

**CFDA NO. 14.218**  
**FAIN: B-18-MC-30-0003**  
**FEDERAL AWARD DATE: 9/12/2018**

**COMMUNITY DEVELOPMENT BLOCK GRANT AWARD AGREEMENT**  
**AWARD AGREEMENT CDBG 18-02**

This Award Agreement is entered into by Homeward (“SUBRECIPIENT”), a Montana non-profit corporation located at 1535 Liberty Lane, #116A, Missoula, MT, and the City of Missoula, Montana, principally located at 435 Ryman Street, Missoula, MT (CITY).

**RECITALS**

- A. The Community Development Block Grant (CDBG) program was created in 1974 and is administered by the Federal Government through the U.S. Department of Housing and Urban Development (HUD). The objective of the CDBG Program is the development of viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities for low and moderate-income individuals.
- B. The City of Missoula is an Entitlement City in the CDBG Program, and has received an allocation of CDBG funds to be administered by the City in furtherance of the CDBG Program Objectives.
- C. The City of Missoula utilizes a competitive grant application process to determine how to allocate and spend the CDBG funds awarded to the City.
- D. SUBRECIPIENT has submitted an application for CDBG funds. This application has been fully reviewed and approved by the Missoula City Council in compliance with public open-meeting requirements.

Now therefore, based on the Recitals above, SUBRECIPIENT and the City agree to the following terms:

**1. PURPOSE**

The purpose of this Award Agreement is to provide funding for project activities approved by the City under the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Program. The terms, obligations and requirements that SUBRECIPIENT needs to perform in exchange for this award of funding are set forth in this Award Agreement, and upon execution of this Award Agreement, are binding on all parties.

**2. APPLICATION INCORPORATED BY REFERENCE**

SUBRECIPIENT's application for CDBG assistance is incorporated into this Award Agreement by this reference and all representations made in the application are binding upon SUBRECIPIENT, including non-Federal financial match commitments. If SUBRECIPIENT undertakes activities not represented in the application this Award Agreement may be subject to termination pursuant to the terms of Section 23 of this Award Agreement.

3. ACCEPTANCE OF CDBG PROGRAM REQUIREMENTS

SUBRECIPIENT will comply with all applicable parts of Title I of the Housing and Community Development Act of 1974, as amended; the applicable Department of Housing and Urban Development (HUD) regulations in 24 CFR Part 570, as now in effect or as they may be amended during the term of this Award Agreement; all requirements established by the City; applicable State and federal laws, regulations, administrative directives and procedures; and local ordinances and resolutions.

SUBRECIPIENT agrees that all contracts entered into by it for the completion of the activities set forth in their application and summarized in Section 6 of this Award Agreement will contain special provisions requiring contractors to comply with all applicable state and federal requirements.

SUBRECIPIENT expressly agrees to repay to the City any funds advanced to SUBRECIPIENT under this Award Agreement which SUBRECIPIENT, its subcontractors or subrecipient entities, or any public or private agent or agency to which it delegates authority to carry out portions of this Award Agreement expends in violation of the terms of this Award Agreement or the federal statutes and regulations governing the CDBG Program.

4. ADMINISTRATION

The City of Missoula (the City) shall administer this grant. Any reference to the City indicates an administrative function to be performed by the City of Missoula staff members.

5. EFFECTIVE DATE AND TIME OF PERFORMANCE

Contingent on the completion of all items in Section 8 (below), this Award Agreement shall take effect upon execution by all the parties, or July 1, 2018, whichever occurs later, and end on June 30, 2019. SUBRECIPIENT may be able to receive reimbursement for costs expended in furtherance of the approved list of activities contained in SUBRECIPIENT's application for costs incurred between July 1 and the date of execution of this Award Agreement. Reimbursement for already expended costs is purely a discretionary decision to be made by the City staff members, and shall be evaluated on a case-by-case basis. If reimbursement is allowed, reimbursement for already expended costs is limited to only those costs allowed by 24 CFR 570.200(h).

