

## AGREEMENT

THIS AGREEMENT, made and entered into on this 19<sup>th</sup> day of Nov, 2015, by and between **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government pursuant to KRS Chapter 67A, and located at 200 East Main Street, Lexington, Fayette County, Kentucky 40507 (hereinafter referred to as "GOVERNMENT"), and **BLUEGRASS.ORG (FORMELY KNOWN AS BLUEGRASS REGIONAL MENTAL HEALTH-MENTAL RETARDATION BOARD, INC.)**, a Kentucky non-profit corporation pursuant to KRS Chapter 273, and whose post office address is 1351 Newtown Pike, Lexington, Kentucky 40511-1217 (hereinafter referred to as "SUBRECIPIENT".)

WHEREAS, the GOVERNMENT's 2015 Consolidated Plan allocates \$66,000 in funds to the SUBRECIPIENT from the HOME Investment Partnerships Program for support of operation of a Tenant Based Rental Assistance program for persons with severe mental illnesses, with a priority given to persons who are homeless;

WHEREAS, the GOVERNMENT's responsibility for ensuring compliance with all grant requirements necessitates a written agreement with the SUBRECIPIENT;

NOW, THEREFORE, in consideration of the foregoing and mutually agreed upon promises, conditions, and covenants hereinafter set forth, pursuant to grant requirements, the parties hereto agree as follows:

### I. SCOPE OF WORK

#### A. Activities

The SUBRECIPIENT shall be responsible for operation of a tenant based rental assistance program for approximately ten low-income and very low-income families with severe mental illnesses in Fayette County, Kentucky, in accordance with the federal regulations at 24 CFR Part 92.209. The SUBRECIPIENT shall be responsible for the following:

- Certifying income and program eligibility of tenants at initial occupancy. The SUBRECIPIENT shall also be responsible for the annual recertification of the tenants' incomes. At annual certification, if a participating household's income exceeds the Section 8 Low-Income Limit (80 percent of the median), the HOME assistance must be terminated. Income is defined by the U.S. Department of Housing and Urban Development's (hereinafter referred to as "HUD") Section 8 Program, 24 CFR Part 982. .
- Ensuring that units meet minimum Housing Quality Standards (hereinafter referred to as "HQS") at initial occupancy and on an annual basis.
- All lead based paint compliance issues required by 24 CFR Part 35.
- Ensuring that tenants receiving assistance under this program are under a lease that is in compliance with the Kentucky Uniform Landlord Tenant Act and with the federal provisions at 24 CFR 92.253(a) and (b).
- Execution of rental assistance contracts with eligible tenant families for a period that does not exceed 24 months and for rents that do not exceed the Section 8 Fair Market Rent as published by HUD.

#### B. Reporting

The SUBRECIPIENT shall submit an annual report to the GOVERNMENT, providing the following information about the employees of the SUBRECIPIENT's organization: race, age, sex, and disability. The annual report for Fiscal Year 2016 shall be submitted to the GOVERNMENT no later than July 30, 2016. Submission of annual reports is required for each fiscal year in which grant funds are expended.

#### C. Performance Monitoring

The GOVERNMENT will monitor the performance of the SUBRECIPIENT under the terms of the Agreement. Substandard performance as determined by the GOVERNMENT will constitute noncompliance with the Agreement. If action to correct such substandard performance is not taken by the SUBRECIPIENT within a reasonable period of time after being notified by the GOVERNMENT, Agreement suspension or termination procedures will be initiated.

GOVERNMENT shall perform on-site inspections of rental housing prior to occupancy by tenants receiving HOME-assisted TBRA to determine compliance with the Section 8 HQS. GOVERNMENT shall assist SUBRECIPIENT in annual site inspections to determine compliance with Section 8 HQS.

### II. TIME OF PERFORMANCE

The SUBRECIPIENT agrees to complete all activities under this agreement no later than December 31, 2017

### III. USE OF FUNDS

HOME Investments Partnership Program in the amount of \$66,000 shall be used by SUBRECIPIENT for the operation of a tenant based rental assistance program in accordance with 24 CFR Part 92.209, using the Section 8 Certificate Program model, and in accordance with local program guidelines, which are incorporated herein by reference. Program funds in the amount of \$60,000 may be used for payment of security deposits and monthly housing subsidies for eligible clients. Administrative funds in the amount of \$6,000 may be used by the SUBRECIPIENT for the direct costs of the administration of the program.

