

**STATE OF NORTH CAROLINA
COUNTY OF DURHAM**

**SUBRECIPIENT CONTRACT
EMERGENCY SOLUTIONS GRANT
AND GENERAL FUNDS**

This Contract is made and entered into as of the _____ day of _____, 2013, by the City of Durham (“Grantee”) and Housing for New Hope, Inc. (“Subrecipient”), a nonprofit corporation organized and existing under the laws of North Carolina;

WHEREAS, the Grantee desires to make available to the Subrecipient certain funds from the United States Emergency Solutions Grant (ESG) Program as proscribed under the McKinney-Vento Act of 1988 (Public Law 100-77), with said grant being made available through the U.S. Department of Housing and Urban Development (HUD) and being designated as grant numbers **E-11-MC-37-0006, E-12-MC-37-0006 and City General Funds (GF)** known as the “Grant”.

WHEREAS the Subrecipient has submitted an application for Emergency Solutions Grant Program funding that was approved by the Durham City Council as a part of the 2012-2013 Annual Action Plan on May 10, 2012 and for \$200,000.00 in general funds appropriated by the Durham City Council as a part of the FY 12-13 budget;

WHEREAS, the Subrecipient is being awarded Emergency Solutions Grant (ESG) funds and general funds by the Grantee for eligible activities as set forth in the Interim ESG Rule;

WHEREAS, the Subrecipient agrees to abide by each paragraph of this Contract and its attachments as a condition of its receiving the federal funds and general funds referenced above; and

WHEREAS, the Subrecipient further agrees that all activities conducted under the Contract shall be of a type authorized by the provisions of Part 8, Article 19 of Chapter 160A of the General Statutes of North Carolina, as amended by Chapter 206 of the Session of laws of 1987;

NOW, THEREFORE, in consideration of the mutual promises herein exchanged by and between the parties, it is agreed as follows:

SUMMARY OF THE CONTRACT TERMS:

The Grantee shall award the Subrecipient a maximum sum of **\$279,554.00** to be used for services outlined in Attachment A entitled “Scope of Services”, which is made an integral part of this Contract. This contract shall be effective upon the date of execution and all services to be provided under the contract shall be completed within twelve months. Details of this Contract are detailed in Attachment A, which shall take precedence over this summary if there is a conflict in terms

Activities described in Attachment A, “Scope of Services,” must commence within 60 days of the execution date of this Contract. Failure to promptly provide the services specified in Attachment A, as determined solely by the Grantee, shall result in the Grantee exercising its authority to deobligate the funds committed to the Subrecipient.

Contract activities performed prior to the execution date of this Contract are not considered a part of this Contract.

DEFINITIONS:

Definitions specific to the Emergency Solutions Grant Program can be found in regulations published at 24 CFR 576, and amended by the Interim Rule effective January 4, 2012. Any term not expressly defined in these publications or in this document or its attachments or referenced documents, shall have its commonly accepted meaning.

1. "At risk of homelessness" means: An individual or family who:
 - a. Has an annual income below 30 percent of median family income for the area, as determined by HUD;
 - b. Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the "homeless" definition in 24 CFR §576.2; and
 - c. Meets one of the following conditions:
 - 1) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
 - 2) Is living in the home of another because of economic hardship;
 - 3) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;
 - 4) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals;
 - 5) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons reside per room, as defined by the U.S. Census Bureau;
 - 6) Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
- a. A child or youth who does not qualify as "homeless" under 24 CFR §576.2, but qualifies as "homeless" under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2(6)), section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(5)(A)), section 3(m) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(m)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); or
- b. A child or youth who does not qualify as "homeless" under this section, but qualifies as "homeless" under section

725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), and the parent(s) or guardian(s) of that child or youth if living with her or him.

d. "Continuum of Care" means the group composed of representatives of relevant organizations, which generally includes nonprofit homeless providers; victim service providers; faith-based organizations; governments; businesses; advocates; public housing agencies; school districts; social service providers; mental health agencies; hospitals; universities; affordable housing developers; law enforcement; organizations that serve homeless and formerly homeless veterans, and homeless and formerly homeless persons that are organized to plan for and provide, as necessary, a system of outreach, engagement, and assessment; emergency shelter; rapid re-housing; transitional housing; permanent housing; and prevention strategies to address the various needs of homeless persons and persons at risk of homelessness for a specific geographic area.

e. "Emergency shelter" means any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and which does not require occupants to sign leases or occupancy agreements. Any project funded as an emergency shelter under a Fiscal Year 2010 Emergency Solutions grant may continue to be funded under ESG.

f. As used herein, "homeless" shall be defined as follows:

a. An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

- 1) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
- 2) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
- 3) An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;

b. An individual or family who will imminently lose their primary nighttime residence provided that:

- 1) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;

- 2) No subsequent residence has been identified; and
 - 3) The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing;
- c. Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as “homeless” under this definition, but who:

- 1) Are defined as “homeless” under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b (h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)), or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);
- 2) Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;
- 3) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
- 4) Can be expected to continue in such status for an extended period of time because of chronic disabilities; chronic physical health or mental health conditions; substance addiction; histories of domestic violence or childhood abuse (including neglect); the presence of a child or youth with a disability; or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or

- d. Any individual or family who:

- 1) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual’s or family’s primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
- 2) Has no other residence; and
- 3) Lacks the resources or support networks, e.g., family, friends, and faith-based or other social networks, to obtain other permanent housing.

- e. “Homeless Management Information System” (HMIS) means the information system designated by the Continuum of Care to comply with the HUD’s data collection, management, and reporting standards and used to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness.
- f. “Program income” shall have the meaning provided in 24 CFR 85.25. Program income includes any amount of a security or utility deposit returned to the Subrecipient.
- g. Program participants mean an individual or family who is assisted.

THE FIVE COMPONENTS OF THE EMERGENCY SERVICES GRANT PROGRAM:

1. **Street Outreach:** providing essential services including the cost of activities necessary to provide emergency care on the street to include the following: engagement, case management, emergency health services, emergency mental health services, transportation and services for special populations,
2. **Emergency Shelter:** including essential services, renovations, shelter operations, and assistance required under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
3. **Homelessness Prevention:** ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place.
4. **Rapid Re-Housing Assistance:** ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium term rental assistance necessary to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing.
5. **HMIS:** Projects receiving funding under the ESG are required to participate in a Homeless Management Information System (HMIS). The cost of such participation may be covered by ESG funds. ESG grant recipients are also required to participate in any and all centralized and coordinated assessment systems, in efforts to provide services, to share costs and to keep records pertaining to all ESG- and Continuum of Care-funded activities.

