



State of Vermont
Department of Housing and Community Development
Deane C. Davis Building – 6th Floor [phone] 802-828-3211
One National Life Drive
Montpelier, VT 05620-0501

*Agency of Commerce and
Community Development*

April 1, 2015

Trevor Lashua, Town Administrator
Town of Hinesburg
PO Box 133, 10632 Route 116
Hinesburg, Vermont 05461

RE: Town of Hinesburg; 07110-IG-2014-Hinesburg-00001
Grant Agreement Offer

Dear Mr. Lashua:

Enclosed for your consideration is the Grant Agreement between the Town of Hinesburg and this Agency. Please review the offer carefully. **Prior to signing the Grant Agreement your Legislative Body is required to adopt a resolution, Form PM-1 (enclosed). This form states the acceptance and responsibility of the terms and conditions of the Grant Agreement and designates the person with the overall responsibility and authority to execute all appropriate documents.** If it is satisfactory, please sign the cover page and return it along with the signed PM-1 form for processing by April 22, 2015. The Commissioner will then sign it and a fully executed copy will be uploaded to the Agreement Documents node online. If you would like to revise your grant agreement, please contact me with your comments.

Before a request for funds can be processed, all requirements and special conditions as stated in the Grant Agreement must be satisfied. It is important to understand that some special conditions may have already been met, and if you have any questions in this regard please contact me. We recommend that you review the requirements set out in the Grants Management Guide, paying particular attention to **the chapter on Award Conditions and Executing Your Grant Agreement**, and that you review your Grant Agreement carefully for requirements that may not be in the checklist.

If you have any questions regarding the Grant Agreement please contact me by email (Claire.Forbes@state.vt.us) or by phone (828-1256).

Sincerely,

Claire Forbes
Community Development Specialist

CF:cmb

Enclosures

cc: C. Reid, CSC
Karen Allen, HV



VERMONT COMMUNITY DEVELOPMENT PROGRAM
GRANT AGREEMENT
between the
STATE OF VERMONT
AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT
and the
TOWN OF HINESBURG

I. Grant Agreement.

This Grant Agreement (the "Agreement") is between the State of Vermont, Agency of Commerce and Community Development (the "Agency"), and the Town of Hinesburg, Vermont (the "Grantee") and shall be effective on the date signed by the Agency as indicated below. This Agreement consists of the provisions stated herein and the attachments itemized below, all of which are incorporated herein, and together constitute the entire agreement between the Agency and the Grantee with respect to the Vermont Community Development Program (the "VCDP") and no representations, inducements, promises or agreements not embodied herein shall be of any force or affect, unless the same are in writing in accordance with **Paragraph XXV** below.

Should any ambiguity or conflict arise between the provisions of Attachment F: Standard State Provisions for Contracts and Grants and provisions of the Grant Agreement or any of its Attachments, the provisions in Attachment F: Standard State Provisions for Contracts and Grants shall control.

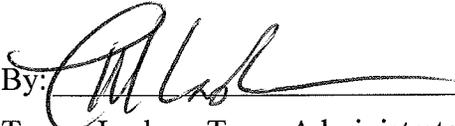
- Attachment A - SPECIAL CONDITIONS
- Attachment B - DESCRIPTION OF ACTIVITIES AND BUDGET
- Attachment C - PERFORMANCE INDICATORS
- Attachment D - CERTIFICATIONS AND ASSURANCES
- Attachment E - EXECUTIVE SUMMARY
- Attachment F - STANDARD STATE PROVISIONS FOR CONTRACTS AND GRANTS (March 1, 2015, version)

The signatures of the undersigned indicate that each has read this Agreement in its entirety and agrees to be bound by its provisions.

AGENCY

GRANTEE

By: _____

By:  _____

Noelle MacKay, Commissioner
Department of Housing and
Community Development

Trevor Lashua, Town Administrator
Town of Hinesburg

for:

Patricia Moulton, Secretary
Agency of Commerce and Community Development

Date: _____

Date: 4/10/15

II. Authority and Governing Law.

- (A) This Agreement is funded, in whole or in part, through a grant provided to the Agency by the United States Department of Housing and Urban Development (HUD) under Title I of the federal Housing and Community Development Act of 1974, as amended, 42 U.S.C. § 5301 *et seq.* (the "Federal Act"). Pursuant to the Federal Act, the State of Vermont has elected to administer the federal program of Community Development Block Grants through the Agency.
- (B) The Agency, in accordance with the provisions of the Vermont Community Development Act, 10 V.S.A. chapter 29 (the "State Act"), has awarded VCDP funds for the purpose of supporting the Grantee's community development program.
- (C) This Agreement shall be governed by all applicable provisions, as amended, contained in the Federal Act, the State Act, and the Grants Management Guide, including the Agency Procedures contained therein, whether specifically referred to in this Agreement or not.

III. Description of Activities.

The Grantee agrees to perform, or cause to be performed, the work specified in the DESCRIPTION OF ACTIVITIES AND BUDGET (Attachment B).

IV. Period of Performance.

The Term of this Agreement ("Period of Performance") shall commence on the date of execution by the Agency and terminate on the Completion Date set forth in Attachment A. All activities assisted with or required by this Agreement shall be completed by, and all non-general administration costs shall be obligated prior to, the Completion Date.

Notwithstanding the above, Grantee's obligations under Sections XVII (Monitoring and Reporting), XVIII (Audits), and XIX (Final Drawdown, Final Reports, and Completion Certificates) shall survive the termination of this Agreement.

Provisions governing the Agency's payment of project costs incurred prior to, during and after the Period of Performance are set out in Section VIII ("Program Costs") below.

V. Distribution of Grant Funds.

In consideration of the Grantee's satisfactory performance of the work required under this Agreement and the Grantee's compliance with the terms and conditions of this Agreement, the Agency shall disburse to the Grantee an amount not to exceed the total sum in VCDP funds set forth in SPECIAL CONDITIONS (Attachment A), and identified therein as "Total Award." Such Funds shall be used by the Grantee in accordance with this Agreement. Further:

- (A) The Grantee shall provide for and document the expenditure of any amount set forth in SPECIAL CONDITIONS (Attachment A), and identified therein as "Other Resources." Such funds shall be used in accordance with the activities as listed in the DESCRIPTION OF ACTIVITIES AND BUDGET (Attachment B).
- (B) It is expressly understood and agreed that in no event will the total funds provided by the Agency exceed the Total Award. Any additional funds required to complete the activities set forth in this Agreement will be the responsibility of the Grantee.
- (C) In the event VCDP funds are needed prior to their availability due to VCDP requirements or conditions, the Grantee and/or one of the project parties must seek bridge financing to meet any expenses that cannot be delayed. The expenditure of bridge financing must be in compliance with VCDP requirements, most notably the environmental review process.
- (D) If the project's non-general administration budget comes in under budget, VCDP funds in an amount proportionate to the unused portion of the total budget (VCDP dollars

and Other Resources dollars) shall be returned to the Agency. Such amounts may not be reallocated to other Activities, notwithstanding the provisions of Section XXV(A)(1) of this Agreement. Project overruns will be the obligations of the Grantee, as set forth at Section V(B).

- (E) If the project's general administration budget comes in under budget, the unused portion shall be returned to the Agency. The expenditure of VCDP funds for General Administration must be maintained at the ratio currently set out in Attachment B of this Agreement, Project Budget.
- (F) The Grantee understands that this Agreement is funded in whole or in part by federal funds. In the unlikely event the federal funds supporting this Agreement become unavailable or are reduced, the Agency may terminate or amend this Agreement and will not be obligated to pay the Grantee from State revenues. In no event shall this Agreement be construed as a commitment by the Agency to fund future applications and/or programs.

VI. Indemnification.

The Grantee will act in an independent capacity and not as officers or employees of the State. The Grantee shall defend the State and its officers and employees against all claims or suits arising in whole or in part from any act or omission of the Grantee or of any agent of the Grantee. The State shall notify the Grantee in the event of any such claim or suit, and the Grantee shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit. After a final judgment or settlement the Grantee may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Grantee shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Grantee. The Grantee shall indemnify the State and its officers and employees in the event that the State, its officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the Grantee.