### IV. PAYMENT

It is expressly agreed and understood that the total amount to be paid by the GOVERNMENT under this Agreement shall not exceed \$66,000. The SUBRECIPIENT shall invoice the GOVERNMENT on a monthly basis for the reimbursement of actual expenditures incurred in the administration of the program. Administrative expenditures may include salaries and fringe benefits of employees who directly operate the housing program, local travel, travel for purposes of training and recertification, third party contracts, office supplies, public information, and expenses related to fair housing activities. No indirect costs will be supported. The SUBRECIPIENT shall invoice the GOVERNMENT on a monthly basis for reimbursement of the rental assistance incurred. Invoices must include the Project Set-Up Reports and TBRA Project Draw Requests.

### V. HOME PROGRAM REQUIREMENTS

A. The SUBRECIPIENT shall be responsible for requirements in 24 CFR Part 92, Subpart F as these requirements are applicable to the operation of a Tenant Based Rental Assistance program, and for requirements in Lexington-Fayette Urban County Government's Local Guidelines for Operation of HOME funded Tenant Based Rental Assistance Program, as detailed in Attachment A of this Agreement.

B. Income-eligible Households

SUBRECIPIENT agrees that 100% of the units must serve households at or below 60% of the area median income. Additionally, at least 20% of the units must

serve households at or below 50% of the area median income, adjusted for size as defined by federal Section 8 income guidelines.

C. Affirmative Marketing

The SUBRECIPIENT agrees to comply with the Affirmative Marketing Plan adopted by the GOVERNMENT in its administration of HOME Investment Partnerships Program funds. SUBRECIPIENT acknowledges receipt of the Affirmative Marketing Plan.

VI. NOTICES

All notices hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified mail, postage prepaid, return receipt requested, to the parties at their respective addresses as first set out herein.

VII. GENERAL CONDITIONS

A. The SUBRECIPIENT agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 92 (HUD regulations concerning HOME Investment Partnerships Program). 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 use funds available under this Agreement to supplement rather than supplant funds otherwise available.

B. SUBRECIPIENT agrees to defend, indemnify, and hold harmless GOVERNMENT from any and all losses or claims of whatever kind, that are in any way incidental to, or connected with, or that arise or alleged to have arisen, directly or indirectly, in whole or in part, from the execution, performance, or breach of this contract by SUBRECIPIENT, including any environmental problems, including, without limitation, soil and/or water contamination, and remedial investigations and feasibility studies thereof, which exist at or prior to the contract commencement date, regardless of when such losses or claims are made or incurred. This indemnity agreement shall in no way be limited by any financial responsibility, or loss control requirements below, and shall survive the termination of this contract.

For the purposes of this Indemnity Provision:

a. The word “defend” includes, but is not limited to, investigating, handling, responding to, resisting, providing a defense for, and defending claims, at SUBRECIPIENT’S expense, using attorneys approved in writing by GOVERNMENT, which approval shall not be unreasonably withheld.

b. The word “claims” includes, but is not limited to, claims, demands, liens, suits, notices of violation from Governmental agencies, and other causes of action of whatever kind.

c. The word “losses” includes, but is not limited to: attorney fees and expenses; costs of litigation; court or administrative costs; judgments; fines; penalties; interest; all environmental cleanups and remediation costs of whatever kind; and any liability arising from death, injury, or damage of any kind, to any person, including employees and agents of SUBRECIPIENT and GOVERNMENT, and damage to, or destruction of, any property, including the property of GOVERNMENT.

C. The SUBRECIPIENT shall provide Workers' Compensation insurance coverage for all its employees involved in the performance of this Agreement.

- D. This Agreement, or any part hereof, may be amended from time to time hereafter only in writing executed by the GOVERNMENT and the SUBRECIPIENT.
- E. This Agreement, in accordance with 24 CFR 85.43 can be terminated if SUBRECIPIENT materially fails to comply with any term of this agreement. Failure by the SUBRECIPIENT to comply with any term of this Agreement may result in action by the GOVERNMENT requiring repayment of the federal funding. This Agreement may be terminated for convenience in accordance with 24 CFR 85.44 upon written notice by the GOVERNMENT.
- F. GOVERNMENT and the SUBRECIPIENT each binds himself and his partners, successors, executors, administrators, assigns, and legal representatives of such other party, in respect to all covenants, agreements, and obligations of the Agreement.

## VIII. ADMINISTRATIVE REQUIREMENTS

### A. Uniform Administrative Requirements

#### 1. Accounting Standards

The SUBRECIPIENT agrees to comply with 2 CFR 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" and agrees to adhere to the accounting principles and procedures required therein, use adequate internal controls, and maintain necessary source documentation for all costs incurred.