EMERGENCY SOLUTIONS GRANT PROGRAM RULES:

Annual Income

a. For each program participant who receives homelessness prevention assistance, or who receives rapid re-housing assistance longer than one year, the following documentation of annual income must be maintained:

- 1) Income evaluation form containing the minimum requirements specified by HUD and completed by the Subrecipient; and

2) Source documents for the assets held by the program participant and income received over the most recent period for which representative data is available before the date of the evaluation (e.g., wage statement, unemployment compensation statement, public benefits statement, bank statement);

b. To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., employer, government benefits administrator) or the written certification by the Subrecipient's intake staff of the oral verification by the relevant third party of the income the program participant received over the most recent period for which representative data is available; or

c. To the extent that source documents and third party verification are unobtainable, the written certification by the program participant of the amount of income the program participant received for the most recent period is representative of the income that the program participant is reasonably expected to receive over the 3-month period following the evaluation.

Administrative Costs

The recipient may use up to 7.5% of its ESG grant for the payment of administrative cost related to the planning of and execution of ESG activities for direct cost. ESG funds may be used to pay for staff salaries and indirect costs.

Ineligible Costs

If Subrecipient submits charges and receives payment from the grant that are subsequently questioned and disallowed by a finding during the monitoring process, the Grantee shall require the Subrecipient to repay the disallowed cost within sixty (60) days of receipt of the notice of disallowance. If the Subrecipient does not agree to repay the disallowed costs in a lump sum payment by the date specified, or begin and continue repayment under an installment plan approved by the Grantee, appropriate action, such as suspension of any current or future contract payments, termination of Agreement(s), referral to City legal for further actions, or any other appropriate actions necessary, will be taken to recover the disallowed costs. For purposes herein, the term "findings" refers to a deficiency in program performance based on a statutory, regulatory or Agreement requirement for which sanctions or other corrective actions are authorized.

Homeless Participation

A homeless or formerly homeless person must participate to the fullest extent possible in the development of ESG-funded programs and policies.

Accessibility of Spaces, Services and Activities

Subrecipient shall operate each existing program or activity receiving federal financial assistance so that the program or activity, when viewed in its entirety, is equally accessible to and usable by individuals with disabilities as by persons without disabilities.

Property Standards

All dwelling units that are a part of an ESG-funded activity shall meet minimum habitability standards set by the Durham Minimum Housing Code. Shelters renovated with ESG funds are also required to meet state or local government safety and sanitation standards, as applicable, including energy-efficient appliances and materials.

Lead-based Paint

All shelters assisted under the ESG program and all housing occupied by program participants must adhere to the requirements of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations in 24 CFR part 35, subparts A, B, H, J, K, M, and R. Such regulations pertain to all HUD-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.

Termination of Services

Subrecipient shall ensure that if a participant violates program requirements, services will be terminated in accordance with a formal written procedure established by the Subrecipient that recognizes the rights of the individual affected. This policy shall include the option for reinstatement, under proscribed circumstances, as dictated by the Interim Rule.

Grievance Hearings

The Subrecipient shall establish a formal, written procedure to address grievances and shall inform applicants and participants of their right to a fair hearing.

Hatch Act

The Subrecipient agrees that no funds provided, nor personnel employed under the 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.

Conflicts of Interest

The Subrecipient must keep records to show compliance with the organizational conflicts-of-interest requirements in 24 CFR §576.404(a), a copy of the personal conflicts of interest policy or codes of conduct developed and implemented to comply with the requirements in 24 CFR §576.404(b), and records supporting exceptions to the personal conflicts of interest prohibitions.

The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and §576.404, which include (but are not limited to) the following:

- a. The Subrecipient 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 Subrecipient 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 HUD-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 HUD-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 Grantee, the Subrecipient, or any designated public agency.

The Subrecipient shall permit no officer or employee of the Subrecipient, no member of the Grantee's governing body and no other public official of any governing body in the Durham metropolitan area to exercise any functions or responsibilities in the review or approval of the undertaking or carrying out of this project to (1) participate in any discussion relating to this Contract if it affects his or her personal interest or the interest of any corporation, partnership or association in which he or she is directly or indirectly interested; or (2) have any interest, direct or indirect, in this Contract or the proceeds thereof.

The Subrecipient shall permit no members of or delegates to the Congress of the United States to be admitted to any share or part thereof or to any benefit to arise here from. The Subrecipient covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required to be performed under this Contract. The Subrecipient further covenants that no person having any such interest shall be employed in the performance of this Contract. The Subrecipient shall make no loans to its directors or officers.

The Subrecipient shall be subject to and shall comply with the conflict of interest provisions of the federal regulations as published at 24 CFR Part 570.611, 24 CFR Part 84.42 and 24 CFR Part 85.36.

FUNDING THE SUBRECIPIENT'S PROGRAM:

Issuance of Contract Relies on Subrecipient's Application

It is expressly understood by the Subrecipient that this grant is being made in consideration of and in reliance upon the representations made in the Subrecipient's application for funding.

Services and Scope to be Performed

The Subrecipient promises to perform, or cause to be performed, the services outlined in *Attachment A: Scope of Services*.

Grant Amount. It is expressly understood and agreed by the Subrecipient that payment by the Grantee shall not exceed the maximum sum of **\$279,554.00** for all of the activities specified in *Attachment A*.

Availability of HUD Funds

Grantee's ability to provide funds under this Contract is contingent upon HUD's final allocation of funds to the Grantee. In the event that HUD determines not to allocate funds to the Grantee, the Subrecipient understands that the Grantee's obligation to allocate funds to

Subrecipient under this Contract ceases. Upon receipt of written notice, the Subrecipient shall cease all Work associated with this Contract. If such an event should occur, the Subrecipient shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Subrecipient shall have no right to recover from the Grantee any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

Matching Funds

Subrecipient shall match the ESG Grant with equal amount of other federal and state resources (cash and non-cash) in accordance with the revised matching requirements at 24 CFR 576.201. To count toward the required match, Subrecipient shall keep records of the source and the use of contributions made to satisfy the matching requirement. Cash contributions must be expended, and non-cash contributions must be made, within the expenditure deadline in Section 576.203. Subrecipient cannot use City funds as an eligible match source. GF are not subject to a dollar for dollar match. However, subrecipient must document at least a 50% match which can include staff salaries and organizational operating costs and overhead.

Budget.

The Subrecipient shall perform its services within the monetary limits contained in the program budget in *Attachment A: Scope of Services*, which is based upon their application for funding, and that any changes to the budget will require the prior written approval of the Department of Community Development (DCD).

Fair Housing

Subrecipient shall affirmatively further fair housing in accordance with 24 CFR 5.105 (a).

