

**PLANNING AND DEVELOPMENT MEMORANDUM**  
**#10-16**

June 17, 2010

**TO:** Honorable Mayor Joyce Downing and City Council Members

**FROM:** William Simmons, City Manager *WSP*  
James Hayes, Director of Planning and Development *JH*  
Shawn Cordsen, Finance Director *SC*  
Patrick Breitenstein *PB*

**SUBJECT:** CR-94, Approving Contract Amendment and Change Order for Community Development Block Grant Contract for Help for Homes Program

**RECOMMENDATION:**

Attached to this memorandum is CR-94, approving a Community Development Block Grant Contract amendment extending the time period for use of 2007 CDBG money for the Help for Homes Program from February 28, 2008 to September 30, 2010 and designating Brothers Redevelopment as the contractor for the program. Staff recommends that this Resolution be approved.

**BACKGROUND:**

In August 2006, by Resolution 06-97, \$140,000 in 2007 CDBG funds were designated to be used by the Northglenn Neighborhood Development Corporation for a redevelopment program. The City and Adams County subsequently entered into an Activity Agreement for use of the \$140,000 which provided that the money would be used for the redevelopment program and expended by February 28, 2008. That program was subsequently ended before any of the money was spent. In April 2008, by Resolution 08-60, Council approved use of \$100,000 of the money for the Help for Homes Program (the other \$40,000 was ultimately used for the Malley cross walk). The 2007 CDBG money designated for the Help for Homes Program was still subject to the Activity Agreement with the end date of February 28, 2008.

As regards CDBG funds the City is a sub-grantee to Adams County which receives an annual allocation from HUD as an urban County. The City receives an annual allocation of the County's CDBG funds pursuant to an Inter-Governmental Agreement with Adams County which established the formulas for determining the City's allocation and defines the procedures by which the City may receive our allocation.

In 2009 the Office of Inspector General performed an audit of the Adams County CDBG program on behalf of the Department of Housing and Urban Development (HUD). In September 2009, Adams County received the audit report with conclusions as follows:

*"The Department did not have adequate controls over its Block Grant funds. Specifically, it did not (1) have written policies and procedures for the administration of its Block Grant funds, (2) monitor the use of its Block Grant funds, (3) maintain documentation showing that its activities met national objectives, (4) compare disbursement requests to existing contracts to ensure that Block Grant funds were spent in accordance with the contract, and (5) have a process in place to eliminate known conflicts of interest.*

Among other deficiencies uncovered by the audit were that there was no contract amendment between the City and Adams County when the money was redirected from the NNDC redevelopment program to the Help for Homes Program, the time limit for spending the money was never extended beyond September 2008, and Brothers Redevelopment was not approved as contractor for the program. The proposed Resolution CR-94 and attached contract amendment are necessary to rectify these oversights.

**BUDGET IMPLICATION:**

The City spent approximately \$88,000 of the \$100,000 designated for Help for Homes before the program was suspended. There is a waiting list of qualified households. The remaining \$12,000 will not be released by the County to the City until this contract amendment and change order is approved.

**STAFF REFERENCE:**

If Council members have any questions they may contact James Hayes, Director of Planning and Development at 303-450-8937 or by e-mail at [jhayes@northglenn.org](mailto:jhayes@northglenn.org) or Patrick Breitenstein, at 303-450-8742 or by email at [pbreitenstein@northglenn.org](mailto:pbreitenstein@northglenn.org).

SPONSORED BY: MAYOR DOWNING

COUNCILMAN'S RESOLUTION

RESOLUTION NO.

No. CR-94  
Series of 2010

\_\_\_\_\_  
Series of 2010

A RESOLUTION APPROVING THE CONTRACT AMENDMENT WITH ADAMS COUNTY FOR PERFORMANCE OF A COMMUNITY DEVELOPMENT BLOCK GRANT ACTIVITY IN AN AMOUNT NOT TO EXCEED \$100,000

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. The Contract Amendment between the City of Northglenn and Adams County for performance of a Community Development Block Grant Activity in an amount not to exceed \$100,000, attached hereto as **Exhibit 1**, is hereby approved and the Mayor is authorized to execute same on behalf of the City.

