



HISTORIC
FRANKLIN
TENNESSEE

ITEM #14
WRKS
02/25/14

MEMORANDUM

February 18, 2014

TO: Board of Mayor and Alderman

FROM: Eric Stuckey, City Administrator
Vernon Gerth, ACA-Community & Economic Development
Chris Bridgewater, Director, Building & Neighborhood Services
Kathleen L. Sauseda, Housing Coordinator

SUBJECT: Contract with the Hard Bargain Association for the Community Development Block Grant Funds (CDBG) Contract #2014-0006

Purpose

The purpose of this memorandum is to provide the Board of Mayor and Aldermen (BOMA) with information to consider entering into an agreement with the Hard Bargain Association.

Background

The City of Franklin has identified affordable housing development as an important issue in the community. The City solicited proposals from qualified non-profit firms that are certified as CBDO's to develop affordable housing for low to moderate-income residents of the City of Franklin. In a joint agreement Hard Bargain Association and Community Housing Partnership both submitted proposals. Hard Bargain will build new homes, while Community Housing Partnership will purchase and rehabilitate an existing home. In an effort to leverage the funding we support awarding this grant to both certified non-profits.

To further the objectives of the City of Franklin's Consolidated Plan for Housing and Community Development, the City of Franklin has been awarded \$61,686.00 of Community Development Block Grant (CDBG) funds grant to be awarded to a Community Based Development Organization (CBDO). This agreement facilitates funding the CBDO with \$29,860.66 of CDBG funds to Hard Bargain Association to support the infrastructure costs of the Planned Unit Development (PUD) on Mt. Hope Street including extension of various utilities, street lighting, pavement marking, etc. When completed this PUD will have five new homes that will support low to moderate-income residents of the City of Franklin.

Financial Impact

This contract will be fully funded by the Community Development Block Grant Program and is included in the approved CDBG budget.

Recommendation

Approval of the contract is recommended.

**CONTRACT FOR THE RECEIPT OF COMMUNITY BASED DEVELOPMENT
ORGANIZATION PROGRAM FUNDING, FISCAL YEAR 2013-14 FROM THE CITY
OF FRANKLIN
(COF Contract No.: 2014-0006**

This Contract, made and entered into this ____ day of _____, 2014, is by and between the City of Franklin, (hereinafter "The City") and Hard Bargain Association hereinafter called "THE ORGANIZATION").

WITNESSETH:

WHEREAS, THE CITY has identified a need to conduct a Community Based Development Organization (CBDO) Program funding; and

WHEREAS, THE ORGANIZATION is experienced in developing Affordable Housing projects, as defined by the United States Department of Housing and Urban Development and has met the certification requirements of becoming a CBDO; and

WHEREAS, THE ORGANIZATION replied to a publicly advertised Request For Proposals and was selected to participate as a CBDO in the City's Community Development Block Grant Program;

NOW, THEREFORE, in consideration of the mutual promises as contained herein, the parties hereto have agreed and hereby enter into this Contract according to the provisions as set forth herein.

SECTION 1 - SCOPE OF SERVICES

THE ORGANIZATION will carry out activities necessary for acquisition, rehabilitation and resale, new construction, or conversion of a non residential structure to a residential structure for low to moderate income owner occupants in the City of Franklin. Low to moderate income is defined as households with incomes equal to or less that 80% of median family income for the Metropolitan Statistical Area.

When applicable, the work will also include testing, remediating, and clearing structures for lead-based paint hazards. All structures constructed pre-1978 must be tested and cleared for lead-based paint hazards. In the presence of lead-based paint hazards, contractors/workers are required to be certified in and use safe-work practices. **A United States Department of Housing and Urban Development (HUD) Environmental Review Report will be required.**

Incorporated into this contract is Exhibit A, the proposal by THE ORGANIZATION, which is attached hereto and made a part hereof.

SECTION 2 - RESPONSIBILITIES OF PARTIES

- A. THE ORGANIZATION will perform the duties described above and in Exhibit A and take other actions necessary to accomplish the spirit of this Contract.
- B. THE ORGANIZATION will submit regular reports (not less often than quarterly) as directed by THE CITY detailing the progress of their project.
- C. At the request of THE CITY, THE ORGANIZATION will periodically send a representative to neighborhood or other public meetings to discuss and promote their project.
- D. THE CITY will provide funding for the program from the Community Development Block Grant program as set forth in Section 3 of this contract.