Fair Housing Act Compliance Certification

The Subrecipient hereby warrants that it does not have any Fair Housing Discrimination complaints pending against it. The Subrecipient also agrees that should any Fair Housing Discrimination complaint be lodged against it during the term of this Contract, it will immediately notify the Grantee in writing of the occurrence.

GENERAL TERMS AND CONDITIONS OF THE CONTRACT:

Consistency of Performance

The Subrecipient shall perform within, and cause its subcontractors and any ultimate recipients of funds or program beneficiaries under this Contract to comply with, and to be eligible under, the same federal and state laws, regulations and administrative requirements which apply to this Contract.

The Subrecipient shall maintain a level of aggregate expenditures for its other projects or activities which is not less than the level of aggregate expenditures that existed prior to the execution of this Contract. The Subrecipient shall promptly notify the Grantee of any matters which have a material tendency to affect compliance with this requirement.

The Subrecipient shall immediately notify the Grantee of any problems that will affect the ability of the Subrecipient to perform its obligations under this Contract, including a statement of actions taken or contemplated to be taken by the Subrecipient to resolve such problems.

The Grantee shall, at its sole discretion, determine how and whether the Subrecipient shall proceed with its ESG-funded program.

Insurance

Contractors / Subrecipients shall purchase and maintain insurance coverage for not less than the following.

Commercial General Liability, covering:

- Premises/operations
- Products/completed operations (two years minimum, from project completion)
- Broad form property damage
- Contractual liability
- Independent contractors, if any are used in the performance of this contract
- Combined single limit not less than \$2,000,000 per occurrence, with an annual aggregate on not less than \$4,000,000.

Commercial Auto Liability, covering:

- Symbol 1, all vehicles
- Combined single limit of \$2,000,000

Workers' Compensation Insurance, covering:

- Statutory benefits;
- Covering employees; covering owners partners, officers, and relatives (who work on this contract) (this must be stated on the certificate)
- Employers' liability, \$1,000,000
- Waiver of subrogation in favor of the City of Durham

Insurance shall be provided by:

- Companies authorized to do business in the State of North Carolina
- Companies with Best rating of A-, VII or better.

Insurance shall be evidenced by a certificate:

- Providing notice to the City of not less than 30 days prior to cancellation or reduction of coverage
- With an original signature of the Agent, in blue ink

Additional Insured:

- The certificate shall stipulate that *"The City of Durham is additional insured as their interests may apply"*
- An original of the endorsement to effect the coverage must be attached to the certificate (if by blanket endorsement, then agent may so indicate in the GL section of the certificate, in lieu of an original endorsement)

Certificate Holder: The City of Durham shall be listed as the Certificate Holder, in the following way:

City of Durham
Department of Community Development
807 East Main Street, Suite 2-200
Durham, NC 27701

Certificate shall be delivered or mailed directly to the address of the Certificate Holder and to the attention of the project manager responsible for the contract or the project.

Both the insurance certificate and the additional insured endorsement must be original, signed documents, and must be approved by the City before the Subrecipient can begin work under this contract.

Continuous insurance coverage is required for the release of payments to subrecipients and contractors. Absence of current proof of required insurance will result in delay of payment.

STANDARDS OF CONDUCT:

Procurement

HUD procurement standards found at 24 CFR 85.36, and OMB Circular A-110, Subpart C are hereby incorporated into this contract by reference.

Political Activity & Lobbying

The Subrecipient hereby certifies that no funds, federal or otherwise, have been used or will be used to influence or attempt to influence the award of this Contract, and that this condition shall be included in the award documents for all subawards in all tiers and that all subcontractors shall certify and disclose accordingly. The Subrecipient shall not permit any of the funds, materials, property or services provided under this Contract to be used for any partisan political activity, or to further the election or defeat of any candidate for public office, or for publicity or propaganda purposes designed to support or defeat legislation pending before the United States Congress, the State of North Carolina, the County of Durham or the City of Durham.

Subrecipient Liable for Leases

Prior to the Subrecipient entering into any lease arrangement that involves the use of funds from this Contract; the Subrecipient shall submit a copy of the proposed lease to DCD for review and approval and shall not enter into any lease arrangement that is disapproved by DCD.

Faith-based activities

The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR §576.406.

Drug-Free Workplace

The Drug-Free Workplace Act of 1988 (41 U.S.C. 701, seq.) and HUD's implementing regulations at 24 CFR part 21 apply to ESG.

City of Durham, Nondiscrimination Policy

The City of Durham opposes discrimination on the basis of race and sex and urges all of its Contractors and Subrecipients to provide a fair opportunity for minorities and women to participate in their work force and as subcontractors and vendors under City contracts.

City of Durham Equal Employment Opportunity (EEO) Provisions

During the performance of this Contract, the Subrecipient agrees as follows:

(a) The Subrecipient shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or sexual orientation, national origin, political affiliation or belief, age, or handicap. The Subrecipient shall take affirmative action to insure that applicants are employed and that employees are treated equally during employment, including but not be limited to the following: employment, promotion, demotion, transfer, recruitment or advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Subrecipient shall post in conspicuous places, available to employees and applicants for employment, notices setting forth these provisions.

(b) The Subrecipient shall, in all solicitations or advertisement for employees placed by or on behalf of the Subrecipient; state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or sexual orientation, national origin, political affiliation or belief, age, or handicap.

(c) The Contractor shall send a copy of the EEO provisions to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding.

(d) In the event of the Subrecipient's noncompliance with these EEO provisions, the Grantee may cancel, terminate, or suspend this Contract, in whole or in part, and the Grantee may declare the Subrecipient ineligible for further contracts with the Grantee.

(e) Unless exempted by the Durham City Council, the Subrecipient shall include these EEO provisions in every purchase order for goods to be used in performing this contract and in every subcontract related to this contract so that these EEO provisions will be binding upon subcontractors and vendors.

City of Durham Equal Business Opportunities (EBO) Ordinance

The Subrecipient shall take affirmative steps to assure that the small businesses and lower income persons of the project area (defined as the City of Durham) are utilized whenever possible as sources of supplies, equipment, construction and services.

Federal Equal Employment Opportunity Requirements

Subrecipient shall comply with Executive Order 11246, "Equal Employment Opportunity," as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR Part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." (OMB Circular No. A-110, Appendix A: Contract Provisions)

False Claims or Misappropriation of Funds

The Subrecipient shall abide by all laws which prohibit fraud of any kind against the federal government. Discovery of a false claim made by the Subrecipient to the Grantee shall be cause for immediate nullification of this Contract upon notice of fraud to the Subrecipient by the Grantee. Subrecipient shall be liable for any and all misappropriation of funds; audit exceptions uncovered by the Grantee, state or federal agencies; and for violations of the terms of this Contract.