## 6. SCOPE OF ACTIVITIES

The allocation of CDBG funds awarded to SUBRECIPIENT by the City must be utilized to achieve and/or perform the identified list of activities set forth in SUBRECIPIENT's application for CDBG grant assistance. By accepting the award of CDBG funds, SUBRECIPIENT agrees to perform all activities identified in its CDBG application. The major components of the approved project include, but are not limited to:

- The HomeOwnership Center anticipates serving 881 people through a total of 1014 sessions through our homebuyer, financial and renter education and counseling and eviction prevention programs. Homeward is committed to providing workshops for our service partner providers' clients, as discussed in this application. While the number of clients served through these workshops is difficult to quantify as a goal, they commit to providing a minimum of 10 workshops throughout the community, to supplement their partners' work. This will add to our overall numbers served, as well as increase the number of people we support who are living with low to moderate incomes.
- 881 low-to-moderate income individuals will benefit.

## 7. AMOUNT OF AWARD AND BUDGET

- (a) The total amount of CDBG funds awarded to SUBRECIPIENT by the City will not exceed \$25,000.00. The City will have no obligation to pay for any project activities that exceed this award amount.
- (b) A copy of the project budget is included as Attachment B to this Award Agreement, and by this reference is made a part of this Award Agreement and binding upon SUBRECIPIENT.
- (c) Budget adjustment requests must be approved in advance by the City. For adjustments between line items of the CDBG portion of Attachment B, in an amount not to exceed \$1,000, the City's approval of the Request for Payment form submitted by SUBRECIPIENT will constitute approval of the requested budget adjustment. Budget adjustment requests in excess of \$1,000 must be submitted to the City in writing and are subject to an approval review process by the City.

## 8. SPECIAL CONDITIONS

- (a) SUBRECIPIENT will not obligate or utilize HUD or non-HUD funds for any activities provided for by this Award Agreement until:
  - o The approval of the Program Year 2018 Action Plan by the U.S. Department of

Housing and Urban Development.

- The City of Missoula completes an Environmental Review Record, and
  - The City issues a Notice of Release of Funds.
  - All sources outlined in the submitted and approved budget have been confirmed.
- (b) Uniform requirements. SUBRECIPIENT must comply with applicable uniform requirements, as described in 24 CFR §570.502.
- (c) Other program requirements. SUBRECIPIENT must carry out CDBG activity in compliance with all Federal laws and regulations described in 24 CFR 570 subpart K of these regulations, except that: SUBRECIPIENT does not assume the CITY's environmental responsibilities described at §570.604; and the SUBRECIPIENT does not assume the CITY's responsibility for initiating the review process under the provisions of 24 CFR part 52.
- (d) Reversion of assets. Upon expiration of this agreement, SUBRECIPIENT shall transfer to CITY any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds. Further, any real property under SUBRECIPIENT's control that was acquired or improved in whole or in part with CDBG funds (including CDBG funds provided to SUBRECIPIENT in the form of a loan) in excess of \$25,000 is either: (i) Used to meet one of the national objectives in §570.208 (formerly §570.901) until five years after expiration of the agreement, or for the length of the Period of Affordability, if applicable, included in this agreement, whichever is greater; or (ii) not used to meet one of the national objectives for the period specified above in (d)(i), in which event SUBRECIPIENT shall pay to CITY 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. The payment is program income to the CITY.
- (e) In all contracts with its subcontractors and subrecipients, SUBRECIPIENT will require all contract provisions, clauses and conditions as detailed the applicable year's version of the City of Missoula Grants Administration Manual and CDBG-HOME-required contract supplemental conditions (Attachment D).

9. PROCEDURE FOR DISBURSEMENT OF FUNDS

- (a) The City will pay to SUBRECIPIENT funds available under this Award Agreement upon approval by the City of SUBRECIPIENT's Request for Payment. The City will reimburse SUBRECIPIENT for approved, eligible and necessary expenses according to the documentation submitted by SUBRECIPIENT to support the expenditures. The City will not reimburse SUBRECIPIENT for any expenses not included in the approved budget or not clearly and accurately supported by SUBRECIPIENT's

records. Any awarded funds not expended by SUBRECIPIENT within 18 months of the date of execution of this Award Agreement will revert to the City and will be used to finance other CDBG projects.

