

AGREEMENT BETWEEN NEIGHBORHOODS, INC. OF BATTLE CREEK
AND THE CITY OF BATTLE CREEK

This Agreement is effective the ___ day of _____ 2015, between the City of Battle Creek, a Michigan municipal corporation, whose address is P.O. Box 1717, Battle Creek, MI 49016-1717 (hereinafter "City") and Neighborhoods, Inc. of Battle Creek, a Michigan nonprofit corporation, whose address is 47 Washington Avenue, Battle Creek, MI, 49017, (hereinafter "NIBC").

RECITALS

- A. The City has as one of its many public purposes the promotion of homeownership and rental housing for its citizens at all income levels. It recognizes that lower income families may need some assistance in achieving homeownership. It also recognizes that neighborhoods are significantly more successful if economic integration is achieved and maintained.
- B. NIBC has as one of its purposes the promotion and development of homeownership in Battle Creek through customer education and lending assistance as well as promoting home improvement investment by Battle Creek's citizens.

AGREEMENT

1. COMPENSATION

1.1 Upon execution of this Agreement, the City shall make one payment of \$150,000 to NIBC to achieve the Purposes and Outcomes as set forth herein.

2. PURPOSES AND OUTCOMES

2.1 NIBC shall develop programs to promote home ownership through acquisition, rehabilitation and resale of vacant dwellings for homeownership; promote lending for home-improvements by current residents; educate and counsel citizens toward these ends; educate citizens on how to prevent foreclosure whenever possible; and provide other housing related programs jointly identified by the City and NIBC.

2.2 For FY 2015-2016, (year end June 30), NIBC shall maintain its status as a Community Development Housing Organization (CHDO). This enables it to access opportunities for state and federal funding that might not otherwise be available in the community.

2.3 For FY 2015-2016, (year end June 30), NIBC shall maintain its status as a Community Development Financial Institution (CDFI) by the CDFI Fund, a program of the United States Treasury Department. This certification provides another source of rehabilitation loans, working capital and investment capital which is critical for housing rehabilitation for NIBC's activities and its customers.

2.4 NIBC will remain a HUD Certified Housing Counseling Agency for this area during FY 2015-2016. This enables NIBC to provide one-on-one counseling and education to local area home owners for mortgage loan mitigation.

2.5 NIBC shall provide financial management and home ownership educational programs which support residents' capacity to take advantage of available housing and support the local economy, all free to the residents, in FY 2015-2016.

2.6 NIBC has included, in its approved operating budget, programs that it believes contribute to neighborhood stabilization within the City of Battle Creek. These costs do not include direct construction/rehab project cost and are intended to illustrate a portion of the value received by the Community from NIBC.

3. USE OF FUNDS

3.1 NIBC shall, during FY 2015-2016 and to the extent possible, operate substantially in accordance with the Sources and Uses of Funds Schedule incorporated herein as Exhibit A. Exhibit A represents NIBC's cash operating budget for FY 2015-2016. In FY 2015-2016, City funds represent 10.55% of the total projected sources of funds for NIBC (or leverage of City funds at 9.48 to 1).

3.2 Maintain and support its home ownership and financial fitness education and counseling programs.

3.3 Maintain and support community engagement programs such as the Neighborhood Crime Watch program. The City may, from time to time, request that NIBC support other similar outreach/engagement programming that the City deems beneficial to the community; provided that, NIBC has the capacity and/or funding available.

3.4 Although not a specific requirement of this agreement, NIBC shall, if desired, sponsor at least two meetings per year, jointly with the City, to discuss community and neighborhood issues and opportunities. NIBC shall make every effort to invite residents and neighborhood leaders and other stakeholders that NIBC or the City may so elect.

4. REPORT

4.1 Thirty (30) days after the termination date of this contract NIBC shall present a report to the City Commission detailing progress it has made in achieving the Outcomes and Purposes of this Agreement. It shall also provide a detailed copy of the NIBC operating budget for the prior calendar year and current year, which shall disclose both revenue sources and expenses and shall disclose any long-term revenue fund resources committed to the support of NIBC.

