


## AGENDA REPORT

TO: Mayor Pat Humphrey and the Clare City Commission  
FROM: Ken Hibl, City Manager   
DATE: July 14, 2010  
RE: Approval of Third-Party Agreement: Clare Downtown Rental Rehabilitation Program

For the Agenda of July 19, 2010

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**Background.** The City received a \$244K rental rehabilitation grant from the Michigan State Housing Development Authority (MSHDA) in 2008 for rehabilitation of second-story downtown residential units. The City does not have a Housing Authority, thus we have no “in-house” staff resources qualified to administer the rental rehabilitation grant. At the time that we received the grant, the Clare County Housing Administrator (Mr. Adam Smith) had announced that he was departing his position at the County. With Adam’s pending departure, Clare County was studying a possible reorganization, thus the future of the Clare County Housing Administration Office was uncertain. Consequently, we contracted (*see copy of att’d Resolution 2008-029*) with the City of Gladwin (which serves as both the Gladwin County and City of Gladwin Housing Authority) for third-party administration of our grant.

Ms. Lori Ware, who within MSHDA is considered one of the preeminent rental rehabilitation administrators in the state, now serves as the Clare County Housing Administrator; Lori held a position within the Gladwin Housing Office at the time we contracted with them for grant administration. We (Lori Schuh and I) queried MSHDA to determine whether we could concurrently have two third-party administrators for our rental rehabilitation grant; they’ve approved our request due to the fact that we have one rental rehabilitation grant in progress with the Gladwin Housing Office acting as the third-party grant administrator. Clare County has agreed (*see copy of att’d Contract for Services*) to provide this service to the City pending the approval of the City Commission.

The Clare Main Street Board and Downtown Development Authority reviewed and considered the recommendation to utilize the services of Ms. Ware and the Clare County Housing Office; the Board unanimously recommended doing so.

The City Commission is asked to consider approving the contract.

**Issues & Questions Specified.** Should the City Commission approve the offered contract agreement?

**Alternatives.**

1. Approve the agreement.
2. Do not approve the agreement.
3. Set this matter aside for further discussion, consideration, and decision at a future, scheduled meeting.

**Financial Impact.** There is no cost to the City as grant administrative services are paid for/are incorporated into the proceeds of the grant and are paid by MSHDA.

**Recommendations.** I recommend that the City Commission approve the offered contract agreement by adoption of the proposed Resolution 2010-076 (*copy attached*).

**Attachments.**

1. Resolution 2008-029.
2. Contract Agreement.
3. Resolution 2010-076.

**RESOLUTION 2008-029**

**A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING A GRANT ADMINISTRATION SERVICES CONTRACT AGREEMENT WITH THE GLADWIN HOUSING COMMISSION.**

**WHEREAS**, the City has received a Michigan State Housing Development Authority (MSHDA) grant in the amount of \$244,000; and

**WHEREAS**, the City has received formal notice that said grant application has been approved; and

**WHEREAS**, the City does not have the on-staff resources nor expertise or experience relative to this particular grant to be able to properly administer the grant; and

**WHEREAS**, the Gladwin Housing Commission, a MSHDA-approved grant administration agency, has agreed to provide the needed administrative services; and

**WHEREAS**, the staffs of the respective agencies (City of Clare and the Gladwin Housing Commission) have drafted a proposed contractual services agreement stipulating the terms of services to be provided to the City by the Gladwin Housing Commission; and

**WHEREAS**, the City Attorney's of said governmental entities have reviewed said contractual agreement for legal sufficiency; and

**WHEREAS**, City Commission has determined that it is in the City's best interests to approve said proposed contractual services agreement.

**NOW THEREFORE BE IT RESOLVED THAT** the Clare City Commission hereby approves a contractual services agreement with the Gladwin Housing Commission for administration of MSHDA grant #HRF-2008-5989, the terms of said agreement as outlined therein.

**BE IT FURTHER RESOLVED THAT** the City Commission hereby approves the designation of Ms. Lori Schuh, the Clare Main Street Manager, and Ken Hibl, the Clare City Manager, to sign the required grant agreement and all relative requests for reports for said grant.

**ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.**

**The Resolution was introduced by Commissioner Bill Horwood and supported by Commissioner Jean McConnell. The Resolution declared adopted by the following roll call vote:**

**YEAS:** Jennifer Dancer, Bill Horwood, Tom Koch, Jean McConnell and Pat Humphrey

**NAYS:** None

**ABSENT:** None

Resolution approved for adoption on this 5<sup>th</sup> day of May 2008.

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Kay Haven, City Clerk

## CONTRACT FOR SERVICES

This agreement to provide administrative support services for the City of Clare Downtown Rental Rehabilitation Program is made between the Clare County Community Development, 225 W. Main St., Harrison, MI 48625, hereafter referred to as "the Contractor" and the City of Clare, 202 W. Fifth St. Clare, MI 48617 hereafter referred to as "the City".

### PREAMBLE

The City wishes to engage the service of the Contractor to operate a Downtown Rental Rehabilitation Program, for the property owners in the Downtown designated area. The Downtown Rental Rehabilitation Program, hereafter referred to as the "program", will be funded by and operated in accordance with a grant (MSC-\_\_\_\_\_) from the Michigan State Housing Development Authority, hereafter to as "MSHDA".

Effective date: \_\_\_\_\_, 2010 through December 31, 2010.

**WITNESSETH THAT**, The City and Contractor do mutually agree as follows:

#### Article I. The Contractor Responsibility:

1. Administer the program in accordance with procedures and guidance set forth by MSHDA to include compliance with lead based paint requirements. Comply with any Federal, State and Local Statutes.
2. Liaison between the City and MSHDA.
3. Determine the eligibility of property owners through a local application process according to grant program guidelines. Contractor personnel will be available in the City to process applications for this program.
4. Keep complete and accurate documentation of required program records including the filing of all MSHDA reporting requirements. Forward data for said reports and financial draws to the City of Clare c/o City Manager, Mr. Ken Hibl for the City to review and submit to MSHDA.
5. Preparation of necessary documents for the individual rental rehabilitation projects during the contract period.
6. Oversight and implementation of the bid process as detailed in the program guidelines.
7. Oversight of the loan closing and construction phase.
8. Verification of tenant eligibility.

#### Article II. The City Responsibility:

1. Forward all written material related to the program received from MSHDA to the Contractor.

2. Consult with the Contractor prior to requesting a grant amendment form MSHDA.
3. Appoint an individual to work with the Contractor to ensure successful implementation of the grant; Ken Hibl, City Manager.
4. Provide the Contractor with authorization to access the OPAL on-line grant management system for MSHDA required data entry.
5. Establish a financial management system for the deposit and disbursement of funds according to the program guidelines.

#### Article III. Compensation:

1. For the services to be performed by the Contractor, as specified by this Agreement, the Contractor will be paid the balance of grant administration monies less monies owed to Gladwin City Housing Commission for Gary Todd's project, which are payable under the grant award acceptance agreement.
2. Payment of the above said amount shall be contingent on the amount of rental rehabilitation work completed per MSHDA guidelines contained in the Grant Agreement.
3. It is mutually understood that the Contractor is an independent contractor and as such shall provide worker's compensation insurance where required and shall accept full responsibility for payment of unemployment insurance premiums, worker's compensation, and social security as well as income tax deductions and any other taxes or payroll deductions required by law for its employees who are performing services by this agreement. It is further understood that the Contractor's employees will not be entitled to any benefits accorded an employee of the City. The Contractor shall not be responsible for the failure of any provider (general contractor) providing labor or materials for work under the program.

#### Article IV. Construction and Severability:

1. This Agreement shall be construed, interpreted and in the rights of the parties determined in accordance with the laws of the State of Michigan. In the event that any provision of the Agreement conflicts with any applicable Federal, State or Local law or regulation, such law or regulation shall prevail.
2. The invalidity or unenforceability of any provision of this contract shall not affect or impair the validity of any other provision.

#### Article V. Suspension and Termination:

1. Either party shall have the right, upon sixty (60) calendar day's prior written notice to the other party, to terminate this contract. In the event this contract is terminated, compensation shall cease at the end of the calendar month during which the termination is effective.

Article VI.

