



HUD Project ID #68
\$105,000.00
BEACONS & BRIDGES

City of Jonesboro CDBG AGREEMENT

SUBRECIPIENT AGREEMENT BY AND BETWEEN THE CITY OF THE CITY OF JONESBORO AND BEACONS & BRIDGES OF THE CITY OF JONESBORO.

THIS AGREEMENT made and entered into by and between the City of Jonesboro, Arkansas (hereinafter referred to as the Grantee) and **Beacons & Bridges** (hereinafter referred to as the Subrecipient).

WHEREAS, the Grantee has applied for and received funds from the United States Government under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383; and

WHEREAS, the Grantee wishes to engage the Subrecipient to assist the Grantee in utilizing such funds;

NOW THEREFORE,

It is agreed by the parties in exchange of the mutual covenants and agreements set forth herein:

I. SCOPE OF SERVICE

- A. Subrecipient shall use the funds for the acquisition of land to build approximately 5-7 units of affordable owner occupant housing units. The location of said properties shall be within the specified block groups (see attached) designated as City of Jonesboro CDBG low and moderate income areas with a preference for low and very low income areas. The City of Jonesboro, Community Development Department will approve land selection prior to negotiation for purchase.
- B. Subrecipient shall affirmatively market and sell the units to eligible low-income homebuyers. Low-income is defined as having income at or less than eighty percent (80%) of median family income, as determined by the guidelines issued by the Department of Housing and Urban Development, adjusted for family size, based on the total current annual household incomes. The current income levels for Jonesboro are contained in Attachment A dated 2006. The new income levels are anticipated to be recalculated by the Department of Housing and Urban Development in March 2007 and each March thereafter that the program is in existence. Once the new income levels have been transmitted to Subrecipient by the Grantee, the agreement shall be automatically deemed to be amended with the income limits or in the future as long as this Agreement is in effect.
- C. Subrecipient shall complete the property acquisition project within one (1) year from the date this agreement is executed, unless a time extension is requested by Subrecipient in writing and granted by the Grantee in writing. Marketing to owners shall continue until the project is fully occupied or within four (4) years of the date of this Agreement. Any such time extension shall be attached to and made a part of this Agreement.

II. PROJECT FUNDING

A. The Grantee hereby approves CDBG Program funding in the amount of \$105,000.00, as the Subrecipient shall use the funds for the land acquisition for the construction of approximately 5-7 affordable housing units. The Subrecipient will utilize mixed financing for the development of the homes to include but not limited to Bonds, State HOME Funds, Federal Home Loan Bank, and conventional financing. Construction of the units shall be completed within three (3) years of the agreement date, unless an amendment is requested and approved by the Grantee.

B. BUDGET

The Subrecipient shall comply with the following single line item budget:

| <u>Line Item</u> | <u>CDBG Amount</u> |
|-----------------------|--------------------|
| Land Acquisition Only | \$105,000.00 |

C. Subrecipient shall ensure CDBG funds provided under this agreement will be requested for disbursement only in required amounts and as needed for payment of eligible costs. Payments will be made by the Grantee for eligible expenses actually incurred by Subrecipient, and will not exceed actual cash requirements. The Grantee reserves the right to liquidate funds available under this Agreement for eligible costs incurred by the Grantee on behalf of Subrecipient to complete the project.

D. The full amount of CDBG funds, \$105,000.00 to be released as earned by verified performance of activities to be completed under this agreement, as determined by the Grantee.

E. It is expressly agreed and understood that the total amount of funds to be paid to Subrecipient by the Grantee under this agreement shall not exceed \$105,000.00 for the CDBG Program.

F. If for any reason, any term of this agreement is breached by Subrecipient, the Grantee may require full repayment of any amounts advanced under this agreement pursuant to Section VII H., Suspension or Termination, plus the differential in the amounts advanced and the current appraised value of the land.

G. This project will not generate project proceeds/program income but is a developer subsidy.

III. AFFORDABILITY

A. All housing developed with funding provided under this agreement shall be affordable to low-income persons for an applicable period of affordability as required as CDBG Program regulations. If the housing does not meet the applicable affordability requirements for the specified time period for any reason whatsoever, full repayment to the Grantee of all CDBG funds invested in the project will be required according to the repayment terms set forth in Section VIII of this Agreement. Subrecipient shall ensure affordability of the housing through HUD-approved resale and recapture provisions and deed restrictions, or through other HUD-approved mechanisms.

IV. CONSTRUCTION QUALITY STANDARDS

- A. The Grantee reserves the right to inspect at any time during normal business hours any and all construction accomplished under this Agreement to assure adherence to applicable Quality Standards.
- B. Subrecipient shall insure that all aspects of construction on properties acquired with funds procured under this agreement must comply with any and all City of Jonesboro Housing Quality standards, as well as, any and all HUD regulatory requirements. Subrecipient shall use only qualified subcontractors, workmen, material suppliers and agents acceptable to the City of Jonesboro in the construction, marketing, and selling of the housing units to be completed under this agreement. Subrecipient shall maintain in its files verification that the debarred contractors list was checked prior to entering into the contract. This can be checked by viewing the Arkansas list at <http://www.epls.gov/> on the internet and placing a signed and dated note in the file.