RECORDKEEPING, RECORDS RETENTION AND ACCESS:

Recordkeeping

The Subrecipient shall have the obligation and responsibility of establishing, keeping and maintaining complete records of all activities, accomplishments and transactions that relate to the services, improvements and purchases for which funding is provided under this Contract, including documentation of eligibility of both activities and clients, as defined in the Interim Rule at 24 CFR 576.500.

Confidentiality

Recipients of Emergency Services Grants shall provide written procedures to ensure the privacy and confidentiality of all records pertaining to all participants including victims of family violence, as defined in the Interim Rule. The Federal Freedom of Information Act (5 USC 552) does not apply to records. Unless required by federal, state or local law, Grantees and Subrecipients are not required to permit public access to their records. (24 CFR 85.42(f))

HIPAA Compliance

The Grantee and the Subrecipient shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations.

Standards for Financial Management Systems

In accordance with OMB Circular No. A-110 Subpart C, and OMB Circular No. A-122, Subrecipients' financial management systems shall be created and maintained in accordance with generally accepted accounting practices and procedures, and shall provide for the following:

- Maintain written procedures for determining the reasonableness, allocability and allowability of costs;
- Disclose accurate, current and complete records of financial transactions to the Grantee at any time during the contract period;
- Clearly document the source and application of funds for contract activities;
- Maintain effective control over and accountability for all funds, property and other assets, and safeguard such assets for use solely for the authorized purposes;
- Segregate the funds under this contract, including matching funds, into separate accounts so that there is no co-mingling of these funds with any others, and so that all transactions under this Contract can be easily identified and monitored;
- Relate financial data to performance data and develop unit cost information whenever practical, using comparison of outlays with budget amounts for each award;
- Ensure that allowable costs meet the standards set by OMB Circular No. A-122 and OMB Circular No. A-122 Attachment A.

Records to be Maintained

The Subrecipient shall maintain all records required by this Contract, records required by 24 CFR 576.65 and records that are pertinent to the activities to be funded under this Contract, including but not limited to the following:

- (a) This Contract and any attachment and amendments;
- (b) 24 CFR part 576, Emergency Solutions Grant Program regulations, including the Interim Rule effective January 4, 2012, as incorporated herein;

- (c) Records providing a full description of each activity undertaken;
- (d) Records of the eligibility of participants and activities;
- (e) Records documenting compliance with the Fair Housing and Equal Opportunity components of the ESG-funded Program;
- (f) Financial records as required by 24 CFR 576.65, OMB Circular A-110, A-122 and A-133;
- (g) Original source documents identifying all expenditures, referrals, releases, permissions, income verification, case-management notes, correspondence with client's landlords, contractor and vendor bid documents, etc. that describe and provide evidence of all activities undertaken with funding provided by this contract.

Records Retention

Subrecipient shall retain all pertinent records for a period of five (5) years after the termination of all funded activities, or after the resolution of all federal audit findings, or until any pending litigation involving this Contract or related books and records is settled, whichever occurs later.

Periodic Progress Reports

The Subrecipient shall submit detailed progress, expenditure and beneficiary data reports as stipulated in *Attachment A: Scope of Services*. The Subrecipient shall have the further obligation to diligently prepare, complete and submit any reports, forms, questionnaires or other documents which the Grantee or HUD may request.

Reporting

The Subrecipient shall report client-level data in a Homeless Management Information System (HMIS) or a comparable database in accordance with HUD's standards on participation, data collection, and reporting. If the Subrecipient is a victim service provider, it may use a comparable database that collects client-level data over time and generates duplicated aggregate reports based on the data.

Failure to Meet Record-Keeping, Reporting, Audit or Inspection Requirements

The Subrecipient's failure to comply with record-keeping, reporting, audits, and inspections as required by this Contract is a breach of this Contract and funding will be withheld from the Subrecipient until such time as the reports are up to date and accurate.

REQUESTS FOR PAYMENT:

No Grant Funds Shall Be Paid in Advance

No funds shall be advanced to the Subrecipient under this Contract. The Subrecipient shall send requests for reimbursement of pre-approved expenditures or for payment of fee for services to the Grantee on a schedule stipulated in *Attachment A: Scope of Services*.

Billing Schedule

Reimbursement requests must be submitted on or before the 15th of the month following the close of each reporting period stipulated in *Attachment A*.

Attachments to the Request for Reimbursement

Attached to each request for reimbursement shall be source documents, including any and all leases, bills, purchase orders, receipts, invoices, consulting contracts, retainer agreements, worker time sheets, payroll records, verification of payments, copies of checks

and any other documentation required by the Grantee in order to determine the validity and propriety of such request for payment. Incorrect or incomplete submittals may be returned to the Subrecipient for correction and resubmission. The Grantee shall have the right to decline or withhold payment hereunder until such time as Subrecipient compliance is established to Grantee's satisfaction.

Evidence of Required Matching Funds

Each request for reimbursement shall include copies of source documents (such as timesheets for volunteers or copies of donation checks, receipts for supplies or equipment, etc.) indicating that the Subrecipient has received, and has applied to the furtherance of this program, specific Matching Funds, the total, cumulative value of which is equal to or greater than the amount of the total reimbursement requested to date. In addition, Subrecipient shall account for the use of these matching funds, including the same documentation as applies to the request for reimbursement from the Grant itself. Grantee shall only release reimbursements equal to the lesser of either the authorized expenditures or the documented match amount.

Additional Requirements

Grantee reserves the right to impose any additional requirements upon Subrecipient, which the Grantee shall deem reasonable or necessary for the purpose of verifying the legality and propriety of any payment requested by the Subrecipient.

Investigation of Noncompliant Activities

The Grantee may investigate any matter covered under this Contract and may withhold any payments until the results of the investigation have been revealed. Reimbursement to the Subrecipient will be determined upon resolution of the investigation by the Grantee.

DISBURSEMENT OF FUNDS:

Compensation

The Grantee shall not be obligated to pay the Subrecipient any payments, fees, expenses, or compensation other than those authorized by this Contract. Payments will not be released to any Subrecipient if any of the Contract terms are not being met.

Refund of Ineligible Payments

In the event that the Grantee or HUD determine through investigations and monitoring that any payment or reimbursement to the Subrecipient is ineligible or disallowed, the Subrecipient shall immediately and without delay fully reimburse the Grantee.

Payment of Invoice

The payment of the invoice by the Grantee shall not prejudice the Grantee's right to object to or question any invoice or matter in relation thereto. Such payment by the Grantee shall be construed neither as final acceptance of any part of the work or service provided, nor as a final approval of any of the costs invoiced therein.

