INTERLOCAL CONTRACT TO GRANT
NEIGHBORHOOD STABILIZATION PROGRAM 2 GRANT FUNDS
TO CITY OF LAS VEGAS

The Interlocal Contract is entered into this ______day of ______2010 by and between Clark County ("County"), a political subdivision of the State of Nevada, and the City of Las Vegas ("Subrecipient"), a municipal corporation located within the County of Clark, State of Nevada.

Recitals

WHEREAS, Title III of Division B of the Housing and Economic Recovery Act of 2008 (HERA) (Public Law 110-289) authorized the Neighborhood Stabilization Program (NSP) to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and stem the decline of house values of neighboring homes; and

WHEREAS, the American Reinvestment and Recovery Act of 2009 (ARRA) (Public Law 111-005) provided an allocation of funds for additional activities under NSP, known as NSP2, for emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties; and

WHEREAS, the Southern Nevada NSP2 Consortium Agreement was made and entered into the 16^{th} of June, 2009 by and amongst Clark County and the cities of Henderson, Las Vegas and North Las Vegas; and

WHEREAS, the parties of the Southern Nevada NSP2 Consortium authorized Clark County ("Lead Member") to assume responsibility for the grant on behalf of the Consortium in compliance with all NSP2 program requirements; and

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) is responsible for distributing the NSP2 funds to states and local governments selected through a competitive application process; and

WHEREAS, HUD requires that after selection but before the grant is awarded, the Lead Member of the Consortium must enter into a separate Consortium Funding Agreement with each member of the Consortium; and

WHEREAS, NSP2 is a special component of the Community Development Block Grant (CDBG) Program independent of the consolidated plan and annual action plan process; and

WHEREAS, Subrecipient proposes to undertake NSP2 eligible activities that assist households at or below 120 percent of the area median income, and at a minimum, 25 percent of the funds assist households at or below 50 percent of the area median income for the jurisdiction in which the activity is located; and

WHEREAS, pursuant to NRS 277.180, any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which any of the public agencies entering into the contract is authorized by law to perform; and

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

I. SCOPE OF SERVICES

A. The County will provide One Hundred Two Million Six Hundred Forty-Eight Thousand Dollars ($102,648,000) in Federal Fiscal Year 2009 NSP2 Funds (the "NSP2 Funds") to assist Subrecipient with the cost of the Program Description and Budget, as set forth in Exhibit "A", attached hereto and incorporated herein as if fully set forth.

Subrecipient will review its activities in advance with the Community Resources Management Division ("CRMD"), and will conform its activities to any practices necessary to assure continuing compliance and eligibility for NSP2 funding.

B. Subrecipient agrees that any program costs, unless otherwise specified, exceeding the NSP2 Funds provided by the County pursuant to this Interlocal Contract, will be the responsibility of Subrecipient. Any ongoing project costs such as maintenance and operations shall be the sole responsibility of Subrecipient.

C. NSP2 Funds are subject to federal appropriation and, as such, changes in the amount of funding to the County will impact the availability and amount of funds available under this Interlocal Contract.

D. NSP2 Funds and related activities may only be used to serve households with incomes at or below 120 percent of area median income for the jurisdiction in which the activity is located as defined by HUD and adjusted for family size, and a minimum $25,662,000 in the NSP2 Funds and related activities must be used to serve households with incomes at or below 50 percent of the area median income for the jurisdiction in which the activity is located as defined by HUD and adjusted for family size.

E. Before disbursing any NSP2 Funds to subgrantees or directly to clients, Subrecipient must prepare and complete an environmental clearance in accordance with the regulations at 24 CFR 58 and maintain a copy of the authorized environmental clearance on file for inspection by the County during program monitoring visits.

F. Before disbursing any NSP2 Funds to subgrantees or directly to clients, Subrecipient agrees to enter into a written agreement with qualified recipients requiring compliance with the rules set forth in 24 CFR, Chapter V, Part 570 as well as the continued affordability requirements set forth in rules and regulations pertaining to NSP2.

G. Changes in the Scope of Services as outlined herein must be accordance with NSP2 Program regulations, made by written amendment to this Interlocal Contract and approved by both parties. Any such changes must not jeopardize NSP2 Program funding.

II. COUNTY GENERAL CONDITIONS

Subrecipient agrees to abide by all conditions fully set forth below.

A. Subrecipient will ensure the use of grant funds must constitute an eligible use(s) under HERA and ARRA as amended and as applicable.

B. Subrecipient will ensure that, in addition to being an eligible use of NSP2 Funds, each activity funded under NSP2 Notice of Funding Availability must be also CDBG-eligible under 42 U.S.C. 5305(a) and meet a CDBG national objective.

C. Subrecipient shall obtain, or require any subgrantee to obtain, any and all federal, state, and local permits and licenses required to execute any individual project or activity as described in this Interlocal Contract's Scope of Services. Subrecipient further agrees to abide by, and shall require all subgrantees to abide by, all applicable federal, state, and local codes, regulations, statutes, ordinances, and laws.