V. NOTICES

Communication and details concerning this Agreement shall be directed to the following:

| | |
|-----------------------------------|-------------------------|
| <u>Grantee</u> | <u>Subrecipient</u> |
| City of Jonesboro | Everett Fair |
| Community Development Dept. | Executive Director |
| 519 W. Washington, P. O. Box 1845 | 231 South Fisher Street |
| Jonesboro, AR 72401 | Jonesboro, AR 72401 |
| Office (870) 933-4635 | Office (870) 931-1709 |
| Fax (870) 933-4626 | Fax (870) 910-3516 |

VI. SPECIAL CONDITIONS

- A. The property must be acquired in accordance with 49CFR Part 24 - Final Rule commonly known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act (Uniform Act/URA) effective January 4, 2005. The Grantee will assist the Subrecipient with the process if needed.
- B. The Environmental Review Process must be completed prior to encumbering the property.
- C. A mortgage shall be placed on the acquired property in favor of the City of Jonesboro Community Development Department for the term of ten years for the entire amount of CDBG funds used and in accordance with the City of Jonesboro Policies and Procedures Manual. The mortgage will be forgivable 1/10th of the original amount annually. Any sale of the property prior to the tenth year will be proportionately paid to the Grantee. Grantee agrees to subordinate its position in favor of any agency providing funding to the project that exceeds \$105,000.00, or as is necessary to acquire said funding (i.e. ADFA, FHLB, Permanent Financing provider.)

VII. 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 Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)). The Subrecipient also agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this Agreement. The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

B. "Independent Contractor"

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

C. Hold Harmless

The Subrecipient shall hold harmless, defend and indemnify the Grantee from any and all claims, actions, suits, charges and judgments whatsoever, including legal fees and expenses that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Worker's 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 Agreement assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the Grantee. The Subrecipient shall comply with the bonding and insurance requirements of OMB Circular A-110, Bonding and Insurance.

F. Grantor Recognition

The Subrecipient shall insure recognition of the role of the grantor agency in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement shall be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

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 both organizations. 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 part of the Agreement, such modifications will be incorporated only by written amendment signed by both Grantee and Subrecipient.

H. Suspension or Termination

Either party may terminate this Agreement at any time by giving written notice to the other party of such termination and specifying the effective date thereof at least 30 days before the effective date of such termination. Partial terminations of the Scope of Service in Paragraph 1.A above may only be undertaken with the prior approval of the Grantee. In the event of any termination for convenience, all finished or unfinished documents, data, studies, surveys, maps, models, photographs, reports or other materials prepared by the Subrecipient under this Agreement shall, at the option of the Grantee, become the property of the Grantee, and the Subrecipient shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents or materials prior to the termination.

The Grantee may also suspend or terminate this Agreement, in whole or in part, if the Subrecipient materially fails to comply with any term of this Agreement, or with any of the rules, regulations or provisions referred to herein; and the Grantee may declare the Subrecipient ineligible for any further participation in the Grantee's contracts, in addition to other remedies as provided by law. In the event there is probable cause to believe the Subrecipient is in noncompliance with any applicable rules or regulations, the Grantee may withhold up to fifteen (15) percent of said Agreement funds until such time as the Subrecipient is found to be in compliance by the Grantee, or is otherwise adjudicated to be in compliance.

I. Authorization to Enter Agreement

The undersigned person signing as an officer on behalf of the Subrecipient, a party to this Agreement, hereby severally warrants and represents that said person has authority to enter this Agreement on behalf of said Subrecipient and to bind the same to this Agreement, and, further that said Subrecipient has authority to enter into this Agreement and that there are no restrictions or prohibitions contained in any article of incorporation or bylaw against entering into this Agreement. It is agreed that the Subrecipient will provide a copy of the board minutes designating said authority, which is to be attached as a permanent part of this Agreement.

VIII. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with the Administrative Manual located at 519 West Washington Avenue in the City Offices 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 OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

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 Part 570.506 that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objective of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- f. Financial records as required by 24 CFR Part 570.502, and OMB Circular A-110; and
- g. Other records necessary to document compliance with Subpart K of 24 CFR 570.

2. Retention

The Subrecipient shall retain all records pertinent to expenditures incurred under this Agreement for a period of five (5) years after the termination of all activities funded under this Agreement. Records for non-expendable property acquired with funds under this Agreement shall be retained for five (5) years after final disposition of such property. Records for any displaced person must be kept for five (5) years after he/she has received final payment. Notwithstanding the above, if there is litigation, claims, audits, negotiations, or other actions that involve any of the records cited and that have started before the expiration of the five (5) year period, then such records must be retained until completion of the actions, and resolution of all issues, or the expiration of the five (5) year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, social security, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to Grantee monitors or their designees for review upon request. The Subrecipient shall submit Intake Forms by the 10th of each month to the Grantee.

4. Disclosure

The Subrecipient understands that 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 person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Property Records

The Subrecipient shall maintain real property inventory records which clearly identify properties purchased, improved or sold. Properties retained shall continue to meet eligibility criteria and shall conform to the "changes in use" restrictions in 24 CFR Parts 570.503(b) (8), as applicable.

6. Close-Outs

The Subrecipient's obligation to the Grantee shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records.

7. Audits & Inspections

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the Grantee, Grantor agency, their designees or the Federal Government, at any time during normal business hours, as often as the Grantee or Grantor agency deems necessary, to 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 30 days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.** The Subrecipient hereby agrees to have an annual agency audit conducted in accordance with current Grantee policy concerning Subrecipient audits and, as applicable, OMB Circular A-133.

C. Reporting and Payment Procedures

1. Program Income

The Subrecipient shall report "monthly" all program income as defined in 24 CFR 570.500(a) generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient shall comply with the requirements set forth at 24 CFR 570.504. By way of further limitations, the Subrecipient may use such income during the Agreement period for activities permitted under this Agreement and shall reduce requests for additional funds by the amount of any such program income balance on hand. All unused program income shall be returned to the Grantee at the end of the Agreement period. Any interest earned on cash advances from the U.S. Treasury is not program income and shall be remitted promptly to the Grantee. **This project will not generate program income.**

2. Indirect Costs

If indirect costs are charged, the Subrecipient will develop an indirect cost allocation plan for determining the appropriate Subrecipient's share of administrative costs and shall submit such plan to the Grantee for approval, in a form specified by the Grantee.

