



City of Grand Island

Tuesday, February 22, 2005

Council Session

Item G16

**#2005-54 - Approving Housing Development Corporation Regional
Housing Program Participation Agreement**

Staff Contact: Joni Kuzma

Council Agenda Memo

From: Joni Kuzma, Development Specialist

Meeting: February 22, 2005

Subject: Housing Development Corporation Regional Housing Program Participation Agreement

Item #'s: G-16

Presenter(s): Joni Kuzma, Development Specialist

Background

The Housing Development Corporation (HDC) is a non-profit corporation providing affordable housing programs in Central Nebraska. In 2004, their program expanded into Grand Island with a Purchase, Rehab and Resale grant award from the Department of Economic Development. This grant enabled them to purchase several substandard homes, provide required repairs and resell the homes to low-to-moderate income residents.

The City of Grand Island Community Development Division has a good working relationship with the HDC, refers clients to their program when appropriate and utilizes their First Time Home Buyer Education Class.

Discussion

The Department of Economic Development has committed \$200,000 per year for the next few years of “set-aside” funds to the Housing Development Corporation. This grant will be dispersed by the HDC among a five county area, Adams, Clay, Hall, Nuckolls and Webster Counties. Each community within the five county region is being asked to enter into an agreement with the HDC giving them permission to provide affordable housing programs in the community. This agreement essentially formalizes the ability of the HDC to provide affordable housing programs in Grand Island, comparable to the service they currently provide.

The HDC program will not conflict with the affordable housing programs currently administered by the Community Development Division. The City will continue to provide affordable housing programs to low to moderate income residents in specific target areas and apply for and administer grant funds from the Department of Economic

Development. The funding awarded to the HDC will be available to low-income residents throughout the city so will not be limited to a target area.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Authorize the Mayor to enter into a Participation Agreement with the Housing Development Corporation and approve the agreement.
2. Disapprove or /Deny the Participation Agreement with the Housing Development Corporation.
3. Modify the Participation Agreement to meet the wishes of the Council
4. Table the issue

Recommendation

City Administration recommends that the Council authorize the Mayor to enter into a Participation Agreement with the Housing Development Corporation.

Sample Motion

Authorize the Mayor to enter into a Participation Agreement with the Housing Development Corporation and approve the Participation Agreement.

SOUTH CENTRAL NEBRASKA REGIONAL HOUSING PROGRAM

PARTICIPATION AGREEMENT

This PARTICIPATION AGREEMENT is entered into this _____ day of _____, 200____, by and between **HOUSING DEVELOPMENT CORPORATION**, a Nebraska non-profit corporation ("HDC") and _____, a political subdivision of the State of Nebraska ("Community").

The Recitals

In support of this Participation Agreement, the parties hereby recite and state as follows:

1. Pursuant to the provisions of the Cranston-Gonzalez National Affordable Housing Act of 1990, the United States Department of Housing and Urban Development ("HUD") has been authorized to make grants to states through the HOME Investment Partnership Program ("HOME").
2. Grants from HOME for the state of Nebraska are administered by the Nebraska Department of Economic Development ("DED") which has designated HDC as a Community Housing Development Organization ("CHDO") pursuant to HUD and DED guidelines, making HDC eligible to receive "Set-Aside" HOME funds for various programs.
3. The Community is desirous of participating in a regional program developed and administered by HDC to insure access to HOME funds and/or other affordable housing program funds for the benefit of the citizens of the Community.
4. The regional program to be developed and administered by HDC shall consist of communities within Adams, Clay, Hall, Nuckolls, and Webster Counties in Nebraska, determined to be eligible and as designated by HDC.

NOW, THEREFORE, HDC and the Community hereby mutually agree and state their Participation Agreement as follows:

**SECTION ONE
SOUTH CENTRAL NEBRASKA REGIONAL
HOUSING PROGRAM**

1.1 Regional Housing Program. HDC hereby agrees to provide regional housing services to communities in South Central Nebraska (the "Regional Housing Program") for the purposes of applying for grants or funds from the HOME program as administered by DED. The Regional Housing Program consists of cities, towns, villages or communities within the following counties in the state of Nebraska: Adams, Clay, Hall, Nuckolls, and Webster. On behalf of the Community, HDC shall use its best efforts to:

- A. Secure grants and/or funds for the rehabilitation, construction, and production of affordable housing to increase the supply of decent, safe and sanitary housing for low-to-moderate income persons within the Community.
- B. Promote and advance the goals of the Nebraska Affordable Housing Program for the Community as determined by DED, the Community and/or HDC.
- C. Provide a mechanism to leverage private investment in the development of affordable housing within the Community.

1.2 Administration of Local Housing Program. HDC shall, on behalf of the Community, by and through the Regional Housing Program or otherwise, provide to the Community grant writing and administration services as shall be necessary to make application for:

- A. The use of set-a-side funds directed to HDC by DED as required by HUD's annual allocation of HOME funds to the state of Nebraska; and,

- B. The acquisition and use of funds provided by such other affordable housing programs as the Community and HDC shall determine appropriate.

Additionally, HDC shall administer an Owner Occupied Housing Rehabilitation Program and/or a Homeowner Purchase Rehabilitation and Resale Program, or programs of similar nature and intent, within the jurisdictional boundaries of the Community. HDC shall provide an annual report to the Community outlining actions of the Regional Housing Program.

