

RESOLUTION NO. 2024-11-075R

**RESOLUTION APPROVING A CDBG-CV SUBRECIPIENT
GRANT AGREEMENT WITH HOPE VILLAGE, INC.**

WHEREAS, the City of Urbana (the “City”) is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution, 1970, and may exercise any power and perform any function pertaining to its government and affairs, and the passage of this Resolution constitutes an exercise of the City’s home rule powers; and

WHEREAS, the State of Illinois has awarded a grant (“Grant”) in the amount of \$1,200,000 for the construction of tiny homes for medically-fragile individuals experiencing homelessness undertaken by Hope Village, Inc. and allow the City to act as the fiduciary agent; and

WHEREAS, the City is willing to accept the Grant on the terms and conditions provided by the State of Illinois as described in the exhibit appended hereto and made a part hereof.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Urbana, Illinois, as follows:

Section 1. That an Agreement providing \$1,200,000 in State of Illinois DCEO funds to Hope Village, Inc. so as to construct tiny homes for medically-fragile individuals experiencing homelessness in substantially the same form of the said Agreement attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

Section 2. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is authorized to attest to said execution of said Agreement in substantially the form appended hereto as an exhibit as so authorized and approved for and on behalf of the City of Urbana, Illinois.



PASSED BY THE CITY COUNCIL this 25th day of November, 2024.

AYES: Wu, Evans, Bishop, Wilken

NAYS: Quisenberry

ABSTAINED: None

DocuSigned by:

Darcy E. Sandefur

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Darcy E. Sandefur, City Clerk

APPROVED BY THE MAYOR this 26th day of November, 2024.

DocuSigned by:

Diane Wolfe Marlin

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Diane Wolfe Marlin, Mayor

CDBG-CV SUBRECIPIENT AGREEMENT WITH HOPE VILLAGE INC.

State Awarding Agency: Illinois Department of Commerce and Economic Opportunity

Background

This CDBG-CV Subrecipient Agreement is made between the City of Urbana, an Illinois Municipal Corporation (the "City") and Hope Village Inc., an Illinois not-for-profit entity (hereinafter the "Subrecipient") for costs associated with the construction of 30 tiny homes for medically fragile individuals experiencing homelessness.

In February 2024, DCEO made a total of \$15 million in Community Development Block – Coronavirus Grant (CDBG-CV) funds available for construction, reconstruction, rehabilitation, or acquisition of properties for Homeless (as defined by the U.S. Department of Housing and Urban Development (HUD) Shelters dedicated to the provision of stable, safe and adequate housing; with a goal of increasing capacity to pre-COVID levels.

City staff held a public hearing regarding the application prior to submittal on July 8, 2024. Leading up to the public hearing, there was a 15-day public comment period during which time the draft application materials were made available to the public for review. On July 31, 2024, the City of Urbana, in partnership with Hope Village Inc., an Illinois not-for-profit organization, submitted an application to DCEO for \$1.2 million in CDBG-CV funding to aid in the construction of Hope Village. On September 17, 2024, staff was notified that the City's application was selected for award. Urbana is one of only twelve communities in Illinois to receive this grant. On to the City of Urbana to cover a portion of the construction and pre-construction costs associated with the development of Hope Village.

NOW, THEREFORE, in consideration of the matters set forth above and below, the parties agree as follows.

1. **Definitions.** Whenever used in this Subrecipient Agreement:

- A. "City" is defined as the City of Urbana.
- B. "DCEO" is defined as the Department of Commerce and Economic Opportunity.
- C. "Grant Agreement" means the agreement between the City and Hope Village Inc., as executed by the City.
- D. "Grant Funds" means the assistance provided under this Subrecipient Agreement.
- E. "Participating Organizations" is defined as the City of Urbana and Hope Village Inc.

- F. “State” means the State of Illinois.
- G. “Subrecipient” is defined in the Background section of this Subrecipient Agreement.