3. Payment Procedures

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. With the exception of certain advances, payments will be made for eligible expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. Payments will be adjusted by the Grantee in accordance with advance fund and program income balances available in Subrecipient accounts. In addition, the Grantee reserves the right to liquidate funds available under this Agreement for costs incurred by the Grantee on behalf of the Subrecipient.

4. Progress Reports

The Subrecipient shall submit Progress Reports by the 10th of each month to the Grantee.

D. Procurement

1. Compliance

The Subrecipient shall comply with current Grantee policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the Grantee upon termination of this Agreement unless a written agreement is executed by both parties.

2. OMB Standards

The Subrecipient shall procure all materials, or services in accordance with the requirements of Attachment O of OMB Circular A-110, Procurement Standards, and shall subsequently follow Attachment N, Property Management Standards as modified by 24 CFR 570.502(b)(6), covering utilization and disposal of property. Real property shall be acquired only by the Grantee.

3. Travel

The Subrecipient shall obtain written approval from the Grantee for any travel outside the metropolitan area with funds provided under this Agreement.

IX. PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title 1 of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and with Executive Order 11246 as amended by Executive Orders 11375 and 12086.

2. Nondiscrimination

The Subrecipient will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age, marital/familial status, or status with regard to public assistance. The Subrecipient will take affirmative action to insure that all employment practices are free from such discrimination. Such employment practices include but are not limited to the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Subrecipient agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause.

3. Land Covenants

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and 24 CFR 570.601 and 602. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement, the Grantee shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the Grantee and the United States are beneficiaries of

and entitled to enforce such covenants. The Subrecipient, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

4. Section 504

The Subrecipient agrees to comply with any Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 706), which prohibits discrimination against those with disabilities in any Federally assisted program. The Grantee shall provide the Subrecipient with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

B. Affirmative Action

1. Approved Plan

The Subrecipient agrees that it shall be committed to carry out pursuant to the Grantee's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1965. The Grantee shall provide Affirmative Action guidelines to the Subrecipient to assist in the formulation of such program. The Subrecipient shall submit a plan for an Affirmative Action Program for approval prior to the award of funds.

2. WBE/MBE

The Subrecipient will use its best efforts to afford minority - and women-owned business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the term "minority and female business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. Access to Records

The Subrecipient shall furnish and cause each of its own Subrecipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the Grantee, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

4. Notifications

The Subrecipient will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency's contracting officer,

advising the labor union or worker's representative of the Subrecipient's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5. EEO/AA STATEMENT

The Subrecipient will, in all solicitations or advertisements for employees placed or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.

6. Subcontract Provisions

The Subrecipient will include the provisions of Paragraphs IX. A, Civil Rights, and B, Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own Subrecipients or subcontractors.

C. Employment Restrictions

1. Prohibited Activity

The Subrecipient is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; sectarian or religious activities; lobbying, political patronage, and nepotism activities.

2. Labor Standards

The Subrecipient agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act (40 U.S.C. 276a-276a-5; 40 USC 327 and 40 USC 276c) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The Subrecipient shall maintain documentation which demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.

The Subrecipient agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of \$2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided under this Agreement, shall comply with Federal requirements adopted by the Grantee pertaining to such Agreements and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided, that if wage rates higher than those required under regulations are imposed by state or local law, nothing hereunder is intended to relieve the Subrecipient of its obligation, if any, to require payment of the higher wage. The Subrecipient shall cause or require to be inserted in full, in all such Agreements subject to such regulations, provisions meeting the requirements of this paragraph.

3. "Section 3" Clause
a. Compliance

Compliance with the provisions of Section 3, the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this Agreement, shall be a condition of the Federal financial assistance provided under this Agreement and binding upon the Grantee, the Subrecipient and any of the Subrecipient's Subrecipients and subcontractors. Failure to fulfill these requirements shall subject the Grantee, the Subrecipient and any of the Subrecipient's Subrecipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The Subrecipient certifies and agrees that no contractual or other disability exists which would prevent compliance with those requirements.

The Subrecipient further agrees to comply with these "Section 3" requirements and to include the following language in all subcontracts executed under this Agreement:

"The work to be performed under this Agreement is a project assisted under a program provided direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area and contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located."

The Subrecipient further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to business concerns which provide economic opportunities to low- and very low-income residents within the service area or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs.

The Subrecipient certifies and agrees that no contractual or other legal incapacity exists which would prevent compliance with these requirements.

b. Notifications

The Subrecipient agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c. Subcontracts

The Subrecipient will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon finding that the subcontractor is in violation of regulations issued by the grantor agency. The Subrecipient will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

D. Conduct

1. Assignability

The Subrecipient shall not assign or transfer any interest in this Agreement without the prior written consent of the Grantee thereto; provided, however, that claims for money due or to become due to the Subrecipient from the Grantee under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Grantee.

2. Subcontracts

a. Approvals

The Subrecipient shall not enter into any subcontracts with any agency or individual in the performance of this Agreement without the written consent of the Grantee prior to the execution of such agreement.

b. Monitoring

The Subrecipient will monitor all subcontracted services on a regular basis to assure Agreement compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

c. Content

The Subrecipient shall cause all of the provisions of this Agreement in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

d. Selection Process

The Subrecipient shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis. Executed copies of all subcontracts shall be forwarded to the Grantee along with documentation concerning the selection process.