1.3 Community Participation in Regional Housing Program. The Community hereby agrees to participate in the activities and affairs of the Regional Housing Program. Further, the Community hereby designates HDC as a "Housing Service Provider" for the Community. This designation and this Participation Agreement shall not prohibit the Community from making other application to DED for grant or other funds, for housing, economic development, or other projects within the Community. As a part of the Regional Housing Program, the Community agrees to provide to HDC the following:

- A. All statistical and other information concerning the Community as maybe required and/or necessary for purposes of the Regional Housing Program, including, but not limited to, application for HOME funds or grants.
- B. The use of the Community's public meeting spaces for the conducting the affairs of the Regional Housing Program on behalf of the Community.
- C. Assistance in disseminating information to the citizens and/or residents of the Community concerning the affairs of the Regional Housing Program.

SECTION TWO TERM

The term of this Participation Agreement shall be of a perpetual term commencing on the day and year first written above. Either party may cancel this Participation agreement by providing written notice of intent to terminate this Participation Agreement as least ninety (90) days prior to the termination date.

Said notice shall be delivered to the address set forth above or any such other address as the parties may provide to the other from time-to-time.

SECTION THREE ACCOUNTING FOR HOME FUNDS

Any funds received by HDC in the Regional Housing Program shall be deposited and received into an HDC account and recorded upon the books and records of HDC. HDC shall keep all records of the account in a manner which is consistent with generally accepted accounting principles. Payments from such accounts will be obligations incurred consistent with various programs utilized in accordance with this Participation Agreement and will be supported by contracts, invoices, brochures, and other data, as appropriate, evidencing the necessity for such expenditures.

SECTION FOUR REPRESENTATIONS OF HDC

HDC hereby represents and warrants to the Community as follows:

- A. Qualification. That HDC has a requisite power to carry on its business as a CHDO, and that such designation has been received from DED for purposes of owning, sponsoring, and developing affordable housing within Adams, Clay, Hall, Nuckolls, and Webster counties in Nebraska.
- B. Authorization and Enforceability. HDC has the full power and authority to make, execute, and deliver and perform the terms and conditions of this Participation Agreement and any related documentation, and the execution, delivery and performance of this Participation Agreement and any related documentation by the Authority have been duly authorized by all necessary corporate actions. This Participation Agreement has been duly executed and delivered by HDC and shall constitute the legal, valid, and binding obligation of HDC, enforceable in accordance with its terms.

- C. **Status.** HDC is organized exclusively for charitable and/or education purposes in accordance with Section 501 (c) 3 of the Internal Revenue Code of the United States. The purpose of HDC is to promote additional affordable low to moderate income housing in Adams, Clay, Hall, Nuckolls, and Webster counties in Nebraska.

SECTION FIVE RECORDS

HDC agrees to keep records required pursuant to the HOME program and 24C.F.R. Part 92, and such additional records as DED may require for its HOME program. All records pertinent to HOME funds and the Regional Housing Program will be retained by HDC for a period of five (5) years after a final audit, unless a longer retention period is required by the HOME program or 24C.F.R. Part 92. If any claim, litigation, or audit is started before the expiration of the five (5) year period, the records must be retained until all claims, litigation, or audit findings involving records have been resolved. The Community and its duly authorized officials will have full access to, and the right to examine, audit, excerpt, and/or transcribe any of HDC records pertaining to the Regional Housing Program.

SECTION SIX FURTHER AGREEMENTS

The Community and HDC agree that the Community has no specific participation in grant funds allocated to HDC by DED and funds are subject to the terms and conditions for specific programs. The Community and HDC further agree that the Community's participation in specific programs shall be subject to the terms and conditions of such programs. This Participation Agreement is intended solely for the purpose of showing

the Community's intention to participate in grants as administered by HDC on behalf of the Regional Housing Program.

**SECTION SEVEN
GOVERNING LAW**

This Participation Agreement shall be governed and construed in accordance with the laws and regulations of the State of Nebraska. HDC and the Community shall comply with all other laws and regulations, both federal and state, as may be applicable to any contract or program entered into in furtherance of the purposes of this Participation Agreement, including the HOME program and 24C.F.R. Part 92.

WHEREFORE, the parties have set forth their signatures effective as of the _____
day of _____, 200__.

**HOUSING DEVELOPMENT CORPORATION,
A Nebraska Non-Profit Corporation,**

By: _____

Title: _____

A Nebraska Political Subdivision,

By: _____

Title: _____

RESOLUTION 2005-54

WHEREAS, the Housing Development Corporation is a non-profit corporation that provides affordable housing programs in Grand Island through a Purchase, Rehab and Resale grant award from the Nebraska Department of Economic Development; and

WHEREAS, the City of Grand Island refers clients to their program when appropriate, and utilizes their First Time Home Buyer Education Class; and

WHEREAS, the Nebraska Department of Economic Development has committed \$200,000 per year for the next few years to the Housing Development Corporation to be dispersed within Adams, Clay, Hall, Nuckolls and Webster counties; and

WHEREAS, each participating entity is asked to enter into an agreement with the Housing Development Corporation to allow the Housing Development Corporation to provide their affordable housing programs in the community; and

WHEREAS, the proposed Participation Agreement with the Housing Development Corporation has been reviewed and approved by the City Attorney.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Participation Agreement with the Housing Development Corporation to provide affordable housing programs in the community is hereby approved; and the Mayor is hereby authorized and directed to execute such agreement on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, February 22, 2005.

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
February 16, 2005	☐ City Attorney