2. **Grant Award.**

- A. Subject to the terms of the Grant Agreement and this Subrecipient Agreement, the City shall provide up to **\$1,200,000** in Grant Funds to the Subrecipient for activities identified as the responsibility of the Subrecipient in the Grant Application. The Subrecipient agrees to use funds granted to it by the City pursuant to this Subrecipient Agreement to undertake those activities in the Application identified as the Responsibility of the Subrecipient in the manner identified in the Application. The Subrecipient agrees that funds awarded are pursuant to this Subrecipient Agreement and shall be used for the following purposes:

Construction of Hope Village: \$ 1,200,000

- 3. **Allowable Costs – Construction.** Hard construction costs associated with the development of tiny homes for medically fragile individuals who are experiencing homelessness are eligible under the terms of the Agreement.
- 4. **Ineligible Costs.** The following costs are specifically identified as ineligible:
 - a. All Engineering costs associated with the planning, design or management of construction activities.
 - b. Construction of buildings, or portions thereof, used predominantly for the general conduct of government (e.g., city halls, courthouses, jails, police stations).
 - c. General government expenses. Costs of operating and maintaining public infrastructure and services (e.g., mowing parks, replacing street light bulbs).
 - d. Servicing or refinancing of existing debt.
 - e. Activity delivery costs
- 5. **Disbursement.** If and to the extent the City receives CDBG-CV funds from DCEO, the City shall reimburse the Subrecipients in accordance with the terms of this Subrecipient Agreement. Funding in the full amount of this Subrecipient Agreement is contingent upon the City receiving Grant Funds. If the Grant Funds are discontinued or reduced for any reason, the City’s payments to the Subrecipients may cease or be reduced without advance notice, and the City will not be liable for any damages as a result of such discontinuance or reduction of Grant Funds.
- 6. **Disallowance.** The Subrecipient shall reimburse the City for any payments it receives under this Subrecipient Agreement that are for ineligible or disallowed costs. If the City determines that a cost for which the City has made payment is disallowed, the City shall notify the Subrecipient of the disallowance and the required course of action, which, at the City’s option, will be to adjust

any future claim submitted by the Subrecipient by the amount of the disallowance or to require the Subrecipient immediately to repay the disallowed amount by issuing a check payable to the City.

7. Subrecipients' Duties.

A. The Subrecipients shall:

- (1) Maintain detailed financial records that show the eligible essential services costs;
- (2) Submit quarterly reports to the City no later than 15 days after the end of the quarter. Failure to submit reports to the City may result in the withholding or suspension of Grant Funds until the City receives and approves such reports;
- (3) Maintain files and records as required which relate to the overall administration of the DCEO grant; and
- (4) Submit quarterly Financial Status Reports to the City outlining project expenses; and
- (5) Allow representatives of the City or DCEO to inspect facilities used in connection with this Subrecipient Agreement or which implement programs funded under this Subrecipient Agreement.
- (6) Comply with Davis Bacon Act (40 U.S. C. 3141-3148), Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and other applicable federal requirements.
- (7) Comply with the "Buy American Preference" (BAP) imposed by the Build American, Buy American Act (BABA) enacted under Division G, Title IX of the Infrastructure Investment and Jobs Act (IIJA, Pub. L. No. 117-58) signed into law on November 15, 2021.
- (8) Comply, to the greatest extent feasible, with requirements of Section 3 of the Housing and Community Development Act of 1968. Pursuant to Section 3, the Subrecipient must award contracts for work to be performed to eligible businesses located in or owned by residents of the distribution area to ensure that employment and other economic opportunities generated by federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low- and very-low-income persons, particularly those who are recipients of government assistance for housing.
- (9) Ensure procurement policies comply with 2 CFR Part 200.

B. City's Duties:

- (1) Review the HUD-required project eligibility.