- (b) For non-construction projects, a monetary retainage of \$2,500.00 (10% of the CDBG program award) shall be withheld by the City until satisfactory completion of the scope of activities in Section 6 of this agreement and all reporting and closeout requirements in Section 13 of this agreement have been satisfied.
- (c) The reimbursement of eligible costs incurred is contingent upon SUBRECIPIENT's completion of Section 8. SPECIAL CONDITIONS. In the event SUBRECIPIENT is unable to comply with the terms and the conditions of this Award Agreement, any costs incurred will be SUBRECIPIENT's sole responsibility.
- (d) If the actual total cost of completing the project is less than has been projected by SUBRECIPIENT in the budget (Attachment B), the City may, at its discretion, reduce the amount to be provided to SUBRECIPIENT under this Award Agreement in proportion to the overall savings.
- (e) If the City determines that SUBRECIPIENT has failed to satisfactorily carry out its responsibilities under this Award Agreement, the City may revoke SUBRECIPIENT's authority to draw against the awarded funds described in this Award Agreement until the City and SUBRECIPIENT agree on a plan to remedy the deficiency.
- (f) The City reserves the right to withdraw a commitment for any CDBG funds which remain unobligated 18 months after the date of execution of this Award Agreement.

## 10. NOTICE

All notices, demands, and consents provided for in this Award Agreement must be given in writing and shall be sent by U.S. Mail, hand-delivered, or emailed to the following:

The City's contact for all administrative and technical matters concerning this Award Agreement is:

Montana James, Grants Administrator III (or Successor)  
City of Missoula Office of Housing and Community Development  
435 Ryman Street  
Missoula, MT 59802  
(406) 552-6396  
mjames@ci.missoula.mt.us

SUBRECIPIENT's contact for all administrative and technical matters concerning this Award Agreement is:

Andrea Davis, Executive Director (or Successor)

1535 Liberty Lane, #116A  
Missoula, MT 59808  
(406) 532-4663  
Andrea@Homeword.org

11. OWNERSHIP AND PUBLICATION OF MATERIALS

All reports, information, data, and other materials prepared by any contractor or subcontractor pursuant to this Award Agreement are to be the property of SUBRECIPIENT and the City which have exclusive and unrestricted authority to release, publish or otherwise use, in whole or in part, information relating thereto. No material produced in whole or part under this Award Agreement may be copyrighted or patented in the United States or in any other country without the City's prior written approval.

12. ACCESS TO RECORDS AND PROJECT MONITORING

- (a) SUBRECIPIENT will maintain adequate and reasonable records of its performance under this Award Agreement and will allow access to these records at any time during normal business hours by the City and its auditors, the U.S. Department of Housing and Urban Development and the Comptroller General. These records will be kept in SUBRECIPIENT's offices in Missoula, Montana for a period not less than four (4) years as measured from the date of submission of the CAPER in which the specific activity is reported on for the final time.
- (b) The City may monitor and inspect all phases and aspects of SUBRECIPIENT's performance to determine compliance with the Scope of Activities, and other technical and administrative requirements, including the adequacy of SUBRECIPIENT's records and accounts. The City will advise SUBRECIPIENT of any specific areas of concern and provide SUBRECIPIENT opportunity to propose corrective actions acceptable to the City.

13. PROJECT PROGRESS REPORTING AND CLOSEOUT

- (a) During the term of this Award Agreement, SUBRECIPIENT will submit a Project Progress Report to the City during each quarter for the periods ending September, December, March, and June. This report must describe the status of the project with respect to each implementation objective including, at a minimum, the percentage of the project which has been completed, costs incurred, funds remaining and anticipated completion date. The report must also provide beneficiary demographic information as well as other program information that may be required by HUD. The report must also describe any significant problems encountered and any necessary modification of the project scope or implementation schedule that are being requested (Attachment A).
- (b) SUBRECIPIENT will submit the Project Progress Report to the City within 15 days of the close of each quarter. The City will not honor claims for payment until the required quarterly report has been submitted to and approved by the City. Project Progress

Reports submitted during a quarter in conjunction with a Request for Payment will satisfy the quarterly progress-reporting requirement.

(c) In order for the City to closeout this sub-award and remit final payment, SUBRECIPIENT must complete all required reporting.

#### 14. NON-DISCRIMINATION

All hiring shall be on the basis of merit and qualification and there shall be no discrimination in employment on the basis of race, ancestry, color, physical or mental disability, religion, national origin, sex, age, marital or familial status, creed, ex-offender status, physical condition, political belief, public assistance status or sexual orientation, gender identity or expression, except where these criteria are reasonable bona fide occupational qualifications.

#### 15. AFFIRMATIVE ACTION POLICY

Contractors, subcontractors, sub grantees, and other firms doing business with the City of Missoula must be in compliance with the City of Missoula's Affirmative Action Plan, and Title 49 Montana Codes Annotated, titled "Human Rights" or forfeit the right to continue such business dealings.

