



CITY of NOVI CITY COUNCIL

**Agenda Item 2
November 13, 2012**

SUBJECT: Approve the Program Year 2013 Community Development Block Grant Application in the approximate amount of \$86,923 and authorize the Mayor to sign the Application and Sub-recipient Agreement.

SUBMITTING DEPARTMENT: Finance

CITY MANAGER APPROVAL: 

BACKGROUND INFORMATION: The proposed program year (PY) 2013 planning allocation for the City of Novi is estimated to total \$86,923. **Housing and Community Development (HCD) Committee Recommendation:** Funding requests were reviewed individually by the HCD Committee at their meeting of September 18th. After very thoughtful deliberation, the Committee is recommending the following program allocations for 2013:

Recommended Projects					
CDBG Program Description	Organization Requesting Funding	Description	2012 Allocation Award	2013 Agency Requests	2013 HCD Committee Recommendation
Public Services	HAVEN	Battered and abused spouses	\$ 5,000	\$ 6,000	\$ 5,000
Public Services	Novi Youth Assistance	Specialized counseling and camp scholarships	\$ 7,000	\$ 7,000	\$ 7,000
		Sub-total *	\$12,000	\$13,000	\$12,000 *
Minor Home Repair	City of Novi	Residential repair program for Novi residents	\$74,923	\$74,923	\$74,923
		TOTAL	\$86,923	\$87,923	\$86,923

***The maximum 30% allocation allowed within the Public Service category for 2013 is \$26,077.**

The timeline to submit the 2013 CDBG application to Oakland County is Friday, November 30, 2012.

RECOMMENDED ACTION: Approve the Program Year 2013 Community Development Block Grant Application in the approximate amount of \$86,923 and authorize the Mayor to sign the Application and Sub-recipient Agreement.

	1	2	Y	N
Mayor Gatt				
Council Member Casey				
Council Member Fischer				
Council Member Margolis				

	1	2	Y	N
Council Member Mutch				
Council Member Staudt				
Council Member Wrobel				

CITY OF NOVI
COUNTY OF OAKLAND, MICHIGAN

Approving the 2013 Community Development Block Grant Application

Minutes of a Meeting of the City Council of the City of Novi, County of Oakland, Michigan, held in the City Hall of said City on November 13, 2012 at 7 o'clock P.M. Prevailing Eastern Time.

PRESENT: Councilmembers_____

ABSENT: Councilmembers_____

The following preamble and Resolution were offered by Councilmember _____ and supported by Councilmember _____.

WHEREAS, the Housing and Community Development Committee has recommended a program for the use of 2013 Community Development Block Grant funds, and

WHEREAS, the City of Novi has duly advertised and conducted a public hearing on October 22, 2012, for the purpose of receiving public comments regarding the proposed use of 2013 Community Development Block Grant funds in the approximate amount of \$86,923 , and

WHEREAS, the City of Novi found that the following projects meet the federal objectives of the Community Development Block Grant program and are prioritized by the community as high priority need.

Account #:	Project Name:	Amount:
172160-730137	Public Services – Battered and Abused Spouses	\$ 5,000
172160-732185	Public Services – Youth Services	\$ 7,000
172170-731227	Minor Home Repair	\$ 74,923
Total		\$86,923

NOW THEREFORE BE IT RESOLVED, that the City of Novi hereby authorizes that the 2013 Community Development Block Grant Application in the approximate amount of \$86,923 be approved and submitted for inclusion in Oakland County's Annual Action Plan to the U.S. Department of Housing and Urban Development, and that the Mayor is

hereby authorized to execute all documents, agreements, or contracts which result from this application to Oakland County.

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

Maryanne Cornelius, City Clerk

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Novi, County of Oakland, and State of Michigan, at a regular meeting held this 13th day of November 2012, and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, and that the minutes of said meeting have been kept and made available to the public as required by said Act.

Maryanne Cornelius, City Clerk
City of Novi



MEMORANDUM

TO: NEVRUS NAZARKO, FINANCE DIRECTOR
FROM: MARINA NEUMAIER, ASSISTANT FINANCE DIRECTOR
SUBJECT: 2013 COMMUNITY DEVELOPMENT BLOCK GRANT PUBLIC HEARING INFORMATION
DATE: OCTOBER 12, 2012

10/17/12
To: Mayor & City Council Members
For Public Hearing
on 10/22/12
[Signature]

The proposed Program Year (PY) 2013 Community Development Block Grant (CDBG) planning allocation for the City of Novi is **estimated** to total \$86,923. **Funding requests from outside agencies for public service activities were received totaling \$13,000.** The maximum amount the City of Novi is allowed to allocate directly to the public service program category for 2013 is \$26,077, which represents an increase of \$13,189 from prior years. Below is the history of Oakland County's public service cap policy:

UPDATE - PY 2013 Increase in Public Service Cap. Oakland County is required by the U.S. Department of Housing and Urban Development (HUD) to maintain an overall public service cap of 15%. Dating back to November 1, 1996, Oakland County was allowing participating communities to spend a maximum of 50% of its annual allocation for public service activities and still maintain the overall 15% requirement. This was possible because of the large offsetting Oakland County Home Improvement Program. The impact of the 2000 census was to eliminate the area wide benefit activities for many communities forcing more communities to now allocate funds directly to public service activities. As a result, Oakland County in 2006 changed their policy to only allow participating communities to spend a maximum of 45% of their annual allocation on public services. Because of a severe decrease in the amount of revolving loan fund (RLF) paybacks to the Home Improvement Program, the public service cap was reduced even further by Oakland County to a maximum of 30% of community allocations. Decreases in the amount of revolving loan fund (RLF) paybacks to the Home Improvement Program as well as a 17% reduction in federal funding in PY 2011, caused the public service cap to be reduced even further by Oakland County to a maximum of 15% of community allocations. **Because of the recent addition of the City of Pontiac to Oakland County's list of participating communities, the public service cap was increased this year to a maximum of 30% of community allocations.** The public service category allows the City of Novi to fund programs and services such as Youth Assistance and HAVEN.

Housing and Community Development Committee (HCD) Recommendation: the HCD Committee is represented by six members, five residents and one administrative staff member (Marina Neumaier) in addition to two non-voting student representatives.

Funding requests were reviewed by the Housing and Community Development Advisory Committee at their meeting of September 18th and they are recommending the following program allocations for 2013:

Recommended Projects					
CDBG Program Description	Organization Requesting Funding	Description	2012 Allocation Award	2013 Agency Requests	2013 HCD Committee Recommendation
Public Services	HAVEN	Battered and abused spouses	\$ 5,000	\$ 6,000	\$ 5,000
Public Services	Novi Youth Assistance	Specialized counseling and camp scholarships	\$ 7,000	\$ 7,000	\$ 7,000
		Sub-total *	\$12,000	\$13,000	\$12,000 *
Minor Home Repair	City of Novi	Residential repair program for Novi residents	\$74,923	\$74,923	\$74,923
		TOTAL	\$86,923	\$87,923	\$86,923

*The maximum 30% allocation allowed within the Public Service category for 2013 is \$26,077.

Letters requesting grant funding from HAVEN and Novi Youth Assistance have been included within this packet as additional information.

The Committee agreed to recommend continued funding for both Novi Youth Assistance (NYA) and HAVEN at levels comparable to the current Program Year. Funding dollars allocated to NYA are used to provide direct intervention services for Novi youth and include counseling, enrichment, skill building and academic support to children who are for various reasons deemed to be at “at risk” or whose families have insufficient financial resources to meet their needs for these activities. The broad goals are: 1) to provide scholarships to allow children (who qualify by income) to attend various summer camps according to their individual interest and needs, 2) to enroll qualifying children in programs that increase skills in various areas and 3) to provide tutoring to qualifying children who can benefit from additional academic support.

HAVEN Guidelines for CDBG Communities: Beginning with the 2007 Program Year, Oakland County now contracts directly with HAVEN as a sole source provider on behalf of participating communities. In the past, each community would contract individually with HAVEN. The contract duration period will be one year and at the end of the contract period, any community balance will be expended for the 24-hour crisis hotline. HAVEN has reported last fiscal year a total of 154 Novi residents received direct assistance from HAVEN by way of shelter assistance, crisis intervention as well as services from HAVEN’s Personal Protection Order Office.

Minor Home Repair Program: In addition to our allocation of CDBG funds, Novi offers its residents the ability to participate in the Weatherization Assistance Program (WAP) administered through OLHSA. Novi has **leveraged an additional \$335,163 in weatherization funding for our residents** over and above the CDBG funds. The WAP provides free, grant-funded, energy-related home repairs to all eligible low income households to help lower their utility bills and to improve living conditions. Additional

information regarding this program has been included within this packet as additional information.

The current wait list for the City of Novi Minor Home Repair program continues to grow to a total of **103** Novi residents as of September 12th. The table below reflects funding levels for the Minor Home Repair program since 2009. On average, a minor home repair runs approximately \$3,000 to \$5,000 per unit. We anticipate the need for the Minor Home Repair program to sustain throughout the 2013 grant year.

CDBG Program	Description	2009 CDBG Funding Allocation	2010 CDBG Funding Allocation	2011 CDBG Funding Allocation	2012 CDBG Funding Allocation	2013 HCD Committee Recommendation
Minor Home Repair	Residential repair program	\$106,754	\$73,978	\$73,408	\$74,923	\$74,923

Area-wide Benefit Map: Enclosed with this packet is the current area-wide benefit map as provided by Oakland County which reflects the 2012 low/moderate income block groups from the U.S. Department of Housing and Urban Development. The **Recommended Projects** for 2013 do not include any area benefit type projects such as parks, streets or sidewalk improvements. The projects are strictly city-wide individual income-qualified type projects such as minor home repair or direct benefit projects such as public services which are not dependent on location.

Novi Community Development Block Grant History: Since 2002, the City of Novi has received and **successfully managed over \$1,255,536** in CDBG grant funds.