#### 2. Cost Principles

The SUBRECIPIENT shall administer its program in conformance with 2 CFR 200. 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 92.508, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- a. Records to document salary and fringe benefit costs of the employees whose salaries are in whole or in part paid with administrative funds provided under the terms of this agreement.
- b. Applications of all clients requesting assistance.
- c. Client files shall include, but not be limited to, application for assistance, lease, rental assistance contract, evidence of initial income eligibility, drug-free housing addendum, verification of diagnosis as severely mentally ill, recertification, HQS inspections, lead based paint assessments,
- d. Records documenting the extent to which each racial and ethnic groups and single-headed households (by gender of household head) have applied for, participated in, or benefited from the herein described program.
- e. Records documenting compliance with the fair housing, affirmative marketing, outreach to minority-owned and female-owned businesses, and equal opportunity components of the HOME Program;
- f. Records demonstrating that each housing unit meets the property standards of 24 CFR Part 92.251 and the lead-based paint requirements of 24 CFR Part 92.
- g. Records documenting compliance with OMB Circular A-122 and the applicable sections of 24 CFR part 84 as required by 24 CFR Part 92.505.

#### 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 covering acquisitions of property must be kept for five (5) years after the date on which all persons whose property is acquired for the project have received the final payment to which they are entitled in accordance with 24 CFR Part 92.353. Records for any displaced person must be kept for five (5) years after he/she has received final payment. Documents imposing recapture/resale restrictions must be retained for five years after the affordability period terminates. 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-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five-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, address, income level or other basis for determining eligibility, and income source verification. Such information shall be made available to government monitors or their designees for review upon request.

### 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 GOVERNMENT'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. Close-outs

The SUBRECIPIENT's obligation to the GOVERNMENT 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 GOVERNMENT and determining the custodianship of records.

### 6. Audits and Inspections

All SUBRECIPIENT records with respect to any matters covered by this Agreement shall be made available to the GOVERNMENT, grantor agency, their designees or the federal government, at any time during normal business hours, as often as the 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 the future payments. The SUBRECIPIENT hereby agrees to have an annual agency audit conducted in accordance with current GOVERNMENT policy concerning SUBRECIPIENT audits and, as applicable, 2 CFR 200. Copy of Audit shall be submitted to the GOVERNMENT's Division of Grants and Special Programs.

## C. Procurement

### 1. Compliance

The SUBRECIPIENT shall comply with current GOVERNMENT 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.

2. Federal Standards

The SUBRECIPIENT shall procure all materials, property, or services in accordance with the Procurement Standards of 2 CFR 200.318 , “General Procurement Standards” and shall subsequently follow property management standards as provided by 2 CFR 200.344.

3. Debarment Certification

SUBRECIPIENT certifies, in accordance with Executive Order 12549 (Debarment and Suspension February 18, 1986) that to the best of its knowledge and belief, that it, its principals, and its subcontractors:

- a. Are not presently debarred, suspended, proposed for debarment, declared negligible, or voluntarily excluded from covered transactions or contract by and Federal department or agency for noncompliance with the Federal Labor Standards, Title VI of the Civil Rights Act of 1964 as amended, Executive Order 11246 as amended or any other federal law;
- b. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- c. Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (a) of this certification; and
- d. Have not within a three-year period preceding this proposal had one or more public (Federal, State, or local) transactions or contracts terminated for cause or default.

IX. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The SUBRECIPIENT agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 92.353. The SUBRECIPIENT shall provide relocation assistance to persons (families, individuals, businesses, non-profit organizations and farms) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a HOME-assisted project. The SUBRECIPIENT also agrees to comply with applicable GOVERNMENT policies concerning the displacement of persons from their residences.

X. PERSONNEL AND 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 I 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, advertising, layoff, termination, rates of pay or other forms of compensation, and selection of 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. 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 the handicapped 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 GOVERNMENT's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1965. The GOVERNMENT shall provide Affirmative Action guidelines to the SUBRECIPIENT to assist in the formulation of such program.

2. W/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 African-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 GOVERNMENT, 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. 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.

5. Subcontract Provisions

The SUBRECIPIENT will include the provisions of Paragraphs X. 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. 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 SUBRECIPIENT and any of the SUBRECIPIENT'S subrecipients and subcontractors. Failure to fulfill these requirements shall subject the GOVERNMENT, 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 these requirements.

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

"The work to be performed under this contract is a project assisted under a program providing 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 HOME-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 HOME-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.

