

**SUBRECIPIENT AGREEMENT
BETWEEN CITY OF MINOT (GRANTEE) AND the MINOT HOUSING AUTHORITY
(SUBRECIPIENT) FOR the NATIONAL DISASTER RESILINCE PROGRAM**

THIS AGREEMENT is entered into this _____ day of __, 20__ by and between the City of Minot (the “Grantee”) and the Minot Housing Authority (the “Subrecipient”) for improvements to Milton Young Tower.

I. Recitals

WHEREAS, Pursuant to Public Law PL 113-2 (the Appropriations Act) and the Federal Register Notice dated June 7, 2016, at Federal Register / Vol. 81, No. 109, the U.S. Department of Housing and Urban Development (“HUD”) awarded \$74.3 in Community Development Block Grant National Disaster Resilience (CDBG-NDR) funds to the City of Minot (Grantee) for activities authorized under Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) and described in the City of Minot’s National Disaster Resilience Competition Action Plan (the “Action Plan”); and

WHEREAS, the Grantee wishes to engage the Minot Housing Authority (Subrecipient) to carry out efforts to increase the community’s resilience, especially for low and moderate income (LMI) residents by increasing the resilience of Milton Young Tower with a resulting extending of its useful life through such resilience improvements an affordable housing development for LMI households located in downtown Minot. The Minot Housing Authority has a longstanding partnership with Minot providing housing for LMI households, developing and managing affordable housing, and complying with the rules and regulations of HUD. The Grantee will provide up to \$5,000,000 of the Grantee’s Federal NDR award, pursuant to this Subrecipient Agreement (the “Agreement”); and

WHEREAS, the CDBG-NDR funds made available for use by the Subrecipient under this Agreement constitute a subaward of the Grantee’s Federal award, the use of which must be in accordance with requirements imposed by Federal statutes, regulations, and the terms and conditions of the Grantee’s Federal award, and clearly meet resilience improvement standards; and

WHEREAS, the Subrecipient has legal authority to enter into this agreement, and the Subrecipient’s governing body has duly adopted this Subrecipient Agreement dated _____, authorizing the Subrecipient to enter this agreement with the Grantee, and by signing this agreement, to assure the Grantee that it will comply with all the requirements of the subaward described herein; and

WHEREAS, no funds will be made available under this Agreement until commitment prerequisites identified in the agreement have been met; and

WHEREAS, the Subrecipient agrees and acknowledges its obligations established and set forth as a Public Housing Authority pursuant to HUD rules and regulations with all uses of funds made available through the CDBG-NDR grant to be strictly used for measurable and definable resilience capital projects and not supplanting, replacing, or substituting for costs considered to be preventive maintenance, normal capital replacement and improvement, and addressing normal wear and tear from use and age,

NOW, THEREFORE, the parties, for and in consideration of the sum to be paid by the Grantee, in the

manner and at the time provided in this Agreement, and for other covenants and conditions contained in this Agreement, do hereby agree as follows:

II. GENERAL AWARD INFORMATION:

The subaward from the Grantee to the Subrecipient, which is described below, is for the purpose of carrying out a portion of a Federal award described in section I of this agreement and creates a Federal assistance relationship with the Subrecipient.

Federal Award Identification Number: B-13-MS-38-0002

CFDA Number: 14.272 CDBG-NDR

Federal Award Date: September 21, 2016

Subrecipient's unique entity identifier: 007780567

Federal award project description:

The City of Minot received approximately \$74.3 million from the National Disaster Resilience Competition (NDRC) to fund three NDRC projects: reduce flood risk and improve water management, build affordable resilient housing and neighborhoods, and foster economic resilience and diversification. This subrecipient agreement supports one of the critical unmet recovery needs in Minot, developing affordable housing to address the needs of vulnerable residents by increasing the supply and resilience of long-term affordable housing that fosters livability and the long-term viability and sustainability of Minot housing.

A. Contract Manager

John Zakian, NDR Program Director and Chief Resilience Officer will serve as the City of Minot's primary contract manager for this project. As NDR Program Director, he may assign others to provide project delivery support and related services in support of carrying out the purpose and scope of this agreement. All reports, notices, and other communications required under or related to this subrecipient agreement shall be directed to the individuals identified below. Mr. Zakian will be the final approver of project draw requests, notices to terminate the contract as provided herein, and will approve all changes except those that increase the total contract amount which must be approved by Mr. Zakian and by the City Council.

City of Minot DR Grant Program Manager:

Mr. John Zakian, DR Grant Program Manager and Chief Resilience Officer

Address: PO Box 5006, Minot, ND 58703

Phone: 701-420-4528

Email: john.zakian@minotnd.org

Minot Housing Authority

Project Contract Manager: Tom Alexander

Address: 108 Burdick Exp. East

B. List of Agreement Exhibits:

The Statement of work is contained in the Exhibits and attachments referenced in the table below. As attachments are completed they will be incorporated into the exhibits and attachments section of the agreement and will be initialed and dated by the respective contract managers. The following Exhibits are attached hereto and incorporated by reference into this agreement:

Document	Description
Exhibit A	Project Description
Exhibit B	Project Budget
Exhibit C	Project Schedule
Exhibit D	Affordable Housing Requirements and Income Limits
Exhibit E	Affirmative Marketing Plan
Exhibit F	Insurance Requirements

In accordance with 24 C.F.R. Part 570 (now in effect and as may be amended) and the terms and conditions of this agreement, the Subrecipient agrees to complete the improvements to the Milton Young Tower project described in the attached scope of work and further described in the project plans and specifications, project budget, and project schedule to be submitted by subrecipient once they are completed by their architect. Subrecipient shall furnish all labor, materials, services, supervision, equipment, licenses and permits necessary to complete the project.

C. Contract Amount

The City shall provide funding assistance to Subrecipient for this project in an amount not to exceed Five Million dollars (\$5,000,000) in CDBG-NDR funds. This amount constitutes the City’s participation and obligation in the performance and completion of work to be performed under this Agreement. Notwithstanding other provisions of this Agreement, failure by Subrecipient to complete the Project or perform or deliver the work, reports, supplies, pay requests, or services required by this Agreement may result in the withholding of payment under this Agreement. Funds shall only be made available up to the maximum amount set forth above for costs which are clearly demonstrated by the subrecipient as meeting measurable resilience improvement and upgrade standards. Funds will be disbursed for actual eligible costs incurred in connection with this Agreement. Subrecipient understands that this Agreement is funded by federal funds. In the unlikely event the federal funds supporting this Agreement become unavailable or are reduced, the City may terminate or amend this Agreement.

D. Method of Payment

The Subrecipient will submit to the Grantee requests for payment for activities funded under this agreement that are consistent with an approved budget. Each Request for Payment will be broken down into requested draws against the budget line items shown in Exhibit B.

Payment shall be made on an eligible cost reimbursement basis only and in such amounts and increments approved by the City's NDR Program Manager and the City's Finance Department for various phases of work following submission by Subrecipient of a proper request for payment, including applicable, accurate and complete supporting documentation that substantiates the payment request in accordance with the scope of work and the project budget. Pay requests will be submitted using a standard form such as AIA 101-2007 or similar document acceptable to the City. The final request for payment must be approved by the Minot City Council before the final payment for the project can be made and will be subject to a final inspection of the project prior to the Council meeting.

The Grantee shall pay to the Subrecipient CDBG-NDR funds available under this agreement based upon information submitted by the Subrecipient for allowable costs permitted under this agreement and consistent with the approved budget. Payments will be made for eligible expenses actually incurred by the Subrecipient, not to exceed actual cash requirements. Payment will be made upon submission by the Subrecipient of a properly executed Request for Payment, together with all supporting invoices, bills, time sheets, and other documents necessary to justify the payment. The Request for Payment form must also be accompanied by documentation from the Subrecipient demonstrating that all procurements for which payment is requested have been made in accordance with this agreement.