SECTION 3 – COMPENSATION

THE ORGANIZATION will receive up to Twenty-Nine Thousand Eight Hundred Sixty and 66/100 Dollars (\$29,860.66) for the services outlined above and contained in Exhibit A from the approved Community Development Block Grant program for eligible expenses.

SECTION 4 – TIME OF PERFORMANCE

Services shall start no later than ninety (90) days of the execution of this Contract and shall be completed within one (1) year of the execution of this Contract.

SECTION 5 - PAYMENT TERMS AND CONDITIONS

- A. THE CITY shall reimburse THE ORGANIZATION for services rendered based on submittal of valid invoices for project costs with a description and documentation of work performed. The CITY has the option of inspecting the completed work prior to making any payments.
- B. Invoices shall be submitted monthly.
- C. Final payment will be subject to receipt of a final report that is satisfactory to THE CITY.

SECTION 6 - NOTICES

All notices under this Contract shall be in writing and sent by certified mail to the address listed below for each party.

**Vernon J. Gerth
City of Franklin
109 3rd Avenue South
Franklin, TN 37064**

**Brant Bousquet
Hard Bargain Association
608 Mt. Hope Street
Franklin, TN 37064**

SECTION 7 - PROGRAM PROCEEDS

THE ORGANIZATION is acting as a Community Based Development Organization (CBDO) and not as a subrecipient under the terms of this agreement. Revenues generated by activities undertaken by THE ORGANIZATION with funds provided through this agreement are not considered to be program income. The City of Franklin does require THE ORGANIZATION to use program proceeds to continue THE ORGANIZATIONS mission of providing affordable housing. Toward that end, the City of Franklin requires THE ORGANIZATION to submit a written statement within thirty (30) days of receipt of any initial program proceeds outlining their intended future use.

SECTION 8 - REVERSION OF ASSETS.

Upon termination of this agreement, THE ORGANIZATION shall transfer to the City of Franklin any unused program funds on hand at the time of expiration and any accounts receivable attributable to the use of program funds. Any real property under THE ORGANIZATION control that was acquired or improved in whole or in part with program funds in excess of \$25,000 shall be either: (i) used to meet one of the national objectives in 24 CFR 570.208 until five years after expiration of the agreement; or (ii) not used in accordance with the above paragraph (i) of this section, in which event THE ORGANIZATION shall pay to the City of Franklin an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-program funds for the acquisition of, or improvement to, the property.

SECTION 9 - STANDARD TERMS AND CONDITIONS

A. COMPLIANCE WITH FEDERAL LAWS/REGULATIONS

THE ORGANIZATION shall comply with all applicable Federal and State laws and regulations in the performance of this Contract.

B. ANTIDISCRIMINATION/AFFIRMATIVE ACTION AND EQUAL EMPLOYMENT OPPORTUNITY

No person on the grounds of handicap, age, race, color, religion, sex, national origin, disability, or marital/familial status or any other classification protected by Federal and/or State of Tennessee constitutional and/or statutory law-shall be excluded from participation

in, or be denied benefits or, or be otherwise subjected to discrimination in the performance of this Contract.

C. AUDIT REQUIREMENTS

- i. This Contract, as well as any sub-agreement made with other participating agencies, is subject to all of the administrative requirements in OMB Circulars A-110 and A-122.
- ii. THE CITY hereby notifies THE ORGANIZATION that a single audit is required for non-profit agencies receiving \$300,000 or more in federal funds in any single fiscal year. This requirement is in accordance with OMB Circulars A-110 and A-133. If required, a copy of the single audit report will be kept on file and made available to THE CITY staff during sub-recipient monitoring visits and appropriate officials as requested.

D. CONFLICT OF INTEREST

THE ORGANIZATION agrees to abide by the following requirements with respect to conflicts of interest, and covenants that it presently has no interest, direct or indirect, and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement. THE ORGANIZATION further covenants that in the performance of this Agreement no person having such an interest, direct or indirect, shall be employed or retained by THE ORGANIZATION hereunder. These conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of THE ORGANIZATION or of any designated public agencies or sub-recipients that are receiving funds under this program.

