



City of Saint Paul, Minnesota

## **FY2014 COMMUNITY DEVELOPMENT BLOCK GRANT (CFDA # 14.218) SUBGRANTEE AGREEMENT**

**THIS AGREEMENT**, entered into this 1st day of June, 2014 by and between the **CITY OF SAINT PAUL**, a municipal corporation of the State of Minnesota, hereinafter designated the "**City**", and **Greater Frogtown Community Development Corporation**, a Minnesota nonprofit corporation, hereinafter designated as the "**Subgrantee**,"

### **WITNESSETH:**

**THAT WHEREAS**, the City and the Subgrantee desire to enter into this Agreement with the Subgrantee receiving a Community Development Block Grant (CFDA # 14.218) in the amount of **\$232,115.05**, for the purpose of setting forth their respective responsibilities in carrying out to a successful conclusion the City's Community Development Block Grant Program in accordance with all Federal, State and Local laws,

### **NOW, THEREFORE, THE CITY AND THE SUBGRANTEE DO HEREBY MUTUALLY AGREE AS FOLLOWS:**

**1. Term of Agreement.** This Agreement and activities authorized hereunder shall take effect and be in force from and after the 1st day of June, 2014, and shall be in force and in effect through the 31st day of December, 2015, and thereafter during any period of time that the Subgrantee has control over Community Development Block Grant ("CDBG") funds including program income and loan fund repayments, or property purchased in whole or in part with CDBG funds, all in accordance with section 17 and 18 hereof. This Agreement may be otherwise extended by written agreement consented to and signed by both parties.

**2. Statement of Work/Scope of Services.** The Subgrantee shall perform all activities set forth in the attached "*Statement of Work/Scope of Services*", consisting of a description of the work to be performed, a schedule for completing the work and a budget, hereby made part of this Agreement as Attachment A, and shall undertake these activities in accordance with the terms of this Agreement and with CDBG Program Entitlement Grant Regulations (24 CFR Part 570) as applicable. Those activities shall be completed in accordance with the Completion Schedule contained in Section 7 of Attachment A hereto. If the Subgrantee fails to comply with the Progress or Completion Schedule or other term of this Agreement, the City may enforce remedies for noncompliance in accordance with 24 CFR 85.43.

**3. Funding: (a) Budget.** All funds required to carry out the activities identified in the project Statement of Work/Scope of Services shall be provided to the Subgrantee as identified in the Statement of Work/Scope of Service Section entitled

*"Project Budget"*. **(b) Payment.** The Subgrantee shall be entitled to reimbursement of funds on a monthly basis in accordance with performance and City regulations and procedures. The Subgrantee shall submit itemized statements in such detail as required by the City to comply with all Federal, State and local requirements. All requests for funds shall conform to the line items contained in the Project Budget. **(c) Program Income.** Program income is gross income received by the subrecipient that was directly generated from the use of funds received by the Subgrantee from the City under this Agreement. In accordance with 24 CFR 570.500(a) and 570.504(c), CDBG program income shall be retained by the Subgrantee during the term of the Agreement to be applied for activities as specified in the Statement of Work/Scope of Services. Funds payable by the City to the Subgrantee as specified in Subparagraph 3(b), shall be adjusted by the amounts of program income received by the Subgrantee and on hand at the time of the reimbursement request. **(d) Definition.** As used in this Agreement the term "Program Funds" shall mean all funds received from the City under this Agreement and all program income as defined in subsection (c) above.

**4. Flexibility in Budget.** The Subgrantee shall make CDBG eligible expenditures according to the line items set forth in the Statement of Work/Scope of Service Budget. Any and all amendments to the Scope of Service Budget must be submitted in writing to the City's Grants Management Section for review and approval.

**5. Audit. a) Scope of Audit.** Subrecipients that expend \$500,000 or more in federal funds annually to carry out a program through a primary recipient or other Subrecipients or direct recipient of federal awards under other agreements, agree to have an audit made by an independent auditor in accordance with Government Auditing Standards developed by the Comptroller General of the United States; OMB Circular A-133. **b) Frequency and Completion of Audit.** An audit shall be performed annually and should be completed within six months of the fiscal year end. Three copies of the audit report shall be submitted within 30 days after the completion of the audit to: Accounting Section, Department of Planning & Economic Development. **c) Audit Cost.** Reasonable costs for audits required under Subsection (a) of this paragraph will be reimbursed by the City provided: the auditor was chosen through a competitive bid process, and; the audit was made in accordance with the provisions of Circular A-133. Audit costs cannot be charged to federal awards unless the audit has been performed in compliance with OMB Circulars.

**6. Independent Contractor.** For the purpose of this Agreement, the Subgrantee shall be deemed to be an independent contractor and not an employee of the City. Any and all employees of the Subgrantee or other persons while engaged in the performance of any work or services required by the Subgrantee under this Agreement, shall not be considered employees of the City. Any and all claims by any third party as a consequence of any act or omission on the part of the Subgrantee, its employees or other persons shall be the obligation of the Subgrantee. The Subgrantee shall be responsible for all contractual obligations entered into pursuant to and in the performance of this Agreement. If required by statute, the Subgrantee shall procure and maintain in force at its expense worker's compensation insurance and shall provide the City with proof of such coverage. Withholding and payment of federal and state

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day and year first above written.

This Agreement has been reviewed for appropriate language as outlined in 24 CFR 570.503 of the Federal Regulations, applicable to projects/programs funded with CDBG monies. This review must be completed and signature obtained before other City signatures are requested.	
Department of Planning and Economic Development	<u>    <i>Ron Ross</i>    </u> Grants Management Staff

**CITY OF SAINT PAUL SIGNATURES**

APPROVED AS TO FORM:

By     *[Signature]*      
Assistant City Attorney

By     *Nancy P. Horns*      
Its Mayor

By     *[Signature]*      
Its Director, Office of Financial Services

By     *[Signature]*      
Its Director, Department of Planning and Economic Development

By \_\_\_\_\_  
Its Director, Department of Human Rights and Equal Economic Opportunity (if more than \$50,000)

**SUBGRANTEE SIGNATURES:**

By     *Jim Hennrichsen*     By \_\_\_\_\_  
Its     *Executive Director*     Its \_\_\_\_\_