3. Hatch Act

The Subrecipient agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V United States Code.

4. Conflict of Interest

The Subrecipient agrees to abide by the provisions of 24 CFR 570.611 with respect to conflicts of interest, and covenants that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of this Agreement. No person having such a financial interest shall be employed or retained by the Subrecipient hereunder. These conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the Grantee, or of any designated public agencies or Subrecipients which are receiving funds under the CDBG Entitlement program.

5. Lobbying

The Subrecipient hereby certifies that:

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

b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative

agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;

- c. It will require that the language of paragraph (d) of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all Subrecipients shall certify and disclose accordingly; and

d. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

6. Copyright

If this Agreement results in any copyrightable material or inventions, the Grantee and/or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for government purposes.

7. Religious Organization

The Subrecipient agrees that funds provided under this Agreement will not be utilized for religious activities, to promote religious interests, or for the benefit of a religious organization in accordance with the Federal regulations specified in 24 CFR 570.200(j).

X. ENVIRONMENTAL CONDITIONS

A. Air and Water

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

- Clean Air Act, 42 U.S.C., 7401, et seq.
- Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, et seq., as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder.
- Environmental Protection Agency (EPA) regulations pursuant to 40C.F.R., Part 50, as amended.

B. Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42

USC 4001), the Subrecipient shall assure that for activities located in an area identified by FEMA as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

C. Lead-Based Paint

The Subrecipient agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35. Such regulations pertain to all HUD-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken.

D. Historic Preservation

The Subrecipient agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 38 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this Agreement.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, state, or local historic property list.

XI. 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 Parties have executed this Agreement as of the date first written above.



**Board of Directors Meeting
July 20, 2006**

The Chairman, Pastor Glen Conley, called the meeting to order at 5:00 p.m. Board member, Dave Jackson led the body in prayer after which, Chairman Conley asked for approval of the June 2006 minutes. After the corrections were noted, a motion for the approval of amended minutes was made by Susan Power, the motion was then seconded by Kenneth McCoy and unanimously approved.

Financial Report

Financial report was tabled. Everett Fair gave the board the financial compilations for May & June to look over for review an approval at the next months meeting. He will be working with the accountants @ Goad & Widner to insure the conversion to their new system is accurate.

Issues from the Public/Announcements

- **August 18th – 20th** St. Paul AME 110th Church Anniversary. There will be a banquet on Friday Night at 6pm, a musical on Saturday at 7pm at St. Paul AME followed by the finally on Sunday at 3pm.
- **August 26th** Community Appreciation for Reverend Herman Lewellen at St. Bernard's Auditorium at 7pm. Tickets are \$20 person and each church is asked to pay for at least 10 tickets and give a love offering.
- Crowley Ridge asking for all those who would make donations to their program called S.O.S, Supply Our Schools.
- Pastor Glen Conley wanted to recognize his son and D'uan Cobbs. They both receive scholarships for their high academic achievements in college.
- Prayers are asked for the late Sister Liz Prunty's family members.

Staff Reports - Business Development Report (Emma Agnew)

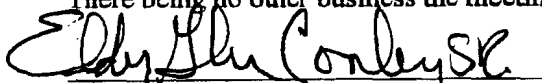
- Last Fastrac class was outstanding. Four students graduated the class with a completed feasibility study, which is the main purpose of the class. *Next class will begin on September 8th, every Monday from 5 – 8 pm.*
- Barnes trucking has receive an interim loan from Beacons and Bridges and purchased their truck.
- S & S decided to reduce their loan amount from \$10,000 to \$5,000 and the loan is pending the completion of Beacons and Bridges membership application.
- Submitted for Board approval, a board resolution allowing the officers of Beacons & Bridges to open a credit union account with the \$50,000.00 grant from Enterprise Corporation of the Delta to fund B&B's Revolving Loan Fund.
 - ✓ *Dan Freeman motioned for approval of the board resolution, the motion was properly second by David Jackson and unanimously approved by the Board.*
- MED week is scheduled for the week of September 10th. Times to be announced.
- JETS have asked Beacons and Bridges to provide technical assistance to minority firms that would like to do business with the public transit system (which is a federal requirement for the funding they received). We graciously accepted.

Executive Director and Housing Report (Everett Fair)

Everett briefly went over his report and highlighted these areas:

- The Homeowner Rehabilitation Program is one step from getting started. Just waiting on loan closing documents, Mr. Daley's bond information, and construction conference with ADFA, Mr. Daley, and Beacons and Bridges.
- We have 48 orders for this months' Angel Food Ministries distribution. *July 29th is distribution day* at 1st Presbyterian Church on Southwest Drive.
- Next Collaborative Project is scheduled to begin by the end of the month. The proposed building site will be on Drake Street. The Properties Street have been combined and *ground breaking tentative date is Tuesday, July 25th*. Jonesboro Jaycees has agreed to donate the cost of laying the foundation.
- Introduced Hattie Middlebrook, as our new consultant that will assist us with qualifying applicants for our next Single-family construction project. She will come down one day per week from Blytheville to work with people who are interested in applying for homes that will be built with ADFA's award via our next application. Her salary and travel costs will be paid by MidSouth Delta LISC office.
- The need for the Board to designate someone to be the authorized contact for the city in dealing with the awarded Community Development Block Grant Funds as well as other financial matters that may arise. This person will be authorized to enter into agreements on behalf of the organization and will be the authorized signatory for the organization.
 - ✓ *Dan Freeman moved that the executive director Everett Fair be the designated permanent contact person. It was second by Susan Power and unanimously approved.*
- We now officially have legal representation. Two law firms have agreed to work with us in our various aspects of our organization and programmatic activities. They are **Bank of America's Employment Group** out of Charlotte, NC, **Daniel Dupree** is the attorney and **Weil, Gotshal & Manges LLP** out Houston, TX, **Sylvia Ann Mayer** is the attorney there. Daniel Dupree has a copy of our employment policy and procedures and is currently looking it over.
- Everett spoke of the heat and the uncomfortable conditions it was making for us working in the trailer. Several suggestions were made such as adjusting the working hours to earlier in the morning and leaving earlier in the afternoon, two people working at the office and one from home or vice versa, individual fans or window units for the trailer were also discussed but ruled out do to possible cost and ineffectiveness.