E. Fiscal Responsibility

It is understood and agreed that the total amount of the funds used under this Agreement up to the maximum limit allowed under this agreement shall be used for the Project outlined in this Agreement. Should the Project not be completed, be partially completed, or completed at a lower cost than the original budget, the amount reimbursed to Subrecipient shall be only for the amount actually spent by Subrecipient. For any funds received under this Agreement for which expenditure is disallowed, Subrecipient shall reimburse those funds back to the City.

Subrecipient acknowledges that the funds being provided by the City for the Project are received by the City pursuant to the Housing and Community Development Act of 1974 as amended and that expenditures of these funds shall be in accordance with the provisions of the Act and all pertinent regulations issued by agencies of the federal government. Subrecipient agrees to comply fully with all federal, state, and local laws applicable to its operation, whether or not expressly referred to in this Agreement.

All activities funded with CDBG-NDR funds must meet the criteria for one of the CDBG program's National Objectives. The Subrecipient certifies that the activities carried out under this agreement shall meet the following national objectives and satisfy the following criteria: Low and Moderate-Income Housing- Subrecipient must satisfy the requirements under 24 CFR 570.208(a)(3). Subrecipient shall maintain documentation to demonstrate compliance. Documentation shall be maintained to demonstrate all units are occupied by LMI households.

F. Period of Performance

The period of performance for all activities assisted by this Agreement shall commence on the contract date of _____ and shall be completed by November 30, 2021 except for those activities required for closeout.

G. Performance Goals and Timelines

The Subrecipient shall complete the activities required under this agreement in accordance with the following timeframes and performance goals associated with each of the activities:

Activity	Performance Goal	Timeframe for Completion of Performance Goal
1. Convert all lighting for MYT to LED.	To reduce the number kWh by 15%.	November 30, 2021
2. Convert all plumbing hardware with reduced water flow.	To reduce the water consumption at MYT by 15%	November 30, 2021
3. Community Education	Increase the number of community education seminars for the residents of MYT by 25%.	June 30, 2022
4. MYT – Resilience Improvements	To complete all construction activities on time and on budget.	November 30, 2021
5. Provide Health & Wellness Classes	To ensure 50% of the residents of MYT attend regularly schedule Health & Wellness Classes.	June 30, 2022
6. Provide nutritional opportunities for the residents of MYT.	Increase community awareness and donations to MYT food pantry by 20%.	June 30, 2022

H. Independent Contractor

Nothing contained in this Agreement is intended to be construed in any manner as creating or establishing the relationship of employer/employee between the Parties. The Subrecipient shall at all times remain an independent contractor, with respect to the services to be performed under this Agreement. The Grantee shall be exempt from payment of all unemployment compensation, FICA, retirement, life or medical insurance, and Worker’s Compensation Insurance.

I. Contracting

With any contractor or subcontractor, Subrecipient must have a contract that complies with applicable HUD requirements and regulations. All work or services covered under this Agreement, which is subcontracted by the Subrecipient shall be subject to all provisions of this Agreement. Subrecipient shall require any third party to complete with all lawful requirements necessary to ensure the Project is carried out in accordance with the Agreement.

J. Debarment, Suspension, and Exclusion

Subrecipient certifies to the best of its knowledge and belief that they, their contractor(s), and any subcontractors are not presently debarred, suspended, proposed for debarment, declared ineligible, or otherwise excluded from covered transactions by any federal department or agency. They have not, within a 3-year period preceding this Agreement, been convicted of or had a civil judgement rendered

against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or perform a public (federal, state, or local) transaction or contract under a public transaction, violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property. They are not presently indicted or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in this Agreement and have not been terminated for cause or default on a public transaction.

Subrecipient further certifies that it shall immediately notify the Grantee if, at any time during the term of this Agreement, it is debarred, suspended, declared ineligible or otherwise excluded from participation, and that it shall not enter into a subcontract with a person or organization that is debarred, suspended, declared ineligible, or voluntarily excluded from participation. The City may pursue available remedies in the event of such occurrence including immediate termination of this Agreement. The Subrecipient shall include without modification this Certification's language, entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion" with all sub-contractors in all covered transactions and in all solicitations for covered transactions in accordance with 45 CFR Part 76.

III. Milton Young Tower Resilience Rehabilitation Project

The National Disaster Resilience program focuses on disaster recovery and resilience. It is important to identify the resilience goals of this project and the process used to evaluate and determine the specific resilience elements for the Milton Young Tower renovation. Public Housing Authorities often face significant and unique challenges during and after natural disasters, hazards and shocks. In the aftermath of the historic 2011 flood in Minot, the Minot Housing Authority (MHA) made every effort to respond to the housing needs of LMI families housed in units they owned or managed, provided assistance and information to LMI households affected by the flood, and evaluated the evolving housing challenges resulting from the flood and the oil boom that further complicated the affordable housing challenge facing Minot.

Affordable housing is frequently vulnerable during and after natural disasters and LMI residents are particularly challenged because they do not have the resources to help them recover from disasters. Although Milton Young Tower did not experience direct flood damage in the 2011 flood disaster in Minot the experiences from the disaster demonstrated the reality that the apartment building is not resilient and in order to support a more resilient future for Minot and the vulnerable populations this housing serves, improvements to the building are needed. Foremost among the challenges identified in the wake of the flood damage and the indirect impact from the disaster is a critical need by the city to have housing for the vulnerable populations which can withstand such future disasters. There are significant challenges to improving the resilience of the building, extending its useful life and help the building's residents become more resilient as well.

According to the US Climate Resilience Toolkit, "Resilience is the capacity of a community, business or natural environment to prevent, withstand, respond to and recover from a disruption." A recent study from the HUD Journal of Policy Development and Research entitled "What Affordable Housing Should Afford: Housing for Resilient Cities" prepared by the Massachusetts Institute of Technology, affordable housing is central to the resilience of cities. Resilience factors in affordable housing should include the personal security of residents; reducing the vulnerability of residents to environmental risks and

stresses; supporting the social structure and economic viability of residents; and improving the capacity to successfully operate and maintain affordable housing into the future. To become more resilient and adapt and respond to climate change and other threats, affordable housing organizations should consider:

- Energy efficiencies help to reduce operating expenses and energy use, resilience is a smart investment for affordable housing
- Water efficiency upgrades reduce operating expenses and water use helping to reduce operating expense
- Resilient structures keep occupants safe and healthy
- Affordable housing should be able to survive a range of disasters and threats
- Strengthening personal ties within an affordable housing community increases communication and shared resources. Facility improvements that enhance connections between people is a high priority in facilitating and supporting community resilience

Milton Young Tower was built in 1969-1971. The structure lacks many of the resilience features that are common in affordable multifamily housing today including: fire suppression systems, building security systems, plumbing fixtures that are water efficient, and energy-efficient lighting systems. The MHA has made investments to improve this building in the past few years including installation of a new roof, new boiler system, some window improvements, and renovations within individual apartments for a total investment of \$1,305,245. However, additional capital investments should be made to assure this affordable housing is truly resilient and with such identifiable resilience measures enhance and extend the useful life of this housing to serve as a foundation for the city in the future in having a significant starting point to address needs resulting from future disasters.

Currently there are 221 affordable apartments and 2 offices in Milton Young Tower (MYT). The 14-story structure, located in downtown Minot, is the tallest building in the City of Minot. MYT is on the Minot Transit route and is walkable to many downtown services including Trinity Hospital. Sixty-one percent of the residents living in MYT are disabled and the average annual income of households residing in the building is \$10,441.27. The housing and services provide by MHA in the Milton Young Tower are essential to some of the city's most vulnerable residents.