VII. Obligations of Grantee.

- (A) Agreements to be in Writing. The activities required by this Agreement shall be performed by the Grantee or one or more subrecipients, such as a subgrantee or borrower, or one or more third parties such as a contractor or subcontractor, pursuant to one or more written contracts consistent with this Agreement. When the term "subrecipient" is used herein it shall mean a person or entity that receives a subgrant or loan from the Grantee hereunder to contribute to the achievement of the National Objective set out in Attachment B.
- (B) Liability of Grantee. The Grantee shall remain fully liable and obligated for compliance with this Agreement with respect to each and every use of the VCDP funds subject to this Agreement, notwithstanding the subgranting, lending or contracting with any third party(s). The Grantee shall require any third party to comply with all lawful requirements necessary to insure that the VCDP is carried out in accordance with this Agreement, shall provide a copy of this Agreement to any such third party, and shall, when appropriate, attach and incorporate by reference this Agreement to any governing contract with such third party.
- (C) Public Communication. If the Grantee or Subrecipient issues a press release or public communication pertaining to the project assisted by this Agreement, this shall include a statement that the assisted project is funded by a VCDP grant, awarded by the Agency of Commerce and Community Development, and shall reference the amount shown on the DESCRIPTION OF ACTIVITIES AND BUDGET (Attachment B).

- (D) Documentation. All documents required to be filed with the Agency by the provisions of SPECIAL CONDITIONS (Attachment A) shall become a part of this Agreement. The Grantee understands that the filing of documents with the Agency does not require that the Agency review and comment upon any such documents, nor does the Agency in any way assume such obligation by requiring the filing of such documents. It shall be the Grantee's sole responsibility to take appropriate steps through the negotiation, execution, and, when appropriate, the enforcement, of legally binding agreements to ensure that the obligations of this Agreement are met. Filing of such documents with the Agency or use of model documents provided by the Agency shall in no way diminish Grantee's obligations hereunder.
- (1) Grantee shall have duly adopted municipal policies as set forth below, and shall file copies of such policies with the Agency at the times specified in SPECIAL CONDITIONS (Attachment A):
- (a) **Equal Employment Opportunity**
 - (b) **Fair Housing**
 - (c) **Use of Excessive Force**
 - (d) **Use of VCDP Funds for Federal Lobbying**
 - (e) **Drug-Free Workplace**
 - (f) **Code of Ethics**
 - (g) **Subrecipient Oversight Monitoring Policy**
- The Grantee may have previously adopted the above policies and filed copies of the same with the Agency. No duplicate filing shall be required if Grantee certifies such facts.
- (2) The following forms shall be filed:
- (a) Form PM-1 **Resolution to Accept the Grant Agreement**
- (E) Public Hearing. The Grantee shall hold a public hearing prior to the Completion Date to afford its residents the opportunity to review and comment on the program results and overall performance. The hearing shall be publicly warned at least fifteen (15) days in advance, stating the purpose of the hearing, with the notice appearing in a newspaper of general circulation in the municipality. Written minutes and a summary of public comments shall be filed with the Agency with the Final Program report required under **Paragraph XVII.**

VIII. Program Costs.

- (A) Allowable Costs. The Grantee may incur only such costs as are reasonable and necessary to the Grantee's Program and as are allocable and allowable under the Agency Procedures, Chapters 5 through 7. Expenditures not specifically authorized may not be incurred without prior written approval by the Agency.
- (B) Cash-in Kind. Cash and cash-in-kind contributions made by the Grantee shall follow the criteria established by the Agency Procedures, Chapter 8.
- (C) Impermissible Expenditures Pending Environmental Review. The Grantee shall not incur costs on VCDP activities, except as provided in Subparagraph (D) below, until the Environmental Review required by §104(f) of the Federal Act has been completed and the Agency has issued the "Notice of Release of Funds."
- (D) Allowable Expenditures Pending Grant Agreement. As of the Award Date, reasonable costs may be incurred for Environmental Studies, Planning, General Administration, Program Engineering and Design, Acquisition, and Public Information to the extent they are applicable to this VCDP. Any VCDP activities performed by the Grantee in the period between the Award Date and the execution of this Agreement shall be performed at the sole risk of the Grantee.

- (E) General Administration Costs After Completion Date. VCDP funds may not be obligated after the Completion Date except for those General Administration activities required to prepare the Final Program Report, the Final Audit Report, and the Closeout Agreement.
- (F) Program Costs at Completion. Program Cost obligations incurred prior to, and outstanding as of, the Completion Date shall be paid within thirty (30) days.
- (G) Agency Review of Expenses. At any time during the Period of Performance under this Agreement, or upon receipt of the Final Program Report and the Final Audit Report, the Agency may review any or all costs incurred by the Grantee and any or all payments made. Upon such review the Agency shall disallow any items of expense which are determined to be in excess of approved expenditures and shall inform the Grantee of any such disallowance by written notice.
- (H) Disallowance of Expenses. If the Agency disallows costs for which payment has not yet been made, it shall refuse to pay such costs. If payment has been made with respect to costs which are subsequently disallowed, the Agency may deduct and/or withhold the amount of disallowed costs from any future payments under this Agreement or require that such costs be refunded to the Agency.

IX. Bank Accounts for VCDP Funds.

- (A) Depository Accounts. Funds disbursed pursuant to **Paragraph XI** of this Agreement shall be deposited in a separate, non interest-bearing account, dedicated to VCDP funds, and held in the name of and under the ownership of the Grantee. Any interest earned on funds in the depository account shall be remitted to the State for subsequent return to the United States Treasury. Funds held in the depository account shall be under the control of the Grantee's treasurer, and shall be paid out only on orders drawn by officials authorized by law to draw such orders.
- (B) Other Accounts.
 - (1) Accounts established in the name of the Grantee and into which Program Income or housing rehabilitation escrow funds are deposited shall conform to the requirements of subparagraph (A) of this Paragraph, except that such accounts may be interest bearing.
 - (2) The Grantee shall require that accounts involved with the activities covered by this Agreement which are established by Subrecipients or entities retained for the purposes of administration of this grant be secured as required in **Paragraph IX(C)** of this Agreement.
 - (3) The Grantee shall ensure that persons who are authorized to make deposits into or pay out funds from any of the accounts established under Subparagraph (B)(2) above, have fidelity coverage as required in **Paragraph IX(D)** of this Agreement.
- (C) Depository Institutions. All accounts into which are deposited funds involved with the activities covered by this Agreement shall be held by a financial institution authorized to take deposits in the State of Vermont. All such funds shall be fully insured by the Federal Deposit Insurance Corporation (FDIC) or its equivalent. Any balance exceeding such coverage must be collaterally secured by U.S. Government obligations.
- (D) Fidelity Bond Requirements. All individuals who are authorized to deposit receipts and/or pay out funds from any of the accounts covered by this Paragraph shall have fidelity bond coverage in an amount commensurate with the total losses which might be incurred.

X. Financial Management.

The Grantee shall establish and maintain a system which assures effective control over, and accountability for, all funds, property and other assets used and/or attained under the VCDP. Such system shall:

- (A) Maintain separate accounting records and source documentation for the activities funded under this Agreement and provide accurate financial information in the Progress Reports and any other status reports in the form specified by the Agency;
- (B) Provide for accurate, current and complete disclosure of the financial status of the Program and for the expenditure of any Other Resources listed in the DESCRIPTION OF ACTIVITIES AND BUDGET (Attachment B);
- (C) Establish records of budgets, receipts, and expenditures for each activity and demonstrate the sequence and status of receipts, obligations, disbursements, and fund balance;
- (D) Is consistent with generally accepted accounting principles; and, supports the program and/or single audit(s) requirements set forth in Agency Procedures, Chapter 21.
- (E) Adopt a subrecipient oversight monitoring policy that certifies the Grantee shall be responsible for oversight monitoring of grant funds that are disbursed to a sub-recipient, to ensure the funds are properly managed (See Agency Procedures, Chapter 19)

XI. Requisition of VCDP Funds.

- (A) VCDP funds, in the form of advances and/or reimbursements, may be requisitioned from the Agency. The Grantee shall establish procedures to insure that any amounts of VCDP funds in excess of \$5,000 shall be expended within ten (10) calendar days of receipt in the depository account established in accordance with Paragraph IX(A), and shall ensure that any subrecipient shall conform to such procedures.
- (B) The Grantee shall not requisition VCDP funds for amounts that are withheld from contractors or subcontractors to assure satisfactory completion of the work. These amounts may be requisitioned when the Grantee makes final payment, including the amounts withheld.
- (C) The Secretary may suspend the requisition of advances and require the Grantee to advance funds, should it be determined that the Grantee is unwilling or unable to establish and comply with procedures to minimize the time period between cash advances and disbursement. Payments to the Grantee would then be made only as reimbursement for actual cash disbursements.
- (D) The Grantee shall expend VCDP funds on a pro rata basis with Other Resources, unless otherwise authorized by the Agency.