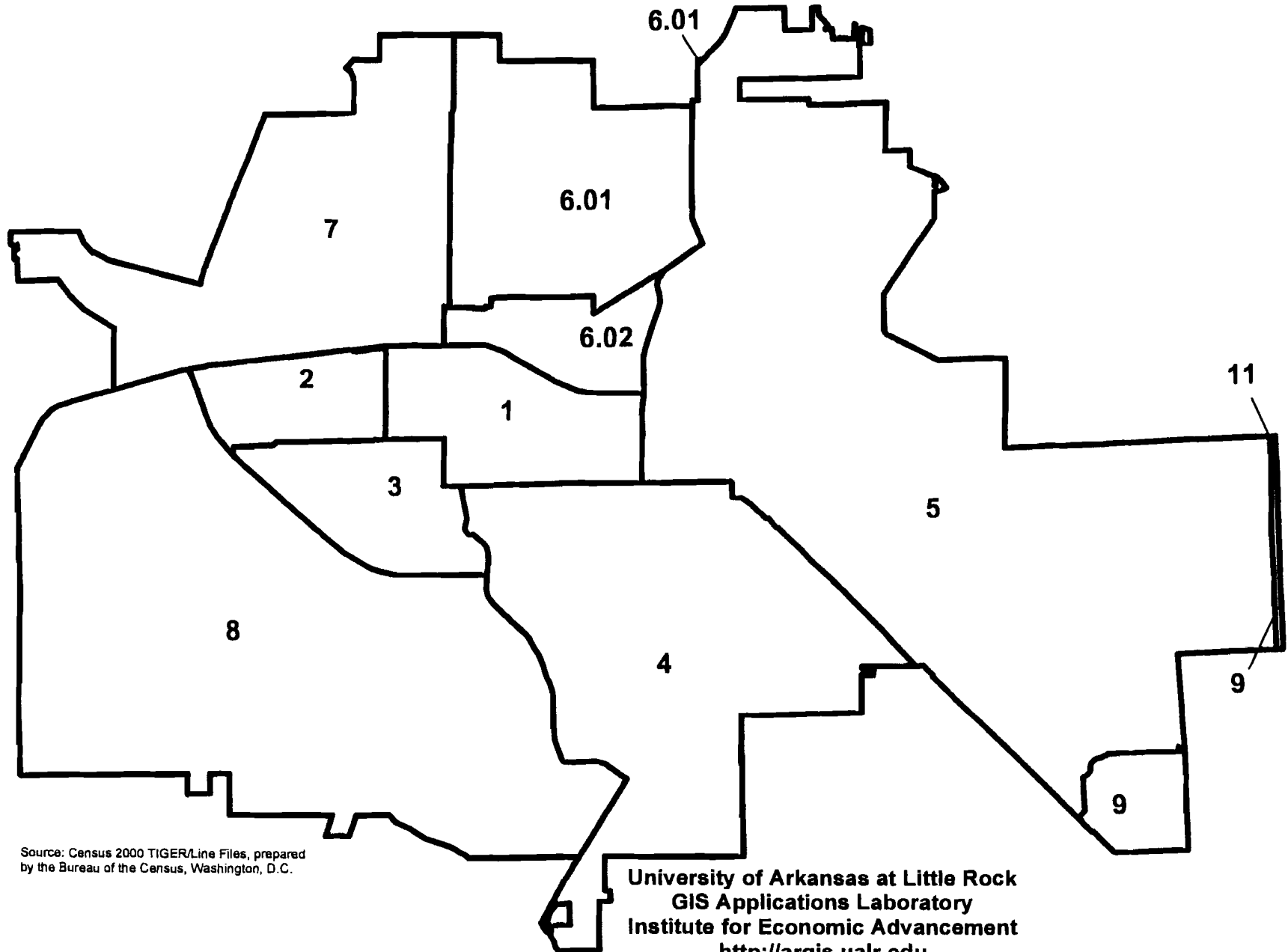
There being no other business the meeting was adjourned at 7 pm.


Elder Glen Conley, Sr., Board Chairman

MAPS

THE FOLLOWING PAGES —— reflect the income and minority areas in which the CDBG Program dollars will be directed in the City of Jonesboro.

