

INNOVATIVE HOUSING INCENTIVE GRANT PROGRAM SUBRECIPIENT AGREEMENT

This Subrecipient Agreement (“Agreement”), dated July 25, 2023 (“Effective Date”), is made by and between THE CITY OF CRAIG, COLORADO, a home rule municipality (“City”), and CRAIG HOUSING AUTHORITY, a body corporate and politic (“CHA”).

The Colorado Department of Local Affairs (“State”) awarded the City a \$1,500,000.00 grant from the Innovative Housing Incentive Grant Program (“Grant”) as authorized by C.R.S. 24-32-130(2) for infrastructure and site development to support the development of twenty units of affordable housing known as 8th Street Development project (“Project”).

The City desires to transfer the Grant to CHA to fund the Project’s infrastructure and site development work.

Therefore, the parties agree as follows:

1. Purpose. The purpose of this Agreement is to fund the infrastructure and site development for the Project (“Work”).
2. Grant. The City hereby grants to CHA the total Grant amount of \$1,500,000.00 to fund the Work. This Agreement is issued to CHA on the condition that the Project activities and funds will be administered in accordance with the terms and conditions set forth in this Agreement. The Grant Expiration Date is April 30, 2024.
3. Term. This Agreement becomes effective as of the Effective Date and will terminate upon completion of all Reporting, Close-Out, and De-obligation of Grant requirements defined below. This Agreement will terminate if the Grant Agreement terminates prior to the Grant Expiration Date, and this Agreement will be extended if the term of the Grant Agreement is extended.
4. Scope of Work. CHA shall complete the Work described in this Agreement and the Scope of Work (“SOW”) attached as Exhibit A to this Agreement. CHA shall complete the work in accordance with the requirements of this Agreement, the SOW, and the Innovative Housing Incentive Grant Program.
5. Authorized Use and Grant Payments. CHA may use the Grant funds awarded under this Agreement for direct Project costs further described in the SOW. The City shall reimburse CHA for allowable costs not exceeding the maximum Grant amount pursuant to the Budget and Payment Schedule in the SOW. The City has no liability to compensate or reimburse CHA for the delivery of any goods or the performance of any services that are not specifically set forth in this Agreement.
6. Default. A default shall consist of (i) failure to complete the Work or fulfill the obligations under this agreement in a timely manner; (ii) any use of the Grant funds for purposes not authorized by this Agreement or the breach of any term of this Agreement; or (iii) submission of materially incomplete or incorrect reports. The City may terminate this Agreement in whole or in part upon default by CHA and such default is not remedied

within thirty days. Upon termination, the City will cease to advance Grant funds and CHA shall return any unexpended Grant funds. Regardless of whether the Agreement is terminated, CHA shall return any Grant Funds improperly expended.

7. Remedies. Upon the occurrence of a default, the City may recover the amount of the Grant from the City to CHA and pursue all other rights and remedies provided by law or in equity.
8. Reporting Requirements and Records.
 - a. Close-Out. CHA shall close out this Sub-Grant and submit to the City all deliverables and documentations described in this Agreement and the SOW (“Close-Out”) no later than sixty days after the Grant Expiration Date (“Close-Out Period”).
 - b. Reporting and Records. CHA shall submit to the City all periodic financial, performance, and other reports by the deadlines described in this Agreement and in the SOW. CHA shall maintain all records pertaining to the Grant for a period of three years following the completion of Close-Out, and shall permit the City or the State to audit, inspect, examine, excerpt, copy, and transcribe all such records during normal business hours. CHA shall report any violations of federal or state criminal law involving fraud, bribery, or gratuity violations potentially affecting the Grant.
 - c. Monitoring. The City shall monitor CHA’s performance of its obligations under this Agreement at its discretion and in a manner that does not unduly interfere with CHA’s performance of the Work. CHA shall comply with any State and federal audit requirements.
9. Governing Law. The laws of the State of Colorado shall govern this Agreement.
10. Subgranting and Assignment. CHA may not further subgrant the Grant or assign this Agreement without written approval from the City.
11. Modification and Amendment. This Agreement is the entire agreement between the parties. Any changes or modifications must be mutually agreed upon in a written amendment to this Agreement.
12. Severability. If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected and shall remain in full force and effect.

[signature pages follow]

This Agreement was executed as of the Effective Date stated above.

CITY

City of Craig

By: _____
Derek Duran, Mayor

Date: _____

ATTEST:

Liz White, City Clerk

CHA

Craig Housing Authority, a Colorado body corporate
and politic

By: _____
Name: Peter Brixius
Title: Executive Director

Exhibit A

Scope of Work

1. DESCRIPTION OF THE PROJECT AND WORK

1.1. Project Description. The Project consists of infrastructure site development to support the 8th Street Redevelopment affordable housing project located in Craig, Colorado.