The City's Affirmative Action Policy Statement is:

The Mayor of the City of Missoula is committed to implement affirmative action to provide all persons equal opportunity for employment without regard to race, ancestry, color, handicap, religion, national origin, sex, age, marital status, creed, ex-offender status, physical condition, political beliefs, public assistance status, sexual preference, sexual orientation, gender identity or gender expression. In keeping with this commitment, we are assigning to all department heads and their staff the responsibility of actively facilitating equal opportunity for present employees, applicants, and trainees. This responsibility shall include assurance that employment decisions are based on furthering the principle of equal employment opportunity by imposing only valid requirements for employment and assuring that all personnel actions are administered on the basis of job necessity.

Specific responsibility for development, implementation, monitoring and reporting will be assigned to the City Personnel staff under the supervision of the Mayor's Administrative Assistant.

It is the policy of the City of Missoula to take affirmative action to eliminate discrimination in personnel policies and procedures that have adverse impact on the "affected class" unless sex, ex-offenders status, and/or physical or mental handicap relates to a bona fide occupational qualification. Equal opportunities shall be provided for all City employees during their terms of employment. All

applicants for City employment shall be recruited from the available labor market, and employed on the basis of their qualifications and abilities. The City of Missoula, where practical, shall utilize minority owned enterprises and shall ensure that subcontractors and vendors comply with this policy. Failure of subcontractors and vendors to comply with this policy statement shall jeopardize initial, continued, or renewed funds.

Our commitment is intended to promote equal opportunity in all employment practices and provide a positive program of affirmative action for the City of Missoula, its employees, program participants, trainees and applicants.

## 16. AVOIDANCE OF CONFLICT OF INTEREST

SUBRECIPIENT will comply with the provisions of the applicable HUD regulations of 24 CFR 570.611:

a) *Applicability.* (1) In the procurement of supplies, equipment, construction, and services by recipients and by subrecipients, the conflict of interest provisions in 2 CFR 200.317 and 200.318 shall apply.

(2) In all cases not governed by 2 CFR 200.317 and 200.318, the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient or by its subrecipients to individuals, businesses, and other private entities under eligible activities that authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to §570.202; or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to §570.203, 570.204, 570.455, or 570.703(i))

(b) *Conflicts prohibited.* The general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decisionmaking process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

(c) *Persons covered.* The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of subrecipients that are receiving funds under this part.

SUBRECIPIENT must also comply with sections 2-2-121, 2-2-201, and 7-5-4109, MCA, (as applicable) regarding the avoidance of conflict of interest.

## 17. MODIFICATION OF AWARD AGREEMENT



This Award Agreement, together with all referenced and incorporated attachments, contains the entire agreement between the parties, and no statements, promises, or inducements made by either party, or agents of either party, which are not contained in or authorized by this written Award Agreement, are valid or binding. This Award Agreement may not be enlarged, modified, or altered except upon mutual written agreement of the parties except for amendments made by the City pursuant to Section 23 of this Award Agreement. SUBRECIPIENT accepts responsibility for the adherence to the terms of this Award Agreement by subcontractor or subrecipient entities and by public or private agents or agencies to which it delegates authority to carry out portions of this Award Agreement.

18. CONSTRUCTION AND VENUE

This Award Agreement will be construed under and governed by the laws of the State of Montana. In the event of litigation concerning the Award Agreement, venue shall be in the District Court of the Fourth Judicial District in and for the County of Missoula, State of Montana.

19. INDEMNIFICATION

(a) SUBRECIPIENT waives any and all claims and recourse against the City and its officers, employees and agents including the right of contribution, for loss or damage to persons or property arising from, growing out of, or in any way connected with or incidental to SUBRECIPIENT's or any subrecipient's performance under this Service Agreement.

(b) SUBRECIPIENT agrees to indemnify, hold harmless, protect, defend and save the City, its elected and appointed officials, agents and employees, while acting within the scope of their duties as such, against any and all claims, demands, damages, costs, liability, expenses, including reasonable attorneys' fees, or causes of action of any kind or character, including the cost of defense arising out of the performance or omissions of performance or in any way resulting from the acts or omissions of SUBRECIPIENT and/or its agents, employees, representatives, assigns, subrecipients, and/or subcontractors under this Agreement.

