

PUBLIC NOTICE

Chair
ERIC SCHERTZING
Vice-Chair
KARA HOPE

Appointed Members
BRIAN McGRAIN, Secretary
DEB NOLAN, Treasurer
REBECCA BAHAR COOK

Ingham County Land Bank Fast Track Authority

422 Adams Street, Lansing Michigan 48906 517.267.5221 Fax 517.267.5224

THE INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY WILL HOLD A SPECIAL MEETING ON TUESDAY, MARCH 25, 2014 AT 5:30 P.M., IN THE CAUCUS ROOM ON THE THIRD FLOOR OF THE INGHAM COUNTY COURTHOUSE, 341 S. JEFFERSON, MASON, MI 48854

Agenda

Call to Order
Limited Public Comment – 3 minutes per person

1. Resolution to enter into an agreement with the City of Lansing to utilize CDBG funds to rehabilitate housing and condo units owned by the Ingham County Land Bank

Adjournment



March 19, 2014

To: Ingham County Land Bank Board Members

From: Jeff Burdick, Executive Director

Subject: Agreement between Land Bank and City of Lansing to utilize CDBG funds for the rehabilitation of Land Bank-owned houses and condominium units

The City of Lansing is providing CDBG funds to the Land Bank to rehab one Land Bank-owned single family house and thirteen (13) Land Bank-owned condominium units in the Eden Glen condominium development. The proposed agreement between the Land Bank and the City of Lansing also includes funds to cover the acquisition costs the Land Bank has incurred related to these properties.

The City of Lansing Development staff started rehab work on a select few Land Bank-owned properties utilizing CDBG funding late in 2013. As a result, this agreement is backdated to begin on December 1, 2013 and is through June 30, 2015. The Land Bank will be reimbursed its acquisition and rehab costs related to the 27 properties included in this agreement. Marketing, maintenance and sales costs associated with each property will be deducted from the proceeds at the time of sale of each property.

FY13-14 (December 1, 2013 to June 30, 2015)
GRANTEE AGREEMENT
BETWEEN
CITY OF LANSING
AND
INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY
FOR
CDBG FUNDS

THIS AGREEMENT #3 entered this **1st** day of **December, 2013** by and between the City of Lansing, a Michigan municipal corporation (herein called the "Grantor") and Ingham County Land Bank Fast Track Authority, a public body corporate. (herein called the "Grantee").

WHEREAS, the Grantor has applied for and received funds from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383 (CFDA Number 14.214); and

WHEREAS, the Grantor wishes to engage the Grantee to assist the Grantor in utilizing such funds; and

WHEREAS, the Grantee is an existing entity established under the State of Michigan Land Bank Fast Track Act, Public Act 258 of 2003 with certain powers and duties which include, among other things property acquisition, housing development and property disposition; and

WHEREAS, the Grantee understands that this contract is for activities that benefit low and moderate income citizens within the city of Lansing's Community Development Block Grant (CDBG) eligible areas in accordance with 24 CFR 570.200;

WHEREAS, the Grantee agrees to perform such services and activities in accordance with applicable federal state and local laws and regulations, and in a lawful, satisfactory and proper manner observing all policies, procedures and requirements which have been or, from time to time, may be prescribed by the Grantor;

NOW, THEREFORE, it is agreed between the parties hereto that;

I. SCOPE OF SERVICE

A. Activities

The Grantee will be responsible for the acquisition, maintenance, rehabilitation, marketing and sale of residential properties utilizing CDBG funds in a manner consistent with any applicable federal, state or local requirements and satisfactory to the Grantor. Rehabilitation may be completed by the Grantee directly or through contracts or joint ventures with existing Community Housing Development Organizations (CHDOs): Greater Lansing Housing Coalition. Property owned by the Grantee may also be rehabilitated jointly with the Grantor. Such program will include the following activities eligible under the Community Development Block Grant program:

Acquisition: Grantee will acquire and hold properties consistent with above referenced requirements. Grantee shall acquire properties in eligible areas of the City of Lansing in consultation with Grantor's staff.

Rehabilitation and Resale: Rehabilitation of foreclosed or vacant housing units will be undertaken for sale or rent to CDBG eligible households. Rehabilitation will include upgrades for energy efficiency and new amenities that characterize the type of housing that is attractive to buyers and improves curb appeal and marketability in Lansing's urban neighborhoods. Rehabilitation will occur at vacant or foreclosed housing sites owned by the Grantee. Completed units will be marketed primarily as owner

occupied housing but may be available on a lease to own basis or rented to eligible households with income at or below 80% of area median income adjusted for family size.

Properties will be available for purchase by households with income at or below 80% of area median income using at least \$1,000 in Down Payment Assistance, unless a request for waiver of Down Payment Assistance is approved in writing by the Grantor. Buyers must participate in at least 8 hours of pre-purchase counseling provided by a HUD certified housing counseling agency.

Grantee shall obtain initial after-rehabilitation appraisal to initiate development of marketing materials. Grantee shall market property through various avenues, including but not limited to, website listing, brochures, open houses, attendance at events to promote sales of homes, staging of homes, advertisements, and listing with a realtor, etc. Grantee shall obtain updated appraisals as the real estate market warrants.

Grantee shall facilitate sales of improved homes through various methods, including, but not limited to, showing properties to prospective buyers and/or utilizing licensed brokers and realtors; complete all listing and disclosures as required by local, state and federal laws; coordinating offer to purchase processes between prospective buyers, their agents and the Land Bank; coordinating communications necessary to on close the property; coordinate repairs and/or improvements required by buyers that are reasonable; and coordinate and attend closings and answer questions related to the sales process.