XII. Procurement Procedures.

- (A) The Grantee may use established procurement procedures which reflect applicable State and local laws and regulations, provided that these procedures meet the requirements of the standards set forth in the Agency Procedures, Chapter 10. This Agreement and the Agency Procedures shall in no way be construed to relieve the Grantee of contractual obligations outside of this Agreement.
- (B) The Grantee shall be responsible, in accordance with good administrative practices and sound business judgment, for the settlement of any contractual or other issues arising out of procurement obligations set forth herein.
- (C) The Grantee and any subrecipient (subgrantee/borrower) shall ensure that each third party recipient (contractor, subcontractor, architect, engineer, etc.) of the funds provided under this *Agreement* is not included on the List of Parties Excluded from

Federal Procurement or Non-Procurement Programs (www.sam.gov) in accordance with Executive Orders 12549 and 12689; nor named on the State's debarment list at: <http://bgs.vermont.gov/purchasing/debarment>

- (D) Compliance with Section 3 of the Housing and Urban Development Act of 1968. Grantee and Subgrantees/Borrowers shall ensure that when employment or contracting opportunities are generated because a Covered Project (for more information on what constitutes a Covered Project see link provided below) or activity necessitates the employment of additional persons or the awarding of contracts for work, preference shall be given to low- and very low-income persons or business concerns residing in the community where the project is located. Additional information on Section 3 compliance can be found at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opportunity/section3/section3.

XIII. Bonding Requirements.

- (A) For construction or facility improvement where the contract is for less than \$100,000, the Grantee may follow established procedures. In the event Grantee has no established procedures in place, the requirements of subparagraph (B) hereof shall be met.
- (B) For contracts or subcontracts exceeding \$100,000, the provisions of the Agency Procedures, Chapter 11 [formerly Category 2, Chapter 51] on bonding requirements shall be followed.
- (C) Where bonds are required, they shall be in such form and amount as determined by the Agency. Said bonds shall be procured from a surety company registered and licensed to do business in the State of Vermont and countersigned by its Vermont registered agent.

XIV. Program Income.

Program Income is all gross income received by the Grantee or a subrecipient and generated by the use of VCDP grant funds. Except as may be provided in SPECIAL CONDITIONS (Attachment A), Program Income and Unrestricted Revenue generated by the use of funds granted pursuant to this Agreement will be administered in accordance with the policies set forth in Agency Procedures, Chapter 22.

XV. Conflict of Interest.

- (A) In the procurement of supplies, equipment, construction, and services by the Grantee, all members of the Legislative Bodies, officers or employees of the Grantee, or their designees, Subrecipients, or agents, or other persons who exercise any functions or responsibilities with respect to the program shall be bound by the provisions of Agency Procedures, Chapters 9 and 10.
- (B) The Grantee shall include or cause to be included, provisions covering conflict of interest consistent with the requirements of this **Paragraph XV** in all contracts with third parties.
- (C) The Grantee shall not employ, nor permit any third party to employ any employee of the Agency.

XVI. Equal Opportunity.

- (A) The Grantee shall not discriminate against any employee, or applicant for employment, because of age, color, handicap, familial status, national origin, race, religion, or sex.

- (B) The Grantee agrees to comply with all of the requirements of 21 V.S.A. chapter 5, subchapter 6, relating to fair employment practices, to the extent applicable, and shall cause the provisions thereof to be included in all contracts with third parties for any work covered by this Agreement so that such provisions will be binding upon such third parties.
- (C) No person shall on the ground of age, color, handicap, familial status, national origin, race, religion, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any of the activities covered by this Agreement.

XVII. Monitoring and Reporting.

- (A) The Grantee shall monitor the activities covered by this Agreement, including those of contractors and subcontractors, to assure that all program requirements are met.
- (B) From time to time, as requested in writing by the Agency, the Grantee shall submit such data and other information as the Agency may require. The Grantee shall submit or cause the submission of progress and financial reports to the Agency in a format prescribed by the Agency and according to the schedule set out in this Paragraph XVII. Failure to report as required or respond to requests for data or information in a timely manner may be grounds for holding the processing of requisitions or for suspension or termination of this Agreement.
- (C) For the first reporting period, submission of the Progress Report to the Agency is due in accordance with the schedule set out in SPECIAL CONDITIONS (Attachment A). For each reporting period thereafter, submission to the Agency is due no later than 30 days following the last day of said period. Any extension of the Completion Date shall extend Grantee's obligation to submit Progress Reports.
- (D) The Final Program Report shall be submitted as the report for the period which ends with the Completion Date. The Grantee shall submit a Final Program Report no later than thirty (30) days following the Completion Date. Evidence of a public hearing held in conformance with **Paragraph VII** of this Agreement shall be filed with the Agency as part of the Final Program Report, which shall consist of, at a minimum, the hearing notice and the minutes taken.

XVIII. Audit(s).

- (A) The Grantee must submit a fully completed and signed Subrecipient Annual Report to the Department of Finance & Management within 45 days after Grantee's fiscal year ends. The form may be downloaded from: <http://finance.vermont.gov>. The report must be completed and signed annually by the Chief Financial Officer, Controller, Business Manager, Treasurer or other person responsible for the financial records of the organization and submitted to the following address: Karen Jaquish, Department of Finance & Management, Financial Operations Division, 109 State Street, 4th Floor, Montpelier, VT 05609-5901
- (B) The Grantee shall arrange for an independent financial and compliance audit (or audits) of the VCDP costs and activities undertaken during the Period of Performance. The audit(s) must include all expenditures related to this Agreement. The audit(s) is to be conducted in accordance with the Single Audit Act of 1984, as amended, OMB Circular No. A-133, and Agency Procedures, Chapter 21, under the Compliance Supplement for the Code of Federal Domestic Assistance (CFDA) 14.228.
- (C) In compliance with the Single Audit Act of 1984, as amended, the Grantee shall determine whether a single audit or a program audit is required. Audits that cover a portion of the Period of Performance, or a portion of all expenditures, are defined as an Interim Audit. A Final Audit is the audit that covers all VCDP grant funds; or if there is an Interim Audit, the audit that covers the balance of any remaining unaudited VCDP funds through the Completion Date, or beyond if necessary.

- (D) Any contract or Agreement entered into by the Grantee and a Subrecipient shall contain language requiring the Subrecipient to comply with the provisions of the Single Audit Act of 1984, as amended.
- (E) If any expenditure is disallowed as a result of any Interim Audit Report(s) and/or Final Audit Report, the obligation for reimbursement to the Agency shall rest with the Grantee.

XIX. Final Drawdown, Final Reports and Completion Certificates.

- (A) All non-general administration costs must be obligated prior to, and shall be paid within (30) days of, the Completion Date.
- (B) The Grantee shall submit to the Agency a Final Program Report and an Interim Audit Report(s) and/or Final Audit Report covering the Period of Performance under this Agreement. Additionally, one copy of all reports shall be maintained with other program documents available for public review, and at least one copy must remain in the Grantee's files.
- (C) Certificate of Program Completion shall be issued to the Grantee when the Agency determines that all required work under this Agreement has been satisfactorily completed, including the execution of a Closeout Agreement if applicable and the submission of the Final Program Report, the Interim Audit Report(s), and/or the Final Audit Report. The Agency must determine that all program and financial compliance issues have been addressed and that the findings and/or concerns, if any, of monitoring reports, program reports, and audit reports have been resolved and cleared in writing.

XX. Retention of and Access to Records.

- (A) Financial records, supporting documents, statistical records, and all other records pertinent to this VCDP shall be retained in accordance with the Agency Procedures, Chapter 3.
- (B) Authorized representatives of the Secretary of the Agency, the Secretary of HUD, the Inspector General of the United States, or the U.S. General Accounting Office shall have access to all books, accounts, records, reports, files, papers, things, or property belonging to, or in use by, the Grantee pertaining to the receipt and administration of Vermont Community Development Program funds, as may be necessary to make audits, examinations, excerpts, and transcripts.
- (C) Any contract or Agreement entered into by the Grantee shall contain language comparable to Subparagraph (B) above so as to assure access by an authorized party(s) to the pertinent records of any subrecipient, contractor, or subcontractor.