The National Disaster Resilience Competition process initiated a dialogue in Minot about the city's future resilience and MHA began to consider more proactive actions to protect Milton Young Tower and its residents from future disasters, threats and risks. By assessing risks and potential threats to MYT, MHA is able to better understand and plan for possible impacts to the building and residents and identify strategies that would make the building more resilient and also help residents to develop greater resilience capacities as well. The potential hazards that were considered in the risk and threats evaluation include: winter storms and blizzards, high-winds, and fire. The building is outside of the flood zone and is not at risk for flooding given its elevation and proximity to the river.

Assessing risks and potential threats to the MYT building and evaluating options to improve the resilience of the structure and the residents provided a foundation for determining needed improvements to the building and developing a rehabilitation program. As part of this assessment beyond the normal capital repair and improvements, MHA desired to improve the building's resilience to extend the useful life of this building, the largest affordable multifamily housing development in the city.

MHA Resilience Project

MHA identified three primary goals for the Milton Young Tower rehabilitation: Improving Building Resilience, Developing and Enhancing Resident Community Resilience, and Extending the useful life of the building and its operation. MHA identified the capital projects needed to help achieve these resilience and improvement goals which are clearly and distinctly above and beyond normal capital improvements which are the obligation of MHA to fund and implement.

Goal 1: Improving the Resilience of the Building

Investment in long-term resilience has proven to be a smart investment for communities and is essential for affordable housing assets that many vulnerable residents rely on. Resilient buildings are more environmentally sustainable, accessible, and energy efficient and investments in long term building resilience can help to reduce operating expenses and costs helping to ensure more economically sustainable affordable housing and availability of funds required to support future investments in capital improvements when they are needed.

MHA worked with their electric utility provider to assess the number and duration of electrical outages over the past 3 years that specifically affected MYT. This information was important for the evaluation of power back-up systems that could be important to the building during a disaster, hazard, or shock. From October 2015 through August 2018, there were a total of 6 outages. Of those six outages, two were considered momentary outages with no time duration; one outage lasted 9 minutes, one 21 minutes, and one lasted 71 minutes. There was an outage in July 2016 that lasted 5 hours. The housing authority has protocols in place to respond when unexpected situations occur such as power outages. On-call staff may be deployed to the building and elevators are checked to make sure no one is in the elevators. MHA communicates with the electric or water utility company to determine the expected duration, if needed MHA staff goes door to door to assess medication needs, distribute bottled water to residents, determine if there are potential emergency situations to consider such as health issues, etc.

The planned resilient building improvements for Milton Young Tower include:

- a. Replace existing cast iron main wastewater plumbing stacks, replace bathroom plumbing and remodel bathrooms for all apartments in building and remodel first floor public restrooms. Replace plumbing in first floor kitchen as needed. Note: all remodel activities will be limited to replacing damage and related material removal necessitated by the plumbing work, and shall not be cosmetic or wear and tear replacement which is standard obligation of MHA under HUD's public housing rules and regulations.
- b. Replace lighting fixtures in hallways, apartments, lounges, laundry, offices, stairways, and exterior lighting with energy efficient lighting
- c. Install appropriate fire alarm system and fire suppression system in the building
- d. Replace exterior doors with thermal exterior security doors on main floor, replace main floor windows, replace stairwell landing and hallway windows, install security hardware on exterior doors
- e. Install security cameras at main floor exterior doors and other appropriate locations for safety of residents
- f. Install an appropriate backup generator to support the operation of the building elevators during a limited power outage

Goal 2: Develop and Enhance Resident Community Resilience

To respond to a broader mission of resilience, helping vulnerable residents cope with the challenges of disasters, hazards, and shocks is a more holistic perspective of resilience and enables vulnerable populations to recover more quickly when disasters occur. Research shows that when residents have ties to each other, building residents and their broader community they weather a disaster or hazard event and the aftermath better. Neighbors can be an important source of support and information and this is particularly important to vulnerable populations.

Several studies have documented the importance of “infrastructure” that supports engagement and interaction between residents and communities to increase their resilience. Strategies to develop tenant resilience include: spaces to accommodate social gatherings such as meals, community meetings, presentations, or celebrations; communication areas where residents know they can find information and announcements about activities, contact information about important service providers, meetings, or notices about potential events; and access to education and employment opportunities, social services encouraging social inclusion. Building connections and relationships within a residential community or a neighborhood helps vulnerable residents before, during and after a challenging event enhancing resident community resilience.

The planned changes to develop and enhance the resilience of Milton Young Tower Residents which also address unmet needs identified in the Phase I and 2 NDR Application process connected to vulnerable populations especially larger LMI families and handicapped and disabled include:

- a. Retrofit and rehabilitate up to 10 additional accessible apartments
- b. Convert up to 34 1-bedroom apartments to 2-bedroom apartments

Goal 3: Extend the useful life of the building and its operation

The lack of available affordable housing after the 2011 flood and the oil boom that began just before the flood and continued until early 2016, affected the City of Minot in many ways. Some households chose to leave the city to find affordable housing options in other areas of the state, those who were fortunate enough to receive housing assistance were able to relocate within the city, and some people lived in substandard and deficient housing because other options were not available to them. Some of the resilience work to be conducted in Milton Young Tower will help to preserve this important housing asset and extend its useful life.

Resilience work to preserve and extend the useful life of this building and help to reduce and/or stabilize operating costs is clearly identified in the final project budget and in the project plans and specifications. The PHA does not have the funds required to make these resilience improvements and but for the investment of NDR funds from the City of Minot these improvements would not be possible with resulting accomplishment of addressing unmet needs identified in the CDBG-NDR Action Plan related to post disaster availability of stable and viable housing for vulnerable populations in Minot.

IV. Subrecipient Obligations

As a condition of receiving this subaward, the Subrecipient shall manage and administer the Milton

young towers resilience improvement Project, including required project procurement, design, construction, inspection and completion of the work described in this section. The subrecipient shall complete the activities in a manner satisfactory to the Grantee and consistent with the terms or conditions of this agreement and applicable Federal statutes and regulations.

A. Prohibited Activities

The Subrecipient may only carry out the activities described in this agreement. The Subrecipient is prohibited from charging to the subaward the costs of CDBG ineligible activities, including those described at 24 CFR 570.207, and from using funds provided herein or personnel employed in the administration of activities under this agreement for political activities, inherently religious activities, or lobbying.

B. Subrecipient Obligations

The Subrecipient agrees to comply with the following obligations:

1. Utilize normal and customary practices and procedures for the delivery of the Project and provide a level of service that is consistent with the level of service for similar programs administered by the Subrecipient exclusive of this agreement.
2. The Subrecipient will procure the services of an experienced and qualified Architect licensed to conduct business in the State of North Dakota in accordance with 2 CFR 200 in order to prepare detailed building plans and specifications for the rehabilitation of Milton Young Tower generally outlined in the previous project scope of work. The Architect will prepare a detailed project budget reflecting estimated costs for the rehabilitation and prepare a milestone schedule for the project. MHA and their Architect will coordinate with the appropriate City of Minot personnel during the preparation of the plans and specifications to ensure the final plans will meet applicable City codes and ordinances.
3. MHA may secure the services of a qualified construction coordinator and/or construction inspector to assist MHA in the delivery of this project. Reasonable costs for these services will be included in the project budget in accordance with applicable HUD requirements and regulations.
4. Prior to issuing an Invitation to Bid, Request for Qualifications, or other actions to procure contractors for this project, MHA shall provide a copy of the Project Plans and Specifications, the procurement document necessary to show compliance with 2 CFR 200, and the Project Budget to the City's NDR Program Manager and/or his designee. MHA and their Project Architect will meet with the City's NDR Program Manager and/or his designee to review the plans and specifications and project budget.
5. The Subrecipient will provide the Grantee with a copy of their procurement policy and procedures
6. The Subrecipient will provide the City's NDR Program Manager with a copy of proposed contract documents, conditions of contract, and related documents prior to executing a contract for construction.
7. Subrecipient must have a contract that complies with HUD regulations. All work or services covered by this Agreement shall be specified by written contract and subject to all provisions of this Agreement. The construction contract should be reviewed prior to execution
8. Subrecipient shall require any third party to comply with all lawful requirements necessary to ensure that the Project is carried out in accordance with the Agreement
9. Subrecipient shall adhere to the uniform administrative requirements of 24 CFR 92.505
10. Subrecipient shall comply with the requirements and standards of 2 CFR 200 et. seq. as

applicable, including establishing and/or maintaining compliant accounting systems. Such systems will be subject to monitoring from time to time by the City of Minot and/or by HUD