PROGRAM MONITORING:

Access to Records

The Grantee, HUD, the Inspector General, the Comptroller General of the United States, or any of their duly authorized representatives, have the right of timely and unrestricted access

to any personnel books, documents, papers, or other records of the Subrecipient that are pertinent to the program undertaken with funds from this Contract, in order to make audits, examinations, excerpts, transcripts and copies of such documents, for the duration of the records retention period.

Annual Report and Audit

The Subrecipient shall establish and maintain a financial management system that will account for all funds received under this Contract and expenditures made in furtherance of the project activities, and such system shall be created and maintained in accordance with generally accepted accounting practices (GAAP) and procedures. The system shall include the following:

1. Accurate, current and complete disclosure of the financial results of activities under this Contract in accordance with GAAP. If the Subrecipient's accounting records are maintained on a cash basis, the Subrecipient must develop information of accounts payable and accounts receivable through an analysis of the documents in the file, or on the basis of its best estimates.
2. Records that identify in detail the source and application of funds under this Contract. These records shall contain information pertaining to Contract awards and authorizations, encumbrances and unencumbered balances, assets, liabilities, outlays and income.
3. Effective internal controls and accountability for all funds, property and other assets attributable to the Contract. The Subrecipient shall adequately safeguard all such assets and shall assure that they are used solely for the performance of this Contract.
4. Comparison of actual expenditures with budgeted amounts for those expenditures and comparison of financial information with performance or productivity data, including the production of unit cost information whenever required by the Grantee.
5. Procedures for determining the allowability and allocability of costs.
6. A general ledger in which a summary of all accounting transactions shall be maintained. In addition, the Subrecipient shall maintain a cash receipt and disbursement register in which receipts and disbursements will be documented. Funds disbursed by the Subrecipient shall be made by pre-numbered checks, used in numerical sequence and must be supported by appropriate, source documentation. Source documentation includes items such as payroll, time and attendance records, invoices, contracts, travel payments, information evidencing the nature and propriety of each payment, and notations showing the approval of an authorized official of the Subrecipient.
7. On request of the Grantee, the Subrecipient shall provide an accounting for all funds paid to it by the Grantee under this Contract.
8. The Subrecipient's financial records shall be audited by a certified public accountant, licensed in good standing to practice in the State of North Carolina, at least annually.
9. A copy of the certified audit of the funds received by the Subrecipient under this Contract, and an accompanying Management Letter, shall be provided to the Grantee for each year in which activities under this Contract were conducted. Should there be an

exception taken during any audit, the Subrecipient shall resolve the findings and recommendations within thirty (30) days after completion of the audit.

10. The Subrecipient shall maintain such records and accounts, including property, personal and financial records so as to assure a proper accounting for all project funds, for five (5) years after the date of final payment under this Contract from the Grantee to the Subrecipient. However, at any time after completion and acceptance of required audits and after the Contract termination, the Subrecipient may turn these records over to the Grantee for retention.

The Subrecipient shall provide any information that the DCD may reasonably request pertaining to the Subrecipient's financial management under this Contract.

AUDITS AND INSPECTIONS.

At any time during normal business hours and as often as the Grantee, HUD or the Comptroller General of the United States may deem necessary, the Subrecipient shall make available to the Grantee, HUD, or representatives of the Comptroller General, for examination, all of the Subrecipient's records with respect to matters covered by this Contract. The Grantee, HUD or representatives of the Comptroller General shall be permitted to audit, examine and make excerpts or transcripts from such records and to make audits of all contracts, invoices, materials payable, records or personnel, and other data relative to all matters covered by this Contract.

SUBCONTRACTING, ASSIGNING, MODIFYING, SUSPENDING AND TERMINATING THE CONTRACT:

Severability

If any provision of this Contract shall be unenforceable, the remainder of this Contract shall be enforceable to the extent permitted by law.

Successors and Assigns

Subrecipient may not assign or delegate any of its rights or obligations under this contract without the express and prior written consent of the Grantee. The duties of the Subrecipient that arise out of this Contract shall be binding upon it and its heirs, personal representatives, successors, and assigns.

Subcontracting

The Subrecipient may not subcontract any of its duties or obligations under this Contract without the express written consent of the Grantee, unless such subcontracts were expressly disclosed and included as a part of the Subrecipient's original proposal.

- All subcontracts let in the performance of this Contract shall be awarded in a fair, open, and competitive manner. Executed copies of all subcontracts shall be forwarded to the Grantee along with documentation of the selection process. The Subrecipient shall adopt and utilize written selection criteria for use in the selection of subcontractors, which selection criteria must conform to the procurement requirements of 24 CFR 84.84 and Section 3 of the Housing and Urban Development Act of 1968.

- All Subrecipients shall require subcontractors and vendors to comply with all applicable federal, state and local laws and regulations, and with all of the requirements of this Contract between the Grantee and the Subrecipient, as applicable.
- The Subrecipient shall furnish to the Grantee a copy of any subcontract if it is to be funded, in whole or in part, with funds provided from this Contract, no less than ten (10) days prior to the execution of that subcontract.

Modifications

A modification of this Contract is not valid unless signed by both parties and is otherwise in accordance with requirements of law.

Termination for Breach

A breach of any provision of this Contract shall be considered a breach of this Contract as a whole, and the Grantee shall notify the Subrecipient in writing of any breach when it is uncovered. Substandard performance as determined solely by the Grantee and/or HUD shall constitute non-compliance with or breach of the terms of this Contract.

- Substandard performance includes, but is not limited to, not adhering to the program performance schedule. The Subrecipient's failure to correct substandard performance within a reasonable period of time after being notified by the Grantee will result in remedial action by the Grantee or HUD.
- If any breach or default is not cured within thirty (30) days from the date the Grantee notifies the Subrecipient of the breach or default, the Grantee may cause and/or continue suspension of disbursements, and at that point, at the sole discretion of the Grantee, the Contract may be terminated, provided that (i) termination shall not be exercised unreasonably by the Grantee and (ii) prior to termination, the Grantee shall notify the Subrecipient in writing.
- In the event of a termination, the Subrecipient's authority to draw grant funds will terminate as of the date of the notice of termination and Subrecipient shall have no right, title or interest in or to any remaining grant funds.
- The Grantee also has the right to require the Subrecipient to repay to the Grantee a portion of or all grant funds drawn by Subrecipient in cases of breach involving misappropriation of funds or fraudulent use of funds.
- In the event of termination of this Contract due to a breach by the Subrecipient, the Grantee may complete the work either itself or by contract with another subrecipient, or by a combination thereof.
- The Grantee also shall be entitled to any other equitable and legal remedies that are available.
- The remedies provided to the Grantee for a breach by the Subrecipient shall not be exclusive.
- In the event of breach of this Contract by the Grantee, the Subrecipient's remedy shall be limited to termination of the Contract and receipt of payment for all activities that have been completed and documented as set forth in Attachment A: Scope of Services.
- In the event of termination by the Grantee, the Grantee shall provide the Subrecipient an opportunity for an administrative appeal to HUD.
- Termination of this Contract shall not relieve the Subrecipient of liability for any breach of this Contract that occurs prior to such termination or expiration.