XXI. Administrative Sanctions.

- (A) Requisitions subject to compliance with SPECIAL CONDITIONS (Attachment A), will not be processed until the designated documents have been submitted to the Agency and reviewed or approved as required by this Agreement.
- (B) The Grantee shall receive notice from the Agency in the event of a failure to submit a timely progress report. No disbursement of grant funds shall be made if such failure continues after thirty (30) days from the date of notice. The Agency shall, in its discretion, determine whether to disburse funds during the notice period.
- (C) The Grantee shall receive a Notice of Delinquency from the Agency in the event of a failure to submit timely Interim or Final Audits, Final Program Reports, or Closeout Agreement Proposals. The Grantee shall not be eligible for further VCDP funds if such failure continues after thirty (30) days from the date of notice, and, in addition to the remedies provided under this Agreement, may be subject to any action available to the Agency at law or equity.

- (D) Resolution of Monitoring Findings - The Agency shall notify the Grantee of any negative findings identified through monitoring by providing a monitoring letter containing the Agency's "Findings." No further disbursement of grant funds shall be made under this Agreement until the Agency's Findings have been resolved in a manner satisfactory to the Agency. Grantee shall not be eligible for further VCDP funds if such resolution is not achieved within thirty (30) days of the date of the monitoring letter, and, in addition to the remedies provided under this Agreement, may be subject to any action available to the Agency at law or equity.

XXII. Termination for Convenience.

The Agency and the Grantee may terminate the grant in whole, or in part, when agreed that the continuation of the program would not produce the benefits anticipated hereunder, and shall agree upon the termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated. The Grantee shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The Agency may allow full credit for non-cancellable obligations, properly incurred prior to termination.

XXIII. Suspension or Termination for Cause.

- (A) The Secretary may suspend this Agreement, in whole or in part, at any time during the Period of Performance and upon reasonable notice to the Grantee, or withhold further payments or prohibit the Grantee from incurring additional obligations of VCDP funds when it is determined that the Grantee has failed to substantially comply with the conditions of this Agreement or that the continued costs to be incurred will not produce benefits of comparable value. The Secretary shall allow all necessary and proper costs which the Grantee could not reasonably avoid during the period of suspension.
- (B) The Secretary may terminate this Agreement at any time during the Period of Performance, after reasonable notice and opportunity for hearing, when it is determined that the Grantee has failed to substantially comply with the conditions of this Agreement or that the continued costs to be incurred will not produce benefits of comparable value. The Secretary shall promptly notify the Grantee, in writing, of the determination and reasons for the termination, together with the effective date.
- (C) Payments made to the Grantee or recoveries by the Secretary under this Agreement if suspended or terminated for cause shall be in accord with the legal rights and liabilities of the parties.

XXIV. Appeals and Waiver of Enforcement.

- (A) Appeals from the decisions or actions of the Agency may be made to the Secretary through the provisions of the Agency Procedures, Chapter 18.
- (B) No waiver by the Secretary of the right to enforce any provision of this Agreement shall be deemed a waiver of the right to enforce such provision upon subsequent breach or default, nor waiver of the right to enforce any other provision hereof.

XXV. Budget Revisions and Amendments.

- (A) Budget Revisions
- (1) The Grantee may, after first providing written notice and justification to the Agency, make a one-time revision of the amounts listed in the "VCDP Funds" column of the DESCRIPTION OF ACTIVITIES AND BUDGET (Attachment B), provided that
- (i) the aggregate impact is no more than ten (10%) percent of the Total Award, listed as the "Total" item in the "VCDP Funds" column, and

(ii) the Total Award is not increased.

However, there shall be no change to budgeted amounts for General Administration or Program Management Activities without prior written approval of the Agency. Program Management and General Administration activities are indicated by a VCDP Code suffix of "13."

(B) Amendments.

- (1) Any change or deviation from this Agreement not specifically identified in subparagraph (A) hereof, including extensions of time for completion and budget revisions in excess of ten (10%) percent, shall constitute an amendment of this Agreement and shall only be effective when reduced to writing and signed by or on behalf of the Agency and the Grantee. No more than one amendment for changes which in the view of the Agency are not substantial, shall be permissible, and the Agency will not allow any amendment which would substitute the funded activity.
- (2) The Grantee shall notify the Agency if, through the use of Other Resources, there is an intention to expand, enhance, or add to the scope of the program covered by this Agreement, or if there is a proposal to undertake activities that will have an impact upon the buildings, areas, or activities of this VCDP. The Agency reserves the right to require an amendment to this Agreement if such is deemed necessary.

XXVI. No Employee Benefits For Grantee

Grantee understands that the Agency will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation and sick leave, workers' compensation or other benefits or services available to State employees, nor will the Agency withhold any state or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the Grant Agreement. Grantee understands that any tax returns required by the Internal Revenue Code and the State of Vermont, including, but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Grantee, and information as to grant income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes, if required.

XXVII. Insurance

Before commencing work on this Agreement the Grantee must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the Grantee to maintain current certificates of insurance on file with the state through the term of the Agreement. No warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of the Grantee for the Grantee's operations. These are solely minimums that have been established to protect the interests of the State.

Workers Compensation: With respect to all operations performed, the Grantee shall carry workers' compensation insurance in accordance with the laws of the State of Vermont.

General Liability and Property Damage: With respect to all operations performed under the contract, the Grantee shall carry general liability insurance having all major divisions of coverage including, but not limited to:

- Premises - Operations
- Products and Completed Operations

Personal Injury Liability
Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

\$1,000,000 Per Occurrence
\$1,000,000 General Aggregate
\$1,000,000 Products/Completed Operations Aggregate
\$ 50,000 Fire/ Legal/Liability

Grantee shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

Automotive Liability: The Grantee shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than: \$1,000,000 combined single limit. Grantee shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

XXVIII. No Gifts or Gratuities

Grantee shall not give title or possession of anything of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the Agency during the term of this Grant Agreement.

XXIX. Copies

All written reports prepared under this Grant Agreement will be printed using both sides of the paper.

XXX. Certification Regarding Debarment

Non-federal entities are prohibited by Federal Executive Orders 12549 and 12689 from granting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include procurement grants for goods or services equal to or in excess of \$100,000 and non-procurement transaction (grants). By signing this *Agreement*, current Grantee certifies under pains and penalties of perjury that, as of the date that this *Agreement* is signed, neither Grantee nor Grantee's principals (officer, directors, owners, or partners) are listed in the Exclusions portions of the Performance Information in the System for Award Management ("SAM") at www.sam.gov; nor named on the State's debarment list at: <http://bgs.vermont.gov/purchasing/debarment>, that the grantee organization and its principals are not suspended or debarred by GSA from federal procurement and non-procurement programs.

{End of Document}

SPECIAL CONDITIONS

In addition to what are referred to as the **Standard Provisions** of this *Agreement*, the Grantee and the Agency hereby agree to the following Special Conditions:

- (A) Award Date – **October 10, 2014**
- (B) Completion Date - All activities shall be complete by **December 31, 2016**
- (C) Total Award - The total award of VCDP funds shall not exceed **\$475,000**
- (D) Other Resources - Other Resources necessary for the completion of the activities assisted by this *Agreement* are set out in the *Sources and Uses* table in Attachment B of this *Agreement*.
- (E) Definitions - The following definitions shall apply throughout:

Administrator:

Cathedral Square Corporation, 412 Farrell St, Suite 100 South Burlington, VT 05403-4466
(Federal ID # 03-0264362 and DUNS # 098350291)

Housing Vermont, 123 St. Paul Street, Burlington, VT 05401-8411
(Federal ID # 03-0315075 and DUNS # 781703830)

Town of Hinesburg, 10632 Route 116, Hinesburg, VT 05461-8501
(Federal ID # 03-6000511 and DUNS # 602147758)

Program Manager: Housing Vermont and Cathedral Square Corporation

Borrower: Kelley's Field Limited Partnership, 123 St. Paul Street, Burlington, VT 05401-8411 (Federal ID # 47-1267080 and DUNS # 079681280)

Program Income (PI): As defined at 24 CFR 570.489(e)

- (F) In conformance with **Standard Provisions § XVII**, the Grantee shall submit or cause the submission of Progress and Financial Reports to the Agency annually. The First Reporting period shall end **December 31, 2015** and the report shall be due no later than **January 30, 2016**.
- (G) In conformance with **Standard Provision §VII, Obligations of Grantee**, the following documents shall be filed with the Agency at the times specified:
 - (1) Prior to the first requisition of funds under this *Agreement*, as required by **Standard Provision §VII(D)**, Grantee shall provide copies of the management forms and copies of the municipal policies or a certification that said policies previously have been adopted and filed with the Agency.
 - (2) Prior to the first requisition of funds under this *Agreement*, Grantee shall provide evidence of a firm commitment of Other Resources called for by **Section (D)** of **Attachment B**.
 - (3) Prior to the first requisition of funds under this *Agreement*, Grantee shall provide copies of the fully executed contracts for the **General Administration** (Activity # 5013) and

Program Management (Activity #3013) of this grant.