Maintenance: Grantee shall maintain the physical structure and its integrity as necessary to limit further decline of the unit, shall maintain the real estate it is attached to, and shall retain control over the utilities to the structure before, during and after construction. Maintenance items may include, but not be limited to, winterizing plumbing system, mowing lawns, snow removal, boarding up broken or missing windows, regular site visits to assess property, minor repairs to the structure, clean out of garbage and debris, etc. Maintenance shall also occur following rehabilitation and may include, but not be limited to, window/door/screen repairs, power washing exterior, interior cleaning, snow removal, mowing lawn, landscape maintenance, regular site visits to assess property, etc.

B. National Objectives

All activities funded with CDBG funds must meet the CDBG program's National Objective at **24 CFR 570.200 (2)** of providing benefit to low- and moderate-income families as further defined in **24 CFR 570.208 (a)**.

The Developer certifies that the activities carried out under this Agreement will benefit low and moderate income households.

C. Levels of Accomplishment – Goals and Performance Measures

The levels of accomplishment may include such measures as units acquired, rehabilitated, maintained or sold, persons or households assisted, or other measures and may also include time frames for performance.

The Grantee agrees to provide the following levels of program services:

1. Implement the housing rehabilitation activity for the CDBG program (the "Program") in priority neighborhoods with predominantly low and moderate income households as described in the Grantor's approved CDBG Plan and according to supplemental information provided by the Grantor based on updated data from the US Census.
2. Housing rehabilitation may be undertaken by the Grantee alone using funds provided under this agreement or may be undertaken in partnership with the Grantor or a Community Housing Development Organization using funds available to the partners.

3. Obtain concurrence from the Grantor as to the locations proposed for redevelopment and obtain prior approval from the Grantor for plans and specifications. Initial sites proposed for assistance under this agreement are listed in Attachment B. Attachment B may be updated from time to time if any planned site is determined infeasible for the program or if a new site is added.

4. Obtain current market appraised value of completed homes through an appraisal made in conformity with the appraisal requirements of the Uniform Relocation Act (URA) at 49 CFR 24.103 prior to sale of the home. **Appraisals must be based on data which includes comparable arm's length sales of similar rehabilitated properties.** Appraisals may not be based on sales transactions involving prolonged vacancy, bulk properties, foreclosure or other duress conditions. Offering price shall be established at appraised value unless another price is approved in writing by the Grantor prior to marketing.

5. Complete on-going pre and post rehab activities, including property maintenance for vacant units, through completion of sale to an eligible home buyer or lease to an eligible household.

6. Within 2 years from the effective date of the Grantor's CDBG grant, expend the full amount of this contract for eligible activities. Any amounts not fully expended within 2 years must be returned to Grantor.

7. As applicable, obligate all properties rehabilitated with CDBG funds for owner occupancy or for use as rental housing for low and moderate income residents for a period of at least 20 years.

Funds advanced for acquisition and rehabilitation costs for each unit shall be secured by a mortgage lien and note for the amount of funds disbursed. The amount advanced shall become due upon sale to an eligible home buyer. The note shall bear no interest.

8. For owner occupied units, market and sell completed homes to individual home buyers with income at or below 80% of area median income adjusted for family size according to the requirements set forth in [Attachment A](#), (or as may be updated during the term of this Agreement) and assure that buyers have completed at least 8 hours of pre home ownership counseling through a HUD approved housing counseling agency. Sales price shall be equal to appraised value unless the Grantor has agreed in writing to a lower price. In the event Grantee enters into a purchase agreement for a sales price that is lower than appraised value without prior written approval of the Grantor, the discounted amount shall be added to program income due to the Grantor for that property.

9. In the delivery of the services specified herein, gather data for reporting purposes in a form sufficient to supply data about sale to an eligible purchaser or lease to an eligible resident in the format requested by the Grantor. Provide other data to satisfy CDBG and IDIS reporting requirements as established and amended by the U.S. Department of Housing and Urban Development.

10. Grantee agrees to provide a draw request to the Grantor for completed development and construction work based on the approved project proforma and disbursement schedule for each project. Grantee agrees to supply updated title insurance for each draw as requested by the Grantor.

Each invoice requesting payment shall identify charges according to approved specifications for work items at each residential unit where the Grantee has completed work and shall be accompanied by sworn statements and waivers of lien from suppliers and contractors.

11. Grantee shall remit to Grantor net sale proceeds remaining after the property is purchased by an eligible buyer and after deduction of unreimbursed Grantee costs for acquisition, rehabilitation, marketing and sale.

12. Condominium units rehabilitated under this agreement may be sold to home buyers or leased to households with income at or below 80% of area median income adjusted for family size. Leasing activity includes units leased with option to purchase or units occupied by eligible households and placed under land contract for eventual transfer of deed to occupant.

Accomplishments under this Agreement are coded as follows:

HUD Matrix Code: 12
National Objective Code: Benefitting low- and moderate-income persons
Accomplishment Type: LMH
Proposed Units: 27
See [Attachment D](#) for Additional Reporting Requirements

D. Staffing

Jeff Burdick, Executive Director
Joseph Bonsall, Land Bank Coordinator
Dawn VanHalst, Brownfield Coordinator
Linda Horak, CDBG Coordinator
Roxanne Case, Office Manager
Dennis Graham, Rehabilitation Specialist
Chris Kolbe, Sales Coordinator

Any changes in the Key Personnel assigned or their general responsibilities under this project are subject to the prior approval of the Grantor.