- (2) Complete Environmental Review Record.
 - (3) Review project statement of work, budget, and procurement processes for compliance with CDBG regulations.
 - (4) Determine Davis-Bacon applicability, list labor classifications used for the project, obtain wage determination, review wage decision, ensure bid documents include labor standard provisions and appropriate wage decision and verify prime and subcontractor's eligibility.
 - (5) Provide technical assistance as requested by Subrecipient related to meeting CDBG-CV requirements.
 - (6) Evaluate the project's progress at regular meetings with Hope Village personnel.
 - (7) Monitor project implementation once per quarter to ensure compliance with Davis-Bacon Act, Section 3 reporting requirements, 2 CFR Part 200 financial management requirements, and other applicable federal requirements. Project monitoring will include: on-site interviews with all trades, review of weekly certified payroll reports, underpayments, misclassification of labor categories, and any investigations.
- C. With respect to all matters covered by this Subrecipient Agreement, the Subrecipients shall make records available for examination, audit, inspection, or copying at any time during normal business hours and as often as the City or State request. The Subrecipients shall permit excerpts or transcriptions to be made or duplicated from such records, and audits made of all invoices, materials, records of prevailing wage and other data relating to all matters covered by this Subrecipient Agreement. The City's right of inspection and audit shall obtain likewise with reference to any audits made by any other agency, whether local or State.
8. **Agreement Term.** This Subrecipient Agreement is effective on the last date signed by a party hereto and will terminate on December 31, 2026, unless otherwise cancelled or amended according to its terms.
9. **Subrecipients' representations.** Each Subrecipient represents the following to the City:
- A. The Subrecipient is qualified to participate in the construction project, has the requisite expertise and experience in the provision of project management, and is willing to use Grant Funds as outlined in the grant agreement.
 - B. The Subrecipient will provide services under this Subrecipient Agreement in a competent, professional, and satisfactory manner in accordance with DCEO award number SD250153.
10. **Default.**

- A. Any breach of representation or other provision of this Subrecipient Agreement will constitute a default. A default by a Subrecipient also will consist of any of the following:
- (1) Use of Grant Funds for a purpose other than as authorized herein;
 - (2) Failure to maintain detailed financial and prevailing wage records concerning the use of the Grant Funds.
- B. A party claiming a default shall give written notice of such default to the defaulting party, which notice will describe the nature of the default and the Section of this Subrecipient Agreement, which the non-defaulting party believes was breached. The defaulting party will have fourteen (14) calendar days from the date notice was given to cure or remedy the default. During any such period following the giving of notice, the non-defaulting party may suspend performance under this Subrecipient Agreement until the defaulting party gives written assurances to the non-defaulting party, deemed reasonably adequate by the non-defaulting party, that the defaulting party will cure or remedy the default and remain in compliance with its duties under this Subrecipient Agreement.
- C. If the defaulting party is the City, and it fails to cure or remedy the default as provided herein, the non-defaulting party may exercise any right, power, or remedy granted to it pursuant to this Subrecipient Agreement or applicable law.
- D. If the defaulting party is a Subrecipient, and it fails to cure or remedy the default as provided herein, the City may take one or more of the following actions:
- (1) Direct the Subrecipient to submit progress schedules for completing approved activities;
 - (2) Direct the Subrecipient to establish and maintain a management plan that assigns responsibilities for carrying out remedial actions;
 - (3) Direct the Subrecipient to suspend, discontinue, or not incur costs for the affected activity;
 - (4) Reduce or recapture the Grant Funds authorized herein;
 - (5) Direct the Subrecipient to reimburse the City for costs inappropriately charged to the City;
 - (6) Exercise other appropriate action including, but not limited to, any remedial action legally available.
- E. A Subrecipient shall make any reimbursement required by this Section no more than thirty (30) days after the City directs such reimbursement.

