

**COUNCIL ACTION FORM**

**SUBJECT: COMMUNITY DEVELOPMENT BLOCK GRANT RECOVERY  
(CDBG-R) CLOSEOUT AGREEMENT**

**BACKGROUND:**

On March 6, 2009, the U.S. Department of Housing and Urban Development (HUD) notified the City that we had been allocated \$130,258 of Community Development Block Grant Recovery (CDBG-R) funds as part of the American Recovery and Reinvestment Act of 2009. The grant period was from June 2009 through September 2012.

To utilize this grant funding, the following two projects were approved and completed:

**Neighborhood Infrastructure Improvement Program** – This program targeted improvements to the infrastructure in HUD designated low and moderate income census tracts. The objective was to replace and/or repair curbs, driveway approaches, sidewalks, and/or street resurfacing areas that have deteriorated and are causing pre-mature pavement failure. The overall goal of the program was to preserve and enhance the viability and aesthetics of our core existing neighborhoods. Under this activity, the City completed the above objectives along South Riverside Drive. The total amount spent was \$101,022.50, and one job was created.

**Eco-Smart Housing Retro-fit Program** – This program utilized an existing single-family home by incorporating “go-green” features as part of the rehabilitation of the property. The green affordable home was then to be sold to an eligible, low or moderate income, first-time homebuyer, in conjunction with the City’s CDBG Homebuyer Assistance Program. The overall goal of the program was to increase the availability of affordable housing to low income families and to maintain decent, safe, and sanitary housing stock in existing neighborhoods. The property at 3317 Morningside was purchase under our regular CDBG program and CDBG-R funds were utilized for rehabilitation to create an environmentally friendly, healthy, affordable home. The total amount of CDBG-R funds spent on this activity was \$29,236 and .37 job was created. The property is anticipated to be sold before June 30, 2013.

HUD is now requesting that the City complete the grant close-out documents, including a CDBG-R Grant Closeout Agreement, Closeout Certification and Closeout Checklist. Staff is requesting that City Council authorize the Mayor to sign and submit to HUD by March 31, 2013.

**ALTERNATIVES:**

1. The City Council can authorize the Mayor to sign the Grant Closeout documents in connection with the City's 2009 Community Development Block Grant Recovery (CDBG-R) Program with HUD.
2. The City Council can choose not to authorize the Mayor to sign these Grant Closeout documents.

**MANAGER'S RECOMMENDED ACTION:**

These closeout documents must be submitted to complete the City's obligations under the City's 2009 Community Development Block Grant Recovery (CDBG-R) Program.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby authorizing the Mayor to sign the Grant Closeout documents described above.

## **GRANT CLOSEOUT AGREEMENT**

**For Entitlement Community Development Block Grant-Recovery Program**

*Between*

**U.S. Department of Housing & Urban Development  
Edward Zorinsky Federal Building  
1616 Capitol Avenue, Suite 329  
Omaha, Nebraska 68102-4908**

*AND*

**City of Ames  
515 Clark Avenue  
P.O. Box 811  
Ames, Iowa 50010-0811**

This agreement sets forth the terms and conditions associated with the closeout of HUD CDBG-R Grant (B-09-MY-19-0010) dated July 29, 2009, and any applicable amendments. The City of Ames certifies that, to the best of its knowledge:

All activities as authorized by this grant and any applicable amendments have been completed as described in the grantee's final performance report dated March 26, 2013.

During the administration of this award, no fraud, waste or mismanagement has occurred in carrying out the approved activities.

All grant-financed costs associated with these activities have been incurred.

Proper provisions have been made for the payment of all unpaid costs and unsettled third-party claims.

The Department of Housing and Urban Development is under no obligation to make any payment to the City of Ames in excess of the amount identified in the grant agreement.

Statements and amounts set forth in the Federal Financial Report (SF-425) are true and accurate as of this date.

Further, the City of Ames hereby acknowledges the remaining obligation(s) under the terms of the grant agreement and agrees as follows:

All records and documents pertaining to this grant will be maintained for a period of 4 years after execution of this closeout agreement or the period required by other applicable laws and regulations related to *affirmatively furthering fair housing-24 CFR 570.506 (g) (1)*, *Lead-Based Paint-Poisoning Prevention Act-24 CFR 570.608*, *Architectural Barriers Act and Americans with Disabilities Act—24 CFR 570.614*, and the *Uniform Relocation Act – 24 CFR 570.606*.

Any real property within the City of Ames’s control which was acquired or improved in whole or part using CDBG funds in excess of \$25,000 is governed by the principles described in 24 CFR 570.505.

If any rehabilitated property falls within a flood plain, flood insurance coverage must be maintained for the mandatory period for affected property owners.

Identify any closeout costs or contingent liabilities subject to payment after the closeout agreement is signed.

Submit to HUD a Federal Financial Report using Standard Form 425 upon the completion of the final audit and resolution of any finding.

HUD maintains the right to conduct future monitoring of this grant, either on site or by review of information or copies of documents requested from the City of Ames. The City of Ames acknowledges that a finding of non-compliance resulting from such a review and failure to take appropriate corrective action satisfactory to HUD may be taken into account by HUD as evidence of unsatisfactory performance, in consideration of future grant awards. Further the City of Ames may be required to repay HUD any disallowed costs based on the results of a future audit or monitoring finding.