E. Performance Monitoring

The Grantor will monitor the performance of the Grantee against goals and performance standards as stated above. Substandard performance as determined by the Grantor will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the Grantee within a reasonable period of time after being notified by the Grantor, contract suspension or termination procedures will be initiated.

II. TIME OF PERFORMANCE

Services of the Grantee shall start on the **1st** day of **October 2013** and end on the **30th day of June 2015** or at such earlier time when disposition and all related activity has been completed for all properties under this agreement. The term of this Agreement and the provisions herein shall be extended to cover any additional time period during which the Grantee remains in control of CDBG funds or other CDBG assets, including program income.

III. BUDGET

	Acquisition	\$225,000
	Rehabilitation	<u>\$550,000</u>
TOTAL		<u>\$775,000</u>

Budget is for direct costs of acquisition and rehabilitation of properties listed in Attachment B, which may be updated from time to time as described in paragraph I.C.3 of this Agreement. Costs of sale to eligible home buyers and activity delivery costs may be itemized and presented to Grantor for approval to be deducted from program income received at the sale of completed units. No indirect costs are allowed. In addition, the Grantor may require a more detailed budget breakdown than the one

contained herein, and the Grantee shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the Grantor. Any amendments to the budget must be approved in writing by both the Grantor and the Grantee.

IV. PAYMENT

It is expressly agreed and understood that the total amount to be paid by the Grantor under this Agreement shall not exceed **\$775,000**. Draw downs for the payment of eligible expenses shall be made in accordance with performance. Expenses for activity delivery costs including personnel, supplies and other expenses shall also be paid from completed project sale proceeds in accordance with performance. **Accomplishments and milestones are to be reported with every draw request.**

Payments may be contingent upon certification of the Grantee's financial management system in accordance with the standards specified in 24 CFR 84.21.

V. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communication and details concerning this contract shall be directed to the following contract representatives:

Grantor
Dorothy Boone, Manager
City of Lansing
316 N. Capitol Ave., Ste. D-2
Lansing, MI 48933
Phone: 517-483-4040
dboone@lansingmi.gov

Grantee
Jeff Burdick, Executive Director
Ingham County Land Bank Authority
422 Adams
Lansing, MI 48906
Phone: 517-267-5221
jburdick@ingham.org

VI. SPECIAL CONDITIONS

None

VII. GENERAL CONDITIONS

A. General Compliance

The Grantee agrees to comply with the requirements of **Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants (CDBG))** including Subpart K of these regulations, except that (1) the Grantee does not assume the recipient's environmental responsibilities described in 24 CFR 570.604 and (2) the Grantee does not assume the recipient's responsibility for initiating the review process under the provisions of 24 CFR Part 52. The Grantee will comply with the requirements of Section 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 USC 5121-5206, as amended by Section 102 of the Disaster Mitigation Act of 2000 (CFDA Number 97.047). The Grantee also agrees to comply with all other applicable Federal, state, and local laws, regulations, and policies governing the funds provided under this contract. The Grantee further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

B. "Independent Contractor"

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 Grantor 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.

C. Hold Harmless

The Grantee shall hold harmless, defend and indemnify the Grantor from any and all claims, actions, suits, charges, and judgments whatsoever that arise out of the Grantee's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Grantee shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement.

E. Insurance & Bonding

The Grantee shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud, and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the Grantor.

The Grantee shall comply with the bonding and insurance requirements of 24 CFR 84.31 and 84.48, Bonding and Insurance.

F. Grantor Recognition

The Grantee shall insure recognition of the role of the Grantor in providing services through this Agreement. All activities, facilities, and items utilized pursuant to this Agreement shall be prominently labeled as to funding source. In addition, the Grantee will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

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

The Grantor may, in its discretion, amend this Agreement to conform with Federal, state, or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a significant change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both Grantor and Grantee.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the Grantor may suspend or terminate this Agreement if the Grantee materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

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

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the Grantor or the Grantee, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the Grantor determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the Grantor may terminate the award in its entirety.

VIII. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Grantee agrees to comply with 24 CFR 84.21-28 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 Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles shall be applied 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 required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required determining the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;

- f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28; and
- g. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.
- h. Records documenting clearance for all contractors and subcontractors through the Excluded Parties List System (EPLS) prior to execution of contracts.

2. Retention

The Grantee shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of five (5) years. The retention period begins on the date of the submission of the Grantor's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on the for final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations, or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five-year period, whichever occurs later.

3. Client Data

Where applicable, the Grantee shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level, or other basis for determining eligibility, age, household composition, gender, race and ethnicity, previous home ownership prior housing assistance and description of service provided. Such information shall be made available to Grantor for reporting purposes and to HUD or Grantor program monitors or their designees for review upon request.

4. Disclosure

The Grantee understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the Grantor's or Grantee's responsibilities with respect to services provided under this contract, is prohibited unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The Grantee's obligation to the Grantor shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantor), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Grantee has control over CDBG funds, including program income.

6. Audits & Inspections

All Grantee records with respect to any matters covered by this Agreement shall be made available to the Grantor, grantor agency, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Grantee within 30 days after receipt by the Grantee. Failure of the Grantee to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. **The**

Grantee hereby agrees to have an annual agency audit conducted in accordance with current Grantor policy concerning Grantee audits and OMB Circular A-133.