- (4) Prior to the first requisition of funds under this *Agreement*, a copy of the final executed **Loan and Security Agreement** between the Grantee and the Borrower, together with such other documents as may be required to secure compliance with the conditions of the loan. Such Loan and Security Agreement shall require, at a minimum, that Borrower secure its obligations thereunder by providing Grantee a mortgage on the real property.
 - (5) Prior to executing the **Contract for General Administration and Program Management and the Loan and Security Agreement** with the **Administrator, Program Manager, and Borrower**, Grantee shall ensure that the **Administrator, Program Manager, and Borrower** have obtained DUNS numbers with the D&B D-U-N-S Request Service at <http://fedgov.dnb.com/webform/displayHomePage.do> and Grantee shall provide evidence of registration to the System for Award Management ("SAM") at www.sam.gov to the Agency.
 - (6) Prior to the first requisition of funds, the Grantee shall certify to the Agency as to the applicability of the EPA's Lead-Based Paint, Renovation, Repair, and Painting Program Rule (40 CFR 745.80, Subpart E) to the Project described in Attachment B. If said Rule does apply to the Project described in Attachment B, Grantee shall provide the Agency with documentation as to what steps have/will be taken to ensure compliance with the Rule.
 - (7) Prior to the first requisition of funds, certification that all permits needed for the project have been identified and those needed to commence activities have been secured.
 - (8) Within one year of Award Date, a member of the legislative body, municipal CEO, municipal manager/administrator or a municipal designee responsible for housing issues within a municipality such as members of planning commissions, zoning boards of appeal, development review boards or local housing committees, as approved by the legislative body, shall attend an Agency-approved Fair Housing Training.
 - (9) Prior to the first requisition of funds, the Grantee shall provide an opinion of counsel, satisfactory to the Agency, that each of the documents provided pursuant to Paragraphs (G)(3) through (5) hereof is a legal, valid, and binding instrument, enforceable in accordance with its terms; that such documents meet the requirements of this *Agreement* and provide for use of the VCDP funds in compliance with this *Agreement*; and that the **Borrower/Other** has met all conditions required under such documents which must predate the first requisition.
 - (10) Prior to the receipt of Program Income or the Completion Date, whichever is sooner, the Grantee must inform the Agency whether Grantee will be entering into a Closeout Agreement with the Agency or whether it will be assigning the loan to a Non-Profit Community Development Organization approved by the Agency
- (H) The **Administrative Services Contract** between Grantee and Administrator shall carry provisions which incorporate by reference this *Agreement* and include, at a minimum, the applicable provisions of "Sample Contract for Administrative Services" (*VCDP Grants Management Guide*).

- (I) The **Program Management Contract** between Grantee and Program Manager shall carry provisions which incorporate by reference this *Agreement* and include, at a minimum, the applicable provisions of "Sample Contracts for Professional Services" (*VCDP Grants Management Guide*).
- (K) The **Loan and Security Agreement** between the Grantee and the Borrower shall carry provisions which incorporate by reference this *Agreement* and include, at a minimum, the applicable provisions of sample "Loan and Security Agreement" (*VCDP Grants Management Guide*, Chapter 4) and language to provide for the following:
- (1) Require Borrower to certify that, as of the date of execution of the **Loan and Security Agreement** the organization is authorized to do business in the State of Vermont.
 - (1) Require Borrower to certify that, as of the date of execution of the **Loan and Security Agreement**, the organization is in good standing with respect to, or in full compliance with a plan to pay, any and all federal, state and local taxes.
 - (2) Require Borrower to certify that, as of the date of execution of the **Loan and Security Agreement**, the organization is current on or is in full compliance with a plan to pay, any and all financial obligations.
 - (3) Require Borrower to certify that, as of the date of execution of the **Loan and Security Agreement**, the organization is not listed in the Exclusions portion of Performance Information in the System for Award Management ("SAM") at www.sam.gov; nor named on the State's debarment list at: <http://bgs.vermont.gov/purchasing/debarment>.
 - (4) Require Borrower to certify that, as of the date of execution of the **Loan and Security Agreement**, all permits needed for the project have been identified and those needed to commence activities have been secured.
 - (5) Require Borrower to provide a firm commitment of all Other Resources.
 - (6) Require Borrower to secure its obligations hereunder by providing Grantee a mortgage and promissory note on the real property.
 - (7) Require the Borrower to comply with Section 3 requirements in accordance with 24 CFR 135 to provide economic opportunities in connection with this project, to the greatest extent feasible, to low and very low income persons residing within the area in which the project is located and to Section 3 businesses. Section 3 requirements shall be included in bid documents, and "the Section 3 Clause" shall be attached to all contracts executed in connection with this project. For more information and the Section 3 Clause see HUD Regulations.
 - (8) Require Borrower to commit to meet the national objectives called for under the *Federal Act* by:
 - (a) achieving the benefits called for in Attachment B of this *Agreement*, and
 - (b) maintaining documentation as may be necessary to clearly demonstrate that said benefits have been met.
 - (9) Require the Borrower, at a minimum, to secure its obligations under the **Loan and**

Security Agreement by providing a copy of the perfected UCC financing statement(s).

- (10) Contain a provision that for a period beginning with the execution of the **Loan and Security Agreement**, and continuing for its term, Borrower shall obtain, pay for, and keep in force, insurance on the facility assisted using VCDP funds against such risks, in such amounts, and with an insurance carrier as may be reasonably acceptable to Grantee; and that such policy will contain a loss payable clause acceptable to the Grantee; and requiring the Borrower to furnish the Grantee satisfactory evidence of such insurance.
 - (11) Require for a period of five (5) years from the Completion Date, compliance with the provisions of "Change of Use of Real Property," 24 CFR 570.489(j), including that timely notice shall be given to the Grantee and the Agency should there be the anticipation of a sale of all or a portion of the facility assisted using VCDP funds to any person or entity who will use it for any changed purpose, of discontinuance of operation of all or a portion of the facility, or of material alteration or expansion of its purpose or function, including the loss of affordability of the housing units. The Grantee shall have such remedies that are available under the law, up to and including full recovery of the VCDP funds.
 - (12) Require the term of the \$470,000 Loan to be 30 years deferred at 0% interest.
 - (13) Require Borrower to, *at a minimum*, secure its obligations to Grantee by granting Grantee a security interest in the items purchased with the Grant Funds awarded under this **Agreement**.
- (J) In conformance with **Standard Provisions § XIV, Program Income**, any program income generated by VCDP funds will be placed in a Revolving Loan Fund (RLF), managed by the Grantee or its designated regional nonprofit community development organization ("NCDO"), for support of future activities eligible under the Federal Act.
- (1) Said RLF shall, at a minimum, comply with the applicable provisions of the VCDP *Grants Management Guide*, Chapter 14 and Appendix A, Agency Procedures, Chapter 22.
 - (2) Prior to the receipt of Program Income under this **Agreement** or the Completion Date, whichever is sooner, Grantee must inform the Agency whether it will be entering into a Closeout Agreement with the Agency or whether it will be assigning the loan to a certified NCDO, approved by the Agency, which will enter into a new, or amend an existing, Closeout Agreement with the Agency.
 - (3) The use of Program Income from the RLF shall be governed by a Closeout Agreement between the Grantee, or its designated NCDO, and the Agency, as set out below in Paragraph J.
- (L) A **Closeout Agreement** between the Grantee, or its designated NCDO, and the Agency specifying how Program Income is to be used shall be executed prior to the withdrawal or disbursement of funds from the RLF or the issuance by the Agency of a Certification of Program Completion, whichever is sooner. It is understood and agreed that the Federal Act requires that Grantee record, track, and report Program Income for as long as such exists.