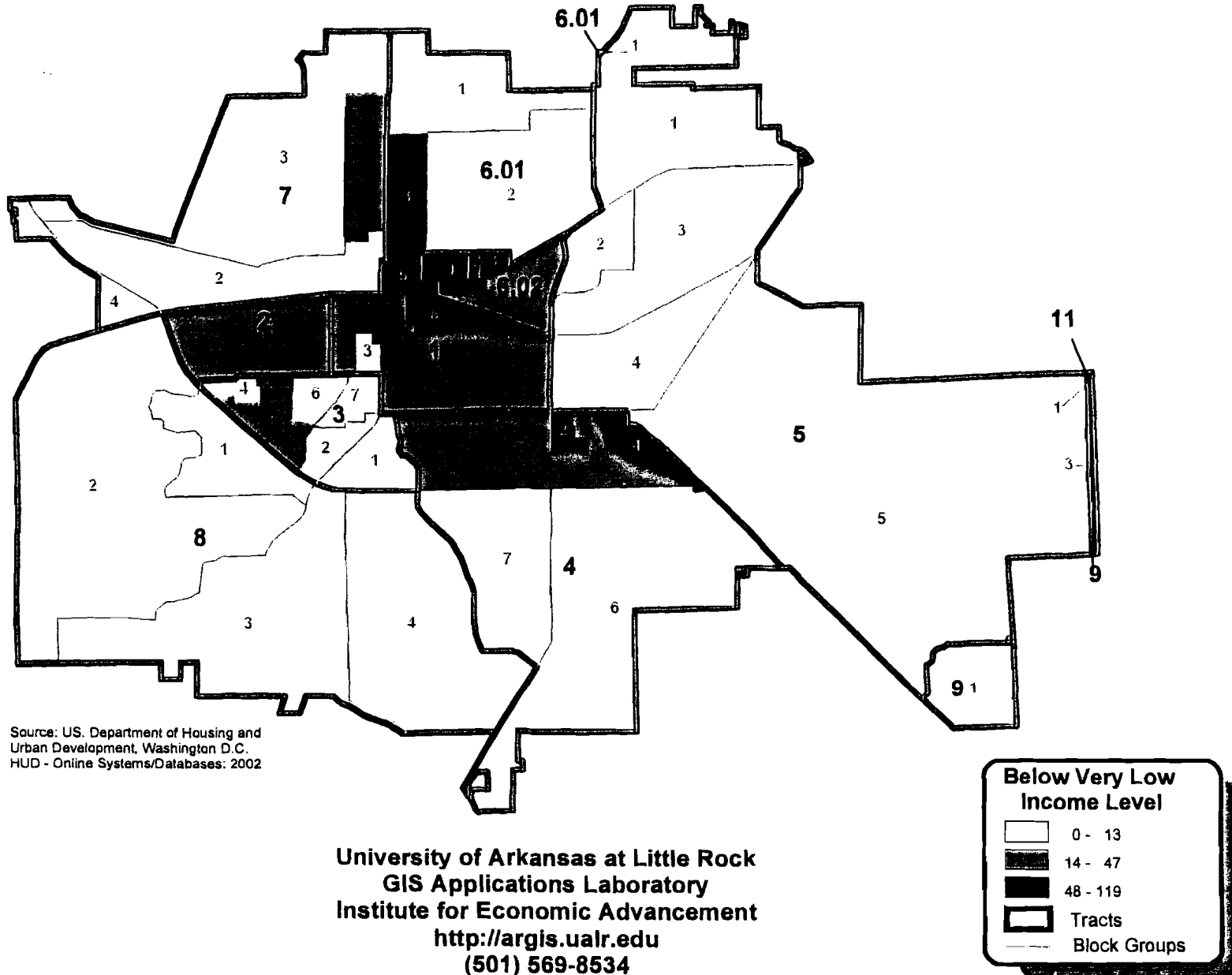
Tracts in Jonesboro: 2002



Source: Census 2000 TIGER/Line Files, prepared by the Bureau of the Census, Washington, D.C.

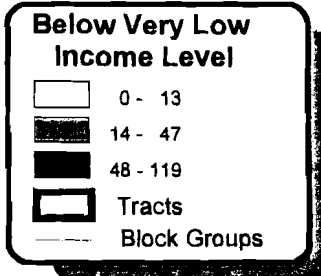
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Number of Family Households Below the Very Low Income Threshold in Jonesboro; by Tract, by Block Group; 2002