City of Novi

Community Development Block Grant

	2002 Program Year	2003 Program Year	2004 Program Year	2005 Program Year	2006 Program Year	2007 Program Year	2008 Program Year	2009 Program Year	2010 Program Year	2011 Program Year	2012 Program Year	Total
<i>Project Descriptions:</i>												
Public Services:												
Senior Citizen Center Manager	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 7,000	7,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Senior Van Program	29,874	20,000	25,000	25,000	25,000	25,000	25,000	25,000	15,000	-	-	\$ 214,874
Youth Assistance	5,000	6,000	9,000	11,000	11,000	11,000	11,000	11,000	9,164	7,560	7,000	\$ 98,724
HAVEN	11,000	12,000	15,000	16,000	9,546	9,232	9,232	9,500	6,000	4,950	5,000	\$ 107,460
Novi Lions Club eBlind	-	-	-	2,900	-	-	-	-	-	-	-	2,900
Sub-total	54,874	47,000	58,000	63,900	52,546	52,232	45,232	45,500	30,164	12,510	12,000	473,958
Minor Home Repair	54,875	62,749	76,143	63,928	64,223	63,839	66,758	106,754	73,978	73,408	74,923	781,578
Grand-total	\$ 109,749	\$ 109,749	\$ 134,143	\$ 127,828	\$ 116,769	\$ 116,071	\$ 111,990	152,253.83	104,142	\$ 85,918	\$ 86,923	\$ 1,255,536



Outside Agency Requests



Novi Youth Assistance



Novi

Strengthening Families
Through Community Involvement

OFFICE

45175 Ten Mile Road
Novi, MI 48375-3024

TELEPHONE

(248) 347-0410

FAX

(248) 347-0552

EMAIL

nya@cityofnovi.org

SPONSORED BY:

Oakland County
Circuit Court-Family Division
City of Novi
Novi Community Schools

STANDING COMMITTEES

- Board of Directors
- Family Education
- Scholarships
- Camp
- Mentors Plus
- Public Relations
- Youth Recognition
- Fund Raising
- Teen Center
- Alcohol/Drug Awareness

**PROFESSIONAL
COUNSELING
TO YOUTH AND
THEIR FAMILIES**

NOVI YOUTH ASSISTANCE

August 24, 2012

Housing and Community Development Committee
City of Novi
45125 W. Ten Mile Road
Novi, MI 48375

Dear Committee Members:

Novi Youth Assistance has received and utilized CDBG funding for moderate, low income and special needs youth since 1994. With continuing community support we have consistently honed our ability to identify at risk children who would benefit from recreational, educational and supportive programming. Once again this year, overall grant opportunities were reduced. In spite of this, we still insured a summer recreation program for Novi children at our own expense. Nonetheless, this along with a significant increase in requests for services has regrettably left us struggling, once again, to assist all applicants. As the sole local organization that can regularly provide comprehensive and varied scholarship opportunities within the City of Novi, we continue to find that demand is outpacing donations received. While we have made internal adjustments to stretch our monies as best we can, continued and increased CDBG funding is vital if we are to continue providing programming in 2013-2014 to our most vulnerable community members.

Due to the on-going economic downturn we are seeing record number of families requesting assistance. This trend is ever-increasing as a number of residents are struggling to provide the basics for their families. This then, inevitably eliminates any options to offer their children positive, healthy activities. Many of these children are then left with unscheduled time which leaves them at risk which, in turn, affects our community as a whole.

Historically, Novi Youth Assistance has been there to provide for those in need when there have been no other options. We continue to strive to do so. The benefit of offering summer programs, skill building activities and other supportive programming is demonstrated over and over again as we see these children move through the schools and community successfully. Therefore, in response to today's economic climate and rising costs, as well as demand for programming and decrease in other funding, Novi Youth Assistance respectfully requests that the members of the CDBG committee consider granting funds for the 2013 budget year in the amount of \$7,000.00.

Sincerely,

Tom Swieboda
Novi Youth Assistance Caseworker

The Circuit Court-Family Division for the County of Oakland does not discriminate on the basis of disability in admission or access to its programs, activities, or services as required by Title II of the Americans with Disabilities Act of 1990. The Circuit Court-Family Division is An Equal Employment Opportunity Employer.

HAVEN



August 20, 2012

Marina Neumaier
City of Novi
45175 W. Ten Mile
Novi, MI 48375

Dear Ms. Neumaier:

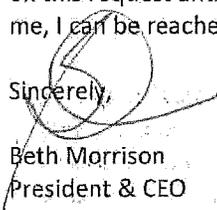
Violence in families is everywhere, crossing racial, ethnic, cultural, social and economic boundaries. The impact of this violence invades our schools, places of worship, offices, businesses, factories and throughout our neighborhoods. Human beings, both young and old, are being harmed physically, sexually and emotionally and this violence may be creating lifelong patterns of ongoing abuse in youngsters as they move into adulthood. We all pay the cost for the horrible crimes of domestic violence and sexual assault either in real dollars or in diminished potential of human and community life.