11. **Indemnification.** Each Subrecipient shall indemnify and defend the City, its agents, employees, officers, and elected officials against all claims or liability whatsoever, including attorney's fees and costs, resulting from the Subrecipient's activities under this Subrecipient Agreement, except for those resulting from the willful misconduct or negligence of the City or its agents, employees, officers, or elected officials. This section will survive the termination of this Subrecipient Agreement.
12. **Third Party Beneficiaries.** This Subrecipient Agreement does not and is not intended to confer any enforceable rights or remedies upon any person other than the parties.
13. **Assignment.** The Subrecipients shall not assign, convey or otherwise transfer any of their rights, duties, or obligations under this Subrecipient Agreement, to another person or entity without the express written consent of the City and authorization of DCEO. In the event that any Subrecipient seeks to assign, convey or otherwise transfer any of its rights, duties, or obligations under this Subrecipient Agreement, the Subrecipient shall demonstrate that it will use an open, impartial, and competitive selection process in making any such assignment, conveyance, or transfer of its rights, duties, or obligations.
14. **Entire Agreement; Amendments in Writing.** This Subrecipient Agreement constitutes the entire agreement between the parties, supersedes all other agreements or understandings between them pertaining to the matter of this Subrecipient Agreement, and may not be amended except by a writing signed by all parties. All attachments to this Subrecipient Agreement are incorporated herein by this reference thereto.
15. **Dispute Resolution and Governing Law.** In the event of a dispute between the parties to this Subrecipient Agreement, the parties, before filing any court action, jointly shall select a mediator and shall make a good faith effort in such mediation to resolve their differences. The parties shall share equally in the cost of such mediation service. In the event mediation fails to resolve the dispute between the parties, any party may file and maintain an action in the Circuit Court for the Sixth Judicial Circuit, Champaign, Illinois. The laws of the State of Illinois will govern any and all actions to enforce, construe, or interpret this Subrecipient Agreement.
16. **Notices.** The parties shall give all notices required or permitted by this Subrecipient Agreement in writing, addressed as set forth below, unless another address is provided in writing. Notices will be deemed given when personally delivered; deposited in the U.S. mail, postage prepaid, first class; or delivered to a commercial courier.

TO THE CITY:

Breaden Belcher
Manager, Grants Division
400 South Vine Street
Urbana, IL 61801

TO HOPE VILLAGE:

Marty Smith
Chair, Hope Village Inc.
Marty.Smith@carle.com

Waiver. Any party's failure to enforce provisions of this Subrecipient Agreement will not be deemed a waiver of future enforcement of that or any other provision. A waiver of any provision of this Subrecipient Agreement is valid only if in writing and signed by the parties.

17. Compliance with Laws and Regulations.

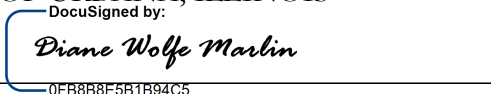
- A. The Subrecipients shall comply with all applicable federal, State, and local laws, ordinances, rules, and regulations, as amended from time to time, including without limitation the Prevailing Wage Act/.
- B. The Subrecipients shall comply with the State's required certifications, provided for in the Grant Agreement. The Subrecipients' execution of this Subrecipient Agreement will serve as their attestation that the certifications made herein are true and correct.

18. Interpretation. The parties shall construe this Subrecipient Agreement according to its fair meaning and not strictly for or against any party.

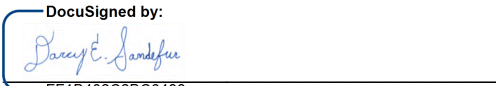
19. Counterparts. The parties may sign this Subrecipient Agreement in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Signatures delivered by email in Adobe Portable Document Format (PDF) or by facsimile will be deemed original signatures for all purposes.

The parties are signing this agreement on the dates indicated below their signatures.

CITY OF URBANA, ILLINOIS

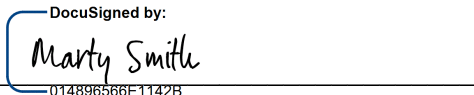
By: 
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Diane Wolfe Marlin, Mayor

Date: 11/26/2024 | 4:31:21 PM CST
_____, 2024

Attest: 
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Darcy E. Sandefur, City Clerk

HOPE VILLAGE INC., URBANA, ILLINOIS

By: Marty Smith

Name: 
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Title: Board Chair

Date: 12/2/2024 | 3:28:41 PM CST
_____, 2024