- (1) Closeout Agreements shall be in substantially the same form as contained in the Grants Management Guide in effect at the beginning of the Fiscal Year in which it is executed.
 - (2) The return to the Agency of any income generated under a Closeout Agreement, whether as an assessment or as a recapture of inactive funds, shall be governed by the provisions of the *Agency Procedures* in effect at the beginning of the Fiscal Year in which the income is first received.
- (M) The Grantee shall, as part of the Final Program Report, as well as under the Closeout Agreement, secure from the Borrower, on an annual basis, the actual operating statements on the project. These statements will be used for comparison purposes with the assumptions made in the pro-forma Net Cash Worksheet dated March 9, 2015, submitted subsequent to submitting the application, and labeled Kelley's Field.
- (N) Grantee shall comply, and shall require Borrower to comply, with all conditions set forth in the Environmental Review Release Letter dated October 28, 2014, and shall upload documentation demonstrating compliance.

DESCRIPTION OF ACTIVITIES

(A) Project Description:

The Grantee shall **loan** VCDP Funds together with Other Resources, as set out in the *Sources and Uses* to acquire and rehabilitate Kelley's Field, a 24-unit subsidized senior housing development. The \$470,000 loan shall be deferred for 30 years, at 0% interest. Kelley's Field is located at 87 Kelley's Field Road, Hinesburg, VT 05461-9305, less than half a mile from the Hinesburg town center.

Kelley's Field comprises two buildings: one 16-unit building with community space and one eight-unit building. Each apartment is 590 square feet for a total of 14,160 square feet of living space and 1,200 square feet of community space. Two units will have a 3' x 16' addition off the rear to accommodate handicap accessibility requirements. An added office off of the existing mechanical room is also planned to enhance onsite services. The scope of work for the rehabilitation includes new extended roof overhangs, new roof shingles, all new windows, installation of 2" of rigid insulation on the exterior walls, new vinyl siding, minor additions, perimeter slab edge insulation, and removal of two existing underground oil tanks.

The interior work consists of installation of new natural gas boilers for each building, new common area washers and dryers, blown attic insulation to R-60, spray foam insulation of attic perimeter, an improved accessible entrance to the community room, and alterations to two units for handicap accessibility requirements. All units will receive new kitchen cabinets, new appliances, energy efficient lighting, flooring, painting, and electrical code upgrades.

- (1) **Acquisition (Activity # 3001)**—Other resources will be used for the acquisition of 24 units of Section 8 subsidized senior housing known as Kelley's Field. The acquisition includes the existing debt, property appraisal fee, legal fees and a HV acquisition fee.
- (2) **Residential Rehabilitation Multiple (Activity # 3002)**—VCDP funds, together with other resources as set out below at *Sources and Uses*, will be used to rehabilitate 24 units of Section 8 subsidized housing. Rehabilitation includes energy efficiency improvements, ADA accessibility improvements, and exterior and interior repairs.
- (3) **Relocation (Activity # 3008)**—Other resources as set out below at *Sources and Uses*, will be used to relocate up to 6 households during the construction period.
- (4) **Program Management (Activity # 3013)**
Other Resources, as set out below at *Sources and Uses*, will be used for management of this project. Management responsibilities may include, but are not limited to, permit assistance, compliance with procurement standards, contract management, loan processing, loan counseling, site inspections, construction oversight, and coordination with other funding sources.

(B) General Administration (Activity # 5013)

The Grantee shall use VCDP funds, together with Other Resources, as set out in *Sources and Uses*, for the general administration of the grant. General administration responsibilities include, but are not limited to, activities relating to securing release of funds under the

environmental regulations, setting up and maintaining financial management records, completing progress reports, ensuring that the terms and conditions of this *Agreement* are carried out, and for eligible costs of audit.

(C) National Objective

The National Objective will be met by through the preservation and rehabilitation of 24 units of subsidized senior rental housing benefiting up to 24 persons. The breakdown of the 24 units is as follows – 6 of the units will be affordable to households earning between 30% and 50% of median income and 18 units will be affordable to households earning between 50% and 80% of median income.

(D) Sources and Uses

The Other Resources total \$3,699,478, derived as follows:

Other Resources	Type	Amount	Status
Affordable Housing Program Federal Home Loan Bank of Boston (AHP)	Loan	\$300,000	Committed
Efficiency Vermont (EVT)	Loan	\$9,000	Committed
HOME Investments Partnerships (HOME)		\$52,344	Committed
HOME Investments Partnerships (HOME)	Loan	\$172,656	Committed
Low Income Housing Tax Credit (LIHTC)	Equity	\$1,165,800	Committed
VT Center for Independent Living (VCIL)	Loan	\$10,000	Committed
Vermont Housing & Conservation Board (VHCB)	Loan	\$204,000	Committed
Housing & Conservation Board - Feasibility (VHCB-F)	Grant	\$10,000	Committed
Vermont Housing Finance Agency (VHFA)	Loan	\$1,375,000	Committed
Other (Other) - energy (VFEP,CVOEO, VT Gas)	Loan	\$46,678	Committed
Other (Other) - Vermont State Tax Credits	Equity	\$174,000	Committed
Other (Other)	Cash	\$180,000	Committed

Activity	Program Area	Code	VCDP Amount	HOME	VHCB	AHP	LIHTC	EVT	VHFA	Other	VHCB-F	VCIL	Total Activity Costs
Acquisition - Real Property Residential Rehabilitation Multiple	Housing	3001	\$0		\$204,000		\$74,590		\$1,375,000	\$180,000			\$1,833,590
Relocation	Housing	3002	\$470,000	\$172,656		\$300,000	\$598,906	\$9,000		\$46,678		\$10,000	\$1,607,240
Program Management	Housing	3008	\$0				\$56,000						\$56,000
General Administration	Housing	3013	\$0	\$52,344			\$436,304			\$174,000	\$10,000		\$672,648
		5013	\$5,000										\$5,000
Total Costs			\$475,000	\$225,000	\$204,000	\$300,000	\$1,165,800	\$9,000	\$1,375,000	\$400,678	\$10,000	\$10,000	\$4,174,478
Percentage of Total			11%	5%	5%	7%	28%	0%	33%	10%	0%	0%	

(E) Payment Provisions

The Agency will process requisitions on or about the first and fifteenth of the month. Grantee must submit requisitions a minimum of seven (7) business days prior to processing.

Grantee shall submit requisition requests through the Intelligrants Management System to requisition CDBG funds. Supporting documentation must include a cash receipt and disbursement ledger that shows all financial transactions by grant activity (as indicated in the

grant agreement 'Sources and Uses' section and including both VCDP funds and other resources) and an itemized list of all invoices associated with the requisition.

The cash receipt and disbursement ledger should be maintained cumulatively through the course of the project. Actual invoices must be maintained in the grant file and available upon request by staff for review at a monitoring site visit. For reimbursement for Grantee's personnel, the supporting documentation maintained in the grant file must detail the expenditures by identifying the personnel, the time worked, the rate being charged for each individual, and a description of the work that was performed.

(F) Reporting Requirements

The Grantee shall submit Progress and Financial Reports through the Intelligents Management System **annually** to the Agency detailing the status of the Borrower's work and the status of the Project, and in particular the activities described in Paragraph A above. The First Reporting period shall end **December 31, 2015**, and the report shall be due no later than **January 30, 2016**. All subsequent annual reports shall be due no later than thirty (30) days following the end of the year.

The Grantee shall develop an overall financial management system sufficient to demonstrate the tracking of all expenditures and receipts.

Performance Indicators

Activity	National Objective	Performance Indicator(s)	Proposed
Housing - Residential Rehabilitation Multiple	Low & Moderate Income	Number of Units	24
		Number of Households	24
		Number of Low to Moderate Income Households	24
		Number of Persons Served	24
		Number of Low or Moderate Income Persons Served	24

CERTIFICATIONS AND ASSURANCES

The Grantee hereby certifies and assures that Vermont Community Development Program Funds will be utilized in accordance with all the following; to the extent applicable, and that:

Debarment, Suspension, Ineligibility and Voluntary Exclusion from Federal Procurement and Non-procurement Programs

The Chief Executive Officer certifies that the Municipality is not listed in the Exclusions portion of Performance Information in the System for Award Management ("SAM") at www.sam.gov, in accordance with Executive Orders 12549 and 12689; nor named on the State's debarment list at: <http://bgs.vermont.gov/purchasing/debarment>. In addition, it certifies that no awards will be made to any subgrantees/borrowers, or permit any award at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs.

Legal Authority

- (1) It possesses legal authority as defined in the Vermont Community Development Act [10 VSA 29] to apply for and accept the grant and administer the program.
- (2) The legislative body has duly adopted and passed an official act or resolution authorizing the acceptance of and agreement to the conditions and provisions of this *Agreement*, including all understandings, certifications, and assurances contained herein; and designating and authorizing the Chief Executive Officer or designee to execute this *Agreement* and other such documents as may be necessary.