E. PROCUREMENT STANDARDS AND METHODS

THE ORGANIZATION shall comply with THE CITY's current policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds herein.

THE ORGANIZATION shall procure all materials, property, or services in accordance with the requirements of Attachment O of OMB Circular A-110, Procurement Standards.

F. VENUE

In the event of a dispute or litigation arising out of said Contract, it is understood and agreed and that this Contract was executed and performed in Williamson County, Tennessee, and as such, it is agreed by both parties that venue of said litigation, including an action for Declaratory Judgment, will be in Williamson County, Tennessee.

G. ASSIGNMENT

Neither THE CITY nor THE ORGANIZATION may assign its rights or delegate its responsibilities under this contract.

H. ENTIRE CONTRACT AND MODIFICATION

The Contract between the parties and supersedes any prior or contemporaneous communications, representations or agreements between the parties, whether oral or written, regarding the subject matter of the entire Contract. The terms and conditions of this Contract may not be changed except by an amendment expressly referencing this Contract by section number and signed by an authorized representative of each party.

If seeking any addition or modification to the Contract, the parties agree to reference the specific paragraph number sought to be changed on any future document or purchase order issued in furtherance of the Contract, however, an omission of the reference to same shall not affect its applicability. In no event shall either party be bound by any terms contained in any purchase order, acknowledgement, or other writings unless: (a) such purchase order, acknowledgement, or other writings specifically refer to the Contract or to the specific clause they are intended to modify; (b) clearly indicate the intention of both parties to override and modify the Contract; and (c) such purchase order, acknowledgement, or other writings are signed, with specific material clauses separately initialed, by authorized representatives of both parties.

I. SEVERABILITY

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

J. TIME OF THE ESSENCE

The parties agree that TIME IS OF THE ESSENCE with respect to the parties' performance of all provisions of the Contract.

K. NO TAXES, NO INTEREST PAYMENTS

As a tax-exempt entity, THE CITY shall not be responsible for sales or use taxes incurred for products or services. THE CITY shall supply THE ORGANIZATION with its Sales and Use Tax Exemption Certificate upon THE ORGANIZATION's request. THE ORGANIZATION shall bear the burden of providing its suppliers with a copy of THE CITY's tax exemption certificate and shall assume all liability for such taxes, if any, that should be incurred. THE CITY does not agree to pay any interest for late payments, having agreed to pay in a timely manner.

L. WAIVER

Neither party's failure or delay to exercise any of its rights or powers under the Contract will constitute or be deemed a waiver or forfeiture of those rights or powers. For a waiver of a right or power to be effective, it must be in writing signed by the waiving party. An effective waiver of a right or power shall not be construed as either (a) a future or continuing waiver of that same right or power, or (b) the waiver of any other right or power.

M. TERMINATION

This Agreement may be terminated upon thirty (30) days written notice by either party

Upon deliberate breach of the Contract by either party, the non-breaching party shall be entitled to terminate the Contract without notice, with all of the remedies it would have in the event of termination, and may also have such other remedies as it may be entitled to in law or in equity..

SECTION 10 – SIGNATURES

THE CITY OF FRANKLIN

By: _____
Dr. Ken Moore, Mayor

Date: _____

Attest:

Eric S. Stuckey, City Administrator

Date: _____

Approved as to Form:

Kristen Corn, Staff Attorney

Date: _____

Hard Bargain Association:

By: 
Its: _____

Date: 2/7/14

Exhibit A

The proposed Scope of Services and Costs are enclosed on the following pages and are incorporated by reference into the agreement.

November 21, 2013

Ms. Kathleen Sauseda
The City of Franklin City Hall
109 3rd Avenue South, Suite 135
Franklin, TN 37064

RE: Proposal for Developing Affordable Housing for Low to Moderate Income
Owner Occupants in the City of Franklin

Dear Ms. Sauseda:

Enclosed is Hard Bargain Mt. Hope Redevelopment's (HBMHR) proposal expressing interest in developing affordable housing for low to moderate income owner occupants in the City of Franklin. If awarded the grant funds, we will use them for infrastructure expenses for our Planned Unit Development on Mt. Hope Street, where we will build a "bungalow court" of five new homes.