C. Reporting and Payment Procedures

1. Program Income

The Grantee shall report quarterly all program income (as defined at 24 CFR 570.500(a)) generated by activities carried out with CDBG funds made available under this contract. The use of program income by the Grantee shall comply with the requirements set forth at 24 CFR 570.504. By way of further limitations, the Grantee may use such income during the contract period for activities permitted under this contract and shall reduce requests for additional funds by the amount of any such program income balance on hand. All unexpended program income shall be returned to the Grantor at the end of the contract period. Any interest earned on cash advances from the U.S. Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the Grantor.

2. Indirect Costs

Indirect costs are not anticipated under this contract. However, if the Grantee requests indirect costs, the Grantee will first develop an indirect cost allocation plan for determining the appropriate Grantee's share of administrative costs and shall submit such plan to the Grantor for approval, in a form specified by the Grantor.

3. Payment Procedures

The Grantor will pay to the Grantee funds available under this Agreement based upon information submitted by the Grantee and consistent with any approved budget and Grantor policy concerning payments. With the exception of certain advances, payments will be made for eligible expenses actually incurred by the Grantee, and not to exceed actual cash requirements. Payments will be adjusted by the Grantor in accordance with advance fund and program income balances available in Grantee accounts. In addition, the Grantor reserves the right to liquidate funds available under this contract for costs incurred by the Grantor on behalf of the Grantee.

4. Progress Reports

The Grantee shall submit Progress Reports with every draw request to the Grantor in the form, content, and frequency as required by the Grantor. **Grantee shall submit all pertinent information for sites listed on Attachment B including attachments as needed, copies of any newsletters/publications, and summary of all Milestones detailed in Section I of this contract as applicable.**

D. Procurement

1. Compliance

The Grantee shall comply with current Grantor 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 provided herein. All program assets (unexpected program income, property, equipment, etc.) shall revert to the Grantor upon termination of this Agreement.

2. OMB Standards

Unless specified otherwise within this agreement, the Grantee shall procure all materials, property, or services in accordance with the requirements of 24 CFR 84.40-48 and 24 CFR 85 and [Attachment C](#).

3. Travel

The Grantee shall obtain written approval from the Grantor for any travel outside the metropolitan area with funds provided under this Agreement.

4. SAM Clearance

Grantee must not make any award (sub-grant or contract) to any organization which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension." The Grantee shall obtain clearance through the electronic System for Awards Management (SAM) prior to entering into subcontracts or procurement contracts of any kind with any entity. Clearance shall be documented by printing a copy of the SAM query result, including the date of the query, and retaining it in the file. No contracts or purchases may be made with parties who appear on the federal excluded parties list as disclosed in the SAM query.

5. Suspension and Debarment

The Grantee certifies that it, or any principal party, is not debarred or suspended from participation in this program, nor is any subcontractor debarred or suspended from participation in this program. Grantee agrees to comply with Government-wide Nonprocurement Suspension and Debarment Common Rule [68 FR 66533], FAR Subpart 9.4 and Executive orders 12549 and 12689 and the Government-wide Nonprocurement Suspension and Debarment Common Rule [68 FR 66533] and to clear proposed contractors and subcontractors through the federal System for Award Management (SAM) or successor federal system. Grantee agrees to solicit offers from, award contracts, grants or financial or non-financial assistance and benefits to, and consent to subcontracts solely with responsible contractors. Grantee shall not allow a party to participate in any affected program if any executive department or agency has debarred, suspended, or otherwise excluded (to the extent specified in the exclusion action) that party from participation in the affected program.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:

1. The Grantee shall transfer to the Grantor any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the Grantee's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until five (5) years after expiration of this Agreement. If the Grantee fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the Grantee shall pay the Grantor an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such payment shall constitute program income to the Grantor. The Grantee may retain real property acquired or improved under this Agreement after the expiration of the five-year period.

3. In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Grantee for activities under this Agreement shall be (a) transferred to the Grantor for the CDBG program or (b) retained after compensating the Grantor an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment.

IX. RELOCATION, REAL PROPERTY ACQUISITION, AND ONE-FOR-ONE HOUSING REPLACEMENT

The Grantee agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Grantee shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b) (2) that are displaced as a direct result of acquisition, rehabilitation, demolition, or conversion for a CDBG-assisted project. The Grantee also agrees to comply with applicable Grantor ordinances, resolutions, and policies concerning the displacement of persons from their residences.

X. PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Grantee agrees to comply with the Elliot Larsen Civil Rights Act, MCL 37.2101 et seq., and the Persons With Disabilities Civil Rights Act, MCL 37.1101 et seq. and with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107, and 12086.

2. Nondiscrimination

The Grantee agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

3. Land Covenants

This contract is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and 24 CFR 570.601 and 570.602. In regard to the sale, lease, or other transfer of land acquired, cleared, or improved with assistance provided under this contract, the Grantee shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the Grantor and the United States are beneficiaries of and entitled to enforce such covenants. The Grantee, in undertaking its obligations to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

4. Section 504

The Grantee agrees to comply with all Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination against the individuals with disabilities or handicaps in any Federally assisted program. The Grantor shall provide the Grantee with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

B. Affirmative Action

1. Approved Plan

The Grantee agrees that it shall be committed to carry out pursuant to the Grantor's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1966. The Grantor shall provide Affirmative Action guidelines to the Grantee to assist in the formulation of such program. The Grantee shall submit a plan for an Affirmative Action Program for approval prior to the award of funds.