DATED at Northglenn, Colorado, this \_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
JOYCE DOWNING  
Mayor

ATTEST:

\_\_\_\_\_  
JOHANNA SMALL, CMC  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
COREY Y. HOFFMANN  
City Attorney

# Adams County Community Development

## CONTRACT AMENDMENT AND CHANGE ORDER APPROVAL

City of Northglenn

Help For Homes

### Section 1. General Information

<b>Project Name</b>			<b>Date</b>
Help For Homes			4/20/10
<b>Agency</b>			
City of Northglenn 11701 Community Center Drive, Northglenn, CO 80233			
<b>Contact</b>	<b>Phone</b>	<b>Email</b>	<b>Fax</b>
<b>Project Manager</b>	<b>Phone</b>	<b>Email</b>	<b>Fax</b>

### Section 2. Affected Areas

<b>Check all that apply.</b>			
<input type="checkbox"/> Project Start Date	<input checked="" type="checkbox"/> Project End Date	<input checked="" type="checkbox"/> Contract Amount	<input type="checkbox"/> Project Costs
<input type="checkbox"/> Project Scope	<input type="checkbox"/> Technology	<input type="checkbox"/> Major Deliverables/ Outcomes	<input type="checkbox"/> Roles/Responsibilities
<p><b>An approved Change Control Request MUST accompany this form. If there are changes in the contract amount or contract completion date, at a minimum, REVISE:</b></p> <ul style="list-style-type: none"> <li>• Project Plan</li> <li>• Project Schedule</li> </ul>			

### Section 3. Change Summary

Currently Recorded Dates/Costs				Requested Revisions to Dates/Costs			
Start Date	End Date	Contract Amount	Project Cost	Start Date	End Date	Contract Amount	Project Cost
3/1/2007	2/28/2008	\$100,000		3/1/2007	9/30/2010	\$100,000	

**Section 4. Project Budget Transfer (If Applicable)**

Pgm Yr	Project Name	ACT #	Increase	Decrease	Balance
<b>TOTAL</b>					

**Section 5. Justification Summary**

The contract has been amended to reflect the updated schedule of completion of services. Exhibits 1, 2 and 3 replace Sec 1 Timetable Part B of the Subgrantee Agreement. The contract is also amended to include Brothers Redevelopment as the contractor for the applicable work completed under this contract.

**SIGNATURE PAGE**

In Witness Whereof, the parties have caused this contract to be duly executed as of the date first above written.

Board of County Commissioners

Adams County, Colorado

By: \_\_\_\_\_

Chairman

Approval as to form:

By: \_\_\_\_\_

Adams County Attorney

Attest:

Karen Long, Clerk and Recorder

\_\_\_\_\_

Kristen Hood, Deputy Clerk

\_\_\_\_\_

SubGrantee

\_\_\_\_\_

By (Signature)

\_\_\_\_\_

Title

\_\_\_\_\_

Address

\_\_\_\_\_

City, State, Zip Code

SubGrantee Signature Notarized By:

\_\_\_\_\_

SubGrantee Witness:

\_\_\_\_\_

My Commission Expires:

\_\_\_\_\_

Barbara J. DesMarteau  
DIRECTOR

Keith Frausto  
ADMINISTRATOR



Community Development  
12200 Pecos Street  
Westminster, CO 80234  
PHONE 303.453.8500  
FAX 303.453.8505  
www.co.adams.co.us

June 15, 2007

Mr. A. J. Krieger  
City Manager  
City of Northglenn  
PO Box 330061  
Northglenn, CO 80233

Dear Mr. Krieger:

### **CDBG AWARD LETTER/ACTIVITY AGREEMENT**

Whereas, the Adams County Board of County Commissioners has completed the 2007 CDBG contract with the U.S. Department of Housing and Urban Development, and