20. WORKERS' COMPENSATION AND LIABILITY INSURANCE COVERAGE

(a) Workers' Compensation: SUBRECIPIENT must, at their own expense, obtain and keep in force any required workers' compensation insurance. The City of Missoula is not the workers' compensation insurer of SUBRECIPIENTs' employees. SUBRECIPIENT must have current workers' compensation insurance in place for its employees. The City of Missoula shall have no liability with respect to any and all actions of SUBRECIPIENT's employees, officers or agents. SUBRECIPIENT shall provide the City with a certificate of insurance evidencing SUBRECIPIENT's workers' compensation insurance coverage.

- (b) Liability Insurance: SUBRECIPIENT must, at their own expense, obtain and keep in force general commercial liability insurance to provide insurance against liability for loss, damage, or injury to property or persons that might arise out of SUBRECIPIENT's activities. The City of Missoula shall have no liability with respect to any and all actions of SUBRECIPIENT's officers, employees or agents. SUBRECIPIENT shall provide the City with a certificate of insurance evidencing liability insurance.

21. AWARD AGREEMENT AMENDMENT

- (a) SUBRECIPIENT may request that this Award Agreement be amended. However, the City will allow an amendment only if SUBRECIPIENT clearly demonstrates that the modification is justified and will enhance the overall impact of the original project. The City will consider each request to determine whether the modification is substantial enough to necessitate reevaluating the project's original ranking. If warranted, the City will analyze the impact of the proposed modification on the scores assigned SUBRECIPIENT's application in the original grant competition.
- (b) The City will not approve amendments to the scope of work or the budget that will affect high priority activities or improvements that would materially alter the circumstances under which the grant was originally ranked.
- (c) If the City determines that the proposed amendment represents a substantial change in the project activities proposed in the original application for CDBG funds, the City will hold a local public hearing on the amendment with reasonable notice.
- (d) No amendment to the Award Agreement will occur unless the amendment is set forth in writing and signed by the City and SUBRECIPIENT.

22. PROPERTY MANAGEMENT

Title to real property or equipment acquired under a grant or subgrant will vest upon acquisition in SUBRECIPIENT or subgrantee. SUBRECIPIENT or subgrantee will use, manage, and dispose of this property or equipment in accordance with the requirements set out in 2 CFR 200 and 24 CFR Part 570, Subpart J.

23. TERMINATION OF AWARD AGREEMENT

This Award Agreement may be terminated as follows:

- (a) Termination and Modification Due to Loss of Funding. If, for any reason, the federal financial resources required by the City to fund SUBRECIPIENT's project are withdrawn from the City, the City may unilaterally terminate or modify the terms of this Award Agreement to reflect the loss of funding. If a termination or modification is required, the City will, to the extent permitted by available CDBG funds, compensate SUBRECIPIENT for eligible work elements SUBRECIPIENT has

completed and for actual, necessary and eligible expenses incurred by SUBRECIPIENT as of the revised termination date. The City will give SUBRECIPIENT written notice of the effective date of the modification or termination of this Award Agreement and, if a reduction in funding is required, will provide SUBRECIPIENT with a modified project budget.

- (b) Termination Due to Noncompliance with Award Agreement Terms. If the City determines that SUBRECIPIENT has failed to comply with the general terms and conditions of this Award Agreement, the project schedule (Attachment A), or any special conditions, and if upon notification of the defect SUBRECIPIENT does not remedy the deficiency within a reasonable period to be specified in the notice, the City may terminate this Award Agreement in whole or in part at any time before the date of completion. The City will promptly notify SUBRECIPIENT in writing of the decision to terminate, the reasons for the termination, and the effective date of the termination.
- (c) Termination Due to Adverse Environmental Impact. This Award Agreement will terminate at the conclusion of the environmental review process if SUBRECIPIENT or the City determines that the project would have a significant adverse impact on the quality of the human environment and that this impact cannot be avoided or sufficiently mitigated by reasonable, cost-effective means.
- (d) Effect of Termination. In the event of termination due to SUBRECIPIENT's failure to comply with the terms of this Award Agreement or the project's adverse environmental impact, any costs incurred will be the responsibility of SUBRECIPIENT. However, at its discretion, the City may approve requests by SUBRECIPIENT for reimbursement of expenses incurred. The City's decision to authorize payment of these costs or to recover expended CDBG funds will be based on a consideration of the extent to which the expenditure of those funds represented a good faith effort of SUBRECIPIENT to comply with the terms of this Award Agreement and on whether any failure to comply with the terms of this Award Agreement was the result of circumstances beyond SUBRECIPIENT's control.