1.2. Work Description. CHA will hire a qualified contractor to complete site infrastructure work (“Work”) for the 8th Street Redevelopment Project, a development consisting of approximately twenty (20) units of for-sale affordable housing in approximately four modular multifamily five-plexes. A portion of the units will be set aside for hospital workforce. The resulting units will be deed restricted for a minimum of 30 years, managed by CHA, and affordable as defined in C.R.S. 24-32-130(1)(a).

Work includes the extension of water and sewer lines to the Project site, substantial stormwater improvements including import of fill to raise the center point to ensure adequate drainage, street and alley improvements to all for rear access and unit parking. CHA will own all improvements and, in accordance with §8 below, a contractor will be hired to complete the Work.

A Final Informal Memo will be submitted to the City that contains analysis of the following: 1) lessons learned, 2) community impact, 3) units added, 4) number of persons impacted, and 5) any other pertinent data that addresses the housing crisis and/or impact these projects made to alleviate barriers to affordable housing construction.

Additionally, CHA will provide the City a financial statement summarizing all Project-related expenses to date. The summary will include all expenditures on the Project, from this Grant and all other funding sources. This summary will be completed and provided to the City prior to Project Closeout and final payment.

1.3. Responsibilities. CHA shall be responsible for the completion of the Work and shall provide required documentation to the City as specified herein.

1.3.1. CHA shall notify the City at least 30 days in advance of Project Completion.

1.4. Eligible Expenses. Eligible expenses shall include: contracted labor and materials costs, bond and insurance costs, attorney’s fees, and right-of-way acquisition costs. The City reserves the right to recapture advanced Grant Funds when CHA has not or is not complying with the terms of this Grant.

2. DEFINITIONS

2.1. Project Budget Lines.

2.1.1. “Clearance/Demolition/Site Prep” means labor and materials costs, bond and insurance costs, and bid advertisement costs.

2.1.2. “Substantial Completion” means the Work is sufficiently complete in accordance with the Grant so it can be utilized for its intended purpose without undue interference.

3. DELIVERABLES

3.1. Outcome. The final outcome of the Grant is completion of site development work for the 8th Street Redevelopment Affordable Housing Project, consisting of approximately 20 units, all of which will be restricted as affordable for a minimum of 30 years to households in accordance with C.R.S. 24-32-130(1)(a).

3.2. Service Area. The performance of the Work described within the Grant shall be located in Craig, Colorado.

3.3. Performance Measures. CHA shall comply with the following performance measures:

<u>Milestone/Performance Measure/CHA will:</u>	<u>By:</u>
Report on 2019 Baseline Data for number of affordable housing development projects applied versus number of permit approvals.	To be included in the first Quarterly Status Report, See §3.4.2 below.
Begin work/Contractor mobilization.	Within 70 days after the Effective Date of this Intergovernmental Agreement.
Provide the City with documentation of deed restrictions or sample of the form of deed restriction that CHA intends to use.	March 31, 2024
Substantial completion of Site Development.	March 31, 2024
Submit draft of Final Informal Memo to the City for review.	Within 40 days prior to the Expiration Date.
Submit Quarterly Pay Requests	See §3.4.2 below
Submit Quarterly Status Reports	See §3.4.2 below
Provide the City with a final financial statement summarizing all Project-related expenses to date. The statement should include all expenditures on the Project, from the Grant and all other funding sources.	Within 40 days prior to the Expiration Date.
Submit Project Final Report	June 1, 2024

3.4. Quarterly Pay Request and Status Reports. Beginning 30 days after the end of the first quarter following execution of this Grant and for each quarter thereafter until termination of this Grant, CHA shall submit Pay Requests and Status Reports using a form provided by the City. The City shall pay CHA for actual expenditures made in the performance of this Grant based on the submission of statements in the

format prescribed by the City. CHA shall submit Pay Requests setting forth a detailed description and provide documentation of the amounts and types of reimbursable expenses. Pay Requests and Status Reports are due within 40 days of the end of the quarter but may be submitted more frequently at the discretion of the CHA.

3.4.1. For quarters in which there are no expenditures to reimburse, CHA shall indicate zero (0) requested in the Pay Request and describe the status of the Work in the Status Report. The report will contain an update of expenditure of funds by budget line as per §5.2 of this **Exhibit B** Scope of Work as well as a projection of all Work expected to be accomplished in the following quarter, including an estimate of Grant Funds to be expended.

3.4.2. Specific submittal dates.

Quarter	Year	Due Date	Pay Request Due	Status Report Due
2 nd (Apr-Jun)	2023	JULY 5, 2023*	Yes	Yes
3 rd (Jul-Sep)	2023	October 20, 2023	Yes	Yes
4 th (Oct-Dec)	2023	January 20, 2024	Yes	Yes
1 st (Jan-Mar)	2024	April 20, 2024	Yes	Yes
2 nd (Apr-Jun)	2024	April 20, 2024	Yes	Yes

3.5. DOLA Acknowledgment. CHA agrees to acknowledge the Colorado Department of Local Affairs in any and all materials or events designed to promote or educate the public about the Work and the Project, including but not limited to: press releases, newspaper articles, op-ed pieces, press conferences, presentations and brochures/pamphlets.