Hard Bargain Mt. Hope Redevelopment, Inc. was established as a Community Development Corporation in 2004. (In February 2012, we rebranded and are now Doing Business As (DBA) Hard Bargain Association, but for all legal and government contracts we use HBMHR.) We have been working diligently in the Hard Bargain to revitalize and preserve this historic African American neighborhood. We are a grass-roots organization. The goals and plans of what we do are driven by the needs and desires of the residents of the Hard Bargain neighborhood. HBMHR has done repair and renovation to homes in the Hard Bargain neighborhood and has successfully built seven houses and recently renovated the former Mt. Hope Cemetery caretaker's cottage for our new community center and office. We are getting ready to start building our eighth house.

The authorized negotiator on this proposal is Brant Bousquet, Executive Director of HBMHR. Should the proposal be successful and contracts are drawn up between HBMHR and The City of Franklin, the Board of Directors for HBMHR would have to approve the contract before we could begin.

Please feel free to contact me regarding any questions that you might have regarding this proposal. You can reach me at 406-5822 (cell) or by email at brant@hardbargain.org.

Sincerely,



Brant Bousquet, MS, CFRE
Executive Director
Hard Bargain Mt. Hope Redevelopment

PUD Infrastructure cost estimate

Item	description	qty	units	unit \$	total \$
Site Preparation					
site grading	cut in roads, detention area	1.0	LS	(10000.00)	(10000.00)
tree removal		1.0	LS	(5000.00)	(5000.00)
erosion control		1.0	LS	(3000.00)	(3000.00)
					sub-total (18000.00)
Infrastructure/Utilities					
SS - sanitary sewer line		361.0	LF	(25.00)	(9025.00)
SS - manholes		3.0	EA	(750.00)	(2250.00)
SS - 6" sanitary connections to each lot	sanitary service for each house	6.0	EA	(750.00)	(4500.00)
ST- storm pipe		127.0	LF	(35.00)	(4445.00)
ST- storm inlets		4.0	EA	(500.00)	(2000.00)
W -water line	extend 6" water line	635.0	LF	(28.00)	(17780.00)
W -water services	service and meter boxes (not meter)	6.0	EA	(750.00)	(4500.00)
W - fire hydrants		1.0	EA	(3500.00)	(3500.00)
E - electric (service)	service for each house	5.0	EA	(1100.00)	(5500.00)
E - electric (transformer pads)	transformer pads	2.0	EA	(500.00)	(1000.00)
E -electric (conduits)	electrical conduits	120.0	LF	(12.00)	(1440.00)
E - street lights		4.0	EA	(800.00)	(3200.00)
LV - low voltage (conduits)	cable and telephone conduits	120.0	LF	(6.00)	(720.00)
G- 2" gas line	to new lots	200.0	LF	(8.00)	(1600.00)
R-road	asphalt road	836.9	SY	(20.00)	(16738.80)
R-pervious pavers		1228.0	SF	(8.00)	(9824.00)
R-curb and gutter	curb and gutter	826.0	LF	(13.00)	(10738.00)
R-stone base	for utility trenches and driveway base	1.0	LS	(6500.00)	(6500.00)
R-cut and patch road	for utility connections	1.0	LS	(2500.00)	(2500.00)
R-road striping	for fire lanes	1.0	LS	(3500.00)	(3500.00)
					sub-total (111260.80)
Landscape					
required trees	3" caliper shade trees	8.0	EA	(500.00)	(4000.00)
Irrigation	no irrigation in common areas	0.0	LS	(7500.00)	0.00
gator bags	for irrigation trees	8.0	EA	(60.00)	(480.00)
bioswale plantings	at storm inlets	1.0	LS	(3000.00)	(3000.00)
Seed and Soil stabilization		1.0	LS	(2250.00)	(2250.00)
					sub-total (9730.00)
Hardscape					
Sidewalks		1622.0	SF	(4.00)	(6488.00)
Handicap Ramps		2.0	EA	(950.00)	(1900.00)
Traffic Signage		1.0	LS	(2500.00)	(2500.00)
Lot Signage	marketing signage	5.0	EA	(65.00)	(325.00)
Benches		2.0	EA	(800.00)	(1600.00)
					sub-total (12813.00)

CONSTRUCTION TOTAL (\$151,803.80)
7% contingency (\$10,626.27)
TOTAL W CONTINGENCY (\$162,430.07)

Cost Per Lot (5) (\$32,486.01)