Since 1982, HAVEN has been dedicated to building violence-free communities where everyone can live without fear. HAVEN maintains a 24-hour emergency shelter exclusively for domestic violence victims and their children and sexual assault survivors who are afraid to stay in their own homes. HAVEN offers counseling and education that help families stop the violence, begin the process of healing, and create the hope that their future will be free from abuse. The agency steps out into the community – over the phone, in courtrooms, police stations, hospitals, schools, the workplace, and at community meetings – to provide crisis intervention and education to help victims and families prevent violence in future generations. HAVEN staff manages a Personal Protection Order office exclusively for victims of domestic violence and sexual assault located in the Circuit Court system, helping victims with the creation and filing of Personal Protective Orders, at no charge, as the first step in their safety plan.

HAVEN through its comprehensive work serves to break the silence that has kept the crimes of domestic violence and sexual assault behind closed doors. This silence has only served to allow these crimes to flourish. From July 1, 2011 through June 30 2012, 154 individuals were seen within our programs and 46 crisis calls were received from families in the City of Novi who took the first step to break their own silence by contacting HAVEN. The agency is again reaching out to you for support of our work with an even greater need as we assume the burden of increased clientele and additional staff to maintain these vital services. We ask that you continue to support these families through a Community Development Block Grant of \$6000 for fiscal year 2013-2014. Please remember that the federal government presumes that domestic violence victims are considered to be low income and therefore qualify for inclusion in block grant public service requests.

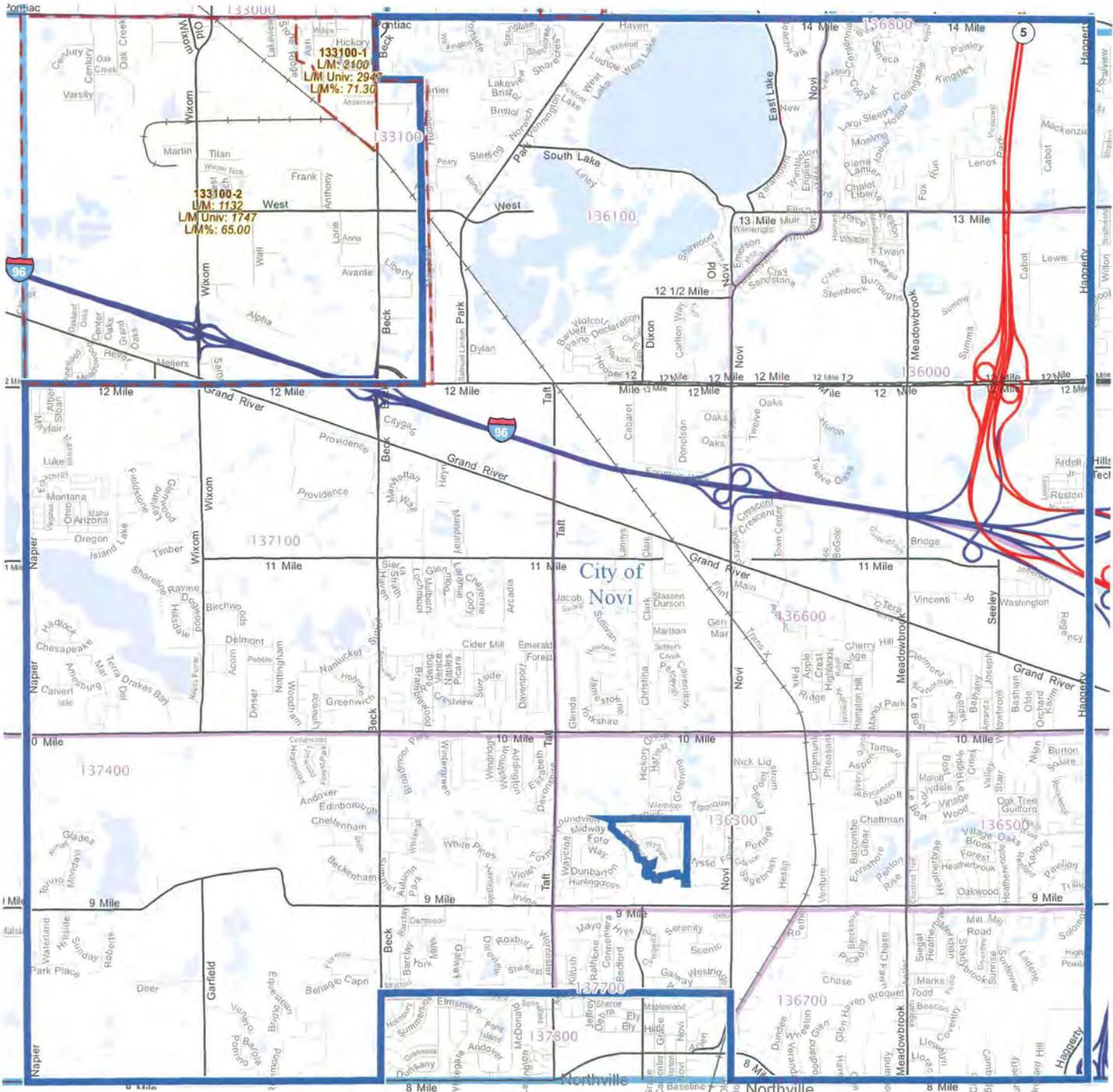
HAVEN looks forward to the opportunity to meet with you this year to provide further information on this request and answer any questions you may have. In the meantime, if you wish to speak with me, I can be reached at (248) 334-1284 ext. 240. Thank you.