11. Comply with the indemnification and insurance requirements set forth in Exhibit F and provide insurance and evidence of insurance as indicated in Exhibit F.
12. Provide all notices and comply with laws, ordinances, building codes, and regulations of the City of Minot as needed to perform the project activities.
13. Comply with and require all contractors and subcontractors paid with funds provided by this agreement to comply with all applicable provisions of the Housing and Community Development Act of 1974, as amended 24 CFR Part 570 and Special Conditions for activities assisted pursuant to Title I of the Community Development Act of 1974.
14. Subrecipient shall comply with Conflict of Interest provision for HUD and the City of Minot and shall incorporate these provisions in all contractor and subcontractor agreements.
15. Subrecipient will prepare and submit to the City and the project managers regular reports relating to the performance of this Agreement.
16. Subrecipient accepts and understands that no obligations can be incurred nor expenses undertaken until and unless all necessary environmental reviews have been completed and approved by HUD acknowledged by the City of Minot as Grantee receiving "Release of Funds" notification from HUD.

V. City Obligations

The City shall disburse funds in a timely manner subject to draw down approval and availability from HUD as described in this Agreement and will advise the Subrecipient promptly if there are concerns about the project and work with the Subrecipient to resolve issues of concern. The City will provide reasonable technical assistance to the Subrecipient to comply with applicable federal requirements and regulations governing the use of these federal funds. The City will oversee the preparation of the environmental review and ensure all environmental review requirements as described in 24 CFR 58 are met. The City will comply with any applicable certifications that are included in the Exhibits.

VI. Amendments

The City or Subrecipient may amend this Agreement provided that such amendments make specific reference to this Agreement and are executed in writing, signed by a duly authorized representative of both organizations. Such amendments shall not invalidate this Agreement nor relieve or release the City or the Subrecipient from its obligations under this Agreement. If any change orders are required, they will follow the Grantees change order policy but under all circumstances no change order shall be approved by the city which results in exceeding the cap of \$5 million.

VII. PERFORMANCE MONITORING & REPORTING

A. Monitoring

The Grantee shall monitor the performance of the Subrecipient as necessary and in accordance with regulations on Subrecipient Monitoring and Management, 2 CFR 200.330 – 2 CFR 200.332, to ensure Subrecipient compliance with all of the requirements of this agreement, including the timeframes and performance goals associated with the activities. Substandard performance as determined by the Grantee will constitute noncompliance with this agreement. If action to correct such substandard

performance is not taken by the subrecipient within 90 days after being notified by the Grantee, the Grantee may impose additional conditions on the subrecipient and its use of CDBG-DR funds consistent with 2 CFR 200.207, suspend or terminate this agreement, or initiate other remedies for noncompliance as appropriate and permitted under 2 CFR 200.338.

B. Reporting, Documentation and Record Keeping

In accordance with federal regulations, the City is responsible for ensuring the administration of the NDR program Funds in accordance with all program requirements. The Subrecipient shall maintain documentation and records as required.

C. Financial Records

Subrecipient agrees to adhere to accounting principles and procedures, to utilize adequate internal controls and maintain necessary source documentation for all costs incurred. Subrecipient further agrees to maintain an adequate accounting system that provides for appropriate grant accounting including calculation of program income. Subrecipient will adhere to applicable audit requirements as described and in accordance with 2 CFR 200 et. seq. In addition, Subrecipient will provide annual audit reports or annual audited financial statements to the City.

D. Budget

The Subrecipient shall complete all activities in this agreement in accordance with the budget attached in Exhibit B. The budget shall identify activity delivery costs. The detailed budget will be incorporated in Exhibit B once the project plans and specifications and project budget are completed by the Project Architect and reviewed by the respective project managers for the project.

E. Program Income

Program income is defined in Federal Register / Vol. 81, No. 109 / Tuesday, June 7, 2016 Notice. It is not anticipated that program income will be earned; however, should program income be earned, the Subrecipient shall return all program income to the City of Minot as it is received, and shall continue to return such program income as long as it is generated.

F. Termination

The Grantee may terminate this agreement, in whole or in part, upon 90 days' notice, if they determine that the Subrecipient has failed to comply with the terms, conditions, requirements, and provisions of this agreement and effort to correct these concerns have not been addressed in a reasonable amount of time. Failure to comply with this agreement, include (but are not limited to) the following:

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

The Grantee shall promptly notify the Subrecipient, in writing, of its determination and the reasons for the termination together with the date on which the termination shall take effect. Upon termination, the Grantee retains the right to recover any improper expenditures from the Subrecipient and the Subrecipient shall return to the Grantee any improper expenditures no later than ninety (90) days after the date of termination. The Grantee may, at its sole discretion, allow Subrecipient to retain or be reimbursed for costs reasonably incurred prior to termination, that were not made in anticipation of termination and cannot be canceled provided that said costs meet the provisions of this agreement, 2 CFR Part 200, Subpart E, Cost Principles, and any other applicable state or Federal statutes, regulations or requirements.

“This agreement may also be terminated in whole or in part by either the Grantee or the Subrecipient, or based upon agreement by both the Grantee and the Subrecipient in accordance with the requirements in 2 CFR part 200, subpart D.”

VIII. OTHER REQUIREMENTS TO COMPLY WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD

The CDBG-DR funds available to the Subrecipient through this agreement constitute a subaward of the Grantee’s Federal award under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR part 200. This agreement includes terms and conditions of the Grantee’s Federal award that are imposed on the Subrecipient, and the Subrecipient agrees to carry out its obligations in compliance with all of the obligations described in this agreement.

The Subrecipient shall comply with all applicable provisions of the Housing and Community Development Act of 1974, as amended, and the regulations at 24 CFR part 570, as modified by the Federal Register notices that govern the use of CDBG-DR funds available under this agreement. These Federal Register notices include, but are not limited to, Federal Register / Vol. 81, No. 109 / Tuesday, June 7, 2016 / Notice and Federal Register / Vol. 82, No. 150 / Monday, August 7, 2017 / Notice. Notwithstanding the foregoing, (1) the Subrecipient does not assume any of Grantee’s responsibilities for environmental review, decision-making, and action, described in 24 CFR part 58 and (2) the Subrecipient does not assume any of the Grantee’s responsibilities for initiating the review process under the provisions of 24 CFR Part 52. The Subrecipient shall also comply with all other applicable Federal, state and local laws, regulations, and policies that govern the use of the CDBG-DR funds in complying with its obligations under this agreement, regardless of whether CDBG-DR funds are made available to the Subrecipient on an advance or reimbursement basis.

A. Duplication of Benefits

The Subrecipient shall not carry out any of the activities under this agreement in a manner that results in a prohibited duplication of benefits as defined by Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 USC 5155) and described in Appropriations Act. The Subrecipient must comply with HUD’s requirements for duplication of benefits, imposed by Federal Register notice on the Grantee, which are: Federal Register / Vol. 81, No. 109 / Tuesday, June 7, 2016. The Subrecipient shall carry out the activities under this agreement in compliance with the Grantee’s procedures to prevent duplication of benefits. Subrecipient shall complete a Duplication of Benefit Affidavit and sign a Subrogation Agreement.

