

COFFEYVILLE COMMUNITY ENHANCEMENT FOUNDATION, INC.
SPECIAL MEETING AGENDA
TUESDAY, FEBRUARY 9, 2010
6:30 P.M.

- A. CALL TO ORDER** – Chairman Gonzales

- B. NEW BUSINESS**
 - 1. Foundation Resolution No. R-10-01 – A Resolution to approve a grant agreement with the United States Department of Housing and Urban Development for infrastructure construction.

- C. ADJOURNMENT**

TUESDAY, FEBRUARY 9, 2010

TO: BOARD OF DIRECTORS
FROM: JEFF MORRIS, CITY MANAGER
SUBJECT: EDI SPECIAL PROJECT GRANT AGREEMENT
RECOMMENDATION: APPROVE GRANT AGREEMENT

DISCUSSION:

Background:

In the weeks following the flood of 2007, City staff was contacted by Senator Brownback's office wanting to provide assistance to Coffeyville. Assistance with infrastructure to accommodate new housing construction was identified as a need for a number of reasons.

1. The flood had essentially destroyed in excess of 350 homes in our community.
2. Coffeyville Resources purchased the vast majority of those destroyed homes and indicated they intended to prohibit the use of the land for residential purposes in the future.
3. The average value of the homes in the affected area was estimated at \$30,000 - \$40,000.
4. 75% of those displaced by the flood and requesting assistance from FEMA reported earnings of \$35,000 or less.
5. Coffeyville was in need of additional housing prior to the flood.
 - Census records show 3,418 workers come to Montgomery County each day to work while 1,751 residents leave the county to work.
6. Coffeyville had available property for development which lacked at least some of the needed infrastructure.
7. Adding the cost of the infrastructure to the cost of a new home made the price of the new home unaffordable to much of our workforce.

Staff was notified of an allocation of funds for Coffeyville and was directed by Senator Brownback's office to submit a grant application to the US Department of Housing and Urban Development listing the Coffeyville Community Enhancement Foundation as the applicant. The application requested funds to construct needed infrastructure to accommodate new housing construction in the Edgewood/Gibson/Grandview area.

Staff was notified of the grant award under the title Economic Development Initiative – Special Projects (EDI Grant) at the end of October in the amount of \$392,000. Commissioners were subsequently notified by email on November 2, 2009.

Grant Agreement:

The grant stipulates the funds only be used for activities described in the application (infrastructure to accommodate new housing construction in the Edgewood/Gibson/Grandview area).

The funds for the EDI grant are from the Department of Housing and Urban Development (HUD). Staff did visit with the Government Technical Representative for this EDI grant regarding some of the provisions in the agreement.

All of the requirements of this grant are similar to those imposed upon Community Development Block Grants (CDBG). This grant contains provisions standard in most of HUD's agreements, some of which do not apply to our particular grant. One example is the Fair Housing Act (Article I. B. 1.) The

Technical Representative stated this provision does not apply to Coffeyville as we are not building any housing with the grant funds. Another example is the Uniform Relocation Act. (Article I. H.) This provision does not apply as we are not requiring anyone to move.

Staff did ask if any restrictions of any type would be placed upon the project area. The answer is no.

Following review of the agreement and discussion with the Technical Representative, staff recommends approval of the EDI grant agreement.

Use of the grant funds:

The City has also received a Housing Development Grant (created by SB 417) from the Kansas Housing Resources Corporation (KHRC) in the amount of \$1.5 million for construction of infrastructure necessary to support construction of new residential dwellings. The project areas for the Housing Development Grant include; 1) Edgewood/Gibson/Grandview Streets area; 2) 3rd and Cheyenne Streets area; and 3) South Walnut Street area. This grant requires the City to provide a 10% match (\$166,667).

KHRC has determined the EDI grant may be used toward the City's required match on the Housing Development Grant. Each of the grants includes the Edgewood/Gibson/Grandview Street area which will facilitate this task.