Termination of Contract for Cause

In the event that the Contract is terminated for cause, all finished or unfinished documents, data, studies and reports prepared by the Subrecipient under this Contract shall, at the option of the Grantee, become its property and Subrecipient shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents. Notwithstanding the above, the Subrecipient shall not be relieved of liability to the Grantee for damages sustained by the Grantee by virtue of any breach of the Contract by the Subrecipient, and the Grantee may withhold any payments to the Subrecipient until such time as the exact amount of damages due the Grantee from the Subrecipient is determined.

Termination for Convenience

The Grantee may, with the concurrence of the Subrecipient, terminate this Contract at any time. The Grantee shall give notice in writing of its decision to terminate, the effective date of termination and reasons thereof. The Subrecipient shall, within 30 calendar days of the mailing of said notice, respond to the Grantee's request. Failure to respond to the Grantee's request shall be conclusively presumed to indicate consent, notwithstanding any communication received by the Grantee to the contrary at any time thereafter. If the Contract is terminated by the Grantee as provided herein, the Subrecipient will be paid an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services required of the Subrecipient by this Contract less payments of compensation previously made.

Choice of Law and Forum

This contract shall be deemed made in Durham County, North Carolina. This contract shall be governed by and construed in accordance with the laws of the State of North Carolina. The exclusive forum and venue for all actions arising out of this Contract shall be the North Carolina General Court of Justice in Durham County. Such actions shall neither be commenced in nor removed to federal court. This section shall not apply to subsequent actions to enforce a judgment entered in actions heard pursuant to this section.

Performance of Government Functions

Nothing contained in this Contract shall be deemed or construed so as to in any way estop, limit, or impair the Grantee from exercising or performing any regulatory, policing, legislative, governmental, or other powers or functions.

No Third Party Rights Created

This Contract is intended for the benefit of the Grantee and the Subrecipient and not any other person.

Independent Subrecipient Status

The Subrecipient is engaged as an independent Subrecipient and will be responsible for any federal, state, or local taxes and fees applicable to payments hereunder. The Subrecipient and its subcontractors and employees are not employees of the Grantee and are not eligible for any benefits through the Grantee, including without limitation, federal social security, health benefits, workers' compensation, unemployment compensation, and retirement benefits.

Indemnification

To the maximum extent allowed by law, the Subrecipient shall defend, indemnify, and save harmless Indemnitees from and against all charges that arise in any manner from, in

connection with, or out of this Contract as a result of acts or omissions of the Subrecipient or subcontractors or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable. In performing its duties under subsection (a) below, the Subrecipient shall at its sole expense, defend Indemnitees with legal counsel reasonably acceptable to the Grantee.

Definitions

As used in this Section,

- “*Charges*” means claims, judgments, costs, damages, losses, demands, liabilities, duties, obligations, fines, penalties, royalties, settlements, and expenses (included without limitation within “*charges*” are (i) interest and reasonable attorneys’ fees assessed as part of any such item, and (ii) amounts for alleged violations of sedimentation pollution, erosion control, pollution, or other environmental laws, regulations, ordinances, rules, or orders -- including but not limited to any such alleged violation that arises out of the handling, transportation, deposit, or delivery of the items that are the subject of this Contract).
- “*Indemnitees*” means the Grantee and its officers, officials, independent contractors, agents, and employees, excluding the Subrecipient.

Waiver of Condition or Breach

No action or failure to act by the Grantee shall constitute a waiver of any of its rights or remedies that arise out of this Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed in writing.

Other Provisions Separate

Nothing in this section shall affect any warranties in favor of the Grantee that are otherwise provided in or arise out of this Contract. This section is in addition to and shall be construed separately from any other indemnification provisions that may be in this Contract.

Survival

This section shall remain in force despite termination of this Contract (whether by expiration of the term or otherwise) and termination of the services of the Subrecipient under this Contract.

CLOSING-OUT THE CONTRACT:

The Subrecipient’s obligation to the Grantee shall not end until all close-out requirements described in 24 CFR 84.87 are completed to the satisfaction of the Grantee and HUD, or within 45 days of the expiration, completion or termination of this Contract; whichever is the later date. Subrecipient activities during this close-out period shall include, but are not limited to, the following:

- Subrecipient shall submit a final request for reimbursement for all eligible, remaining, unreimbursed costs. The Grantee shall not be responsible for the payment of any invoices that are submitted after this final request for reimbursement; and
- Subrecipient shall ensure the custodianship of records.

SUMMARY, ATTACHMENTS, NOTICES AND WARRANTY:

Entire Agreement

This Contract including its attachments and exhibits and combined with the Subrecipient's application for funding, constitutes the entire understanding between the parties and no amendment, modification or assignment of this Contract will be valid and enforceable unless it is in writing and executed by both parties.

List of Contract Attachments

The following attachments are made a part of this contract. In case of conflict between an attachment and the text of this Contract excluding the attachment, the text of this Contract shall control.

Attachment A: Scope of Services
Attachment B: Other Applicable Laws

Notices

All communications shall be considered effectively given as of the day of delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or as of the day the electronic transmission of such by fax or email is received and confirmed by the designated recipient.

To the City:
Reginald J. Johnson
Director
Dept. of Community Development
City of Durham
807 East Main Street, #2-200
Durham, NC 27701
Phone: 919-560-4570
Fax: 919-560-4090
E-mail: reginald.johnson@durhamnc.gov

To the Subrecipient:
Terry Allebaugh
Executive Director
Housing for New Hope, Inc.
18 Colony Place, Suite. 250
Durham, NC 27705
Tel: 919-489-6282
Fax: 919-489-6593
E-mail: terry@housingfornewhope.org

Warranty of Authority

Each individual signing below warrants that he or she has the power and authority to sign on behalf of the entity listed above their signature, that such signature alone is binding on such entity, and that the governing body of such entity has duly authorized the execution of this Contract.

IN WITNESS WHEREOF, the City and the Contractor have caused this contract to be executed under seal themselves or by their respective duly authorized agents or officers.