3. Drug Free Workplace

The SUBRECIPIENT shall administer a policy designed to ensure that the facilities providing services under the terms of this agreement are free from the illegal use, possession, or distribution of drugs or alcohol by its employees and beneficiaries.

D. Conduct

1. Assignability

The SUBRECIPIENT shall not assign or transfer any interest in this Agreement without the prior written consent of the GOVERNMENT thereto; provided, however, that claims for money due or to become due to the GOVERNMENT 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 GOVERNMENT.

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 GOVERNMENT prior to the execution of such agreement.

b. Monitoring

The SUBRECIPIENT will monitor all subcontracted services on a regular basis to assure compliance with this Agreement. 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 92.356 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 services required under this Agreement. The SUBRECIPIENT further covenants that in the performance of this Agreement no person having such a financial interest shall be employed or retained by the SUBRECIPIENT hereunder.

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 subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly; and
- d. Lobbying Certification - Paragraph d

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 GOVERNMENT 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 used 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 92.257.

IN WITNESS WHEREOF, the parties executed this Agreement the day, month, and year above written.

LEXINGTON-FAYETTE URBAN COUNTY  
GOVERNMENT

  
\_\_\_\_\_  
Jim Gray, Mayor

ATTEST:

  
\_\_\_\_\_  
Clerk of Urban County Council

BLUEGRASS REGIONAL MENTAL  
HEALTH-MENTAL RETARDATION BOARD,  
INC.

BY:   
\_\_\_\_\_  
Signature of Authorized Official

Paul R. Beatrice  
\_\_\_\_\_  
Printed Name

## ATTACHMENT A TENANT BASED RENTAL ASSISTANCE (TBRA)

### Introduction

The Lexington Fayette Urban County Government's (LFUCG) HOME-funded Tenant-Based Rental Assistance (TBRA) program provides rental assistance to low-income individuals who are homeless or near homeless and/or members of a special needs population. The program is part of the local government's strategy to provide housing and supportive services to low-income members of homeless or near homeless and special needs populations.

The program is funded with HOME Investment Partnership funds awarded annually to the local government as an entitlement community by the U.S. Department of Housing and Urban Development (HUD). *As such, all activities must comply with applicable HOME regulations, which are found in 24 CFR Part 92.*

The local government's HOME-funded TBRA is a tool that agencies can use to assist members of homeless or near homeless and/or special needs populations to obtain stable, safe, decent and affordable housing. Targeting members of the populations they already serve, agencies may use the funds to complement services they currently provide. With the knowledge that housing by itself is ineffective in improving disabling conditions of many homeless and very low income households, agencies may design a program that links existing services to the TBRA program. Through the required use of individual housing service plans, agencies can help link rental assistance to supportive services that help program participants cope with their disabilities and improve their economic circumstances.

The LFUCG's HOME-funded TBRA program relies on non-profit agencies selected through the Consolidated Plan application process to administer the program. Each agency designs its TBRA program to assist eligible members of the homeless or near homeless and/or special needs population they serve on a daily basis. Each must demonstrate their experience with the population they propose to help and develop a program within the guidelines provided by the local government for the TBRA program. Once approved by the local government, the agencies act as program sponsors identifying eligible program participants and helping them lease housing. The agency determines the eligibility of all applicants for assistance, assesses their housing service needs and helps them draw up individual housing service plans while continuing to provide on-going services required to maintain their housing stability and improve their economic condition. The agency administers most other aspects of the rental assistance program including helping tenants enter into leases, paying deposits and the eligible portion of monthly rent and utility costs. Additionally, the agency ensures the program participants pay their portion of the rent and utilities and comply with their housing service plan. Each agency will help program participants maintain suitable housing to improve the effects of their disabling condition and to prevent their homelessness.

### *PROGRAM DESIGN*

#### *Eligible Participants:*

- The Project Sponsor will serve persons who are homeless or near homeless, and/or persons with special needs including persons with a disability, which may be mental, emotional, physical or developmental; victims of domestic violence, and persons with HIV/AIDS; and
- The Project Sponsor will serve persons actively participating in Project Sponsors designated program as described in the Consolidated Plan application.

#### *Income of Participants:*

- The Lexington Fayette Urban County Government and/or Program Sponsor will use the Section 8 definition of income to determine participant eligibility.