B. Drug-Free Workplace

Drug-free workplace. Subrecipients must comply with drug-free workplace requirements in Subpart B of part 2429, which adopts the governmentwide implementation (2 CFR part 182) of sections 5152-5158 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701-707).

C. Insurance & Bonding

The Subrecipient shall comply with the bonding and insurance requirements of 2 CFR §200.325 and §200.310.

D. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

The Subrecipient shall comply with the applicable provisions in 2 CFR part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR part 200 except as provided in 24 CFR 570.502(a) and (b). These provisions include:

1. Financial & Program Management

The Subrecipient shall expend and account for all CDBG-DR funds received under this agreement in accordance with the requirements in 2 CFR part 200, including 2 CFR part 200, subpart D, which covers Standards for Financial and Program Management. Go to <https://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-part200.pdf> for the specific requirements.

2. Cost Principles

Costs incurred, whether charged on a direct or an indirect basis, must be in conformance with 2 CFR part 200, subpart E. All items of cost listed in 2 CFR part 200, subpart E, that require prior Federal agency approval are allowable without prior approval of HUD to the extent they comply with the general policies and principles stated in 2 CFR part 200, subpart E and are otherwise eligible under this agreement, except for the following:

- A. Depreciation methods for fixed assets shall not be changed without the approval of the Federal cognizant agency.
- B. Fines penalties, damages, and other settlements are unallowable costs to the CDBG program.
- C. Costs of housing (e.g., depreciation, maintenance, utilities, furnishings, rent), housing allowances and personal living expenses (goods or services for personal use) regardless of whether reported as taxable income to the employees (2 CFR 200.445)
- D. Organization costs (2 CFR 200.455); and
- E. Pre-Award Costs, as limited by this agreement.

E. Documentation and Record Keeping

The Subrecipient shall establish and maintain records sufficient to enable the Grantee to (1) determine whether the Subrecipient has complied with this agreement, applicable Federal statutes and regulations, and the terms and conditions of the Grantee's Federal award and (2) satisfy recordkeeping requirements

applicable to the Grantee. These records include the records described in Section I of this agreement, scope of service. At a minimum, the Subrecipient shall maintain records required by 24 CFR 570.506 as stated under Recordkeeping in Federal Register / Vol. 81, No. 109 / Tuesday, June 7, 2016 / Notice.

These records include but are not limited to: Records documenting compliance with the fair housing and equal opportunity requirements of the CDBG program regulations; Financial records as required by 24 CFR 570.502, and 2 CFR part 200, including records necessary to demonstrate compliance with all applicable procurement requirements; and Other records necessary to document compliance with this agreement, any other applicable Federal statutes and regulations, and the terms and conditions of Grantee's Federal award.

As required by 2 CFR 200.331(a)(5), the Subrecipient shall permit the Grantee and auditors to have access to the Subrecipient's records and financial statements as necessary for the Grantee to meet its audit requirements under the Federal award. The U.S. Department of Housing and Urban Development, Inspectors General, the Comptroller General of the United States, and the City of Minot, or any of their authorized representatives, must have the right of access to any documents, papers, or other records which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the Subrecipient's personnel for the purpose of interview and discussion related to such documents.

Prior to close-out of this agreement, the Subrecipient must transmit to the Grantee records sufficient for the Grantee to demonstrate that all costs under this agreement met the requirements of the Federal award. Subrecipient shall retain financial records, supporting documents, statistical records, and all other Subrecipient records pertinent to this agreement and Subrecipient's subaward for the longer of 6 years after the expiration or termination of this agreement, or 6 years after the submission of the Grantee's annual performance and evaluation report, as prescribed in § 91.520 of this title or in the applicable Federal Register notices governing the use of the funds, in which the specific activity is reported on for the final time.

The preceding requirement is however, subject to the following exceptions:

- Records for activities subject to the reversion of assets provisions at 24 CFR § 570.503(b)(7) or change of use provisions at 24 CFR § 570.505 must be maintained for as long as those provisions continue to apply to the activity, otherwise, records for real property and equipment acquired under this agreement must be retained for 3 years after final disposition of the assets;
- Records for individual activities for which there are outstanding loan balances, other receivables, or contingent liabilities must be retained until such receivables or liabilities have been satisfied;
- If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken;
- When the Subrecipient is notified in writing by HUD, the cognizant agency for audit as defined in 2 CFR 200.18, the oversight agency for audit as defined in 2 CFR 200.73, the cognizant agency for indirect costs as defined in 2 CFR 200.19, or the Grantee, the Subrecipient shall extend the retention period consistent with the notification;
- When records are transferred to or maintained by HUD or the Grantee, the 3-year retention requirement is not applicable to the Subrecipient;
- The retention period for the records pertaining to the earning of the program income

(as defined in this agreement) starts from the end of the Grantee's fiscal year in which the program income is earned.

The Subrecipient must comply with 2 CFR §200.303 and take reasonable measures to safeguard protected personally identifiable information, as defined in 2 CFR 200.82, and other information HUD or the Grantee designates as sensitive or the Subrecipient considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality.

F. Program Close-out

Program Closeout is the process by which the Grantee determines that all applicable actions and all required work on the project including audits and resolution of any audit findings have been completed. Findings from City monitoring visits must be cleared prior to closeout. Subrecipient's obligation to the Grantee shall not end until all closeout requirements are completed.

The Subrecipient shall closeout its use of the CDBG-DR funds and its obligations under this agreement by complying with the closeout procedures in 2 CFR § 200.343. Activities during this close-out period may include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records.

Notwithstanding the terms of 2 CFR 200.343, upon the expiration of this agreement, the Subrecipient shall transfer to the Grantee any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds, further, any real property under the Subrecipient's control that was acquired or improved in whole or in part with CDBG funds (including CDBG funds provided to the subrecipient in the form of a loan) shall be treated in accordance with 24 CFR 570.503(b)(7).

G. Audits, Inspections, and Monitoring

The Subrecipient must be audited as required by 2 CFR part 200, subpart F when it is expected that the Subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501 Audit requirements.

The Subrecipient shall permit the Grantee and auditors to have access to the Subrecipient's records and financial statements as necessary for the Grantee to meet the requirements of 2 CFR part 200. The Subrecipient must submit to monitoring of its activities by the Grantee as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of this agreement. This review must include: (1) reviewing financial and performance reports required by the Grantee; (2) following-up and ensuring that the Subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the Subrecipient from the Grantee detected through audits, on-site reviews, and other means; and (3) issuing a management decision for audit findings pertaining to this Federal award provided to the Subrecipient from the Grantee as required by 2 CFR §200.521.

The Grantee may issue management decisions and may consider taking enforcement actions if noncompliance is detected during audits. The Grantee may require the Subrecipient to take timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from

the pass-through entity detected through audits, on-site reviews, and other means. In response to audit deficiencies or other findings of noncompliance with this agreement, Grantee may impose additional conditions on the use of the CDBG-DR funds to ensure future compliance or provide training and technical assistance as needed to correct noncompliance.

H. Procurement and Contractor Oversight

The Subrecipient shall comply with the procurement standards in 2 CFR §200.318 - §200.326 when procuring property and services under this agreement. HUD's Buying Right CDBG-DR can be found at <https://www.hudexchange.info/resources/documents/Buying-Right-CDBG-DR-and-Procurement-A-Guide-to-Recovery.pdf>. The Subrecipient shall impose the Subrecipient's obligations under this agreement on its contractors, specifically or by reference, so that such obligations will be binding upon each of its contractors.

The Subrecipient shall maintain oversight of all activities under this agreement and shall ensure that for any procured contract or agreement, its contractors perform according to the terms and conditions of the procured contracts or agreements, and the terms and conditions of this agreement.