4. FUNDING

The funds provided shall be limited to the amount specified under the “Grant Funds” column of §4.2, Budget, below.

4.1. Matching/Other Funds. CHA shall provide **at least 30%** of the Total Project Cost as documented by CHA and verified by DOLA at Project Closeout. Initial estimates of CHA’s contribution are noted in the “Other Funds” column of §6.2 below. Increases to CHA’s contribution to Total Project Cost do not require modification of this Intergovernmental Grant Agreement and/or **Exhibit A**.

4.2. Budget

Budget Line(s)		Total Project Cost	Grant Funds	Other Funds	Other Funds Source
Line #	Cost Category				
1	Clearance/Demolition/ Site Prep	\$2,179,225	\$1,500,000	\$679,225	CHA
	Total	\$2,179,225	\$1,500,000	\$679,225	

5. PAYMENT

Payments shall be made in accordance with this section and the provisions set forth in the Agreement.

5.1. Payment Schedule. If Work is subcontracted or subgranted and such Subcontractors and/or Subgrantees are not previously paid, CHA shall disburse Grant Funds received from the City to such Subcontractor or Subgrantee within fifteen days of receipt. Excess funds shall be returned to the City.

Payment	Amount	
Interim Payment(s)	\$1,425,000	Paid upon receipt of actual expense documentation and written Pay Requests from the CHA for reimbursement of eligible approved expenses.
Final Payment	\$75,000	Paid upon Substantial Completion of the Project (as determined by the State in its sole discretion), provided that the City has submitted, and DOLA has accepted, all required reports.
Total	\$1,500,000	

5.2. Interest. Grantee or Subgrantee may keep interest earned from Grant Funds up to \$100 per year for administrative expenses.

6. ADMINISTRATIVE REQUIREMENTS

6.1. Reporting. CHA shall submit the following reports to the City using the State-provided forms. The City may withhold payment(s) if such reports are not submitted timely.

6.1.1. Quarterly Pay Request and Status Reports. Quarterly Pay Requests shall be submitted to the City in accordance with §3.4 of this **Exhibit A**.

6.1.2. Final Reports. Within 80 days after the completion of the Project, CHA shall submit the final Pay Request and Status Report to DOLA.

6.2. Monitoring. The City shall monitor this Work on an as-needed basis. The City may choose to audit the records for activities performed under this Grant. CHA shall maintain a complete file of all records, documents, communications, notes

and other written materials or electronic media, files or communications, which pertain in any manner to the operation of activities undertaken pursuant to an executed Grant. Such books and records shall contain documentation of the CHA's pertinent activity under this Grant in accordance with Generally Accepted Accounting Principles.

6.2.1. Subgrantee/Subcontractor. CHA shall monitor its Subgrantees and/or Subcontractors, if any, during the term of this Grant. Results of such monitoring shall be documented by CHA and maintained on file.

6.3. Bonds. If Project includes construction or facility improvements, CHA and/or its contractor (or subcontractors) performing such work shall secure the bonds hereunder from companies holding certificates of authority as acceptable sureties pursuant to 31 CFR Part 223 and are authorized to do business in Colorado.

6.3.1. Bid Bond. A bid guarantee from each bidder equivalent to 5 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 shall, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

6.3.2. Performance Bond. 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.

6.3.3. Payment Bond. 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 statute of all persons supplying labor and material in the execution of the work provided for in the contract.

6.3.4. Substitution. The bonding requirements in this §6.3 may be waived in lieu of an irrevocable letter of credit if the price is less than \$50,000.

7. CONSTRUCTION/RENOVATION.

7.1. Plans & Specifications. Construction plans and specifications shall be drawn up by a qualified engineer or architect licensed in the State of Colorado, or pre-engineered in accordance with Colorado law, and hired by the CHA through a competitive selection process.

7.2. Procurement. A construction contract shall be awarded to a qualified construction firm through a formal selection process with the CHA being obligated to award the construction contract to the lowest responsive, responsible bidder meeting the CHA's specifications.

7.3. Subcontracts. Copies of any and all contracts entered into by the CHA in order to accomplish this Project shall be submitted to the City upon request, and any and all contracts entered into by the CHA or any of its Subcontractors shall comply with all applicable federal and state laws and shall be governed by the laws of the State of Colorado.

- 7.4. Standards.** CHA, Subgrantees and Subcontractors shall comply with all applicable statutory design and construction standards and procedures that may be required, including the standards required by Colorado Department of Public Health and Environment, and shall provide the State with documentation of such compliance.

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