CITY OF DURHAM

By: _____
Thomas J. Bonfield, City Manager (date)

ATTEST: DURHAM

By: _____
D. Ann Gray, City Clerk (date)

**STATE of NORTH CAROLINA
COUNTY of DURHAM**

I, a Notary Public in and for the aforesaid County and State certify that _____ personally appeared before me this day, and acknowledged that she is the City Clerk of the **City of Durham**, a municipal corporation, and that by authority duly given and as the act of the City, the foregoing contract was signed in its corporate name by its City Manager, sealed with its corporate seal, and attested by its said City Clerk. This the _____ day of _____, 2013.

Notary Public: _____

My Commission Expires: _____

Pre-Audit Certification

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act. This the _____ day of _____, 2013.

City of Durham, Finance Officer (date)

HOUSING FOR NEW HOPE, INC.

By: _____
Terry Allebaugh, Executive Director (date)

ATTEST: HOUSING FOR NEW HOPE, INC.

By: _____
Print Name: Corporate Secretary (date)

(Affix Corporate Seal here.)

**NORTH CAROLINA
DURHAM COUNTY**

I, a Notary Public in and for the aforesaid County and State, certify that _____ personally appeared before me this day and stated that he or she is _____ Secretary of _____, a corporation, and that by authority duly given and as the act of the corporation, the foregoing contract with the City of Durham was signed in its name by its Governing Board Chairperson, whose name is _____, sealed with its corporate seal, and attested by him/herself as its said Secretary or Assistant Secretary.

This the _____ day of _____, 2013.

Notary Public: _____
My Commission Expires: _____

ATTACHMENT A SCOPE OF SERVICES

Application:

This Scope of Services is based on the application prepared and submitted by the Subrecipient through the an application for Emergency Solutions Grant and the City's General Funds (GF) grant funding process and was approved by the Durham Council in the City's 2012-2013 Annual Action Plan during Work Session on May 10, 2012. In the event of any conflict between the proposal and any provision contained herein, this Contract shall control. Therefore, Housing for New Hope, Inc (HNN) will provide rapid re-housing services to at least 45 homeless family households and at least 35 single households to indentify, secure, and maintain permanent housing with a lease in the household's name through Transition to Permanence (TOPs). In addition, TOPs will provide supplemental assistance through referrals and collaborative efforts that has been established among service providers.

Subrecipient Performance Requirements:

HNN will provide the following services under TOPs:

- Provide rapid re-housing services in the form of short-term (3 months or less) or medium term (3-12 months) assistance to at least 80 homeless single/family households in Durham;
- All homeless households are determined to be eligible if homeless status is verified and documented and if they reside in a Durham homeless shelter, or were referred by Durham County DSS, or can be verified to have been living as an unsheltered homeless person in Durham.
- Obtain homeless family and single household referrals from Durham County Department of Social Services, Urban Ministries of Durham and local congregations;
- Collaborate with emergency shelters and transitional housing providers to re-engage and re-house households;
- Work to decrease barriers to housing and provide a ready to rent workshop for participants;
- Screen participants for job readiness, training, and placement programs among TOPs, City of Durham's Office of Economic and Workforce Development and Durham Technical Community College; and
- Obtain additional housing and non-housing related needs through the assistance of other service providers.

Budget:

HNN will utilize ESG and City's General Funds (GF) to provide rapid re-housing services to homeless households in Durham. It is expressly agreed and understood that the maximum amount to be paid by the Grantee to the Subrecipient under this Contract shall not exceed \$279,554.00. Direct Services in the amount of \$73,588.00 for case management will assist at least 80 households at rate of \$919.85 per client. Direct assistance in the form of rental and utility assistance will be used in the amount of \$185,000.00. Administrative Costs in the amount of \$20,966.00 will be used for operational purposes.

| ESG and GF Budget Allocations | | ESG-GF Eligible Activities |
|-------------------------------|---------------------|---------------------------------|
| ESG | \$73,588.00 | Direct Services to Households |
| GF | \$185,000.00 | Direct Assistance to Households |
| ESG-GF Admin | \$20,966.00 | Administrative Costs |
| Total Funds | \$279,554.00 | |

Client Eligibility:

The Carolina Homelessness Information Network, (CHIN) will be utilized to capture all demographic, homeless status, services and income information. The CHIN will be used by HNH to capture all household information and all household income. Household income must be verified and calculated to insure that entire household income does not exceed 30% of the area median income as determined by HUD, as required by the Housing and Community Development Act of 1974.

Monthly Progress Reports / Invoice Reimbursement Requests:

HNH will provide rapid re-housing services to at least 80 households who are experiencing homelessness in Durham. All eligible participants must be 30% or below Area Median Income. HNH will utilize the following criteria to measure the success of the ESG and GF program:

- Subrecipient shall submit a request for payment to the Grantee on a monthly basis to reflect the prior month reported activity.
 - Subrecipient is required to actively participate and enter into the Homeless Management Information System or Carolina Homeless Information Network (HMIS/CHIN) all required client data on a monthly basis with CHIN Release Form. The HMIS/CHIN is a system for tracking the use of homeless programs and related activities producing an unduplicated count of the people using those services.
 - Monthly Beneficiary Report that provides the Grantee with the number of and demographic information about all beneficiaries/participants. The Subrecipient shall, to the best of their ability, provide the Grantee with demographic information, including race, age, gender, ethnicity and family status for all participants.
 - The Subrecipient shall submit verified and calculated third party income at the time of reimbursement for participants to determine if household is at or below 30% Area Median Income. The form of income verification can be paystubs, verification of employment, and 2 years income tax returns if self-employed. Types of income to include but are not limited to: alimony, pension, child support, social security benefits, disability, social supplemental income, unemployment income, school stipend, public assistance and any other benefits received.
 - Subrecipient must verify and document valid identification for each eligible household in the following form: driver license, state identification card, social security card and birth certificate.
- All financial assistance provided must be documented with a copy of reimbursement documentation from third party vendor
- Subrecipient must provide copies of cancelled checks with invoice for eligible costs.

Subrecipient shall verify and document the age of each property prior to client occupancy;

- Housing and lead Inspections must be performed by City of Durham's staff to meet the City of Durham's Minimum Housing Code and lead clearance on all properties before reimbursement and tenant occupancy.
- For each household assisted, subrecipient must verify and document rent reasonableness on at least three properties in Durham to establish affordability.
- Subrecipient must provide valid lease agreements with all eligible client(s) name.
- Each monthly progress report/invoice shall be signed by the Executive Director and Finance Director of HNH.
- In addition, the Subrecipient shall provide any other information or reports requested by the Grantee in support of the Subrecipient's eligibility for reimbursement.