2. Women- and Minority-Owned Businesses (W/MBE)

The Grantee will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this contract. As used in this contract, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed, or Spanish-heritage Americans, Asian-Americans, and American Indians. The Grantee may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. Access to Records

The Grantee shall furnish and cause each of its own Grantees or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the Grantor, HUD, or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations, and provisions stated herein.

4. Notifications

The Grantee will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of the Grantee's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

4. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

The Grantee will, in all solicitations or advertisements for employees placed by or on behalf of the Grantee, state that it is an Equal Opportunity or Affirmative Action employer.

6. Subcontract Provisions

The Grantee will include the provisions of Paragraphs X.A, Civil Rights, and B, Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own grantees or subcontractors.

C. Employment Restrictions

1. Prohibited Activity

The Grantee is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; and nepotism activities.

2. Labor Standards

The Grantee agrees to comply with the requirements of the Secretary of Labor in accordance with the **Davis-Bacon Act** as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 *et seq.*) and all other applicable Federal, state, and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The Grantee agrees to comply with the **Copeland Anti-Kick Back Act** (18 U.S.C. 874 *et seq.*) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. The Grantee shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantor for review upon request.

The Grantee agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of \$2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided under this contract, shall comply with Federal requirements adopted by the Grantor pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5, and 7 governing the payment of wages and ratio apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Grantee of its obligation, if any, to require payment of the higher wage. The Grantee shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

3. "Section 3" Clause

a. Compliance

Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this contract, shall be a condition of the Federal financial assistance provided under this contract and binding upon the Grantor, the Grantee and any of the Grantee's grantees and subcontractors. Failure to fulfill these requirements shall subject the Grantor, the Grantee and any of the Grantee's subrecipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The Grantee certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.

The Grantee further agrees to comply with these "Section 3" requirements and to include the following language in all subcontracts executed under this Agreement:

"The work to be performed under this Agreement is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to

the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located.”

The Grantee further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low- and very low-income residents within the service area or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs.

The Grantee certifies and agrees that no contractual or other legal incapacity exists that would prevent compliance with these requirements.

b. Notifications

The Grantee agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker’s representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c. Subcontracts

The Grantee will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. The Grantee will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

4. Debarment

Per FAR Subpart 9.4, and Executive Orders 12549 and 12689 and the Government-wide Non procurement Suspension and Debarment Common Rule (68 FR 66533), the city of Lansing can only solicit offers from, award contracts, grants, or financial or non-financial assistance and benefits to, and consent to subcontracts with responsible contractors only and not allow a party to participate in any affected program in any Executive department or agency has debarred, suspended, or otherwise excluded (to the extent specified in the exclusion action) that party from participation in an affected program. The Grantee agrees that they are not debarred or suspended from participation in this program, nor is any interested party, nor any subcontractor debarred or suspended from participation in this program

D. Conduct

1. Assignability

The Grantee shall not assign or transfer any interest in this Agreement without the prior written consent of the Grantor thereto; provided, however, that claims for money due or to become due to the Grantee from the Grantor under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Grantor.

2. Subcontracts

a. Approvals

The Grantee shall not enter into any subcontracts with any agency or individual in the performance of this contract without the written consent of the Grantor prior to the execution of such agreement.

b. Monitoring

The Grantee will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

c. Content

The Grantee shall cause all of the provisions of this contract in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

d. Selection Process

The Grantee shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all subcontracts shall be forwarded to the Grantor along with documentation concerning the selection process.

3. Hatch Act

The Grantee agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

4. Conflict of Interest

The Grantee agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which include (but are not limited to) the following:

a. The Grantee shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees, or agents engaged in the award and administration of contracts supported by Federal funds.

b. No employee, officer, or agent of the Grantee shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.

c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantor, the Grantee, or any designated public agency.

5. Lobbying

The Grantee hereby certifies that:

a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

b. 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, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

c. It will require that the language of paragraph (d) of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all Grantees shall certify and disclose accordingly:

d. "Lobbying Certification

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

6. Copyright

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

7. Religious Activities

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

XI. ENVIRONMENTAL CONDITIONS

A. Clean Air, Water Acts and EPA Regulations:

Compliance with Clean Air and Water Acts (applicable to all contracts over \$100,000). In carrying out this agreement, the Grantee agrees to comply with the requirements of Section 306 of the Federal Clean Air Act (42 USC 1857(h)), section 508 of the Clear Water Act (33 USC 1468), Executive Order 11738, and the Environmental Protection Agency regulations (40 CFR Part 15) respective to all contracts in excess of \$100,000 awarded by grantees and sub grantees. Such statutes and regulations prohibit the use under non-exempt Federal contracts, grants or loans of facilities included on the Environmental Protection Agency's List of Violating Facilities. The provision shall require reporting of violations to the grantor agency and to the US Environmental Protection Agency.

B. Energy Policy and Conservation Act:

Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94A 163, 89 Stat. 871).

C. Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the Grantee shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

D. Lead-Based Paint

The Grantee agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment, and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment, and/or abatement may be conducted.

E. Historic Preservation

The Grantee agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this agreement.

In general, this requires concurrence from State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, state, or local historic property list.

XII. SEVERABILITY

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

XIII. SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.

XIV. WAIVER

The Grantor's failure to act with respect to a breach by the Grantee does not waive its right to act with respect to subsequent or similar breaches. The failure of the Grantor to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

XV. ENTIRE AGREEMENT

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

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized officers/directors as of the day and year first above written.