Benefit to Persons of Low and Moderate Income

- (3) It will comply with the provisions of Section 104(b)(3) of the Federal Act which requires the use of funds to be developed to give maximum feasible priority to those activities which will benefit low and moderate income families, or aid in the prevention or elimination of slums or blight or meet other community development needs having a particular urgency.

Citizens Information

- (4) It held at least one public hearing warned at least 15 days prior to obtain the views of citizens on community development and furnished citizens with information required by the Federal and State Acts.
- (5) It prepared statements of community development and housing needs, including the needs of lower income persons and activities to be undertaken to meet such needs, the objectives and the projected use of community development funds, including information on the past use of such funds, if any, and have given affected citizens an opportunity to examine these statements and furnished a copy to the Agency.
- (6) It allowed citizens an opportunity to examine the application and all supporting documentation and to submit comments thereon and will, in like manner,

provide citizen participation when considering substantial program amendments.

Labor

- (7) Will administer and enforce:
 - (a) the Davis-Bacon Act [40 USC 276a et seq.];
 - (b) the Federal Fair Labor Standards Act [29 USC 201 et seq.]; and
 - (c) the Contract Work Hours and Safety Standards Act [40 USC 327-333].
- (8) Will comply with:
 - (a) the Copeland Anti-kickback Act of 1934, [18 USC 874 and 40 USC 276c];
 - (b) Executive Order 11246 (Equal Employment Opportunities) as amended by Executive Orders 11375 and 12086 and the regulations issued pursuant thereto [41 CFR 60]; and
 - (c) Section 3 of the Housing and Urban Development Act of 1968 [12 USC 1701u] as amended, (equal employment and business opportunities) and the regulations at 24 CFR 135.

Environmental and Historic

- (9) The Chief Executive Officer, or other official so designated by the Legislative Body and approved by the Secretary will consent to assume the status of a responsible Federal official under the National Environmental Policy Act (NEPA) of 1969 as amended [42 USC 4321 et seq.] and the regulations found at 24 CFR 58; and the Chief Executive Officer is authorized and consents on behalf of the Applicant and him/herself to accept the jurisdiction of the Federal Courts for the purposes of enforcement of the responsibilities of such official.
- (10) Will ensure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the program are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the Secretary of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.
- (11) Will, in connection with its performance of environmental assessments under the National Environmental Policy Act of 1969, comply with:
 - (a) Section 106 of the Historic Preservation Act of 1966 [16 USC 470];
 - (b) Executive Order 11593 (Protection and Enhancement of the Cultural Environment);
 - (c) the Preservation of Archaeological and Historic Data Act of 1974 [16 USC 469 et seq.]; and

(d) the procedures prescribed by the Advisory Council on Historic Preservation found at 36 CFR 800.

(12) Will comply with:

- (a) the National Environmental Policy Act of 1969 [42 USC 4321 et seq. and 24 CFR 58];
- (b) the Endangered Species Act of 1973, as amended [16 USC 153 et seq. and 10 VSA 4046 and Chapter 123];
- (c) Executive Order 11990, Protection of Wetlands;
- (d) the Fish and Wildlife Coordination Act of 1958, as amended [16 USC 661 et seq.];
- (e) the Fragile Areas Registry Act of 1977 [10 VSA 6551];
- (f) the Safe Drinking Water Act of 1974, as amended by the Safe Drinking Water Act of 1977 [21 USC 349 and 42 USC 210 and 300f et seq.] pertaining to sole-source aquifers;
- (g) the Clean Air Act of 1970, as amended [42 USC 7401 et seq.] and Vermont law [10 VSA 551 et seq.] as amended;
- (h) Executive Order 12088 relating to the prevention, control, and abatement of water pollution and the Federal Water Pollution Control Act of 1972, as amended, [33 USC 1251 et seq.] and Vermont law [10 VSA 1251 et seq. and 18 VSA § 101 et seq.];
- (i) the provisions of Executive Order 11988 as amended, relating to evaluation of flood hazards and with the flood insurance purchase requirements of Section 102(e) of the Flood Disaster Protection Act of 1973 [42 USC 4001 et seq.] and Vermont law [10 VSA 751 et seq. and Executive Order No. 17 of 1978];
- (j) the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 [42 USC 6901 et seq.] and Vermont law [24 VSA 2202a]; and
- (k) noise abatement and control regulations [24 CFR 51]

Relocation and Acquisition

(13) Will comply with:

- (a) the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Properties Acquisition Policies Act of 1970, as amended [42 USC 4601 et seq.], referred to as the "Uniform Act;"
- (b) the implementing regulations of the Uniform Act issued by the Department of Housing and Urban Development (CFR Title 49, Part 24) contained in HUD Acquisition and Relocation Handbook 1378; and
- (c) the requirements of the Vermont Community Development Acquisition and Relocation Policy.

Architecture and Construction

(14) Will comply with:

- (a) Section 302 of the Lead-Based Paint Poisoning Prevention Act, as amended [42 USC 4803(b)];
- (b) the Architectural Barriers Act of 1968 [42 USC 4151] and the rules applicable thereto;
- (c) Section 504 of the Rehabilitation Act of 1973 [29 USC 794]; and
- (d) the provisions of Section 104(b)(5) of the Federal Act which restricts recovery of capital costs by assessing any amount against properties owned and/or occupied by persons with lower incomes.

Equal Opportunity and Fair Housing

- (15) Will affirmatively further fair housing and will comply with Pub. Law 90-284 [Title VIII of the Civil Rights Act of 1968; 42 USC 3601 known as the "Fair Housing Act"], as amended and the regulations issued pursuant thereto [24 CFR 100 to 115].
- (16) Will comply with and will immediately take any measures necessary to effectuate compliance with Pub. L. 88-352 [Title VI of the Civil Rights Act of 1964; 42 USC 2000d] and the regulations at 24 CFR 1.
- (17) Will comply with:
 - (a) Executive Order 11063 as amended by Executive Order 12259 (Leadership and Coordination of Fair Housing in Federal Programs) and the regulations at 24 CFR 100 and 107;
 - (b) Section 109 of the Federal Act [42 USC 5309] and the regulations issued pursuant thereto [24 CFR 570.496(b)];
 - (c) the Age Discrimination Act of 1975 [42 USC 6101 et seq.]; and
 - (d) the Americans with Disabilities Act of 1990 [42 USC 12010-12213; 42 USC 225-611] and the regulations issued pursuant thereto.

Other Requirements

- (18) Will comply with the provisions of the Hatch Act [5 USC 1501 et seq.] which limits the political activities of employees.
- (19) Will provide a drug-free workplace according to the requirements set forth in the Drug Free Workplace Act [Public Law 100-690 Title V, Subtitle D, 41 USC 701 et seq.].
- (20) Will comply with the Single Audit Act of 1984, as amended, OMB Circular No. A-133, and the State of Vermont Administration Bulletin No. 5, Certification of Audit Requirement and Schedule of Federal Expenditures.
- (21) Will comply with the provisions of 24 CFR Part 570.489(h) which govern Conflict of Interest.
- (22) Will comply with the other provisions of The Federal Act [Title I of the Housing and Community Development Act of 1974, as amended; 42 USC 5301 et seq.]; the State Act [10 VSA 29], the Agency Procedures and all other applicable requirements.

EXECUTIVE SUMMARY

State of Vermont
Agency of Commerce and Community Development
Vermont Community Development Program
Standard Grant Agreement
Agreement #IG-2014-Hinesburg-00001

I. PARTIES

This is a Grant Agreement between the State of Vermont, Agency of Commerce and Community Development (the "Agency"), and the Town of Hinesburg with principal place of business at, physical address PO Box 133, 10632 Route 116, Hinesburg, Vermont 05461. The Grantee is required by law to have a Federal ID# 036000511 and DUNS# 602147758.

II. SUBJECT MATTER

The subject matter of this Grant Agreement is to provide a deferred loan to Kelley's Field Limited Partnership formed by Housing Vermont and Cathedral Square Corporation to rehabilitate and preserve 24 units of affordable senior housing in Hinesburg. Detailed services to be provided by the Grantee are described in Attachment B.

III. MAXIMUM AMOUNT

In consideration of the services to be performed by the Grantee, the State agrees to pay the Grantee, in accordance with the payment provisions specified in Attachment A, a sum not to exceed \$475,000.

IV. GRANT TERM

The period of Grantee's performance shall begin on 10/10/2014 and end on 12/31/2016.