1. Conflict of Interest: The Contractor agrees, during the term of this contract or any extended term in which this contract remains in effect, to avoid both actual and the appearance of conflicts of interest.
2. Nondiscrimination: The Contractor, as required by law, shall not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, disability that is unrelated to the individual's ability to perform the duties of a particular job or position, height, weight, or marital status. Breach of this section shall be regarded as a material breach of this contract.
3. Assignability: The Contractor shall not assign any interest in this Agreement, and shall not transfer any interest in the same (whether by assignment or novation) without prior written consent of the City.
4. Amendments: This contract constitutes the entire agreement between the parties, and no subsequent authorizations of amendments to this contract shall be binding upon the parties unless and until reduced in writing and signed by both the Contractor and the City or their authorized agents.
5. Hold Harmless: The Contractor shall, at its own expense, indemnify, save and hold harmless the City, and its elected and appointed officials/officers, employees and agents, from all claims, damages, costs, lawsuits and expenses, including, but not limited to, all costs from administrative proceedings, court costs and attorney fees, that they may incur as a result of any acts, omissions or negligence of the Contractor or any of its employees or agents which may arise out of this agreement. The Contractor's indemnification responsibilities under this section shall include the sum of damages, costs and expenses which are in excess of the sum paid out on behalf of or reimbursed to the City, its officials/officers, employees and agents by the insurance coverage obtained and/or maintained by the Contractor pursuant to the requirements of this agreement.

IN WITNESS WHEREOF, The City and Contractor have caused this agreement to be executed by their respective officers duly authorized to do so on this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
**Kenneth Hibl, City Manager**  
City of Clare

WITNESS BY:

\_\_\_\_\_  
**Lori Schuh,**  
Clare Main Street Manger

*Karen Lipovsky*  
\_\_\_\_\_  
**Karen Lipovsky, Chairperson**  
Clare County Commissioners

WITNESS BY:

*Lori Ware*  
\_\_\_\_\_  
**Lori Ware,**  
Clare County Community Development

## **RESOLUTION 2010-0076**

### **A RESOLUTION OF THE CLARE CITY APPROVING A GRANT ADMINISTRATION SERVICES CONTRACT AGREEMENT WITH CLARE COUNTY.**

**WHEREAS**, the City has received a Michigan State Housing Development Authority (MSHDA) grant in the amount of \$244,000; and

**WHEREAS**, the City does not have the on-staff resources nor expertise or experience relative to this particular grant to be able to properly administer the grant; and

**WHEREAS**, the City originally queried Clare County for said services at the time of grant receipt in 2008; and

**WHEREAS**, Clare County was unable to provide said services at the time of said query; consequently the City entered into a third-party agreement for said services with the Gladwin Housing Commission; and

**WHEREAS**, said entity is currently administering an in-progress rental rehabilitation grant project in the City; and

**WHEREAS**, Clare County now has an individual on its staff considered to be one of the preeminent rental rehabilitation grant administrators in the state who has offered to provide said services to the City of Clare through a contractual agreement; and

**WHEREAS**, the City has queried MSHDA to determine whether the City could concurrently have two third-party administrators for said grant program; MSHDA has agreed to said query; and

**WHEREAS**, the Clare Main Street Board and Downtown Development Authority have recommended that the City utilize the services of Clare County for third-party administration; and

**WHEREAS**, the City Commission has reviewed said recommendation and determined that it is in the City's best interests to approve said proposed contractual services agreement from Clare County.

**NOW THEREFORE BE IT RESOLVED THAT** the Clare City Commission hereby approves a contractual services agreement with Clare County for administration of MSHDA grant #HRF-2008-5989, the terms of said agreement as outlined therein.

**BE IT FURTHER RESOLVED THAT** the City Commission hereby authorizes Ken Hibl, the Clare City Manager, to execute any and all documents related to the contractual agreement with Clare County.

**ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.**

The Resolution was introduced by Commissioner \_\_\_\_\_ and supported by Commissioner \_\_\_\_\_. The Resolution declared adopted by the following roll call vote:

**YEAS:**

**NAYS:**

**ABSENT:**

Resolution approved for adoption on this 19<sup>th</sup> day of July 2010.

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Diane Schmidt, City Clerk