

ORDINANCE NO. 45-19**AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO AN AMENDMENT TO THE CONTRACT FOR ADMINISTRATIVE SERVICES FOR THE PY2018 COMMUNITY HOUSING IMPACT AND PRESERVATION PROGRAM BETWEEN THE CITY OF MEDINA AND OHIO REGIONAL DEVELOPMENT CORPORATION.**

WHEREAS: Ordinance No. 172-18, passed November 26, 2018, authorized the Mayor to enter into a contract with the Ohio Regional Development Corporation for the administration of the PY2018 Community Housing Impact and Preservation (CHIP) Program; and

WHEREAS: Due to a decrease in the grant funding amount, the administration budget must be adjusted in order to comply with the cap of 12% of the total grant amount being administrative costs.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MEDINA, OHIO:

SEC. 1: That the Mayor is hereby authorized and directed to execute the amendment to the Contract for Administrative Services between the City of Medina and Ohio Regional Development Corporation for the PY2018 Community Housing Impact and Preservation (CHIP) Program.

SEC. 2: That a copy of the Amendment to Contract is marked Exhibit A, attached hereto and incorporated herein.

SEC. 3: That it is found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with the law.

SEC. 4: That this Ordinance shall be in full force and effect at the earliest period allowed by law.

PASSED: March 25, 2019

SIGNED: James A. Shields
President of Council Pro-Tem

ATTEST: Kathy Patton
Clerk of Council

APPROVED: March 26, 2019

SIGNED: Dennis Hanwell
Mayor

**Amendment to Contract for Administrative Services for
PY2018 COMMUNITY HOUSING IMPACT AND PRESERVATION PROGRAM BETWEEN THE CITY
OF MEDINA and OHIO REGIONAL DEVELOPMENT CORPORATION**

THIS AMENDMENT, made and entered into by and between the City of Medina (hereinafter called the "Grantee") and the Ohio Regional Development Corporation (hereinafter called "the Consultant"), a non-profit corporation engaged in community and economic development, planning and housing, and located in the City of Coshocton, Ohio.

WHEREAS, the Grantee, contracted with ORDC to provide administrative consultant services for the PY 2018 Community Housing Impact and Preservation Program on or about March 14, 2018; and

WHEREAS, at the time of the contract it was anticipated by both parties that the amount of funds to be awarded to the Grantee under the PY2018 CHIP Program would be \$750,000 and the compensation for services section of the contract was based upon said assumption; and

WHEREAS, the amount of funds awarded by the PY2018 CHIP Grant was reduced due to issues with the Grantee's performance under the PY2016 CHIP Program, and therefore the parties desire to amend the aforesaid contract to modify Article IV. Compensation.

NOW, THEREFORE, in consideration of the mutual promises and covenants made herein, the parties agree as follows:

ARTICLE IV. COMPENSATION of the Contract for Administrative Services is amended to provide as follows:

IV. COMPENSATION

Administration and project soft costs shall be computed on the basis of the payment of fees schedule. Billing for the administration will be done every quarter. Soft costs will be paid on a per project basis upon the project completion. These rates include cost of operation such as employee benefits, office costs, etc.

ADMINISTRATION: 12% of the grant charged per line item

The City of Medina was awarded \$647,700 for PY 2018 funding, and the allowable administration dollars was \$77,700. Ohio Regional Development Corporation's charge for administration will be \$68,700 of the available administration dollars. This would allow the City of Medina \$9,000.00 for administration costs.

CITY OF MEDINA \$9,000

- **Program Administration:** The administration dollars of \$9,000.00 would be used to cover costs associated with the implementation of the grant. (Example would be the cost of Preparing Purchase Orders and providing office expenses, etc.)

OHIO REGIONAL DEVELOPMENT CORPORATION \$68,700

- **Grant Application:** The charge for application preparation is \$10,000. This figure is included in the overall administration portion of the grant. This will cover the costs associated with the entire grant application process.
- **Environmental Review/Release of Funds:** The charge to assure compliance with the Environmental Review process and prepare the Release of Funds is \$10,000.
- **Project Walk-Away Costs:** If ORDC is handing the full administration of the CHIP grant, project walk-away costs, if any, would be reimbursed to the grant from ORDC's administration.

- **Project Administration:** The administration dollars of \$46,700 would be used for the general administration of grant line items. As well as post grant management, monitoring, reporting and more.
- **Fair Housing:** The charge for Fair Housing for the CHIP grant would be \$2,000. This cost covers compliance for the entire grant period.

The Project Administration amount is computed on the basis of the following schedule of hourly rates for employees engaged in the work:

Director	\$115.00
Staff members	\$95.00

However, the Consultant never asks for additional compensation beyond what the grant allows for in its administrative dollars.

The CHIP Program Budget requires the applicant to identify and budget administrative costs. For more information, please see the HOME and CDBG requirements outlined in 24 CFR Part 92.207, 24 CFR Part 570.206, and Notice CPD 96-09. Costs that are necessary to manage the program, but which cannot be reasonably tracked to the delivery of a specific service to a specific client or dwelling are considered administrative costs. Administrative costs relate to general program management, coordination, monitoring, evaluation, and oversight activities. The following are criteria that must be considered when filling out the budget:

- Total Administrative Costs cannot exceed 12 percent of the dollar amount of the total CHIP Program request.
- HOME Administration cannot exceed 10 percent of HOME funds.
- Administration is an eligible budget category for all housing activities.
- Charges to walk away units or when a national objective is not met, must be charged to administration.

Eligible administrative costs are costs associated with the overall CHIP Program grant. These costs may include:

- Training
- Legal fees
- Environmental review
- Citizen participation
- Bookkeeping
- Office rent
- Supplies
- Equipment and maintenance
- Other eligible administrative costs include:
 - Creating and managing general program files/databases,
 - developing program policies, procedures and forms,
 - preparing program reports and written notices to occupants,
 - supervising staff with administrative duties,
 - managing agreements or third-party contracts to administer the CHIP Program,
 - counseling/referring program participants,
 - marketing programs,
 - monitoring and evaluating program performance,
 - mileage,
 - postage and
 - copies

SOFT COSTS (FKA IMPLEMENTATION)

Ohio Regional Development Corporation would charge 100% of the applicable soft cost for each project for which ORDC provided application intake/file management and rehabilitation inspector services (50% of the soft costs respective for each service).

Rehabilitation Project (Owner & Rental) = 16% of Project Cost
Home Repair Project (Owner & Rental) = 22% of Project Cost
Homeownership = 18% of Project Cost
New Construction = \$2,000 per unit

Example:

Private Owner Rehabilitation- Project Cost = \$30,000
16% of project cost = \$4,800

The 16% Soft Costs will cover the following duties:

- Creating and managing specific case files/databases of projects under contract.
- Preparing, filing, recording legal/financial documents for specific eligible cases.
- Inspecting and testing dwellings (including all of the inspections and tests in the RRS, LBP inspections, Risk Assessments and Clearance Testing).
- Preparing specifications/work write-ups.
- Managing the contractor procurement process.
- Monitoring and managing the construction process and the private contractors.
- Responding to client's complaints.
- Costs associated with credit reports and title searches.
- Counseling of the specific clients assisted through a CHIP primary activity.
- Relocation of households during the construction process.
- OHPO Clearance

Soft costs will be warranted by the rate of \$95 per hour, not to exceed the above stated percentages. The Consultant has found that with many projects in the past, more hours are put into a project than what is compensated for the project. **However, the Consultant never asks for additional compensation beyond what the grant allows for in its administrative/implementation dollars.**

PROJECT HARD COSTS

Ohio Regional Development Corporation provides the following tests for each project as part of our services. The below charges will be fees charged to the project.

1. Final Lead wipe and visual clearance for all DPA, Rental Rehab, and Owner Rehab projects 1978 and older. \$350.00 per project/clearance (Includes shipping, lab fees, labor, materials, and reports)
2. Final Lead wipe and visual clearance for all Home Repair projects \$5000.00 or greater and built in 1978 or prior and has any paint disturbed as a result of the programs work. \$350.00 per project/clearance (Includes shipping, lab fees, labor, materials, and reports)
3. Pre and Post Combustion Appliance testing for all DPA, Rental, and Owner Rehab projects that have any combustion appliances. \$200.00 per test (pre/post)
 - Testing of all combustion appliances with an Combustion analyzer.
 - Draft testing with a draft gauge.
 - Forced air furnace temperature rise.
 - Testing of all gas lines with a Leak Detector
 - Air Conditioning Refrigerant Leak testing if applicable.
4. Pre and Post Combustion Appliance testing for all Home Repair and Emergency Repair projects where combustion appliances are replaced or appear to have safety issues. \$200.00 per test (pre/post)
 - Testing of all combustion appliances with a Combustion analyzer.

- Draft testing with a draft gauge.
 - Forced air furnace temperature rise.
 - Testing of all gas lines with a Leak Detector
 - Air Conditioning Refrigerant Leak testing if applicable
5. Ohio Regional Development Corporation does not perform Lead Risk Assessments. We sub-contract this service. It is competitively bid each year for all the Communities we provide services. This allows for the best possible rate. This cost is billed to the project as a project cost. Average cost is \$400.

AUTHORITY FOR THIS AGREEMENT

THIS AGREEMENT is authorized by appropriate action of the of Medina City Council as approved on March
26, 2019.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date following each signature.

FOR: The City of Medina

Dennis Harwell 3/26/19

Mayor, Dennis Harwell

Date

FOR: Ohio Regional Development Corporation

Dale W. Hartle 2-15-19

Dale W. Hartle, President

Date