Whereas, the Adams County Board of County Commissioners, ("County") has, and the City of Northglenn, ("SubGrantee"), have executed an Intergovernmental Agreement (IGA) for federal fiscal years 2007, 2008 and 2009 for undertaking community development and housing assistance activities, and

Whereas, Community Development Block Grant (CDBG) funding has been requested, approved, and is hereby utilizing said funds in accordance with the IGA Section I, Responsibilities of the City, Item B., Subrecipient Agreements for this activity. Please maintain documentation of compliance with the national objective as categorized in this letter. Compliance with all CDBG rules and regulations must be enforced; and

NOW, THEREFORE, it is agreed between the parties hereto that;

The SubGrantee may proceed to incur costs for this activity as of March 1, 2007 unless made contingent under Labor Standards and/or Environmental Reviews sections.

Activity Name: City of Northglenn – Northglenn Neighborhood Development Corporation (NNDC) Redevelopment Fund, NG07.01.14, \$141,000

Activity Category: Housing, 570.202

National Objective: Low/Mod Limited Clientele, 570.208(a)(2)

Activity Purpose: Provide funds to stimulate reinvestment in low and moderate income areas.

Contact Person/Address/Phone/Email: Bill Sullivan, 11295 Washington St., Northglenn 80233, 303.252.3690, bsullivan@nndc.info

#### **I. SCOPE OF SERVICE**

**Activity Description:** The Redevelopment Fund will provide funds for eligible activities in lower income areas and /or for lower and moderate income homeowners. NNDC may lend or use capital from the Redevelopment Fund to stimulate reinvestment in areas that are considered low and moderate income. Examples of use of funds are, but not limited to, the acquisition of single family properties to rehabilitate and sell to people in the low and moderate income bracket, the acquisition of real estate to stimulate revitalization in a lower income neighborhood and funding to develop programmatic approaches to combat the growth of single family rentals in Northglenn. Adams County should be conferred with once specific activities are determined, to ensure compliance with CDBG regulations.

BOARD OF COUNTY COMMISSIONERS

W. R. "Skip" Fischer  
DISTRICT 1

Alice J. Nichol  
DISTRICT 2

Larry W. Pace  
DISTRICT 3

**1. TIMETABLE**

**B. Performance Measures, Benchmarks, Staff Responsibilities and Delivery System:**

Service or Activity Line Item Budget: (Prioritize Expenses)	Budgeted Amount (Per line item)	Task: (How will this be accomplished?)	Targeted Start Date:	Targeted Completion Date:	Targeted Drawdown Date:	Output and Impact: Level of service or quantifiable unit of measurable results:	Responsible Staff Name/Title:
<b>(EXAMPLE)</b> Bid out design work	\$300.00	Follow agency procurement process-formal bid process	6/1/06	6/15/06	6/30/06	A qualified design firm hired, bid ready, design produced.	Jane Doe, Engineer
Install 15 curb cuts at locations identified.	\$23,000.00	Contract signed, Davis Bacon requirements followed.	7/13/06	10/20/06	8/13/06	Qualified contractor constructions 15 curb cuts installed per bid. This will result in ADA accessibility improvements in a 1 mile radius of a low-income park in the Baker neighborhood.	Joe Doe, Contract Manager
<b>ACTIVITY EXPENSES:</b>							
Provide the funding to provide services to 4-8 households in Northglenn	\$141,000	NNDC will use funds to provide capital to engage in redevelopment activities that serve low to moderate income persons	3/1/2007	2/28/2008	Monthly until completed	Funds will be used to initiate revitalization on four properties.	Bill Sullivan, NNDC Executive Director
<b>ADMIN/PLANNING EXPENSES:</b>							
<b>TOTAL:</b>	<b>TOTAL:</b> <b>\$141,000</b>						
<b>Total Award Allocation:</b>	<b>\$141,000</b>						
<b>Projected Program Income:</b> Up to \$141,000 plus 2% interest							

The SubGrantee will use this detailed activity budget/timetable to request reimbursements. The County and SubGrantee may agree to revise the budget from time to time in accordance with existing County policies for amendments.