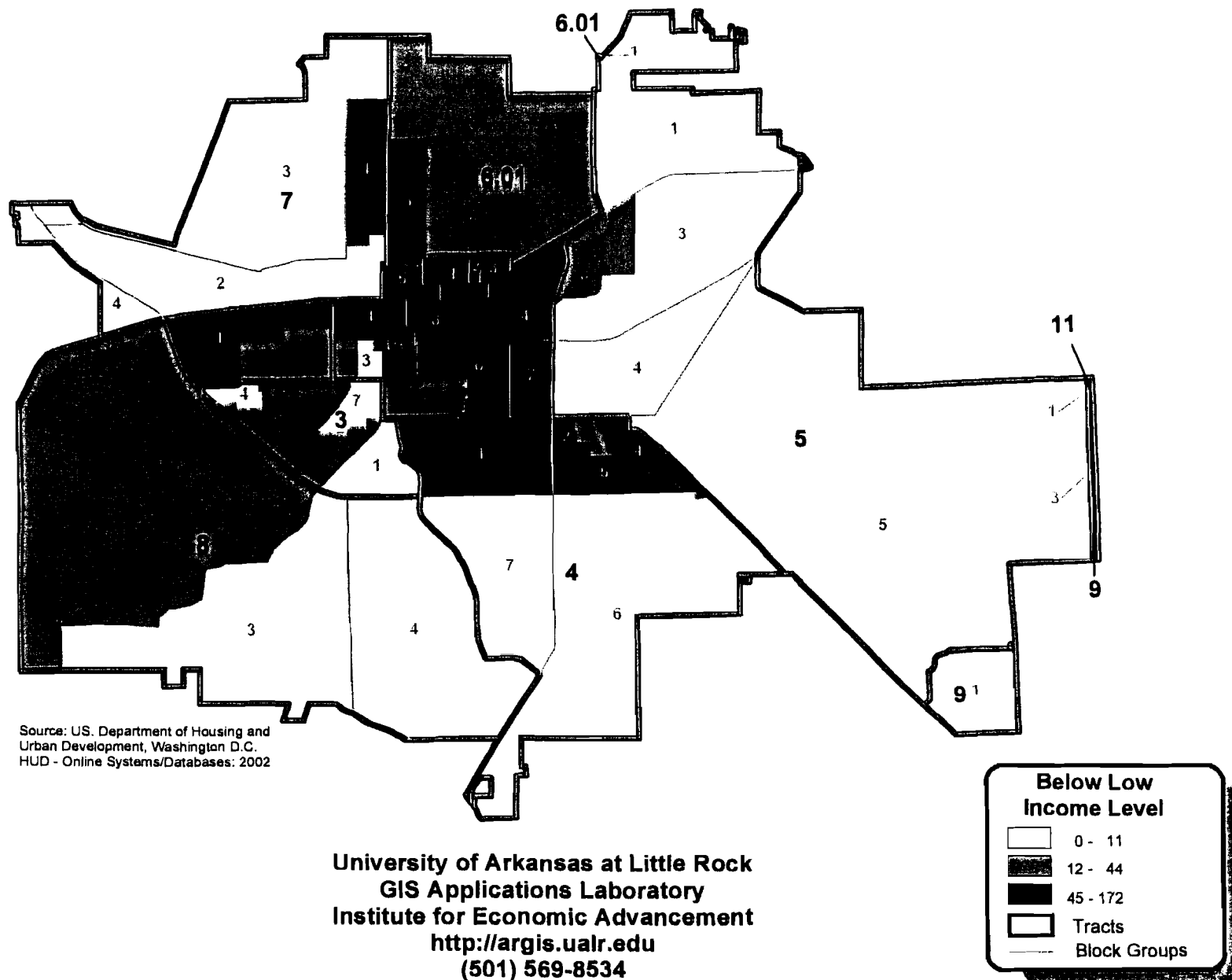


Source: US. Department of Housing and Urban Development, Washington D.C.
 HUD - Online Systems/Databases: 2002