Sincerely,


Beth Morrison
President & CEO



Area-wide Benefit Map



Area-wide Benefit Map City of Novi

- Legend**
- Eligible Area-wide Benefit Block Groups
 - Community Boundary (highlighted)
 - Community Boundary (adjacent)
 - Census Tract
 - Railroads
 - Lakes

1 inch = 4,477 feet

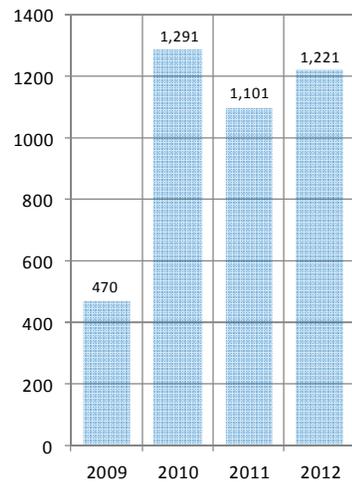
This Census Block Group map reflects 2012
 LMISD data from the U.S. Department of
 Housing and Urban Development.



Weatherization Assistance Program

A Community Action Agency

Households Weatherized

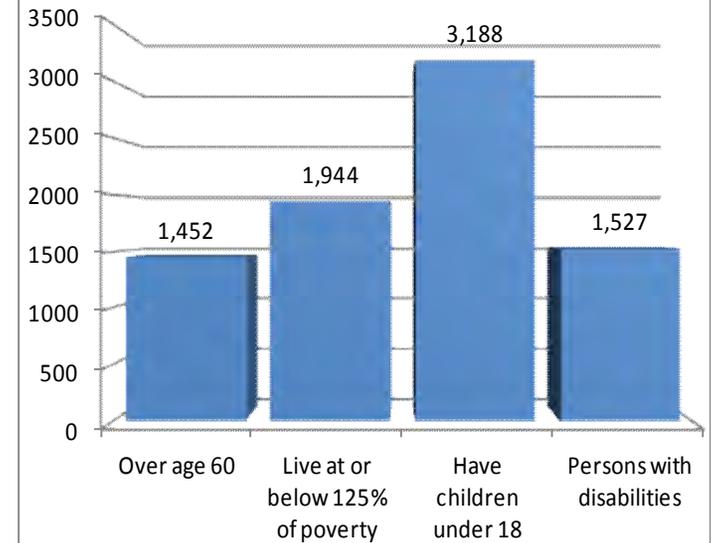


Weatherization Impact on Households in Oakland and Livingston Counties April 2009-September 2012 *

Houses/Units Weatherized	3,967	\$14,168,499.69
Furnaces Installed	802	\$2,026,294.50
Hot Water Heaters Installed	372	\$467,422.69
CFLs Installed	45,857	\$458,572.00
Refrigerators Installed	1,204	\$621,867.00

*Most households received more than one measure

Who We're Serving



Funding Sources

	DOE	ARRA	SERC	EO	Total \$
2009/2010	\$964,391	\$5,562,868	\$0	\$ 45,293	\$6,572,552
2010/2011	\$1,173,296	\$5,562,868	\$3,765,368	\$ 181,837	\$10,683,369
2011/2012	\$642,676	\$5,562,868	\$0	\$ 209,706	\$6,415,250
2012/2013	\$509,432	\$284,800	\$0	\$ 30,454	\$824,686



OCTOBER IS WEATHERIZATION MONTH!

In this year's Weatherization Month Proclamation, Governor Snyder highlights the reasons why Weatherization works and why the federally funded Weatherization Assistance Program (WAP) is critical to Michigan:

- Average low-income family spends 20-40% of earnings on utility bills
- Weatherization Assistance Program measures reduce energy use, lower utility bills, and
- Allow families to spend money saved on groceries and other needs



Weatherization Works!

The low-income Home Weatherization Assistance Program is a FREE service funded by the Federal Department of Energy (DOE) and administered by the Michigan Department of Human Services (DHS). The program provides free energy conservation services for eligible low-income households. DHS contracts with Oakland Livingston Human Service Agency (OLHSA) to operate the program. The Agency determines applicant eligibility, performs the necessary inspections and contracts with qualified, licensed and insured private contractors to complete the work. Their services reduce energy use and lower utility bills, thus creating more self sufficient households.