Performance Outcomes-Quarterly/Annual Reporting

- Subrecipient must track and submit a progress report on all households served on a quarterly basis to DCD.
- Subrecipient is required to track and submit an annual report on households served during the program period to DCD.
- Subrecipient is required to track and report on all household's sustainability after 6-12 months of exiting the program to DCD.

60 - Day Limit for Reimbursement

Any claims for reimbursement dated later than 60 days after the end of any reporting period in which the expense was incurred or the fee for services was earned will not be honored.

Match Requirements:

In accordance with the terms of the grant contract, the Subrecipient shall document match money set aside under this Contract by submitting copies of *checks and/or bank deposits from donations*, and the City shall not release funds to Subrecipient totaling more than the sum of all Match set-asides that have been documented up to the date of the latest invoice.

Further, Subrecipient must provide proof that Match expenditures support only payroll or activities that support the same program that this grant supports. Match expenditures must be documented at the time of each request for the payment of grant funds. ESG funds are subject to a dollar for dollar match. The match can be in the form of cash or noncash contributions (i.e. donated material/property, rate of volunteerism). Please note that the organization cannot use City funds as an eligible match source. GF are not subject to a dollar for dollar match. However, applicants must document at least a 50% match which can include staff salaries and organizational operating costs and overhead. Lastly, all match requirements must be used and documented to reflect eligible ESG activities.

Final Draw & Close-Out:

All progress reports and invoices for payments must be complete at that time.

The City will reimburse HNH not more than a total of \$279,554.00 in ESG/GF funds for rapid re-housing services provided during the contract period on the following basis:

- Case Manager to provide rapid re-housing case management to at least 80 unduplicated individuals or households at a rate of \$919.85 per client (\$73,588.00);
- Reimbursement for financial assistance provided to clients for rapid re-housing activities (\$185,000.00); and
- Provide 7.5 percent of the total amount for eligible services may be used to cover administrative costs on each funding source not to exceed \$20,966.00. Administrative expenditures must be documented with receipts and proof of payment with cancelled checks along with journal entries.

At no time shall the City of Durham advance funds to HNH beyond the amount of money that has been spent on pre-approved eligible ESG/GF activities, and at no time will ESG/GF funds be paid unless HNH has “earned” that reimbursement by meeting their performance goal.

With the last invoice for reimbursement, final payment shall not be issued until all documentation is complete and correct.

**ATTACHMENT B
OTHER APPLICABLE LAWS
CERTIFICATIONS AND COMPLIANCE REQUIREMENTS**

1. 24 CFR Part 84 Uniform Administrative Requirements for Grants and Cooperative Agreements to Hospitals, Institutes of Higher Education and Non-profit Organizations, which sets forth rules for administering all federal grant funds.
2. Davis Bacon Act, as amended (40 U.S.C. 276a-276a-7), and as supplemented by Department of Labor regulations (29 CFR, Part 5), which requires fair wages be paid to construction workers on any project that funded in whole or in part with federal dollars.
3. Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), as supplemented by the Department of Labor regulations (29CFR, Part 5), which requires affirmative nondiscrimination against workers and applicants for work on construction projects funded in whole or in part with federal dollars.
4. Title VI of the Civil Rights Act of 1964 (PL88-352) and regulations issued pursuant thereto (24 CFR Part 1) on nondiscrimination in federally assisted programs.
5. Section 109 of the Housing and Community Development Act of 1974 and regulations issued pursuant thereto (24 CFR Part 570.602 et seq., known as subpart K), which requires that no person in the United States shall, on the grounds of age, race, color, national origin, religion, disability or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance
6. Executive Order 11246 and the regulations issued pursuant thereto (41 CFR Chapter 60) on nondiscrimination in employment.
7. Copeland "Anti Kick Back" Act (18 U.S.C. 874), which protects workers wages on projects funded in whole or in part by federal funds.
8. Section 3 of the Housing and Urban Development Act of 1968, as amended, and implementing regulations at 24 CFR Part 135 that sets guidelines for training and employment of lower income residents of project areas and for awarding of contracts within the project area.
9. Lead Based Paint Poisoning Prohibition (Public Law 91-695), which requires that hazards posed by the presence of lead be addressed and made safe.
10. North Carolina General Statute 143-128 et seq. which proscribes procedures for bidding and structuring contracts on publicly funded construction projects.
11. Hatch Act (5 U.S.C. 1501-1508) prohibiting federal, state and local government employees from benefiting from federal grants.
12. Building design, construction or alteration must comply with "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped" (#A-117.1-R 1971)

13. ___ Executive Order 11296 relating to evaluation of flood hazards in areas where construction or rehabilitation will be funded in whole or in part by federal funds.
14. ___ Title VIII of the Civil Rights Act of 1968 (Public Law 90-284), as amended Fair Housing Policy, which requires that no person shall be prohibited from purchasing or renting a home based on age, race, color, national origin, religion, disability or sex.
15. Executive Order 11063 which addresses equal opportunity in housing and non-discrimination.
16. Section 306 of the Clean Air Act (42 U.S.C. 1857(h)) which sets forth monitoring and reporting procedures for any program that affects air quality.
17. Environmental Protection Agency regulations (40 CFR, Part 15), which sets requirements for protecting the environment on federally funded projects.
18. Age Discrimination Act of 1967, as amended.
19. The Rehabilitation Act of 1973, as amended, Sections 503 and 504, which prohibit discrimination against the handicapped.
20. City of Durham's Disadvantaged Business Enterprise Plan, which requires that opportunities for contracts to provide goods and services be made available to small and disadvantaged businesses in Durham.
21. OMB Circular A-122: Cost Principles for Non-Profit Organizations, which sets forth parameters for expenditures made with federal grant money.
22. ___ Treasury Circular 1075 relating to the use of Community Development funds within 72 hours after drawdown, which requires that the Grantee manage the grant funds on a specific timetable.
23. ___ Community Development Block Grant regulations at 24 CFR 570, which describes all requirements and prohibitions for the administration of a program funded in whole or in part with federal Community Development Block Grant money.
24. N. C. Fair Housing Law, which prohibits discrimination against any person for reasons of age, race, color, national origin, religion, disability or sex in all transactions relating to buying, selling, or renting housing units.
25. City of Durham Fair Housing Ordinance, which prohibits discrimination against any person for reasons of age, race, color, national origin, religion, disability or sex in all transactions relating to buying, selling, or renting housing in Durham.
26. OMB Circular A-133: Audits of States, Local Governments and Nonprofit Organizations, which sets forth requirements and methodologies for auditing programs funded in whole or in part with federal grant money.