**City of Ames, Iowa**

\_\_\_\_\_  
**Ann H. Campbell, Mayor**

\_\_\_\_\_  
**Date**

**For the Department of Housing and Urban Development:**

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**Francis P. Severin, CPD Director**  
**Omaha, NE Field Office**

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**Date**

**HUD Form 40158 (1/2012)**



Attachment: C

OMB Approval No. 2506-0193 (exp 1/31/2015)

**Community Development Block Grant – Recovery (CDBG-R) Program  
Grantee Closeout Certification**

Grantee Name: City of Ames, Iowa

Grant Number: B-09-MY-19-0010

The Grantee hereby certifies that: (1) the grant as described in the approved application has been performed in accordance with the terms and conditions of the executed Grant Agreement and applicable CDBG-R Grant Award and that there are no known outstanding programmatic or financial issues; and (2) all data provided below fairly reflects costs and sources of funds of the CDBG-R grant and are taken from HUD-approved reports and other project-related documents.

- 1. Grant amount authorized. \$ 130,258
- 2. Cumulative grant funds disbursed. \$ 130,258  
(Grantee should draw down amounts for any final audit costs or unsettled third party claims. Any such amounts not subsequently disbursed must be immediately reimbursed to HUD.)
- 3. Grant funds recaptured previously \$ 0
- 4. Balance of grant funds to be recaptured. \$ 0  
(These funds will be recaptured by HUD in order for the funds to be returned to the U.S. Treasury.)

\_\_\_\_\_  
Grantee Authorized Representative's Signature and Date

Ann H. Campbell  
Typed Name of Signatory

Mayor  
Title

\_\_\_\_\_  
CPD Division Director Signature and Date

Francis T. Severin  
Typed Name of Signatory

CPD Director, Omaha Field Office  
Title

The above signature by HUD signifies approval of grant closeout.

HUD Form 40156 (1/2012)





U.S. Department of Housing and Urban Development  
Community Planning and Development

Attachment: D

OMB Approval No. 2506-0193 (exp 1/31/2015)

**CDBG-R Closeout Checklist**

For the purposes of expediting the grant closeout process, HUD asks applicants to submit the following checklist.

<b>Grantee Name</b> <u>City of Ames</u>	<b>Grant Number</b> <u>BY-09-MY-19-0010</u>
<b>Official Contact Person</b> <u>Vanessa Baker-Latimer</u>	<b>Telephone Number</b> <u>515-239-5400</u>
<b>Email Address</b> <u>vbakerlatimer@city.ames.ia.us</u>	<b>Fax Number</b> <u>515-239-5699</u>
<b>DUNS NUMBER</b> <u>061320917</u>	

**1. Program Income**

- Is there any program income on-hand at the time the close out agreement is signed? Yes  No   
If yes, explain:

**2. CDBG-R Activities**

- Are any of the activities ineligible under the Recovery Act, including swimming pools, golf courses, zoos, aquariums, and casinos or other gambling establishments? Yes  No  If yes, explain:
- Are any of the activities ineligible under the regular CDBG program or do any of the activities provide insufficient public benefit per 24 CFR 570.209(b)(3) or 24 CFR 570.482(f)(4)?  
Yes  No  If yes, explain:
- Do any activities contradict with any of the provisions in President Obama's *Ensuring Responsible Spending of Recovery Act Funds* Memo, including the section on *Avoiding Funding of Imprudent Projects*? Yes  No  If yes, explain:
- Any unused grant funds cancelled by HUD? Yes  No  If yes, explain:

**3. Draw Downs**

- Evidence that no more than 10% of the grant amount was spent on administration and planning?  
Yes  No  If no, explain:
- Evidence that no more than 15% of the grant amount was spent on public services? Yes  No  If no, explain:
- Evidence that at least 70% of the grant amount principally benefitted persons of low- and moderate-income? Yes  No  If no, explain:
- Did grantee commingle regular CDBG and CDBG-R funds? Yes  No  If yes, explain:
- If applicable, did the activities identified meet the public benefit standard underwriting guidelines as described in 24 CFR 570.209 (a) for entitlements grantees and 24 CFR 570.482(e) for states  
Yes  No  If no, explain:

HUD Form 40157 (1/2012)





U.S. Department of Housing and Urban Development  
Community Planning and Development

**4. Activity Eligibility and Meet a National Objective**

OMB Approval No. 2506-0193 (exp 1/31/2015)

- Are all activities eligible and does each activity meets a national objective? Yes  No  If no, explain

**5. Audits**

- Did the grantee have any open audits prior to CDBG-R allocation? Yes  No , if yes explain
- Did the grantee make reviews and audits of subrecipients and/or state recipients? Yes  No , if no explain No sub-recipients and/or state recipients on the project.

**6. Monitoring**

- Does the grantee have any open monitoring findings? Yes  No , if yes explain

**7. Reporting Systems**

- Are all quarterly reports current and accurate in Federal Reporting? Yes  No , if no explain
- Did grantee report on the number of jobs created or retained for each activity carried out? Yes  No , if no explain
- Did the grantee report on the name, location, and contact information for the entity that carried out each activity? Yes  No , if no explain
- Does the RAMPS data system indicate that the environmental review is complete? Yes  No , if no explain
- Did the grantee indicate that the grant is complete in Federal Reporting? Yes  No , if no explain

**8. Certifications**

- Did the grantee adhere to all certifications regarding the applicable provisions of the CDBG-R Notice? For example, Buy American provisions, Affirmatively Furthering Fair Housing, Section 3, Lead-based paint procedures. Yes  No , if no explain

**GRANTEE**

By:

\_\_\_\_\_  
Grantee Authorized Representative's Signature

\_\_\_\_\_  
Date

HUD Form 40157 (1/2012)