Energy savings services may include:

- Combustion appliance testing
- Installing ceiling insulation/ventilation
- Sidewall and floor insulation
- Interior sealing of major cold-air infiltration areas, utilizing blower door technology

Eligibility

- Families and individuals who are interested in having their home weatherized must meet current federal income guidelines, which includes the gross income of everyone residing in the home at the time of application
- Recipients of FIP, SSI or SDA who have received benefits during any part of the past twelve months are automatically eligible
- Applications must be residents of Oakland or Livingston County

How to Apply

- You must contact OLHSA to apply for services
- All applicants must provide proof of income for the previous three months
- Proof of income could include one or more of the following items:
 - "Award" letter from Social Security
 - Pay stubs with year to date totals
 - Letter from applicant's employer
 - Unemployment check stubs
 - Most current W-2 or 1040 tax statement

Homeowner must provide one of the following pieces of documentation:

- Recorded deed with name and address
- Recorded land contract

Mobile home owner must provide:

- Title with applicant's name

Renters must have landlord:

- Complete and sign landlord agreement
- Provide proof of ownership (see homeowner above)
- Provide rental or lease agreements signed by both landlord and applicant

For more information on the Weatherization Program, please visit www.olhsa.org or call 248-209-2600 or 517-546-8500.



Oakland Livingston Human Service Agency
Community Action Since 1964
Helping People. Changing Lives.

Weatherization Works

FREE Program

**Save money &
Lower your utility bills!**

OLHSA's Weatherization Assistance Program:

- Serves income eligible families free of charge
- Makes your home more energy efficient
- Increases home safety
- Employs local contractors and inspectors
- Provides referrals to other FREE Community Action programs

Energy efficiency measures may include:

- Home energy audits
- Wall insulation
- Attic insulation and ventilation
- Floor/foundation insulation
- Air leakage reduction
- Furnace repair or replacement
- Other energy saving measures

Improve the energy efficiency of your home today!

**To see if you qualify, contact the
OLHSA Energy Services
248-209-2600 or 517-546-8500
or visit www.olhsa.org**



Oakland Livingston Human Service Agency
A Community Action Agency Since 1964
Helping low-income people become self-sufficient
"Equal Opportunity Employer/Program"



Weatherization Works for Us!



"We now have hot water and for this alone we owe all much appreciation. Boiling water on the stove to wash dishes and fill the bath was wasteful and could only lead to an accident someday"

Thankful Recipient, Oakland County

"I just had to thank you again for weatherizing my home. The neighbors burned leaves and branches and for the first time ever, the smoke did not get into my house. Thank you from the bottom of my heart."

Mary, Hamburg

"It has made a big difference in the comfort of my home, and I can't wait to see a reduction in heating and cooling bills as well, which will be very welcome."

Nathaniel, Oakland County

"I want to thank all of you at OLHSA for helping me, and especially for the new refrigerator. God Bless you all."

Elizabeth, Brighton

"How blessed I am with the new windows, vents, weather stripping, duct sealing, furnace inspection, plus the water heater and new fridge. By God's grace and the goodness of OLHSA, I am extremely blessed and looking forward to a more cozy winter. Again, thank you so very, very much."

Lorraine, Oxford

"The weather stripping, door brushes, the dryer vent, and the storm windows are also already a great cost help and I'm sure will lower the cost of my budget plan with consumers. It's a win-win situation."

David, Holly

"Thank you with all my heart OLHSA for providing me with free insulation, vents, and new doors for the home I lived in 64 years. I am a widow 87 yrs old and moved here to Royal Oak when I was 23. Where have the years gone? I raised 4 children in this house. I would not have been able to afford the above services. From my heart, thank you."

Blanche, Royal Oak

PY 2013 CDBG APPLICATION

Part 1 - One per Application

Applicant Information

Date of Submission:	November 14, 2012
Community applying for funds:	City of Novi
PY 2013 Total CDBG Planning Allocation:	\$86,923
DUNS #:	944350321
EIN/TIN #:	
Does your community expend \$500,000 or more per year in federal funds?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Contact Information

Contact Person:	Marina Neumaier
Title:	Assistant Finance Director
Email:	mneumaier@cityofnovi.org
Telephone:	248-347-0468
Address:	45175 W 10 Mile
City/Township/Village:	Novi
Zip Code:	48375

Authorized Signature

Authorized Official:	Robert J. Gatt
Authorized Official's Title:	Mayor
Signature of Authorized Official:	

PY 2013 Proposed Projects

PY 2013 CDBG Project Allocations:	
Ex. Project # <u>1</u> Account # <u>730535</u> Allocation: \$ <u>2,500</u>	
Project # <u>1</u> Account # <u>731227</u>	Allocation: \$ <u>74,923</u>
Project # <u>2</u> Account # <u>732185</u>	Allocation: \$ <u>7,000</u>
Project # <u>3</u> Account # <u>730137</u>	Allocation: \$ <u>5,000</u>
Project # <u> </u> Account # <u> </u>	Allocation: \$ <u> </u>
Total # of Projects:	Three
# of Public Service Projects:	Two
Public Service %:	14%

**Program Year 2013 Community Development Block Grant (CDBG)
Subrecipient Agreement Between the
County of Oakland and the City of Novi**