4.2 For the fiscal years beginning with FY 2015-2016 and for each year thereafter during which NIBC and the City maintain this agreement, NIBC shall deliver to the City an "unqualified" Annual Audited Financial Report and Management Representation Letter.

Said audited financial statements and management representation letter shall be delivered no later than December 30 of each year.

5. MISCELLANEOUS

5.1 NIBC agrees that its education programs shall be available to all citizens of the City of Battle Creek and it shall comply with the provisions of the Elliott-Larsen Civil Rights Act, being MCL 37.2101 et seq. as well as with Battle Creek's Anti-Discrimination Ordinance, found in Chapter 214 of Ordinances, titled "Discrimination Prohibited."

5.2 NIBC agrees that none of the compensation under this Agreement shall inure to the direct pecuniary benefit of any member(s) of its Board. NIBC agrees not to contract, subcontract or enter into any agreement with respect to the obligations and compensation governed by this Agreement with any NIBC Board Member, or any elected City official or senior staff, or those individuals, businesses or other entities with which NIBC Board Members and administrators have a business relationship or an immediate family relationship.

5.3 No individual on behalf of NIBC shall induce by any means or agree with any person or persons to provide goods, labor, service or equipment, or to give up any part of the compensation that person may be entitled to for any goods, labor, service or equipment provided herein.

5.4 In the event NIBC is in violation of this Agreement, it shall repay all monies received from the City within 30 days after receipt of a written notice from the City of such violation.

5.5 NIBC may not assign or delegate this Agreement, or any part of it, or any right to the money to be paid under it without the written consent of the City.

5.6 NIBC shall not use this Agreement as collateral or security for any loan, mortgage or other indebtedness.

6. INDEMNIFICATION


6.1 NIBC shall indemnify, hold harmless, and defend the City from and against any claim of, or liability for error, omission or negligent act of NIBC, under this Agreement. NIBC shall not be required to indemnify the City for a claim of, or liability for, the independent negligence of the City. If there is a claim of, or liability for, the joint negligent error or omission of NIBC, or the independent negligence of the City, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "NIBC" and "City" as used within this paragraph, include the employees, agents, and contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the City's selection, administration, monitoring, or controlling of NIBC and in approving or accepting NIBC's work.

7. TERMINATION

7.1 Unless otherwise terminated by the parties, this Agreement shall terminate June 30, 2016.

Neighborhoods, Inc. of Battle Creek

City of Battle Creek



William G. Phillips
President and CEO

Rebecca L. Fleury
City Manager

8-25-15

Date

Date



Witness

Witness

Fed. ID#:38-2375773

Approved as to form and legal sufficiency:



City Attorney: Jill Humphreys Steele

EXHIBIT A

NEIGHBORHOODS, INC. OF BATTLE CREEK

SOURCES AND USES OF FUNDS FISCAL YEAR 2015-2016

Projected FY2016 NIBC Sources and Uses Of Funds (Cash Basis)*

Foundations	850,000
Government Intermediaries	84,880
City of Battle Creek	150,000
Corporate Donations	8,000
Fund Raising - Individual	1,000
Real Estate Revenues (Rental)	264,014
Financial Services and Fee Revenues	139,980
Development Services	22,000
Asset Disposition Gain/Losses	0
Capital Grants	0
Unfunded Programming (Surplus)	(98,153)
TOTAL SOURCES	1,421,721
 <u>USES OF FUNDS</u>	
Development and Sustainability	199,612
Education & Counseling	193,169
Community Engagement	187,995
Financial Services	263,777
Asset Management & Development	774,328
Add back: Non-cash Expenses (Depreciation, Bad Debt)	(197,160)
TOTAL USES	1,421,721

* The Sources and Uses of Funds represent cash basis revenues and expenses only.