ATTEST:

Ingham County Land Bank

BY: _____

Jeff Burdick

Its: Executive Director

BY: _____

Eric Schertzing

Its: Board Chairman

ATTEST:

CITY OF LANSING

BY: _____

Virg Bernero

Its: Mayor

BY: _____

Chris Swope

Its: City Clerk

Approved as to form only:

Janene McIntyre, City Attorney

I hereby certify that funds are available in
Account #252.932658.975201.04800-04900

Randy Endsley, Accounting Manager

Attachment A

HOME and CDBG Maximum Gross Annual Household Income Limits Effective Date: 2014

Household Size	<u>30%</u>	<u>50%</u>	<u>60%</u>	<u>80%</u>
1	\$13,500	\$22,500	\$27,000	\$35,950
2	\$15,400	\$25,700	\$30,840	\$41,100
3	\$17,350	\$28,900	\$34,680	\$46,250
4	\$19,250	\$32,100	\$38,520	\$51,350
5	\$20,800	\$34,700	\$41,640	\$55,500
6	\$22,350	\$37,250	\$44,700	\$59,600
7	\$23,900	\$39,850	\$47,820	\$63,700
8	\$25,450	\$42,400	\$50,880	\$67,800

The **80%** level indicates the **maximum** household income limit for participation in the **CDBG and HOME** programs.

Annual household income includes income of all household members over the age of 18 years of age whether they are related or not.

- It includes income received for the support of minor children, such as social security, child support, etc...
- You do not have to include income earned by dependent, full-time students over the age of 18, or income earned by children under the age of 18.
- This does not apply if the 18+ year old student does not live with their legal guardian.
- Proof of full-time student status must be provided in order to have an income earned by this household member deducted from the total annual household income.

Attachment B

Property Addresses Planned Use Fund Source Comment Completion

1017 Princeton	Sale	CDBG City	Single family rehab	3-30-14
1005 Poxson	Sale	CDBG City	Single family rehab	1-30-14
1128 S. Grand	Sale	CDBG City	Single family rehab	3-30-14
1310 Allegan	Sale	CDBG City	Single family rehab	1-30-14
1614 Delevan	Sale	CDBG City	Single family rehab	5-30-14
1417 N. Jenison	Sale	CDBG City	Single family rehab	5-30-14
1310 Greenwood	Sale	CDBG City	Single family rehab	5-30-14
1821 William	Sale	CDBG City	Single family rehab	5-30-14
3217 Ronald	Sale	HOME GLHC	Single family rehab	6-30-14
1719 Pierce	Sale	HOME GLHC	Single family rehab	6-30-14
1401 Weymouth	Sale	HOME GLHC	Single family rehab	6-30-14
1220 Massachussetts	Sale	CDBG City	Single family rehab	
1600 Willow	Sale	CDBG City	Single family rehab	
1409 W. Mt. Hope	Sale	HOME	Single family rehab	
6103 Scotmar	Sale/rent	CDBG LB	Condo units rehabilitation	4-30-14
6113 Scotmar	Sale/rent	CDBG LB	Condo units rehabilitation	4-30-14
6133 Scotmar	Sale/rent	CDBG LB	Condo units rehabilitation	4-30-14
6143 Scotmar	Sale/rent	CDBG LB	Condo units rehabilitation	4-30-14
1733 Maisonette	Sale/rent	CDBG LB	Condo units rehabilitation	4-30-14
1737 Maisonette	Sale/rent	CDBG LB	Condo units rehabilitation	4-30-14
1739 Maisonette	Sale/rent	CDBG LB	Condo units rehabilitation	4-30-14
1723 Maisonette	Sale/rent	CDBG LB	Condo units rehabilitation	4-30-14
1725 Maisonette	Sale/rent	CDBG LB	Condo units rehabilitation	4-30-14
6117 Scotmar	Sale/rent	CDBG LB	Condo units rehabilitation	4-30-14
1745 Maisonette	Sale/rent	CDBG LB	Condo units rehabilitation	4-30-14
1703 Maisonette	Sale/rent	CDBG LB	Condo units rehabilitation	4-30-14
1707 Maisonette	Sale/rent	CDBG LB	Condo units rehabilitation	4-30-14

Site File Documentation and Progress Report Data

Milestones/File Record	Responsible Party	Date Completed
Confirm Deed, Insurance and PPN		
Provide Survey and Title work		
Property inspection and photos		
Environmental review		
Hazard Assessment		
SHPO Clearance		
HERS Assessment Date		
Rehab Specifications Completed		
SHPO Requirements Included		
Complete Initial Pro-Forma		
Prepare Bid Package		
Pre-bid walk through		
Bid Opening and Award Documents		
Disbursement and Completion Schedule		
SAM Clearance		
Mortgage		
Contract signed		
Proceed to Work Notice		
Stake Site (if needed)		
Monitor/update Rehab Progress		
Photos & written pre-draw reports		
Process change order requests		
Final inspection/punch list		
Appraisal/Post-Rehab Photos		
Market for Sale		
Qualify purchaser/occupant		
Conclude Sale		
Calculate and Remit Prog. Income		
File Documentation Check		

Attachment C

24 CFR 85.36 Procurement

(a) States.

When procuring property and services under a grant, a State will follow the same policies and procedures it uses for procurements from its non-Federal funds. The State will ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations. Other grantees and subgrantees will follow paragraphs (b) through (i) in this section.

(b) Procurement standards.

1. Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.
2. Grantees and subgrantees will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
3. Grantees and subgrantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:
 - i. The employee, officer or agent,
 - ii. Any member of his immediate family,
 - iii. His or her partner, or
 - iv. An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award.