### C. Time of Performance

Services/activities of the SubGrantee shall start on the 1<sup>st</sup> day of March, 2007 and end on the 28<sup>th</sup> day of February, 2008. The terms of this award letter/activity agreement and the IGA shall extend to cover any additional time period during which the SubGrantee remains in control of CDBG funds or other assets including program income.

The SubGrantee has submitted to the County, along with its proposal, a description of the work to be performed, a budget, and a timetable delineating the length of time needed for each activity phase through the completion of the activity. The SubGrantee shall comply with the proposal as submitted and legally expend funds accordingly through the end of the activity year. **The SubGrantee understands that failure to comply with the timetable will lead to a cancellation of the activity and a loss of all unexpended funds** unless the County determines that there are extenuating circumstances beyond the SubGrantee's control and that the activity will proceed within a reasonable length of time. The timetable's implementation shall begin when the County provides written notification to the SubGrantee to proceed. SubGrantees who fail to meet the timely expenditure requirement established in this award letter will have corrective measures imposed including reduction of future funding proportionate to HUD's policy on timeliness.

### D. Reporting Requirements

1. Each SubGrantee Drawdown Request will include progress reports for the period payment is being requested. This activity requires reporting on the following report form(s): **Housing Project Report.**
2. Annual Reports (March 1 - February 28) are due February 28th annually. Use the same report form as listed above.
3. Project Completion Reports (final) are due 45 days after completion of activity.
4. Audit Report: Submit annually within 30 days of audit report completion.
5. Quarterly reporting of Program Income is required once all activity funds have been drawn down or if program income is put into a revolving loan fund.

### E. Labor Standards (Davis-Bacon)

1. This project involves an activity where compliance with Labor Standards is required. Before any funds are released by the County or committed by the SubGrantee, full compliance is required. Contact your Grants Compliance Coordinator to implement this process.

### F. Environmental Review Specifics

1. Environmental review of this activity has been conducted. It has been determined that site-specific reviews are required. Please contact your Grants Compliance Coordinator to complete these reviews once the site has been identified. Release of Funds will only occur once the site-specific review has been completed and there is no finding of significant environmental impact.

The SubGrantee agrees that no CDBG funds will be legally obligated to any activity before the County has completed environmental review procedures, as required by 24 CFR Part 58.

The County is responsible for environmental review of this activity. However, the SubGrantee must ensure compliance that any activity over \$100,000 complies with standards, orders and requirements issued under 306 of the Clean Air Act, Section 508 of the Clean Water Act, Executive Order 11738 and Environmental Protection Agency regulations at 40 C.F.R. Part 15.

2. **Flood Insurance** - For acquisition, rehabilitation, or construction in special flood hazard areas (as determined by FEMA), property must have flood insurance. Program administration procedures of such funded activities must provide the County with proof this flood insurance has been obtained and remains in effect for the life of the work.

3. Energy Efficiency - SubGrantee must ensure compliance with mandatory energy efficiency standards and policies in State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Public Law 94-163).
4. Lead-Based Paint - Per 24 CFR Part 35 and 24 CFR 570.608, SubGrantee must comply with the prohibition on use of lead-based paint in residential structures. This also requires: notification of occupants about the existence of these hazards so that they can take proper precautions; identification of lead-based paint hazards in order to avoid possible exposure to/or poisoning of a child; and control of these lead-based paint hazards, to limit lead exposure to residents. Implementing procedures shall provide for inspection, testing, abatement and disposal in specified circumstances.
5. Asbestos - Where asbestos is present in property undergoing rehabilitation, Federal requirements apply regarding workers exposure, abatement, and disposal.