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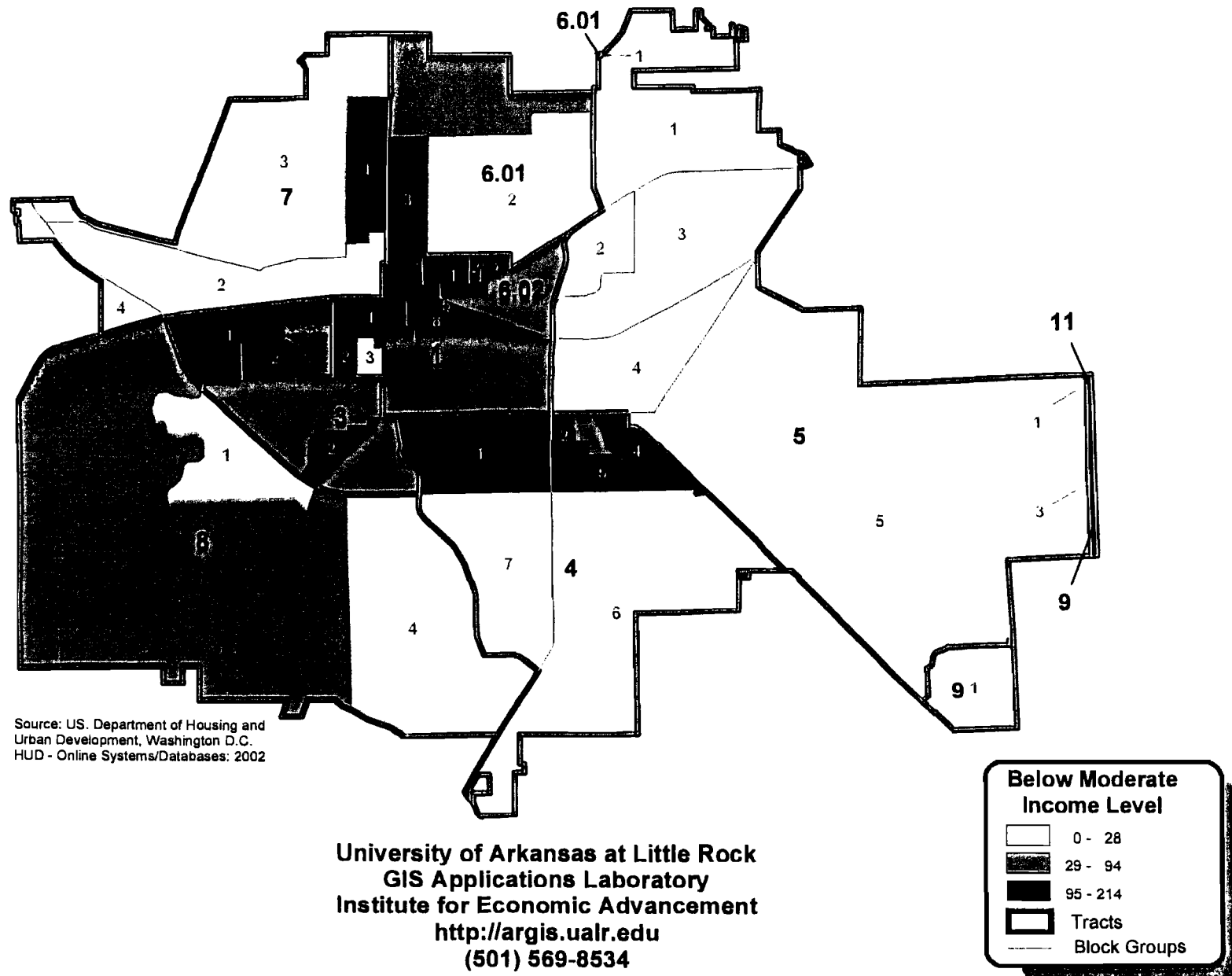
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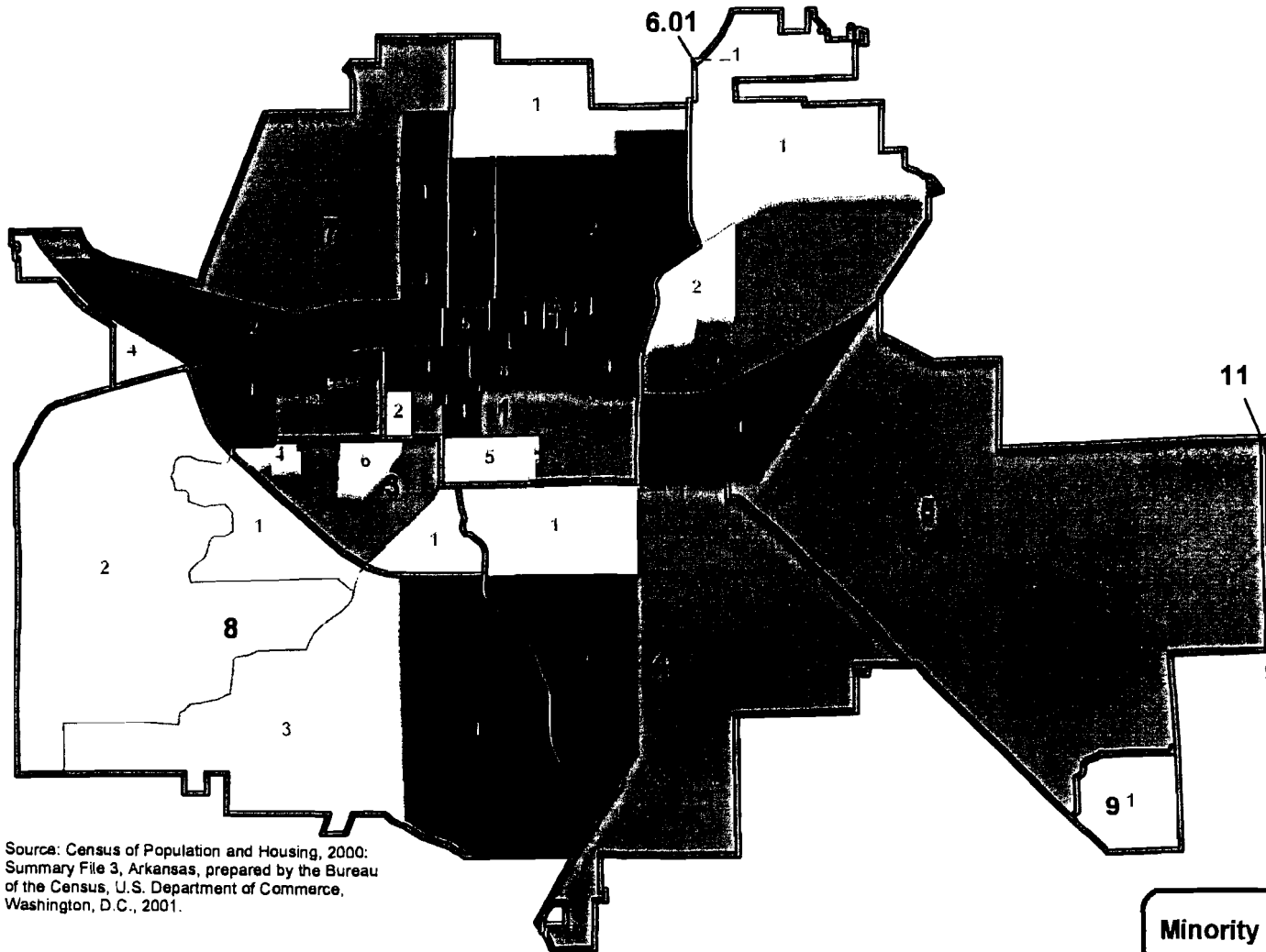
Number of Family Households Below the Moderate Income Threshold in Jonesboro; by Tract, by Block Group; 2002



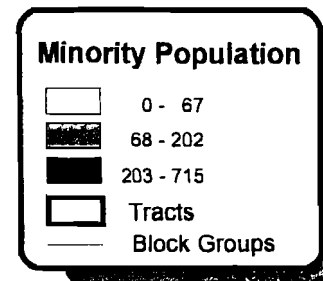
Source: US. Department of Housing and Urban Development, Washington D.C.
HUD - Online Systems/Databases: 2002

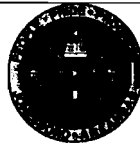
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Minority Population in Jonesboro; by Tract, by Block Group; 2002



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City of Jonesboro
Community Development Department

Community Development Block Grant Guidelines

CDBG INCOME LIMITS
City of Jonesboro, Arkansas

| Area: City of Jonesboro FY 2006 Median Family Income: \$ 46,250 | | | | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
| ADJUSTED INCOME LIMITS (by household size) | | | | | | | | |
| | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6 Person | 7 Person | 8 + Person |
| 30% Limits | \$9,700 | \$11,100 | \$12,500 | \$13,900 | \$15,000 | \$16,100 | \$17,200 | \$18,350 |
| Very Low Income (50%) | \$16,200 | \$18,500 | \$20,800 | \$23,150 | \$25,000 | \$26,850 | \$28,700 | \$30,550 |
| Low & Moderate Income (80%) | \$25,950 | \$29,650 | \$33,350 | \$37,050 | \$40,000 | \$42,950 | \$45,950 | \$48,900 |