I. Property Standards

The Subrecipient shall also comply with the Property Standards at 2 CFR 200.310, 2 CFR 200.312, 2 CFR 200.314 through 2 CFR 200.316. The Subrecipient shall also comply with 2 CFR 200.313 Equipment, except that when the equipment is sold, the proceeds shall be program income, and equipment not needed by the Subrecipient for activities under this agreement shall be transferred to the Grantee for its CDBG-DR program or shall be retained after compensating the Grantee.

J. Federal Funding Accountability and Transparency Act (FFATA)

The Subrecipient shall comply with the requirements of 2 CFR part 25 Universal Identifier and System for Award Management (SAM). The grantee must have an active registration in SAM in accordance with 2 CFR part 25, appendix A, and must have a Data Universal Numbering System (DUNS) number. The grantee must also comply with provisions of the Federal Funding Accountability and Transparency Act, which includes requirements on executive compensation, and 2 CFR part 170 Reporting Subaward and Executive Compensation Information.

K. Relocation, Real Property Acquisition, and One-for-one Housing Replacement

The Subrecipient shall comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), 42 USC 4601 – 4655, 49 CFR part 24, 24 CFR part 42, and 24 CFR 570.606.

In addition to other URA requirements, these regulations (49 CFR § 24.403(d)) implement Section 414 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 USC § 5181, which provides that "Notwithstanding any other provision of law, no person otherwise eligible for any kind of replacement housing payment under the [URA] shall be denied such eligibility as a result of his being unable, because of a major disaster as determined by the President, to meet the occupancy requirements set by such Act".

Subrecipient will minimize displacement of persons as a result of activities assisted with CDBG funds. In addition, if applicable, the Subrecipient will:

1. Comply with Sections 301-304 of Title III (Uniform Real Property Acquisition Policy) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. Chapter 61), and HUD implementing instructions at 24 CFR Part 42 and 24 CFR §570.606; and
2. Inform affected persons of their rights and of the acquisition policies and procedures set forth in the regulations at 24 CFR Part 42.

L. Nondiscrimination

The Subrecipient will comply with 24 CFR part 6, which implements the provisions of section 109 of title I of the Housing and Community Development Act of 1974 (Title I) (42 U.S.C. 5309). Section 109 provides that no person in the United States shall, on the ground of race, color, national origin, religion, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with Federal financial assistance.

The Subrecipient will adhere to the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) (Age Discrimination Act) and the prohibitions against discrimination on the basis of disability under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) (Section 504). Section 109 of the HCDA makes these requirements applicable to programs or activities funded in whole or in part with CDBG-DR funds. Thus, the Subrecipient shall comply with regulations of 24 CFR part 8, which implement Section 504 for HUD programs, and the regulations of 24 CFR part 146.

The Subrecipient shall ensure that its activities are consistent with requirements of Architectural Barriers Act and the Americans with Disabilities Act. The Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that insure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed, or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of “residential structure” as defined in 24 CFR 40.2 or the definition of “building” as defined in 41 CFR 101-19.602(a) is subject to the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) and shall comply with the Uniform Federal Accessibility Standards (appendix A to 24 CFR part 40 for residential structures, and appendix A to 41 CFR part 101-19, subpart 101-19.6, for general type buildings).

The Americans with Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218 and 225) (ADA) provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications. It further provides that discrimination includes a failure to design and construct facilities for first occupancy no later than January 26, 1993, that are readily accessible to and usable by individuals with disabilities. Further, the ADA requires the removal of architectural barriers and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable—that is, easily accomplishable and able to be carried out without much difficulty or expense.

The Subrecipient shall comply with the requirements of Title VI of the Civil Rights Act of 1964 (P. L. 88-352), as amended [if the Grantee is subject to 24 CFR part 570, subpart K, insert: “and 24 CFR 570.601 and 570.602”. No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination

under any program or activity funded by this agreement. The specific nondiscrimination provisions at 24 CFR 1.4 apply to the use of these funds. The subrecipient shall not intimidate, threaten, coerce, or discriminate against any person for the purpose of interfering with any right or privilege secured by title VI of the CIVIL RIGHTS ACT OF 1964 or 24 CFR part 1, or because he has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under 24 CFR part 1. The identity of complainants shall be kept confidential except to the extent necessary to carry out the purposes of 24 CFR part 1, including the conduct of any investigation, hearing, or judicial proceeding arising thereunder.

As a condition to the approval of this Agreement and the extension of any Federal financial assistance, the Subrecipient assures that the program or activities described in this Agreement will be conducted and the housing, accommodations, facilities, services, financial aid, or other benefits to be provided will be operated and administered in compliance with all requirements imposed by or pursuant to this Part 1

If the Federal financial assistance under this agreement is to provide for is in the form of personal property or real property or interest therein or structures thereon, the Subrecipient's assurance herein shall obligate the Subrecipient or, in the case of a subsequent transfer, the transferee, for the period during which the property is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits, or for as long as the recipient retains ownership or possession of the property, whichever is longer. In all other cases the assurance shall obligate the Subrecipient for the period during which Federal financial assistance is extended pursuant to the contract or application. This assurance gives the Grantee and the United States a right to seek judicial enforcement of the assurance and the requirements on real property.

In the case of real property, structures or improvements thereon, or interests therein, acquired with Federal financial assistance under this Agreement or acquired with CDBG-NDR funds and provided to the Subrecipient Under this Agreement, the instrument effecting any disposition by the Subrecipient of such real property, structures or improvements thereon, or interests therein, shall contain a covenant running with the land assuring nondiscrimination for the period during which the real property is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.

Affirmative Action - The Subrecipient agrees that it shall carry out pursuant to the Grantee's specifications an Affirmative Action Program in compliance with the President's Executive Order 11246 of September 24, 1966, as amended, and implementing regulations at 42 CFR chapter 60. The Grantee shall provide Affirmative Action guidelines to the Subrecipient to assist in the formulation of such program. The Subrecipient shall provide a copy of their plan for an Affirmative Action Program for approval prior to the release of funds under this agreement.

- i. Women- and Minority-Owned Businesses (W/MBE): The Subrecipient shall take the affirmative steps listed in 2 CFR 200.321(b)(1) through (5) to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible when the Subrecipient procures property or services under this agreement.
- ii. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement: The Subrecipient shall, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.

M. Labor and Employment

The Subrecipient shall comply with the labor standards in Section 110 of the Housing and Community Development Act of 1974, as amended and ensure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this agreement shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-

Bacon Act, as amended (40 U.S.C. 3141, *et seq.*), and 29 CFR part 1, 3, 5, 6, and 7, provided, that this requirement shall apply to the rehabilitation of residential property only if such property contains not less than 8 units.

The Subrecipient agrees to comply with the Copeland Anti- Kick Back Act (18 U.S.C. 874) and its implementing regulations of the U.S. Department of Labor at 29 CFR part 3 and part 5. The Subrecipient shall maintain documentation that demonstrates compliance with applicable hour and wage requirements. Such documentation shall be made available to the Grantee for review upon request.

N. Section 3 of the Housing and Urban Development Act of 1968

The Subrecipient shall comply with the provisions of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 USC 1701u, and its implementing regulations at 24 CFR part 135. The Subrecipient shall include the “Section 3 clause” at 24 CFR 135.38 in every “Section 3 covered contract” (as defined in 24 CFR 135.5).

O. Conduct

The Subrecipient shall comply with the Hatch Act, 5 USC 1501 – 1508, and shall ensure that no funds provided, nor personnel employed under this agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

In the procurement of supplies, equipment, construction, and services pursuant to this agreement, the Subrecipient shall comply with the conflict of interest provisions in 2 CFR 200.317 and 200.318. In all cases not governed by 2 CFR 200.317 and 200.318, the Subrecipient shall comply with the conflict of interest provisions in 24 CFR 570.611.