#### G. Financial Specifics

The following financial items are specific to this activity:

1. Payment - It is expressly agreed and understood that the total amount to be paid by the County under this contract shall not exceed \$: 141,000.
2. Program Income  
(C) Program income is expected from this activity. A revolving loan activity will be established. All new loans will meet all CDBG regulations such as activity eligibility, national objective compliance, environmental review clearance and labor standards requirements, etc. before CDBG funds are committed. A quarterly reporting on program income is required.
3. Asset Management - Describe assets (e.g., accounts receivable, property, and equipment) to be obtained as a result of this activity:  
Asset to be determined based on specific activities of the redevelopment fund. May include property acquired.

Please reference the IGA for details on asset management.

4. Payment - Drawdowns for payment of eligible expenses shall be made against the line item budget/timeline, specified in this award letter and in accordance with performance. Appropriate documentation (copies of invoices, billings, etc.) must be attached to drawdowns. Reimbursement may be held up for monitoring of activities and incomplete or missing reports.
5. Indirect Costs - If indirect costs are charged, the SubGrantee will develop an indirect cost allocation plan for determining the appropriate County (CDBG) share of administrative costs and shall submit such plans to the County for approval.

#### H. Compliance with C.R.S. § 8-17.5-101, ET. SEQ.

Pursuant to Colorado Revised Statute (C.R.S.), § 8-17.5-101, *et. seq.*, effective August 7, 2006, the Contractor shall meet the following requirements prior to signing this Agreement and for the duration thereof:

1. The Contractor shall certify compliance with the Basic Pilot Program (created in Pub.L. 104-208, as amended, and expanded in Pub.L. 108-156, as amended, that is administered by the United States Department of Homeland Security) on the attached certification.



2. The Contractor shall not knowingly employ or contract with an illegal alien to perform work under this contract for services.
3. The Contractor shall not enter into a contract with a subcontractor that fails to certify to the Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this contract for services.
4. At the time of signing this Agreement (public contract for services), the Contractor has verified or attempted to verify through participation in the Basic Pilot Program (created in Pub.L. 104-208, as amended, and expanded in Pub.L. 108-156, as amended, that is administered by the United States Department of Homeland Security, registration available at <https://www.vis-dhs.com/employerregistration>), that the Contractor does not employ any illegal aliens and, if the Contractor was not accepted into the Basic Pilot Program prior to entering into this public contract for services, the contractor shall apply to participate in the Basic Pilot Program every three months until the Contractor is accepted or this public contract for services has been completed, whichever is earlier. The provisions specified in this paragraph D shall not be required or effective in this public contract for services if the Basic Pilot Program is discontinued.
5. The Contractor shall not use the Basic Pilot Program procedures to undertake pre-employment screening of job applicants while this public contract for services is being performed.
6. If Contractor obtains actual knowledge that a subcontractor performing work under this public contract for services knowingly employs or contracts with an illegal alien, the Contractor shall: notify the subcontractor and the County within three days that the Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and terminate the subcontract with the subcontractor if within three days of receiving the notice required pursuant to the previous paragraph, the subcontractor does not stop employing or contracting with the illegal alien; except that the contractor shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.
7. Contractor shall comply with any reasonable requests by the Department of Labor and Employment (the Department) made in the course of an investigation that the Department is undertaking pursuant to the authority established in C.R.S. § 8-17.5-102(5).
8. If Contractor violates this Section H of this Agreement, the County may terminate this Agreement for breach of contract. If the Agreement is so terminated, the Contractor shall be liable for actual and consequential damages to the County.

II. Signatures

In witness whereof, the parties have caused this agreement to be duly executed as of the date first above written.

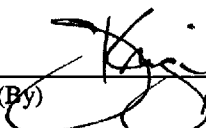
On behalf of the Board of County Commissioners,  
Adams County Community Development is pleased to  
make this award.

The SubGrantee accepts this award and will  
comply with the terms and conditions stated  
herein.

ADAMS COUNTY:

City of Northglenn  
(SUBGRANTEE NAME)

  
(By) Keith Frausto

  
(By) A. J. Krieger

Adams County Community Development Administrator  
(Title)

City Manager  
(Title)

6-25-07  
(Date)

June 20, 2007  
(Date)