gober Sandra [mailto:gober_sandra@chattanooga.gov]
Sent: Thursday, November 29, 2012 2:08 PM
To: Wilson, Mary C; Hoglund, Erik D; Miller, Susan E
Cc: Malueg Valerie; McMahan Michael
Subject:

Mary, I wanted to make you aware of an issue we are dealing with and to get your input/guidance on handling it. We provided assistance to a local organization – Rosewood Supportive Services, Inc., to develop rental housing for its special needs clients. Due to loss of funding the organization is shutting its doors. The organization wants to transfer the properties to another non-profit that serves the same cliental and that is willing to adhere to all occupancy and federal requirements through the end of the period of affordability. Following is information on the properties.

Source	Amount	Purpose	Number/Type of unit(s)	Restrictive Covenant In Place	Currently Occupied by eligible tenants	Period of Affordability
HOME	$90,000.00	New construction	Group home for 8	Yes	Yes	20 years – 9/30/2029
HOME	$60,000.00	Acquisition/Rehab	Single family home	Yes	Yes	15 years – 10/1/2025
NSP	$75,000.00	Acquisition/Rehab	Single family home	Yes	Yes	15 years – 10/1/2025

The funds were awarded to the organization through a competitive application process, treating the organization as a grantee/recipient versus a "subrecipient". The restrictive covenant with them prohibits them from *selling, assigning or transferring any legal or equitable interest in the property prior to the end of the affordability period without prior written consent of the City.* I have attached a copy of the correspondence with the organization.

My questions are:

1. Based our letter dated November 6, 2012, are we on the right track, is there anything else we have to take into consideration?
2. Does the property have to come back to the City or can the City work with Rosewood and through some selection process to choose an entity to transfer the property to?
3. Are there any notifications/information that we need to submit to HUD regarding this issue?