V. SOURCE OF FUNDS

Federal 52% Other 48%

VI. FEDERAL AWARD INFORMATION

CFDA Title: Community Development Block Grants/State's program
CFDA Number: 14.228
Project Name: Kelley's Field
Program Year: 2014
Federal Granting Agency: Housing and Urban Development
Research and Development Grant: No

VII. AMENDMENT

No changes, modifications, or amendments in the terms and conditions of this Grant Agreement shall be effective unless reduced to writing, numbered, and signed by the duly authorized representative of the State and Grantee.

VIII. CANCELLATION

This Grant Agreement may be suspended or cancelled by either party by giving written notice at least 30 days in advance in accordance with the applicable terms and conditions included in Standard Provisions – Section V. Distribution of Grant Funds (F), Section XXII. Termination for Convenience, and Section XXIII. Suspension or Termination for Cause.

IX. CONTACT PERSONS

The Grantee's contact person for this award is:

Name: Trevor Lashua

Telephone Number: (802) 482-2281 X221

E-mail address: tlashua@hinesburg.org

Name: Cindy Ried

Telephone Number: (802) 651-0889

E-mail address: reid@cathedralsquare.org

Name: Karen Allen

Telephone Number: (802) 863-8424

E-mail address: karen@hvt.org

X. FISCAL YEAR

The Grantee's fiscal year starts Jul, 1 and ends Jun, 30.

XI. ATTACHMENTS

This Grant consists of 29 pages including the following: Scope of Work to be Performed; Payment Provisions; Customary State Grant Provisions; and Other Provisions in the following attachments that are incorporated herein:

VCDP Standard Provisions

Attachment A – SPECIAL CONDITIONS

Attachment B – DESCRIPTION OF ACTIVITIES AND BUDGET

Attachment C – PERFORMANCE INDICATORS

Attachment D – CERTIFICATIONS AND ASSURANCES

Attachment E – EXECUTIVE SUMMARY

Attachment F – STANDARD STATE PROVISIONS FOR CONTRACTS AND GRANTS

(March 1, 2015, version)

**STANDARD STATE PROVISIONS
FOR CONTRACTS AND GRANTS (3/1/2015 Version)**

1. **Entire Agreement:** This Agreement, whether in the form of a Contract, State Funded Grant, or Federally Funded Grant, represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.
2. **Applicable Law:** This Agreement will be governed by the laws of the State of Vermont.
3. **Definitions:** For purposes of this Attachment, "Party" shall mean the Contractor, Grantee or Subrecipient, with whom the State of Vermont is executing this Agreement and consistent with the form of the Agreement.
4. **Appropriations:** If this Agreement extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this Agreement, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority. In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, and in the event federal funds become unavailable or reduced, the State may suspend or cancel this Grant immediately, and the State shall have no obligation to pay Subrecipient from State revenues.
5. **No Employee Benefits For Party:** The Party understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers compensation or other benefits or services available to State employees, nor will the state withhold any state or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the Agreement. The Party understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Party, and information as to Agreement income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.
6. **Independence, Liability:** The Party will act in an independent capacity and not as officers or employees of the State.

The Party shall defend the State and its officers and employees against all claims or suits arising in whole or in part from any act or omission of the Party or of any agent of the Party. The State shall notify the Party in the event of any such claim or suit, and the Party shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit.

After a final judgment or settlement the Party may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Party shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Party.

The Party shall indemnify the State and its officers and employees in the event that the State, its officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the Party.

7. **Insurance:** Before commencing work on this Agreement the Party must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the state through the term of the Agreement. No warranty is made that the coverages and limits listed herein are adequate to

cover and protect the interests of the Party for the Party's operations. These are solely minimums that have been established to protect the interests of the State.

Workers Compensation: With respect to all operations performed, the Party shall carry workers' compensation insurance in accordance with the laws of the State of Vermont.

General Liability and Property Damage: With respect to all operations performed under the contract, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises - Operations
Products and Completed Operations
Personal Injury Liability
Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

\$1,000,000 Per Occurrence
\$1,000,000 General Aggregate
\$1,000,000 Products/Completed Operations Aggregate
\$ 50,000 Fire/ Legal/Liability

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

Automotive Liability: The Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than: \$1,000,000 combined single limit.

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

8. **Reliance by the State on Representations:** All payments by the State under this Agreement will be made in reliance upon the accuracy of all prior representations by the Party, including but not limited to bills, invoices, progress reports and other proofs of work.
9. **Requirement to Have a Single Audit:** In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, the Subrecipient will complete the Subrecipient Annual Report annually within 45 days after its fiscal year end, informing the State of Vermont whether or not a Single Audit is required for the prior fiscal year. If a Single Audit is required, the Subrecipient will submit a copy of the audit report to the granting Party within 9 months. If a single audit is not required, only the Subrecipient Annual Report is required.

For fiscal years ending before December 25, 2015, a Single Audit is required if the subrecipient expends \$500,000 or more in federal assistance during its fiscal year and must be conducted in accordance with OMB Circular A-133. For fiscal years ending on or after December 25, 2015, a Single Audit is required if the subrecipient expends \$750,000 or more in federal assistance during its fiscal year and must be conducted in accordance with 2 CFR Chapter I, Chapter II, Part 200, Subpart F. The Subrecipient Annual Report is required to be submitted within 45 days, whether or not a Single Audit is required.

10. **Records Available for Audit:** The Party shall maintain all records pertaining to performance under this agreement. "Records" means any written or recorded information, regardless of physical form or characteristics, which is produced or acquired by the Party in the performance

of this agreement. Records produced or acquired in a machine readable electronic format shall be maintained in that format. The records described shall be made available at reasonable times during the period of the Agreement and for three years thereafter or for any period required by law for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved.

11. **Fair Employment Practices and Americans with Disabilities Act:** Party agrees to comply with the requirement of Title 21V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Party shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, as amended, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Party under this Agreement. Party further agrees to include this provision in all subcontracts.
12. **Set Off:** The State may set off any sums which the Party owes the State against any sums due the Party under this Agreement; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.
13. **Taxes Due to the State:**
 - a. Party understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.
 - b. Party certifies under the pains and penalties of perjury that, as of the date the Agreement is signed, the Party is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.
 - c. Party understands that final payment under this Agreement may be withheld if the Commissioner of Taxes determines that the Party is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.
 - d. Party also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Party has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Party has no further legal recourse to contest the amounts due.
14. **Child Support:** (Applicable if the Party is a natural person, not a corporation or partnership.) Party states that, as of the date the Agreement is signed, he/she:
 - a. is not under any obligation to pay child support; or
 - b. is under such an obligation and is in good standing with respect to that obligation; or
 - c. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.

Party makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Party is a resident of Vermont, Party makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

15. **Sub-Agreements:** Party shall not assign, subcontract or subgrant the performance of this Agreement or any portion thereof to any other Party without the prior written approval of the State. Party also agrees to include in all subcontract or subgrant agreements a tax certification in accordance with paragraph 13 above.
16. **No Gifts or Gratuities:** Party shall not give title or possession of any thing of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this Agreement.
17. **Copies:** All written reports prepared under this Agreement will be printed using both sides of the paper.
18. **Certification Regarding Debarment:** Party certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, neither Party nor Party's principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs, or programs supported in whole or in part by federal funds.

Party further certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, Party is not presently debarred, suspended, nor named on the State's debarment list at: <http://bgs.vermont.gov/purchasing/debarment>
19. **Certification Regarding Use of State Funds:** In the case that Party is an employer and this Agreement is a State Funded Grant in excess of \$1,001, Party certifies that none of these State funds will be used to interfere with or restrain the exercise of Party's employee's rights with respect to unionization.
20. **Internal Controls:** In the case that this Agreement is an award that is funded in whole or in part by Federal funds, in accordance with 2 CFR Part II, §200.303, the Party must establish and maintain effective internal control over the Federal award to provide reasonable assurance that the Party is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States and the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
21. **Mandatory Disclosures:** In the case that this Agreement is an award funded in whole or in part by Federal funds, in accordance with 2CFR Part II, §200.113, Party must disclose, in a timely manner, in writing to the State, all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Failure to make required disclosures may result in the imposition of sanctions which may include disallowance of costs incurred, withholding of payments, termination of the Agreement, suspension/debarment, etc.
22. **Conflict of Interest:** Party must disclose in writing any potential conflict of interest in accordance with Uniform Guidance §200.112, Bulletin 5 Section IX and Bulletin 3.5 Section IV.B.

(End of Standard Provisions)