INTRODUCTION

This agreement is entered into by and between the County of Oakland, a Michigan constitutional corporation (herein called the "Grantee"), and the City of Novi (herein called the "Subrecipient") in accordance with Community Development Block Grant (CDBG) regulations at 24 CFR 570.503. The Grantee is designated as an Urban County entitlement community and has applied for and received funds from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383. As an entitlement community the Grantee has received an entitlement of CDBG funds for the program year (PY) 2013 period beginning May 1, 2013 and ending April 30, 2014. The Grantee has the right and authority under said CDBG Program to allocate a portion of its funds to the Subrecipient for purposes of administering eligible activities. It is the purpose and intent of this Subrecipient Agreement to enable the Grantee to pass the responsibility and CDBG funds to the Subrecipient to carry out the project(s) described in the PY 2013 CDBG application which was approved and funded by the Grantee as the grant. The following statements and provisions are acknowledged and agreed upon by and between the parties.

I. TIME PERIOD

This agreement shall go into effect on the day that PY 2013 CDBG funds are released to the Subrecipient for expenditure and will remain in effect until either (A) all PY 2013 CDBG funds are expended and the seven-year record retention period has expired as specified in Section IV of this agreement, or (B) the community terminates participation in the CDBG program at the end of a given three-year cooperative agreement period and the seven-year record retention period has expired as specified in Section IV of this agreement, or (C) at the expiration of any additional period specified in the body of this agreement, whichever is longer.

II. STATEMENT OF WORK

The Subrecipient Project Summary as contained in the Grantee approved PY 2013 CDBG application to the U.S. Department of Housing and Urban Development (HUD) and any changes to the project summary through grantee approved reprogramming shall constitute the CDBG statement of work as attached. The specific activities, scope of work, national objective identifications, eligibility determinations, budget, levels of accomplishment, project schedule and goals and performance measures are specified in the Subrecipient PY 2013 Project Summary as attached.

The Subrecipient shall assign and maintain personnel to administer CDBG activities and expend funds. The Grantee shall monitor the performance of the Subrecipient against CDBG goals and performance standards and federal CDBG regulations.

III. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570, the U.S. Housing and Urban Development regulations concerning CDBG as applicable. The Subrecipient further agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this contract.

B. Relationship of Grantee and Subrecipient

For purposes of this agreement, the relationship of the Subrecipient to the Grantee shall be that of two independent governmental entities. No partnership, association, or joint enterprise shall arise between the parties hereto as a result of any provision of this agreement except as specified in the 2012-2014 Cooperative Agreement, as renewed, already executed between the Subrecipient and the Grantee, nor shall any provision herein be construed as making an employee of the Subrecipient an agent or employee of the Grantee.

C. Hold Harmless

The Subrecipient shall indemnify, defend, and hold harmless the Grantee, its officials, volunteers, boards, commissions, and agents against any and all expense and liability arising from any act, omission, or negligence of the Subrecipient. In the event the Subrecipient becomes involved in, or is threatened with, litigation relative to the CDBG program, the Subrecipient shall immediately notify the Grantee through the Manager of Community & Home Improvement and the Grantee may enter into such litigation to protect the interests of the Grantee as they may appear.

D. Workers' Compensation

The Subrecipient shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement.

E. Insurance & Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage.

F. Notification of Legal Action

The Subrecipient shall notify the Grantee, through the Manager of Community & Home Improvement, in writing, of its intent to pursue a claim against the Grantee for breach of any of the terms of this agreement. No suit may be commenced by the Subrecipient for breach of this contract prior to the expiration of ninety days from the date of such notification. Within this ninety-day period, the Subrecipient, at the request of the Grantee, must meet with an appointed representative of the Grantee for purposes of attempting to resolve the dispute.

G. Amendments

The Grantee or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and are approved by the Grantee. Such amendments shall not invalidate this Agreement, nor relieve or release the Grantee or Subrecipient from its obligations under this Agreement.

The Grantee may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as a part of this Agreement, such modifications will be incorporated only by written amendment signed by both Grantee and Subrecipient through the Grantee's Reprogramming Process.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the Grantee may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any term of this Agreement. Written suspension or termination notice will be sent to the Subrecipient by the Grantee to the Subrecipient's business address. The Subrecipient's termination of its participation in the CDBG program at the end of a given three-year cooperative agreement period or its suspension or termination by the Grantee or HUD for program noncompliance does not relieve it of the obligations concerning Reversion of Assets (see Section IV), nor the requirements of Record Retention (see Section IV), nor of being monitored and/or audited by Oakland County or HUD regarding the Community's CDBG program performance prior to termination or suspension.

IV. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Subrecipient shall administer its program in conformance with applicable requirements of OMB Circular A-87 "Cost Principles for State and Local Governments", OMB Circular A-133 "Audits of States and Local Governments and Non-Profit Organizations" and 24 CFR 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments".