The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. Grantee and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

4. Grantee and subgrantee procedures will provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.
5. To foster greater economy and efficiency, grantees and subgrantees are encouraged to enter into State and local intergovernmental agreements for procurement or use of common goods and services.

6. Grantees and subgrantees are encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.
7. Grantees and subgrantees are encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.
8. Grantees and subgrantees will make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
9. Grantees and subgrantees will maintain records sufficient to detail the significant history of each procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
10. Grantees and subgrantees will use time and material type contracts only
 - i. After a determination that no other contract is suitable, and
 - ii. If the contract includes a ceiling price that the contractor exceeds at its own risk.
11. Grantees and subgrantees alone will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to source evaluation, protests, disputes, and claims. These standards do not relieve the grantee or subgrantee of any contractual responsibilities under its contracts. Federal agencies will not substitute their judgment for that of the grantee or subgrantee unless the matter is primarily a Federal concern. Violations of law will be referred to the local, State, or Federal authority having proper jurisdiction.
12. Grantees and subgrantees will have protest procedures to handle and resolve disputes relating to their procurements and shall in all instances disclose information regarding the protest to the awarding agency. A protestor must exhaust all administrative remedies with the grantee and subgrantee before pursuing a protest with the Federal agency. Reviews of protests by the Federal agency will be limited to:
 - i. Violations of Federal law or regulations and the standards of this section (violations of State or local law will be under the jurisdiction of State or local authorities) and
 - ii. Violations of the grantee's or subgrantee's protest procedures for failure to review a complaint or protest. Protests received by the Federal agency other than those specified above will be referred to the grantee or subgrantee.

(c) Competition.

1. All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of Sec. 85.36. Some of the situations considered to be restrictive of competition include but are not limited to:
 - i. Placing unreasonable requirements on firms in order for them to qualify to do business,
 - ii. Requiring unnecessary experience and excessive bonding,
 - iii. Noncompetitive pricing practices between firms or between affiliated companies,
 - iv. Noncompetitive awards to consultants that are on retainer contracts,

- v. Organizational conflicts of interest,
 - vi. Specifying only a brand name product instead of allowing an equal product to be offered and describing the performance of other relevant requirements of the procurement, and
 - vii. Any arbitrary action in the procurement process.
2. Grantees and subgrantees will conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts State licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criteria provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.
 3. Grantees will have written selection procedures for procurement transactions. These procedures will ensure that all solicitations:
 - i. Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a brand name or equal description may be used as a means to define the performance or other salient requirements of a procurement. The specific features of the named brand which must be met by offerors shall be clearly stated; and
 - ii. Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.
 4. Grantees and subgrantees will ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, grantees and subgrantees will not preclude potential bidders from qualifying during the solicitation period.

(d) Methods of procurement to be followed.

1. Procurement by **small purchase procedures**. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the simplified acquisition threshold fixed at 41 U.S.C. 403(11) (currently set at \$100,000). If small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources.
2. Procurement by **sealed bids** (formal advertising). Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in Sec. 85.36(d)(2)(i) apply.
 - i. In order for sealed bidding to be feasible, the following conditions should be present:
 - A. A complete, adequate, and realistic specification or purchase description is available;
 - B. Two or more responsible bidders are willing and able to compete effectively and for the business; and

- C. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
 - ii. If sealed bids are used, the following requirements apply:
 - A. The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids;
 - B. The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond;
 - C. All bids will be publicly opened at the time and place prescribed in the invitation for bids;
 - D. A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
 - E. Any or all bids may be rejected if there is a sound documented reason.
- 3. Procurement by **competitive proposals**. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:
 - i. Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical;
 - ii. Proposals will be solicited from an adequate number of qualified sources;
 - iii. Grantees and subgrantees will have a method for conducting technical evaluations of the proposals received and for selecting awardees;
 - iv. Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
 - v. Grantees and subgrantees may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.
- 4. Procurement by **noncompetitive proposals** is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate.
 - i. Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one of the following circumstances applies:

- A. The item is available only from a single source;
 - B. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - C. The awarding agency authorizes noncompetitive proposals; or
 - D. After solicitation of a number of sources, competition is determined inadequate.
- ii. Cost analysis, i.e., verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits, is required.
 - iii. Grantees and subgrantees may be required to submit the proposed procurement to the awarding agency for pre- award review in accordance with paragraph (g) of this section.

(e) Contracting with small and minority firms, women's business enterprise and labor surplus area firms.

1. The grantee and subgrantee will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible.
2. Affirmative steps shall include:
 - i. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
 - ii. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
 - iii. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;
 - iv. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;
 - v. Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce; and
 - vi. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (e)(2) (i) through (v) of this section.

(f) Contract cost and price.

1. Grantees and subgrantees must perform a cost or price analysis in connection with every procurement action including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, grantees must make independent estimates before receiving bids or proposals. A cost analysis must be performed when the offeror is required to submit the elements of his estimated cost, e.g., under professional, consulting, and architectural engineering services contracts. A cost analysis will be necessary when adequate price competition is lacking, and for sole source procurements, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation. A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price.
2. Grantees and subgrantees will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To

establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

3. Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles (see Sec. 85.22). Grantees may reference their own cost principles that comply with the applicable Federal cost principles.
4. The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

(g) Awarding agency review.