The estimated infrastructure cost for the three project areas is as follows:

- Edgewood/Gibson/Grandview (40 lots) \$442,000
- 3rd & Cheyenne Streets (15 lots) \$520,500
- South Walnut (69 lots) \$2,474,500

Engineering design is nearly complete for the Edgewood/Gibson/Grandview area. It is our hope to present construction contracts to the City Commission by spring of 2010.

Construction work is in progress for Phase I (3rd Street only) of the 3rd & Cheyenne area. Two new homes are currently under construction. If a builder indicates a readiness to build homes along platted Westbrook Street, the City will begin work on Phase II (Westbrook Street) provided the grant funds have not been exhausted in the other project areas.

Engineering design is nearly complete for the construction of John Street in Phase I of the South Walnut Street area. Other phases will begin as property owners and builders demonstrate a readiness to have the land developed for housing.

The estimated combined cost for the three project areas does exceed the balance of the grant funds available. Therefore, we will only extend infrastructure to the point we have grant funds available.

FOUNDATION RESOLUTION NO. R-10-01

A RESOLUTION TO APPROVE A GRANT AGREEMENT WITH THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR CONSTRUCTION OF INFRASTRUCTURE.

WHEREAS, the Coffeyville Community Enhancement Foundation submitted a grant application to the Department of Housing and Urban Development; and

WHEREAS, the Coffeyville Community Enhancement Foundation was awarded grant funds in the amount of \$392,000 to be used to construct infrastructure to accommodate new housing construction in the Edgewood/Gibson/Grandview area in the City of Coffeyville;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Coffeyville Community Enhancement Foundation that the Chairman and Secretary be authorized to execute a grant agreement with the United States Department of Housing and Urban Development for the development of infrastructure to accommodate new housing in the City of Coffeyville.

ADOPTED THIS 9th DAY OF FEBRUARY 2010.

Richard L. Gonzales, Chairman

ATTEST:

Cindy Price, Secretary

APPROVED AS TO FORM AND LEGALITY:

Paul Kritz, City Attorney

FY 2008 EDI-SPECIAL PROJECT NO. B-08-SP-KS-0574

GRANT AGREEMENT

This Grant Agreement between the Department of Housing and Urban Development (HUD) and Coffeyville Community Enhancement Foundation (the Grantee) is made pursuant to the authority of Public Law 110-161 (Consolidated Appropriations Act, 2008) and a listing of certain specific Economic Development Initiative Special Projects specified in the Congressional Record of December 17, 2007. The amount shown below is 98.00% of the amount specified in the Congressional Record of December 17, 2007, because of a 2.00% reduction mandated by the Act. The Grantee's application, as may be amended by the provisions of this Grant Agreement, is hereby incorporated into this Agreement.

In reliance upon and in consideration of the mutual representations and obligations hereunder, HUD and the Grantee agree as follows:

Subject to the provisions of the Grant Agreement, HUD will make grant funds in the amount of \$392,000 available to the Grantee.

The Grantee agrees to abide by the following:

ARTICLE I. HUD Requirements.

The Grantee agrees to comply with the following requirements for which HUD has enforcement responsibility.

A. The grant funds will only be used for activities described in the application, which is incorporated by reference and made part of this Agreement as may be modified by Article VII (A) of this Grant Agreement.

B. EQUAL OPPORTUNITY REQUIREMENTS

The grant funds must be made available in accordance with the following:

1. For projects involving housing, the requirements of the Fair Housing Act (42 U.S.C. 3601-20) and implementing regulations at 24 CFR Part 100; Executive Order 11063 (Equal Opportunity in Housing) and implementing regulations at 24 CFR Part 107.
2. The requirements of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (Nondiscrimination in Federally Assisted Programs) and implementing regulations issued at 24 CFR Part 1.
3. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR Part 146, and the prohibitions against discrimination against handicapped individuals under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8.

4. The requirements of 24 CFR 5.105(a) regarding equal opportunity as well as the requirements of Executive Order 11246 (Equal Employment Opportunity) and the implementing regulations issued at 41 CFR Chapter 60.
5. For those grants funding construction covered by 24 CFR 135, the requirements of section 3 of the Housing and Urban Development Act of 1968, (12 U.S.C. 1701u) which requires that economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, be given to low- and very low-income persons and to businesses that provide economic opportunities for these persons.
6. The requirements of Executive Orders 11625 and 12432 (concerning Minority Business Enterprise), and 12138 concerning Women's Business Enterprise). Consistent with HUD's responsibilities under these Orders, the Grantee must make efforts to encourage the use of minority and women's business enterprises in connection with grant funded activities. See 24 CFR Part 85.36(e), which describes actions to be taken by the Grantee to assure that minority business enterprises and women business enterprises are used when possible in the procurement of property and services.
7. Where applicable, Grantee shall maintain records of its efforts to comply with the requirements cited in Paragraphs 5 and 6 above.

C. ENVIRONMENTAL REVIEW REQUIREMENTS.

1. If the Grantee is a unit of general local government, a State, an Indian Tribe, or an Alaskan Native Village, the Grantee agrees to assume all of the responsibilities for environmental review and decision- making and actions, as specified and required in regulations issued by the Secretary pursuant to the Multifamily Housing Property Disposition Reform Act of 1994 and published in 24 CFR Part 58.
2. If the Grantee is a housing authority, redevelopment agency, academic institution, hospital, or other non-profit organization, the Grantee shall request the unit of general local government, Indian Tribe, or Alaskan Native Village, within which the project is located and which exercises land use responsibility, to assume all of the responsibilities for environmental review and decision-making as specified in paragraph C.1 above, and the Grantee shall carry out all of the responsibilities of a recipient under 24 CFR Part 58.

- D. Administrative requirements of OMB Circular A-133 “Audits of States, Local governments and Non-Profit Organizations.”
- E. For State and Local Governments, the Administrative requirements of 24 CFR Part 85, including the procurement requirements of 24 CFR Part 85.36, and the requirements of OMB Circular A-87 regarding Cost Principles for State and Local Governments. For Non-Profits, the Administrative requirements of 24 CFR Part 84, including the procurement requirements of 24 CFR Part 84.40, and OMB Circular A-122 regarding Cost Principles for Non-Profit Institutions. For Institutions of Higher Education the applicable OMB Circular regarding Cost Principles is A-21.
- F. The regulations at 24 CFR Part 87, related to lobbying, including the requirement that the Grantee obtain certifications and disclosures from all covered persons.
- G. The regulations at 24 CFR Part 21, regarding requirements for Drug- Free Workplace.
- H. The Uniform Relocation Act as implemented by regulations at 49 CFR Part 24.
- I. The Grantee will comply with all accessibility requirements under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8, where applicable.
- J. The regulations at 24 CFR Part 35, where applicable, regarding Lead-Based Paint Poisoning Prevention in Certain Residential Structures.
- K. The regulations at 24 CFR Part 5.109, where applicable, regarding Equal Participation of Religious Organizations in HUD Programs and Activities.

ARTICLE II. Conditions Precedent to Draw Down.

The Grantee may not draw down grant funds until the following actions have taken place:

- A. The Grantee has received and approved any certifications and disclosures required by 24 CFR 87.100 concerning lobbying.
- B. Any other conditions listed in Article VII (C) of this Grant Agreement.

ARTICLE III. Draw Downs.

- A. A request by the Grantee to draw down grant funds under the Voice Response Access system or any other payment system constitutes a representation by the Grantee that it and all participating parties are complying with the terms of this Grant Agreement.

- B. The Grantee will be paid on an advance basis provided that the Grantee minimizes the time elapsing between transfer of the grant funds and disbursement for project purposes and otherwise follows the requirements of 24 CFR Part 85 or Part 84 and Treasury Circular 1075 (31 CFR Part 205).
- C. Before the Grant Agreement is signed, the Grantee may incur cost for activities which are exempt from environmental review under 24 CFR Part 58 and may charge the costs to the grant.

ARTICLE IV. Progress Reports.

- A. The Grantee shall submit to the Grant Officer a progress report every six months after the effective date of the Grant Agreement. Progress reports shall consist of (1) a narrative of work accomplished during the reporting period and (2) a completed Financial Status Report - Form 269 A.

HUD may require additional information or increased frequency of reporting as described in Article VII (C).

- B. The performance reports must contain the information required under 24 CFR Part 85.40(b) (2) or 24 CFR Part 84.51(a), as applicable including a comparison of actual accomplishment to the objectives indicated in the approved application, the reasons for slippage if established objectives were not met, and additional pertinent information including explanation of significant cost overruns.
- C. No grant drawdowns will be approved for projects with overdue progress reports.

ARTICLE V. Project Close-out.

- A. The grantee shall submit to the Grant Officer a written request to close-out the grant 30 days after the grantee has drawn down all funds and completed the activities described in the application, as may be amended. The final report shall consist of (1) a narrative of all work accomplished during the project period and (2) a completed Financial Status Report - Form 269 A covering the entire project period.

HUD will then send the Close-out Agreement and Close-out Certification to the Grantee. At HUD's option, the Grantee may delay initiation of project close-out until the resolution of any HUD monitoring findings. If HUD exercises this option the Grantee must promptly resolve the findings.

- B. The Grantee recognizes that the close-out process may entail a review by HUD to determine compliance with the Grant Agreement by the Grantee and all participating parties. The Grantee agrees to cooperate with any review in any way possible, including making available records requested by HUD and the project for on-site HUD inspection.

- C. The Grantee shall provide to HUD the following documentation:
1. A Certification of Project Completion.
 2. A Grant Close-out Agreement.
 3. A final financial report giving the amount and types of project costs charged to the grant (that meet the allowability and allocability requirements of OMB Circular A-122, A-87 or A-21 as applicable, including the “necessary and reasonable” standard); a certification of the costs; and the amounts and sources of other project funds.
 4. A final performance report providing a comparison of actual accomplishments with each of the project commitments and objectives in the approved application, the reasons for slippage if established objectives were not met and additional pertinent information including explanation of significant cost overruns.
- D. The Grantee agrees that the grant funds are allowable only to the extent that the project costs, meeting the standard of OMB Circular A-122, A-87 or A-21 as applicable, equal the grant amount plus other sources of project funds provided.
- E. When HUD has determined that the grant funds are allowable, the activities were completed as described by the Grant Agreement, and all Federal requirements were satisfied, HUD and the Grantee will sign the Close-out Agreement and Close-out Certificate.
- F. The Close-out Agreement will include the Grantee’s Agreement to abide by any continuing federal requirements.

ARTICLE VI. Default.

A default under this Grant Agreement shall consist of using grant funds for a purpose other than as authorized by this Agreement, any noncompliance with legislative, regulatory, or other requirements applicable to the Agreement, any other material breach of this Agreement, or any material misrepresentation in the application submissions.

ARTICLE VII. Additional Provisions.

A. Project Description. The project is as described in the application with the following changes:

B. Changes or Clarification to the Application Related to Participating Parties:
The Administrative Agent if any:

C. Special Conditions:

The Consolidated Appropriations Act, 2008 provides that no funds made available under the Act may be used to support any Federal, State or local projects that seek to use the power of eminent domain, unless eminent domain is employed only for a public use. For purposes of this provision, public use shall not be construed to include economic development that primarily benefits private entities.

U.S. Department of Housing
and Urban Development

Coffeyville Community
Enhancement Foundation
Mr. Virgil O. Horn, Jr.

Authorized Signature

Authorized Signature

Robert Duncan

Associate Deputy Assistant Secretary
for Economic Development

Title

Date

Date