The Subrecipient certifies that:

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

- grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "DISCLOSURE FORM TO REPORT LOBBYING," in accordance with its instructions;
3. It shall require that the language of paragraph (a) through (d) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly; and
 4. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is required by section 1352, title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

P. Religious Activities

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

Q. Environmental Conditions

MHA shall not obligate nor expend funds for any choice-limiting Project activity under this Agreement until notified, in writing from the City, that the environmental review requirements pursuant to 24 CFR 570.604 have been satisfactorily completed for the Project activity(s) and that a HUD-approved Request for Release of Funds and certification has been issued. The City's written notice shall specify the date upon which MHA may begin to obligate and expend funds under this Agreement. MHA does not assume responsibility for undertaking the environmental review process under 25 CFR Part 52. However, MHA shall provide the City with timely and accurate Project information as the City may require in order to cause the environmental review(s) to be satisfactorily undertaken. In the event that there is a proposed change in the location or scope of a Project activity, MHA shall not undertake any action to obligate or expend funds in connection with the proposed change without obtaining the City's prior written approval. Any such City approval shall be subject to City's sole determination as to whether or not the proposed change requires an additional environmental review and clearance before any funds may be committed or expended for the Project activity.

The Subrecipient must comply with the limitations in 24 CFR 58.22 even though the Subrecipient is not delegated the requirement under Section 104(g) of the HCD Act for environmental review, decision-making, and action (see 24 CFR part 58) and is not delegated the Grantee's responsibilities for initiating the review process under the provisions of 24 CFR Part 52. 24 CFR 58.22 imposes limitations on activities pending clearance, and specifically limits commitments of HUD funds or non-HUD funds by any participant in the development process before completion of the environmental review. A violation of this requirement may result in a prohibition on the use of Federal funds for the activity.

The Subrecipient shall comply with the following requirements insofar as they apply to the performance of this agreement:

- Air quality. (1) The Clean Air Act (42 U.S.C. 7401 et. seq.) as amended; particularly section 176(c) and (d) (42 U.S.C. 7506(c) and (d)); and (2) Determining Conformity of Federal Actions to State or Federal Implementation Plans (Environmental Protection Agency—40 CFR parts 6, 51, and 93).

- Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, *et seq.*, as amended, including the requirements specified in Section 114 and Section 308 of the Federal Water Pollution Control Act, as amended, and all regulations and guidelines issued thereunder;
- Flood Disaster Protection – NA
- Lead-Based Paint
 - The Subrecipient shall comply with 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 at 24 CFR part 35, subparts A, B, J, K, and R, which apply to activities under this agreement.
- Historic Preservation – NA
- Release of Funds (ROF)

No funds may be encumbered prior to the completion of the Environmental Review. The Environmental Review Record (ERR) must be completed before any funds are obligated. The responsibility for certifying the appropriate ERR and ROF shall rest with the City. It is the responsibility of the Subrecipient to notify the City and to refrain from making any commitments and expenditures on the project until an ROF has been issued by the City.

IX. OTHER REQUIREMENTS IMPOSED BY GRANTEE

Subrecipient will comply with HUD’s Standards for Rehabilitation of Non-substantially-damaged Residential Buildings. For rehabilitation projects, Subrecipient will apply the guidelines outlined in the HUD CPD Green Building Retrofit Checklist, (http://portal.hud.gov/hudportal/documents/huddoc?id=drsi_retrofit.xls), to the extent applicable and reasonable, on the rehabilitation work undertaken under this agreement.

This Agreement contemplates the Subrecipient will comply with the following:

- The use of mold resistant products when replacing surfaces such as drywall.
- When older or obsolete products are replaced as part of the rehabilitation work, the Subrecipient will use ENERGY STAR labeled, WaterSense-labeled, or Federal Energy Management Program (FEMP)-designated products and appliances.
- WaterSense-labeled products (e.g., faucets, toilets, showerheads) must be used when water products are replaced.

Subrecipient will rebuild to model resilient building standards. Examples of such standards this Agreement contemplates the Subrecipient will comply with include the I-Codes developed by the International Code Council (ICC), the Insurance Institute for Business 18 and Home Safety (IBHS) FORTIFIED home programs, and standards under development by the American National Standards Institute (ANSI) and the American Society of Civil Engineers (ASCE).

CCR Registration. No funds may be obligated or expended in any project activity except the administration activity until the Subrecipient provides Grantee with documentation of registration in the Central Contractor Registration (CCR) system. The CCR system may be accessed online at www.sam.gov.

THE UNDERSIGNED, as authorized officials on behalf of the parties, have executed this Contract for Subrecipient Assistance, which shall be effective as of the date of execution hereof on behalf of the Grantee.

GRANTEE

By: _____
(signature)

Name: _____

Title: _____

Date: _____

SUBRECIPIENT

By: _____
(signature)

Name: _____

Title: _____
(Chief Elected Official/Executive Officer with Authority to Sign)

Date: _____

EXHIBIT A
CDBG-NDR Agreement
Project Description

It is understood and recognized by the subrecipient that the City of Minot as the Grantee of the CDBG-NDR funds which will be the source of funds made available under this project are required to assure and demonstrate to HUD that none of these CDBG-NDR funds shall be used to replace, supplant, or substitute obligations by a Public Housing Authority pursuant to HUD rules and regulations for preventative maintenance, standard capital improvement and replacement, and correcting conditions resulting from normal wear and tear, and age. CDBG-NDR funds shall be only be used to cover costs that the Grantee is comfortable can be justified and supportable with HUD as being new, resilience improvements to Minton Young Tower.

Minot Housing Authority will rehabilitate 221 affordable housing units in the Milton Young Tower project originally built in 1969. This 14-story building located in downtown Minot at 310 2nd St. SE, Minot, North Dakota. The project will improve building resilience and develop and enhance the resilience of the residents in Milton Young Tower. The building contains 221 one-bedroom units, and common area, kitchen, offices and public restrooms on the main floor.

Planned improvements include: replacement of the existing cast iron main wastewater stacks, replacement of apartment bathroom plumbing and necessary rehabilitation of the bathrooms, and rehabilitation of first floor public restrooms. Replace of lighting in hallways, apartments, laundry, stairways, offices, and exterior areas with energy efficient lighting. Installation of new fire alarm system and fire suppression system in the building. Replacement of exterior doors with thermal exterior security doors on the mail floor, replacement of main floor windows and stairwell landing and hallway windows and installation of security hardware on doors. Retrofit and rehabilitation of up to 10 additional accessible apartments. Rehabilitation of main floor common areas including dining space and commercial kitchen area and rehabilitation of main floor tenant meeting space, office, and classroom/activity space. As funding permits, rehabilitation/convert up to 10 units to 2-bedroom units.

All of the apartments in Milton Young Tower will be affordable housing in accordance with the HUD PHA and HUD CDBG-NDR requirements.

In consideration of the Minot Housing Authority providing affordable rental housing as identified within this Agreement, the City is committing up to \$5,000,000 of CDBG-NDR funding for the completion of site improvements described in this subrecipient agreement.

EXHIBIT B
Project Budget

The Project budget for the activities under this Agreement is mutually agreed will be attached under Exhibit B as Attachment B-1 upon completion of the project plans and specifications and the preparation and review of the project budget as described in the scope of work. No funds pursuant to this agreement shall be eligible to be drawn, obligated, or spent until all required environmental reviews have been completed and until the project budget has been reviewed and found to be compliant with this agreement by the DR Grant Program Manager.

In the event of a Subrecipient change to the Project Budget, the Subrecipient shall provide a written explanation of the change and certification that sufficient other funds are committed to and available to the Project to enable satisfactory completion.

Signatures:

Minot Housing Authority

The City of Minot

By:
Title:

By:
Title: Mayor

Date

Date

Exhibit B
Attachment B-1

The City of Minot will provide up to \$5,000,000 from CDBG-NDR funds for the eligible improvements to Milton Young Tower outlined in this agreement. The detailed budget will be incorporated below when the project plans and specifications and project budget are completed by the Project Architect.