1. Grantees and subgrantees must make available, upon request of the awarding agency, technical specifications on proposed procurements where the awarding agency believes such review is needed to ensure that the item and/or service specified is the one being proposed for purchase. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the grantee or subgrantee desires to have the review accomplished after a solicitation has been developed, the awarding agency may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.
2. Grantees and subgrantees must on request make available for awarding agency pre-award review procurement documents, such as requests for proposals or invitations for bids, independent cost estimates, etc. when:
 - i. A grantee's or subgrantee's procurement procedures or operation fails to comply with the procurement standards in this section; or
 - ii. The procurement is expected to exceed the simplified acquisition threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation; or
 - iii. The procurement, which is expected to exceed the simplified acquisition threshold, specifies a "brand name" product; or
 - iv. The proposed award is more than the simplified acquisition threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or
 - v. A proposed contract modification changes the scope of a contract or increases the contract amount by more than the simplified acquisition threshold.
3. A grantee or subgrantee will be exempt from the pre- award review in paragraph (g)(2) of this section if the awarding agency determines that its procurement systems comply with the standards of this section.
 - i. A grantee or subgrantee may request that its procurement system be reviewed by the awarding agency to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews shall occur where there is a continuous high-dollar funding, and third-party contracts are awarded on a regular basis.
 - ii. A grantee or subgrantee may self-certify its procurement system. Such self-certification shall not limit the awarding agency's right to survey the system. Under a self-certification procedure, awarding agencies may wish to rely on written assurances from the grantee or

subgrantee that it is complying with these standards. A grantee or subgrantee will cite specific procedures, regulations, standards, etc., as being in compliance with these requirements and have its system available for review.

(h) Bonding requirements.

For construction or facility improvement contracts or subcontracts exceeding the simplified acquisition threshold, the awarding agency may accept the bonding policy and requirements of the grantee or subgrantee provided the awarding agency has made a determination that the awarding agency's interest is adequately protected. If such a determination has not been made, the minimum requirements shall be as follows:

1. A bid guarantee from each bidder equivalent to five percent of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.
2. A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
3. A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

(i) Contract provisions.

A grantee's and subgrantee's contracts must contain provisions in paragraph (i) of this section. Federal agencies are permitted to require changes, remedies, changed conditions, access and records retention, suspension of work, and other clauses approved by the Office of Federal Procurement Policy.

1. Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate. (Contracts more than the simplified acquisition threshold)
2. Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of \$10,000)
3. Compliance with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity", as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of \$10,000 by grantees and their contractors or subgrantees)
4. Compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3). (All contracts and subgrants for construction or repair)
5. Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts in excess of \$2000 awarded by grantees and subgrantees when required by Federal grant program legislation)
6. Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327A 330) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts awarded by grantees and subgrantees in excess of \$2000, and in excess of \$2500 for other contracts which involve the employment of mechanics or laborers)
7. Notice of awarding agency requirements and regulations pertaining to reporting.

8. Notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract.
9. Awarding agency requirements and regulations pertaining to copyrights and rights in data.
10. Access by the grantee, the subgrantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.
11. Retention of all required records for three years after grantees or subgrantees make final payments and all other pending matters are closed.
12. Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857 (h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (Contracts, subcontracts, and subgrants of amounts in excess of \$100,000).
13. Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94A 163, 89 Stat. 871).

INGHAM COUNTY LAND BANK AUTHORITY

RESOLUTION TO AUTHORIZE THE CHAIRMAN AND EXECUTIVE DIRECTOR TO ENTER INTO AN AGREEMENT WITH THE CITY OF LANSING TO UTILIZE CDBG FUNDS TO REHABILITATE LAND BANK OWNED SINGLE FAMILY RESIDENTIAL STRUCTURES AND CONDOMINIUM UNITS

RESOLUTION #14-07

WHEREAS, the Land Bank Fast Track Act, 2003 PA 258, being MCL 124.751 *et seq.*, (Athe Act@) establishes the State Land Bank Fast Track Authority; and

WHEREAS, the Act allows a foreclosing governmental unit, such as the Ingham County Treasurer, to enter into an intergovernmental agreement with the State Land Bank Fast Track Authority providing for the exercise of the powers, duties, functions, and responsibilities of an authority under the Act, and for the creation of a County Land Bank Fast Track Authority (the "Authority") to exercise those functions; and

WHEREAS, the Ingham County Treasurer, with Ingham County Board of Commissioners approval, has entered into such an intergovernmental agreement under the Act; and

WHEREAS, the City of Lansing has applied for and received funds under the Community Development Block Grant (CDBG) program from the United States Department of Housing and Urban Development, and

WHEREAS, the City of Lansing wishes to engage the Ingham County Land Bank in utilizing such funds, and

WHEREAS, the Ingham County Land Bank will be responsible for completing the rehabilitation of thirteen (13) condominium units in the Eden Glen condominium development and one single-family Land Bank-owned property, and

WHEREAS, the City of Lansing will be responsible for completing the rehabilitation of up to thirteen (13) single-family Land Bank-owned properties, and

WHEREAS, the Ingham County Land Bank will be reimbursed for its acquisition of the properties included in the agreement and will be reimbursed costs it incurs related to the rehabilitation of the fourteen (14) properties it will manage, and

WHEREAS, the funding provides a sum of not to exceed \$775,000, and

WHEREAS, these functions fall under the mission and policies of the Ingham County Land Bank,

THEREFORE BE IT RESOLVED, that the Authority authorizes the Land Bank Chairman and the Executive Director to enter into an agreement with the City of Lansing to utilize CDBG funds to rehabilitate Land Bank owned single-family residential structures and residential condominium units.

YEAS:

NAYS:

ABSENT: