

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
SUBRECIPIENT AGREEMENT

THIS AGREEMENT is made and entered into by and between the **CITY OF OLATHE, KANSAS**, a Kansas municipal corporation (“City”) and **City of Olathe, Community Enhancement**, hereinafter referred to as “Subrecipient”

WITNESSETH:

WHEREAS, Johnson County, Kansas has entered into a Grant Agreement with the United States Department of Housing and Urban Development, hereinafter referred to as “HUD”, for Federal assistance under Title 1 of the Housing and Community Development Act of 1974, as amended; and

WHEREAS, the City has entered into a Subrecipient Agreement with Johnson County whereby City must agree to certain terms and conditions associated with the use of the CDBG funds; and

WHEREAS, the City participates in the Johnson County Urban County program as a subrecipient of Johnson County under a HUD grant and receives Community Development Block Grant (CDBG) funds pursuant to that agreement; and

WHEREAS, many of the requirements of the Subrecipient Agreement are to be carried out by Subrecipient within the City; and

WHEREAS, the Parties agree that Subrecipient should be bound by the terms of the Subrecipient Agreement and have agreed to execute this Agreement to evidence that understanding; and

WHEREAS, Subrecipient has been determined by the County to meet the national objective of benefiting low- and moderate-income persons and has been determined to be an eligible Housing project, under Title 1 of the Housing and Community Development Act of 1974; and

WHEREAS, Johnson County, Kansas and the City require, as a condition precedent to the County’s requesting from HUD a release of funds for Subrecipient, the execution of this Subrecipient Agreement.

NOW THEREFORE, in consideration of the above recitals, the mutual promises, covenants, conditions, and agreements hereinafter set forth, it is agreed by the parties hereto as follows:

Article I. AGREEMENT OVERVIEW

Section 1.01 Project Description. Subrecipient will use CDBG funds for inspection of code violations on private property within the approved low to moderate income area of Olathe. Subrecipient agrees to perform and

carry out the project described in the Subrecipient's 2025 application, dated June 5, 2024, for funding and in the executed Subrecipient Agreement between the City and Johnson County for Project 2025-12.

Section 1.02 Term of Agreement. The period of performance for activities assisted by the Subrecipient Agreement shall commence on January 1, 2025 and be completed by June 30, 2026, except for those activities required for project closeout. Housing Projects must request final drawdown from City no later than June 15, 2026.

Section 1.03 Total Award. The City agrees to provide funding in an amount not to exceed \$100,000.00 for eligible project expenses.

- (a) The City shall authorize the Subrecipient to draw funds only when (1) the requested payment is for eligible work identified in the Subrecipient's application, and (2) all required supporting documentation has been submitted to and approved by the City.
- (b) This activity is classified as a Housing project. Unliquidated Housing funds not drawn down by June 30, 2026 will be de-obligated.

Article II. TERMINATION AND REMEDIES

Section 2.01 Termination for Convenience. Either party may terminate this Agreement, in whole or in part, upon written agreement that continuation of the Project no longer serves its intended purpose or funding is no longer available. The effective date, conditions, and any allowable costs incurred prior to termination shall be determined by mutual written agreement.

Section 2.02 Termination for Cause. The City may suspend or terminate this Agreement, in whole or in part, if the Subrecipient materially fails to comply with any term, condition, or requirement of this Agreement, or with any applicable federal, state, or local statute, regulation, or guideline. The City shall provide written notice stating the reasons for the action and the effective date. In such event, the Subrecipient shall be entitled to payment for eligible costs properly incurred prior to the effective date of suspension or termination, subject to the City's review and approval.

Section 2.03 Noncompliance and Federal Remedies. Failure by the Subrecipient to submit required reports, maintain adequate records, or comply with applicable laws, regulations, or terms of this Agreement shall constitute noncompliance and may result in suspension, termination, or other remedies as provided herein or under federal regulations at 2 CFR § 200.339 -200.340. The Subrecipient further acknowledges that HUD retains the right to pursue its own remedies for noncompliance, including suspension, termination, or other enforcement actions under these same federal provisions.

Section 2.04 Effect of Termination. Termination or suspension shall not waive any other claim or remedy the City may have under this Agreement or applicable law. The City shall notify Johnson County of any termination or material default under this Agreement.

Article III. AWARD AND BUDGET

Section 3.01 Total Compensation. The Subrecipient shall be reimbursed only for CDBG eligible costs incurred during the term of this Agreement, not to exceed the total amount authorized by the City.

Section 3.02 Program Income.

- (a) **Definition and Applicability.** For purposes of the Agreement, “Program Income” means gross income directly generated from the use of CDBG funds, as defined in 24 CFR § 570.504. Program Income includes but is not limited to: (i) repayments of principal and interest on CDBG-funded loans; (ii) proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds; (iii) income from the temporary use or lease of property acquired or improved with CDBG funds pending its disposition; and (iv) interest earned on Program Income pending disposition.
- (b) **Anticipated Program Income.** Program Income may be generated under this Agreement through loan repayments or property disposition. All such income shall be considered CDBG Program Income subject to federal requirements and this Section.
- (c) **Handling of Program Income.** Program Income shall be recorded as part of the financial transactions of the City’s CDBG Housing Program and shall be disbursed before requesting additional reimbursement of CDBG funds. The Subrecipient shall report any Program Income to the City of Olathe and use it only for eligible CDBG activities, consistent with 24 CFR Part 570 and 2 CFR Part 200.
 - (i) Program Income received during the term of this Agreement may be retained by the Subrecipient only if authorized in writing by the City and treated as additional CDBG funds subject to all applicable requirements.
 - (ii) Program Income retained by the City may, at the City’s discretion, be deposited into a revolving loan fund for housing rehabilitation or similar eligible activities, consistent with 24 CFR § 570.504(b).
 - (iii) Any Program Income remaining at the expiration or termination of this Agreement shall be returned to the City unless otherwise approved in writing.

Section 3.03 Budget

- (a) **Budget Authorization.** The Subrecipient shall expend CDBG funds only for eligible costs within the approved project budget and in accordance with 2 CFR Part 200 and 24 CFR Part 570. The total award under this Agreement shall not exceed \$100,000.00.
- (b) **Approved Project Budget.** The following budget summarizes the approved line-item allocations for the Subrecipient's project:

Personnel (excluding general administration costs):	\$100,000.00
Equipment:	\$0.00
Supplies:	\$0.00
Space Rent/Utilities:	\$0.00
Direct Financial Assistance:	\$0.00
Other:	\$12,500.00
Total Project Expenses:	\$112,500.00

- (c) **Budget Modifications.** Any budget modification, reallocation, or addition of line items must receive prior written approval from the City before costs are incurred. Unauthorized expenditures may be disallowed and subject to repayment.
- (d) **Use and Documentation.** All expenditures must be supported by invoices, payroll records, or other appropriate documentation and shall be subject to verification by the City and the County. The Subrecipient shall maintain detailed financial records sufficient to identify all costs charged to each budget category.
- (e) **Changes to Funding.** If HUD, the County, or the City reduces, increases, or otherwise adjusts the amount of CDBG funding available for this activity, the City may amend this Agreement to reflect such changes. Any amendments to reflect funding adjustments shall be executed in writing by both parties.

Article IV. FINANCIAL AND ADMINISTRATIVE REQUIREMENTS

Section 4.01 Allowable Costs. The Subrecipient shall comply with the cost principles in 2 CFR Part 200, Subpart E.

Section 4.02 Financial Management. The Subrecipient shall maintain financial records in accordance with generally accepted accounting principles and 2 CFR § 200.302.

Section 4.03 Audits and Monitoring. The City, County, HUD, and other authorized representatives shall have access to all books, records, and documents. Subrecipients expending \$1,000,000 or more in federal funds annually must submit a Single Audit in accordance with 2 CFR Part 200, Subpart F.

Section 4.04 Reporting. The Subrecipient agrees to submit, at a minimum, quarterly progress reports and reimbursement requests on forms supplied by the City. These reports are due to the City on **April 5th, July 5th, and October 5th** each year, or as otherwise specified in writing. Further, Subrecipient further agrees to submit a completed Project Completion/Beneficiary Information Form for the full program year, supplied by the City with the final reimbursement request of each calendar year.

Section 4.05 Requests for Extension. If the Subrecipient anticipates that project activities will not be completed or closed out by the end date stated in this Agreement, the Subrecipient shall submit a written request to the City of Olathe for an extension. The request must describe the reasons for the delay, identify the remaining work to be completed, and include a revised timeline. Requests for extension must be received by the City no later than May 29, 2026. The City may approve or deny the request in writing. No reimbursements will be made for expenses incurred after the Agreement expiration date unless an extension has been approved in writing.

Section 4.06 Record Retention. Records shall be maintained for five (5) years after final payment or project closeout, whichever is later, or as otherwise required by HUD or the County. Records shall include, as applicable, income eligibility documentation, project cost and contractor selection records, and property improvement documentation consistent with 24 CFR § 570.506.

Article V. COMPLIANCE WITH FEDERAL REQUIREMENTS.

The Subrecipient shall comply with all applicable federal, state, and local laws, regulations, and executive orders governing the use of Community Development Block Grant funds, including those cited in the Certifications attached as Exhibit A. Compliance with these laws and regulations is a condition of this Agreement and shall survive its expiration or termination.

These requirements include, but are not limited to, nondiscrimination and fair housing, Section 3, debarment and suspension, conflict of interest, labor standards (if applicable), environmental standards, relocation and anti-displacement, lead-based **paint**, uniform administrative requirements, and immigration verification requirements.

- (a) **Labor Standards.** If applicable, the Subrecipient shall comply with labor standards requirements of the Davis-Bacon Act (40 U.S.C. § 3141 et seq.), the Contract Work Hours and Safety Standards Act (40 U.S.C. § 3701 et seq.), and 29 CFR Parts 3 and 5. These requirements apply to construction or rehabilitation contracts in excess of \$2,000, except for residential properties containing fewer than eight (8) units. The Subrecipient shall include the applicable labor standards provisions in all construction contracts and subcontracts financed, in whole or in part, with CDBG funds.

- (b) **Environmental Standards.** The Subrecipient shall comply with the environmental review requirements of 24 CFR Part 58, including all related authorities listed at 24 CFR §§ 58.5 and 58.6. The Subrecipient shall not commit or expend any CDBG funds or take any action that would have an adverse environmental impact or limit the choice of reasonable alternatives, until the City or Johnson County, as the Responsible Entity, has completed the required environmental review and has received the appropriate release of funds from HUD. The Subrecipient does not assume the environmental responsibilities under 24 CFR Part 58, nor the responsibility for initiating or completing the environmental review process under 24 CFR Part 52.
- (c) **Relocation and Acquisition.** The Subrecipient shall comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (49 CFR Part 24), and 24 CFR § 570.606. The Subrecipient shall minimize displacement and, where applicable, implement the Residential Anti-Displacement and Relocation Assistance Plan.
- (d) **Flood Insurance.** If applicable, the Subrecipient shall comply with the Flood Disaster Protection Act of 1973 (42 U.S.C. § 4001 et seq.) and obtain flood insurance for any property located within a designated special flood hazard area.
- (e) **Lead-Based Paint.** If applicable, the Subrecipient shall comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4822) and the Lead Safe Housing Rule (24 CFR Part 35) for any residential rehabilitation or housing activities assisted with CDBG funds.
- (f) **Reversion of Assets.** Upon expiration or termination of this Agreement, the Subrecipient shall transfer to the City any remaining CDBG funds or receivables generated through this Agreement. Any real property improved in whole or in part with CDBG funds and having a fair market value exceeding \$25,000 shall continue to meet a CDBG national objective for at least five (5) years after project completion or be disposed of in a manner that reimburses the City for its proportional CDBG investment.

Article VI. GENERAL TERMS AND CONDITIONS

Section 6.01 Ability to Perform. The Subrecipient represents it is legally and financially able to carry out the work described.

Section 6.02 Amendments. This Agreement may be amended only by written instrument executed by both parties.

Section 6.03 Assignment. No rights or obligations may be assigned without prior written City approval.

Section 6.04 Choice of Law and Venue. This Agreement shall be governed by Kansas law, with venue in Johnson County, Kansas.

Section 6.05 Confidentiality. The Subrecipient shall protect confidential data as required by law.

Section 6.06 Force Majeure. Neither party shall be liable for delays or nonperformance due to causes beyond its control.

Section 6.07 Contractors and Subcontractors. The Subrecipient shall ensure that all contractors and subcontractors performing work under this Agreement comply with applicable federal, state, and local requirements, including but not limited to federal labor standards (if applicable), procurement standards under 2 CFR Part 200, equal opportunity and Section 3 requirements, and the debarment and suspension restrictions of 2 CFR Part 2424. The Subrecipient shall include the applicable clauses in all contracts and subcontracts financed in whole or in part with CDBG funds and shall retain documentation evidencing contractor/subcontractor compliance, such as SAM debarment checks, required notices, and certified payrolls (if required).

Section 6.08 Insurance and Indemnification. The Subrecipient shall maintain insurance coverage as required and indemnify the City against claims arising from its actions.

Section 6.09 Notice. All notices, requests, or other communications required or permitted under this Agreement shall be in writing and shall be deemed given when delivered personally, sent by certified mail (return receipt requested), or transmitted by email with confirmation of receipt to the address below or to such other address as either party may designate in writing.

To the City:

City of Olathe, Quality of Life
Attn: Grants Coordinator
17200 W 119th St
Olathe, KS 66061
Email: ediehl@olatheks.org

To the Subrecipient:

City of Olathe, Community
Enhancement
Attn: Dennis Pine
17200 W 119th St
Olathe, Kansas 66061
Email: dpine@olatheks.org

Section 6.10 Entire Agreement. This Agreement constitutes the entire understanding between the parties and supersedes prior discussions or representations.

Section 6.11 Open Records. This Agreement is subject to the Kansas Open Records Act (K.S.A. 45-215 et seq.).

Section 6.12 Severability. If any provision is held invalid, the remainder shall continue in effect.

Section 6.13 Counterparts/Electronic Signatures. This Agreement may be executed in counterparts, including electronic copies, each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed this _____ day of _____ 2025.

CITY OF OLATHE, KANSAS

By: _____

Name/Title: _____

ATTEST:

By: _____

Name/Title: _____

(Seal)

APPROVED AS TO FORM:

By: _____

Name/Title: _____

City of Olathe, Community Enhancement

By: _____

Name/Title: _____

EXHIBIT A

CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the Subrecipient certifies that:

Affirmatively Further Fair Housing --The Subrecipient will affirmatively further fair housing.

Uniform Relocation Act and Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. 4601-4655) and implementing regulations at 49 CFR Part 24. It has in effect and is following a residential anti-displacement and relocation assistance plan required under 24 CFR Part 42 in connection with any activity assisted with funding under the Community Development Block Grant or HOME programs.

Anti-Lobbying --To the best of the Subrecipient's knowledge and belief:

1. 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;
2. 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; and

Authority of Subrecipient --The consolidated plan is authorized under State and local law (as applicable) and the Subrecipient possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with Plan --The housing activities to be undertaken with Community Development Block Grant, HOME, Emergency Solutions Grant, and Housing Opportunities for Persons With AIDS funds are consistent with the strategic plan in the County's consolidated plan.

Waste, Fraud, Abuse, and Whistleblower Protections -- Any person who becomes aware of the existence or apparent existence of fraud, waste, or abuse of any HUD award must report such incidents to both the HUD official responsible for the award and to HUD's Office of Inspector General (OIG). Allegations of fraud, waste, and abuse related to HUD programs can be reported to the HUD OIG hotline via phone at 1-800-347-3735 or online hotline form. The Recipient must comply with 41 U.S.C. § 4712, which includes informing employees in writing of their rights and remedies, in the predominant native language of the workforce. Under 41 U.S.C. § 4712, employees of a government contractor, subcontractor, recipient, and Subrecipient-as well as a personal services contractor-who make a protected disclosure about a Federal award or contract cannot be discharged, demoted, or otherwise discriminated against if they reasonably believe the information they disclose is evidence of (1) gross mismanagement

of a Federal contract or award; (2) waste of Federal funds; (3) abuse of authority relating to a Federal contract or award; (4) substantial and specific danger to public health and safety; or (5) violations of law, rule, or regulation related to a Federal contract or award.

Diversity, Equity, and Inclusion - They will not use Federal funding to promote diversity, equity, and inclusion (DEI) mandates, policies, programs, or activities that violate any applicable Federal antidiscrimination laws.

Gender Ideology -- Subrecipient shall not use the funds to promote gender ideology as described in executive order 14168.

Abortion Funding – Subrecipient shall not use any grant funds to fund or promote elective abortions as described in executive order 14182.

Anti-Discrimination Laws – Subrecipient agrees that its compliance in all respects with all applicable federal anti-discrimination laws is material to payment decisions under section 3729(b)(4) of title 31 of the United States Code. Subrecipient further certifies that it does not operate any programs that violate any applicable federal anti-discrimination laws, including Title VI of the Civil Rights Act of 1964.

E.O. 14154 -- Notwithstanding anything in the NOFO or Application, this grant shall not be governed by any executive orders revoked by E.O. 14154.

PRWORA – Subrecipient shall administer its grant in accordance with all applicable immigration restrictions and requirements, including the eligibility and verification requirements that apply under title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, as amended (8 U.S.C. 1601-1646) (PRWORA) and any applicable requirements that HUD, the Attorney General, or the U.S. Citizenship and Immigration Services may establish from time to time to comply with PRWORA, Executive Order 14218, or other Executive Orders or immigration laws.

Subrecipient agrees to comply with the County’s verification process for verifying an income-qualified individual’s eligibility for public benefits under Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA, 8 U.S.C. 1601-1646), E.O. 14218 before Subrecipient provides and federal benefit to any individual.

Immigration Statutes – Subrecipient shall not use the funding in a manner that by design or effect facilitates the subsidization or promotion of illegal immigration or shields illegal aliens from deportation, including by maintaining policies or practices that materially impede enforcement of federal immigration laws.

SAVE – Subrecipient shall use SAVE or an equivalent verification system approved by the federal government to prevent any federal public benefit from being provided to an ineligible alien who entered the United States illegally or is otherwise unlawfully present in the United States.

Signature of Authorized Official

Date

Title