EXHIBIT C
Project Schedule

MHA agrees to undertake the Project activities of this Agreement in accordance with the Project Schedule attached hereto this Exhibit C as Attachment C-1.

Satisfactory performance in accordance with this Project Schedule shall be reviewed throughout the project. MHA shall provide quarterly progress reports to the City, but the City may require more frequent reporting if it determines that such reporting is necessary to measure adequate progress toward undertaking and completing activity assisted under this Agreement. Such quarterly progress reports shall be provided to the DR Grant Program Manager or his designee.

The City may reduce or cancel funding under this Agreement by giving thirty (30) days written notice to MHA, if it is determined that progress is unsatisfactory to meet the requirements of the Agreement.

Signatures:

Minot Housing Authority:

The City of Minot

By:
Title:

By:
Title: Mayor

Date

Date

EXHIBIT C
Attachment C-1

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PROJECT SCHEDULE

Substantial completion is expected to be completed by November 1, 2021, unless extended in writing by the City. A detailed project milestone schedule will be provided by MHA.

Activity	Month/Year
City Council Approval of Subrecipient Agreement	1/22/2019
Procure Architect and related professional services	3/30/2019
Complete project plans and specifications	8/1/2019
Execute contract for construction	10/1/2019
Begin construction on building	10/15/2019
Complete construction on building	11/1/2021

EXHIBIT D
Attachment CDBG-NDR Agreement
Affordable Housing Requirements and Income Limits

Subrecipient acknowledges and agrees that one hundred percent (100%) of the units rehabilitated and constructed must benefit households having initial incomes at or below eighty percent (80%) of Median Family Income (MFI), adjusted for household size, as established under income guidelines of HUD. These income limits are determined for the Project according to HUD’s income limits for the area in which the Project is located.

Based upon current HUD-described income limits for this area, the following income limits apply for all beneficiaries of the CDBG-NDR -assisted housing units developed by the Subrecipient.

HUD Household 2018 80% Income Limits, Ward County, ND
Ward County, ND

FY 2018 MFI:

Category	1 PER	2 PER	3 PER	4 PER	5 PER	6 PER	7 PER	8 PER
EXTRA LOW INCOME	18,350	20,550	23,550	26,150	29,400	33,740	35,060	42,380
VERY LOW INCOME	30,500	34,850	39,200	43,550	47,050	50,550	54,050	57,500
LOW INCOME	48,800	53,800	62,750	69,700	75,300	80,900	86,450	92,050

The above-referenced income limits may be periodically adjusted, as based upon HUD annual adjustments. Upon any annual HUD adjustment, the City will provide Subrecipient with updated income limits, and such notice shall be considered an amendment to this Agreement. Subrecipient shall apply the most current income limits, as confirmed by the City, in effect at the time of selection of each program beneficiary.

In addition to income eligibility criteria governing program beneficiaries under this Agreement, the Project must comply with housing affordability requirements of this Agreement.

Subrecipient:

The City of Minot

By:
Title:

By:
Title: Mayor

Date

Date

**Exhibit E
CDBG-NDR Agreement
Affirmative Marketing Plan**

Subrecipient shall cause to be established and implemented a written Affirmative Marketing Plan and procedures defining actions to provide information and to otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status or disability. The Affirmative Marketing Plan shall include, but not necessarily be exclusively limited to:

1. The methods to be used in informing the public and potential renters about the availability of housing at the property assisted under this Agreement.
2. Procedures to be used to inform and solicit applications from persons in the housing market area not likely to apply for the housing without special outreach.
3. The use of the federal Equal Housing Opportunity logotype or slogan shall be contained on all advertisements, press releases, brochures and materials used in the solicitation of housing beneficiaries or to otherwise inform the public about the availability of housing under this Agreement.
4. A Fair Housing poster shall be displayed, in locations available to the public, at the office of Subrecipient, any sales/rental office and, in the case of rental property, at any community room on the property.
5. A brochure or similar printed document, describing Federal fair housing laws shall be provided to each applicant for housing under this Agreement.
6. An annual record of Subrecipient actions to affirmatively market units shall be maintained by Subrecipient, and made available for City inspection.
7. During the Period of Affordability, the Subrecipient shall annually assess its success of affirmative marketing actions, and provide said assessment, in writing, to the City within 60 days following the end of each calendar year. Subrecipient shall take necessary and appropriate action to correct deficiencies found from this annual assessment, whether identified by Subrecipient or reasonably required of the City.

Signatures:

Subrecipient:

The City of Minot

By:
Title:

By:
Title: Mayor

Date

Date

Exhibit F
CDBG-NDR Agreement
Insurance Requirements

1) Property Damage insurance:

- Insuring the Owner for all risks of physical loss of or damage to the real property comprising the Project, personal property of the Owner used to maintain or service the Project, and new construction, additions, alterations and repairs to structures including:
 - 1) Coverage for explosion
 - 2) Coverage against loss by fire and allied perils
 - 3) General boiler and machinery coverage
 - 4) Collapse and underground hazards
 - 5) Earthquake coverage for 80% of replacement value if property is in Zone 1 or 2 and all or partial wood frame construction with no reinforcement
 - 6) Sinkhole coverage in the amount of the full replacement value
 - 7) Mine subsidence insurance
 - 8) Theft, vandalism and malicious mischief coverage
 - 9) Sprinkler leakage coverage
 - 10) Windstorm & hail coverage with a deductible not to exceed 5%
 - 11) Consequential and resulting losses from an insured peril should also be covered
- Policy shall provide for claims to be paid based upon replacement cost of the lost or damaged property without deduction for depreciation
- The policy shall have a deductible of no greater than \$5,000 per occurrence
- The policy shall carry no coinsurance provisions
- Coverage and limits shall be extended to include the actual loss of rents sustained due to an insured loss, for a period of at least twelve months from the date of such loss
- Coverage shall be further extended to include debris removal, outdoor trees, shrubs, plants and lawns, and Ordinance or Law coverage for the increased costs of construction, or the loss in value of undamaged portions of the building(s), caused by the enforcement of building, zoning or land use law
- The policy shall include an endorsement naming:

Minot Housing Authority

And

The City of Minot
PO Box 5006
Minot, ND 57802

as Loss Payee

2) Commercial General Liability insurance:

- Insuring for third party claims of legal liability against the Owner, and caused by bodily injury, property damage, personal injury or advertising injury, arising out of the ownership of the Project and including the costs to defend such actions brought against the Owner
- The policy shall include hired and non-owned automobile liability insurance
- The policy shall include an endorsement adding:

Minot Housing Authority

and

The City of Minot
PO Box 5006
Minot, ND 57802

as additional named insured

- The policy shall include an endorsement adding Minot Housing Authority and the City of Minot as additional named insured for Ongoing Operations (Form CG 20 33 07/04) **and** for Completed Operations (Form CG 20 37 07/04), or their equivalent on a combined form
- Limits of the policy shall be at least \$1 million per occurrence and \$2 million in the general aggregate
- Coverage needs to be primary and non-contributory

3) Umbrella/Excess Liability insurance:

- Limit on the policy shall be \$3 million per occurrence
- The policy shall include an endorsement adding Minot Housing Authority and the City of Minot as additional named insured

All insurance policies:

- are to be written through companies duly entered and authorized to transact that class of insurance in North Dakota. The Insurance Companies must have an A.M. Best rating of A-, VIII or better in the most recent Best's Key Rating Guide

- shall include endorsements requiring at least thirty (30) days prior written notice to the Owner of any cancellation, termination or reduction of coverage therein
- shall provide notice of renewal of any policy made at least ten (10) days prior to the scheduled date of such renewal, and shall be in the form of endorsement to the policy
- CASUALTY MUST BE WRITTEN ON FORM ACORD 27
- GENERAL LIABILITY MUST BE WRITTEN ON ACORD 25-S