24. WAIVER

The waiver of any of the terms and conditions of this Award Agreement on any occasion or occasions is not to be deemed as waiver of those terms and conditions on any future occasion.

25. SEVERABILITY

If any section, subsection, sentence, clause, phrase or word of this Award Agreement is for any reason held to be invalid, illegal, or unenforceable, such decision shall not affect the validity of the remaining portions of this Award Agreement.

26. ATTORNEY'S FEES

In the event of a breach of the terms of this Award Agreement, the prevailing party shall be entitled to attorney's fees incurred in the enforcement of the terms of this Award Agreement.

27. SUCCESSORS AND ASSIGNS.

This Award Agreement inures to the benefit of and constitutes a binding obligation on SUBRECIPIENT and their respective successors and assigns. SUBRECIPIENT may not assign this Award Agreement or any of its duties hereunder without the prior written consent of the City.

28. OPEN MEETINGS

All meetings of SUBRECIPIENT's Board of Directors will be open to the public as per the applicable Montana Code Annotated provisions in 2-3-203, MCA.

29. INDIRECT COST RATE

While 2 CFR 200.414(c) details options available to CDBG subrecipients to be able to charge indirect costs to this award, 2 CFR 200.100(c) details the limitations on charging for indirect costs:

c) *Cost Principles*. Subpart E—Cost Principles of this part establishes principles for determining the allowable costs incurred by non-Federal entities under Federal awards. The principles are for the purpose of cost determination and are not intended to identify the circumstances or dictate the extent of Federal Government participation in the financing of a particular program or project. The principles are designed to provide that Federal awards bear their fair share of cost recognized under these principles except where restricted or prohibited by statute.

Furthermore, 2 CFR §200.408 Limitation on allowance of costs states:

The Federal award may be subject to statutory requirements that limit the allowability of costs. When the maximum amount allowable under a limitation is less than the total amount determined in accordance with the principles in this part, the amount not recoverable under the Federal award may not be charged to the Federal award.

24 CFR 570.200(g) details the regulatory limits of CDBG program and administrative expenses, which include such indirect costs:

(g) Limitation on planning and administrative costs—(1) Origin year grant expenditure test. For origin year 2015 grants and subsequent grants, no more than 20 percent of any origin year grant shall be expended for planning and program administrative costs, as defined in §§570.205 and 570.206, respectively.

Expenditures of program income for planning and program administrative costs are excluded from this calculation.

(2) Program year obligation test. For all grants and recipients subject to subpart D, the amount of CDBG funds obligated during each program year for planning plus administrative costs, as defined in §§570.205 and 570.206, respectively, shall be limited to an amount no greater than 20 percent of the sum of the grant made for that program year (if any) plus the program income received by the recipient and its subrecipients (if any) during that program year. For origin year 2015 grants and subsequent grants, recipients must apply this test consistent with paragraph (g)(1) of this section.

Given CDBG's twenty percent cap on administrative and planning costs, which includes indirect costs, SUBRECIPIENT may select an indirect cost rate for this award but may not receive reimbursement for such costs since the City anticipates to incur administrative and planning costs up to the maximum allowed by CDBG.

Subrecipients wishing to include indirect costs as part of their reimbursement of Community Development Block Grant (CDBG) funds, must inform the City of their intent by completing the attached **Administration and Indirect Cost Selection Form (ATTACHMENT C)**. Subrecipients will need to indicate the type of indirect rate option that is proposed/requested for the Program Year. Depending on the option chosen, the City may require additional documentation to establish the approved or negotiated indirect rate for your agency. The two indirect rate options followed by a brief definition are as follows:

- **Federally Negotiated Indirect Cost Rate:** These are actual costs that are incurred by an organization and are part of an approved Cost Allocation Plan that has been approved through a Federal agency or a cognizant agency.
- **Federally Accepted *de minimis* Indirect Rate:** Organizations that have never received a federally negotiated indirect cost rate will charge a flat *de minimis* indirect cost rate of 10% of Modified Total Direct Costs (MTDC) (see Exhibit B for definition of MTDC).

*MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and sub awards and subcontracts up to the first \$25,000 of each sub award or subcontract.*

### 30. PERIOD OF AFFORDABILITY FOR HOUSING PROJECTS

Housing activities supported by CDBG are subject to period of affordability requirements. Housing activities include acquisition, rehabilitation, and/or construction of permanent housing for homeowners and/or renters. The City of Missoula will use HOME Investment Partnerships Program regulations at 24 CFR 92.252(e) for rental and 24 CFR 92.254(a)(4) for homeownership when determining the length of the period of affordability based on the size of subsidy:

<b>CDBG Activity</b>	<b>CDBG Investment Per Unit</b>	<b>Length of Compliance / Affordability Period</b>
Homebuyer, Homeowner, and Rental Housing acquisition and/or rehabilitation	Less than \$15,000	5 years
	\$15,000-\$40,000	10 years
	\$40,000+	15 years
New construction of rental housing	Any \$ amount	20 years

The City of Missoula may require SUBRECIPIENT to deed restrict the properties to ensure compliance with the period of affordability.

31. PROGRAM INCOME

SUBRECIPIENT must remit to the CITY remit any program income it generates as a result of the CDBG award.

IN WITNESS OF THE TERMS SET OUT ABOVE, the parties have executed this Award Agreement.

CITY OF MISSOULA:

SUBRECIPIENT:

\_\_\_\_\_  
John Engen, Mayor

\_\_\_\_\_  
Tyler Johnson, Board Chair  
Board of Directors

Date: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Martha L. Rehbein, CMC  
City Clerk

STATE OF MONTANA     )  
  )  
County of Missoula     )

On this \_\_\_\_ day of \_\_\_\_\_, 2018, before me \_\_\_\_\_, a Notary Public for the State of Montana, personally appeared, Tyler Johnson, Board Chair, Board of Directors, Homeword in Montana, and acknowledged to me that s/he executed the written instrument on behalf of said Business.

(NOTARY SEAL)

\_\_\_\_\_  
PRINTED NAME: \_\_\_\_\_  
Notary Public for the State of Montana  
Residing at \_\_\_\_\_  
My Commission expires \_\_\_\_\_

# Attachment A: Project Schedule

We believe it is important to provide the total number we plan serve through our homebuyer, financial and renter education and counseling and eviction prevention programs as the unduplicated numbers don't fully illustrate the work our counselors are doing to support our community members as they work to reach their housing and financial goals. **July 1, 2018** - Begin program for Fiscal Year 2019

	<b>July – Sept 2018</b>	<b>Oct – Dec 2018</b>	<b>Jan – Mar 2019</b>	<b>April – June 2019</b>
Homebuyer Education & Counseling	<ul style="list-style-type: none"> <li>• 162 total served</li> <li>• 58 LMI</li> <li>• No duplication</li> </ul>	<ul style="list-style-type: none"> <li>• 162 total served</li> <li>• 58 LMI served</li> <li>• No duplication</li> </ul>	<ul style="list-style-type: none"> <li>• 105 total served</li> <li>• 42 LMI served</li> <li>• No duplication</li> </ul>	<ul style="list-style-type: none"> <li>• 150 total served</li> <li>• 58 LMI served</li> <li>• No duplication</li> </ul>
Financial Education & Counseling	<ul style="list-style-type: none"> <li>• 91 total served, 64 of which are unduplicated</li> </ul>	<ul style="list-style-type: none"> <li>• 91 total served, 64 of which are unduplicated</li> </ul>	<ul style="list-style-type: none"> <li>• 91 total served, 63 of which are unduplicated</li> </ul>	<ul style="list-style-type: none"> <li>• 91 total served, 64 of which are unduplicated</li> </ul>
Renter Ed & Counseling, and Eviction Prevention	<ul style="list-style-type: none"> <li>• 18 total served, 12 of which are unduplicated</li> </ul>	<ul style="list-style-type: none"> <li>• 18 total served, 12 of which are unduplicated</li> </ul>	<ul style="list-style-type: none"> <li>• 18 total served, 11 of which are unduplicated</li> </ul>	<ul style="list-style-type: none"> <li>• 18 total served, 12 of which are unduplicated</li> </ul>
Workshops	2 workshops provided	3 workshops provided	2 workshops provided	3 workshops provided



**Attachment B: 2018 CITY OF MISSOULA CDBG / HOME  
APPLICATION SOURCES OF FUNDS**

Source	\$ Confirmed	\$ Pending	Total	If Pending, Date Application Submitted
City of Missoula CDBG		\$25,000	\$25,000	2/20/2018
Foundations/Grants	\$36,590	\$15,000	\$51,590	will submit
NeighborWorks MT/HUD		\$73,000	\$73,000	confirmation of funding after 7/1/1
MOUs	\$1,200		\$1,200	
Corporate Sponsorships	\$7,500	\$9,500	\$17,000	varies
Homebuyer Ed Fee		\$10,000	\$10,000	Based on consistent class enrollment
HW Operating	\$71,478		\$71,478	
<b>Total</b>	<b>\$116,768</b>	<b>\$132,500</b>	<b>\$249,268</b>	