- The Project Sponsor will determine the incomes of participants' households prior to initial occupancy of the unit and prior to execution of the lease agreement.
- The Project Sponsor will only serve eligible households whose income is less than 60% of median income for Lexington Fayette County. Project Sponsors may design programs that limit the income of the households to a percentage less than 60%.
- The Project Sponsor must re-certify annually all participants' household incomes no later than 12 months after the date the lease agreement is signed. At annual certification, if a participating household's income exceeds the Section 8 Low-Income Limit, 80% of median income for Lexington-Fayette County, the HOME assistance must be terminated with proper notification.

*Eligible Subsidy:*

- HOME TBRA is rental subsidy that can be used to help individual households afford housing costs which include rent, utility costs (limited to eligible allowances for the unit size and service available), security deposits; and utility deposits. No payments will be made directly to eligible participants.
- Subsidy to eligible participants is limited to the amount above 30% of the household's income and the rent payment or 10% of the gross income of the household, whichever is the highest.

*Payment Standard:*

- Is limited to the Fair Market Rent as defined by HUD for Lexington-Fayette County.

*Property Standards:*

- The Lexington Fayette Urban County Government will inspect all units for compliance with Housing Quality Standards (HQS) prior to the Program Sponsor approving a unit for eligible participants.
- The units will be inspected annually thereafter by the Program Sponsor. Program Sponsors are required to document the annual inspections in the eligible participants file for review during monitoring.
- The Lexington Fayette Urban County Government will ensure that all units meet the lead-based paint requirements as required by 24 CFR Part 35 prior to initial occupancy.

*Occupancy Standards:*

- The Project Sponsor will calculate eligible occupancy at 2 persons per living/sleeping area. The basic standard can be modified to take into consideration specific household composition and circumstances.

*Lease/Tenant Agreements:*

- The Program Sponsor must ensure that all leases are in compliance with the Kentucky Uniform Landlord Tenant Act and the federal provisions at 24 CFR 92.253(a) and (b).
- The Program Sponsor must ensure that all leases are for one year. Leases may be renewed for an additional year thereafter up to a maximum of 3 years, pending the re-certification of the household's income and the availability of Project Sponsors TBRA funds.
- The Program Sponsor must ensure the lease does not contain any of the prohibited language as identified in 24 CFR Part 92.
- The lease agreement must be signed by the eligible tenant and the landlord.
- The lease agreement must contain an addendum that states the Landlord will adhere to the HOME TBRA guidelines and must be signed by the Landlord, tenant, and the Project Sponsor.
- There must be a HOME TBRA agreement executed between the eligible participant and the Project Sponsor.

*Eligible Units:*

- Any unit not owner-occupied or cooperative owned in Lexington-Fayette County.
- Maximum rent is limited to the Fair Market Rent (FMR) as determined by HUD annually for Lexington-Fayette County. The FMR includes utilities and if the tenant is responsible for the payment of utilities, then the Section 8 Existing Housing Allowance for Tenant Furnished Utilities and Other Services must be used to calculate maximum base rent;
- A unit may not be eligible for the program if the rent requested by the owner is not comparable to similar non-assisted units in the area even if it does not exceed the FMR.

*Operating Costs:*

- Operating costs for Project Sponsors is limited to 10% of the program award and will be paid from the LFUCG's HOME Administrative Budget.
- No indirect costs or shared costs shall be included in this Administrative costs.
- Costs will support salaries, benefits, marketing, contractual, and training.

*Sub recipient Agreements:*

- After being approved for TBRA assistance, the Project Sponsor will enter into a contract with the LFUCG for funds to serve a specific number of households over a two year period. A workshop and/or individual training sessions will be available to program sponsors to familiarize them with the Local government's policies and procedures and help them begin administration of their TBRA program.
- Project Sponsors are required to have their own TBRA Program Design that must be approved by the LFUCG.
- Contracts may be extended if funds are not expended within the contract term at the discretion of the LFUCG.

*Tenants on Section 8 waiting lists:*

- Households on the Section 8 waiting list when selected for HOME-funded TBRA must remain in their place on the waiting list while receiving the HOME funded TBRA.

*Ineligible Costs:*

HOME TBRA cannot be used for the following costs:

- Paying administrative or operating costs of applicant agencies
- Paying project based rental assistance - - agencies cannot make commitments to property owners since tenants must be free to select their own unit
- Paying application fees to apartment landlords
- Making payments to assist resident owners of cooperative housing that qualifies as home ownership housing
- Making payments to prevent displacement or provide relocation assistance to tenants as a result of activities of the HOME program
- Providing TBRA to homeless persons for overnight, temporary or emergency shelter.
- Making payments in combination with other rental assistance programs that already reduce the tenant's rent payment to 30 percent of income.