B. Documentation and Record Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to: records providing a full description of each activity undertaken; records demonstrating each activity undertaken meets a national objective of the CDBG program; records required to determine the eligibility of activities; records required to document acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance; records documenting compliance with the fair housing and equal opportunity components of the CDBG program; financial records as required by 24 CFR 570.502 and 24 CFR 84.21-28; beneficiary reports, performance data and other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Retention

The Subrecipient shall retain all CDBG project and financial records, supporting documents, statistical records and all other records pertinent to the Agreement for a period of seven years after the Grantee has issued the final payment for the project and closed all pending matters related to the Subrecipient's grant in that program year. Records for nonexpendable real property purchased with CDBG funds must be retained for seven years after its final disposition. If any litigation, claim or audit is started before the expiration of the seven year period, then records must be retained for seven years after the litigation, claim or audit is resolved.

3. Disclosure

CDBG records are public to the extent allowed by State and Federal Freedom of Information Act laws. Client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the Grantee's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited unless written consent is obtained from such client or guardian.

4. Monitoring, Audits and Inspections

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the Grantee, grantor agency, and the Comptroller General of the United States or any of their authorized representatives, at anytime during normal business hours, as often as deemed necessary, to monitor, audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 60 days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The Subrecipient shall also comply with the provisions of the Single Audit Act of 1984, if applicable.

C. Reporting and Payment Procedures

1. Program Income

The Subrecipient will remit to the Grantee any and all CDBG program income received during PY 2013, from whatever program year's funding generated, to the Grantee upon its receipt by the Subrecipient. The Grantee shall hold these funds for the remainder of the 2013 program year and re-issue these funds to the Subrecipient in PY 2014 as an addition to its PY 2014 formula allocation or under a separate release of funds process as mutually agreed by the Subrecipient and the Grantee, unless the Grantee, for good cause, shall in writing inform the Subrecipient that it shall not have the program income returned and the reasons why it shall not be returned.

2. Payment

The Grantee will pay to the Subrecipient funds available under this Agreement based upon information submitted by the Subrecipient and consistent with any approved budget and Grantee policy concerning payments. Payments will be made for eligible expenses actually incurred by the Subrecipient, and not to exceed the total grant amount delineated in the Subrecipient's PY 2013 Project Summary. Drawdowns for the payments of eligible expenses shall be reimbursed to the Subrecipient against line item budgets specified in the PY 2013 Project Summary and in compliance with supporting financial and performance documentation required by the Grantee.

3. Progress and Performance Reports

The Subrecipient shall report on its progress or performance to the Grantee in the form, content and frequency as required by the Grantee.

D. Procurement

The Subrecipient shall comply with current Grantee procurement policies concerning the purchase of goods and services to facilitate fair and open competition and shall maintain inventory records.

All persons, agencies, suppliers, organizations, etc. hired by the Subrecipient to carry out activities funded in whole or in part with CDBG funds are vendors or contractors, not subrecipients or subgrantees. All procurement and other requirements as they relate to contractors apply. The Subrecipient must have written agreements with all contractors. The Subrecipient may not subgrant CDBG funds to any person or non-profit or private for-profit organization or agency.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement shall be in compliance with the Requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503 and 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient shall transfer to the Grantee any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation or termination.
2. At the termination of the Subrecipient's participation in the CDBG program, or at the point of converting real property acquired or improved with CDBG funds in excess of \$25,000, to a use inconsistent with one or more objectives of the CDBG program, there shall be a reversion of assets. In the case of a conversion to a non-eligible use, the Subrecipient will pay the Grantee an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of or improvement to the property. Such payment shall constitute program income in accordance with the Grantee's program income policy. If the Subrecipient terminates its participation in the CDBG program, then all real property acquired or improved with CDBG funds must meet one or more objectives of the CDBG program for a period of five years after the official termination. If the property will not be used to meet one or more objectives of the CDBG program, the Subrecipient must pay the County an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of or improvement to the property.
3. In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that CDBG funds were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement shall be transferred to the Grantee for the CDBG program or retained after compensating the Grantee (an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment).

V. OTHER PROGRAM REQUIREMENTS

The Subrecipient shall carry out its CDBG activities in a manner consistent with the requirements contained in the three-year Cooperation Agreement between the Grantee and the Subrecipient for program years 2012 through 2014, as renewed, with the applicable statutes and regulations governing the Consolidated and Annual Action Plans as authorized by the Oakland County Board of Commissioners, and under Subpart K of the CDBG regulations at 24 CFR Part 570, with the exception of the CDBG environmental review responsibilities, which shall be borne by the Grantee using information and/or reports provided by the Subrecipient in accordance with the CDBG environmental review process. CDBG compliance requirements address civil rights laws; non-discrimination in providing services, employment and contracting opportunities; affirmative action; prohibited political, religious and lobbying activities; and conflict of interest, copyright and labor standards.

VI. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

IN WITNESS WHEREOF, the authorized representatives of the County and the Community have signed this agreement below, and agree to abide by all terms as set forth herein.

County of Oakland by

City of Novi by

County Executive

Highest Elected Official

Date _____

Date _____

Witnessed By

Witnessed By

Date _____

Date _____

The Subrecipient Agreement is subject to the terms and conditions of the Grant Agreements as approved by the Oakland County Board of Commissioners by resolution on file with the Oakland County Clerk.