**GUIDE TO CELL COLORS:**

Fill in with text, numbers or other information as required

Calculated fields (do NOT enter data or change formula)





Syndication Fee									0
									0
									0
<b>TOTAL SYNDICATION COSTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>DEVELOPER'S FEES</b>									
Developer's Overhead									0
Developer's Fees									0
Consultant Fee									0
Developers Fee-Acquisition									0
									0
<b>TOTAL DEVELOPER'S FEES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PROJECT RESERVES</b>									
Initiation 18-mo. Operating Deficit									0
Rent-Up Reserve									0
Operating Reserve									0
Replacement Reserve									0
Pre-funded R for R									0
									0
									0
<b>TOTAL PROJECT RESERVES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL OF COSTS</b>	<b>\$249,268</b>	<b>\$25,000</b>	<b>\$51,590</b>	<b>\$73,000</b>	<b>\$1,200</b>	<b>\$17,000</b>	<b>\$10,000</b>	<b>\$71,478</b>	<b>\$0</b>
<b>TOTAL PROJECT COSTS WITHOUT ADMIN</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL PROJECT COSTS WITH ADMIN</b>	<b>\$249,268</b>	<b>\$25,000</b>	<b>\$51,590</b>	<b>\$73,000</b>	<b>\$1,200</b>	<b>\$17,000</b>	<b>\$10,000</b>	<b>\$71,478</b>	<b>\$0</b>
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$249,268</b>								
<b>DIFFERENCE</b>	<b>\$0</b>								

(IF THERE IS A DIFFERENCE THE PROJECT IS EITHER OVER- OR UNDER-FUNDED)



The line item narrative on the next tab must justify budget amounts and assumptions with either third party documentation or past experience with project in similar markets. At a minimum, the proposed budget in the Uniform Application must adhere to the following:

- Sources of Funds (Part I) equal Uses of Funds (Part II)
- Columns and rows add correctly

**ATTACHMENT C**  
**CDBG Administration and Indirect Cost Selection Form**

**INSTRUCTIONS:**

Subrecipients interested in reimbursement for indirect costs must complete all parts of this form. Part one (1) will certify that the applicant is a legal entity. Part two (2) selects the type of indirect rate that the applicant is requesting in the application. Make sure the form is signed by the agency's authorized representative.

**Name of Agency:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**PART 1:**

Subrecipients or grantees must be legal entities. Identify your organization type as one of the following and provide your Federal Employer Identification Number (FEIN):

- Local government: FEIN \_\_\_\_\_
- Non-Profit Organization: FEIN: \_\_\_\_\_
- Institution for Higher Education: FEIN: \_\_\_\_\_
- Individual (not eligible for indirect or administrative costs)

**PART 2:**

Applicants must select one of the following indirect rates. This rate will apply for the life of this grant, including any future extension for time, and cannot be changed.

- Federally Negotiated Indirect Cost Rate.** We have previously negotiated or currently have an approved indirect cost rate with a Federal (cognizant) agency. A copy of our most recently approved rate agreement is attached; if necessary, we will provide a more current rate once it is approved. Our current Federally Negotiated Indirect Cost Rate is \_\_\_\_\_ %.
- Federally Accepted *de minimis* Indirect Rate.** We have never received a federally negotiated indirect rate. We request as a condition of this grant to charge a flat *de minimis* indirect cost rate of 10% of modified total direct costs (MTDC). We would like to negotiate an indirect rate of modified total direct costs (MTDC).
- We choose not to select an Indirect Cost Rate for this award**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## Definitions

### **§ 2 CFR 200.56 Indirect (facilities & administrative (F&A)) costs.**

*Indirect (F&A) costs* means those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect (F&A) costs. Indirect (F&A) cost pools should be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived.

### **§ 2 CFR 200.68 Modified Total Direct Cost (MTDC).**

*MTDC* means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and subcontracts up to the first \$25,000 of each subaward or subcontract (regardless of the period of performance of the subawards and subcontracts under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward and subcontract in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.