D. The County shall have no relationship whatsoever with the services provided, except the provision of financial support and the receipt of such reports as are provided for in this resolution.

E. Subrecipient shall submit to the County copies of all correspondence generated as a result of HUD program monitoring. The County shall provide Subrecipient with program monitoring guidelines.

F. Subrecipient will provide the County with client usage records per project. These records will contain, but are not limited to, the following data:

Total clients served;
Number of jobs created and/or retained;
Racial breakdown of clients served including Black, White, Hispanic, American Indian/Alaskan and Asian/Pacific Islander;
Number and percentage of low- and very low- income clients;
Number of handicapped clients served;
Number of senior citizens served;
Number of female head-of-households served;
Name of each head of household served;
Number of persons in each household served; and
Rent charged each household served.

G. Subrecipient agrees to provide Clark County all data elements as required by HUD to complete quarterly performance reporting through the Disaster Recovery Grant Reporting system (DRGR). Subrecipient will submit a report of Subrecipient's NSP2 activities to the County no later than the 5th day following the end of the calendar quarter. Clark County will post the quarterly NSP2 report on a public website following submission to HUD.

H. Subrecipient agrees to provide Clark County all data elements as required by HUD to complete monthly reports submitted through the Disaster Recovery Grant Reporting system (DRGR) on its NSP2 obligations and expenditures no later than the 5th day following the end of the month after the end of the 21st month following receipt of funds, and continuing until reporting total expenditures are equal to or greater than 50% the total NSP2 grant. After the expenditure of 50% of the total grant of NSP2 Funds, monthly reports will again be required after the end of the 33rd month until the entire grant of NSP2 Funds has been expended or the 36 month deadline reached. Clark County will post the quarterly NSP2 report on a public website following submission to HUD. Each report will include information about the uses of funds not limited to:

Project name, Activity, and Location;
National objective;
Funds budgeted and funds expended;
Funding source with total amount of any non-NSP2 funds;
Numbers of properties and housing units;
Beginning and ending dates of activities;
Number of persons or households benefiting;
Income levels of persons or households benefiting.

I. Subrecipient agrees to provide Clark County with all data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282) and the Recovery Act in order to report to the Office of management and Budget (OMB).

J. Subrecipient will not use any portion of the allocated NSP2 Funds for anything other than qualified projects, as defined in the NSP2 program regulations. Any recipient or subgrantee must meet NSP Program requirements and serve eligible low, moderate, and middle income (LMMI) families.

K. Subrecipient may not request disbursement of NSP2 Funds under this Interlocal Contract until the funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed. Program income must be disbursed for eligible NSP2 activities before Subrecipient requests additional NSP2 funds. Subrecipient may retain program income and must keep a log of all program income received and disbursed and submit log to the County for review as requested.

L. Subrecipient shall allow duly authorized representatives of the County to conduct such occasional reviews, audits, and on-site monitoring of projects as the County deems to be appropriate in order to determine:

1. Whether the objectives of the program are being achieved;

2. Whether the program is being conducted in an efficient and effective manner;

3. Whether management control systems and internal procedures have been established to meet the objectives of the program;

4. Whether the financial operations of the program are being conducted properly;

5. Whether the periodic reports to the County contain accurate and reliable information;

6. Whether all of the activities of the program are conducted in compliance with the provisions of Federal and State laws and regulations, the laws and regulations of any other applicable jurisdiction and this Interlocal Contract; and

7. Whether all of the internal audit functions as required by NSP2 are followed to identify programmatic qualify assurance and quality control of NSP2 activities in addition to the financial management. This will include regular semi-annual reports to be conducted by Subrecipient's internal auditor and submitted to Clark County's internal auditor within 10 business days of completion.

Visits by the County to Projects shall be announced to Subrecipient twenty-four (24) hours in advance of those visits and shall occur during normal operating hours. The representatives of the County may request and, if such request is made, shall be granted access to the records of Subrecipient which relate to the program. The representatives of the County may, from time to time, interview recipients of the housing services of the program who volunteer to be interviewed.

M. If any of Subrecipient's program participants uses a vehicle in providing its services, the program participant shall carry or provide Comprehensive Automobile Liability Insurance covering bodily injury and property damage, with minimum coverages as follows:

1. Bodily Injuries: $500,000 each person;
$500,000 each occurrence;
Property Damage: $500,000 each person;
$500,000 each occurrence; and

2. Subrecipient's program participants shall carry or provide

Comprehensive Fire and Hazard insurance covering the full replacement costs of their Projects.

3. If Subrecipient contracts any of the construction work defined in Exhibit "A", Subrecipient's program participant must provide to Subrecipient a Builder's Risk/Liability insurance policy utilizing special form coverages for the full amount of the contract covering the structure or facility, which is owned or leased by the program participant, naming Subrecipient as an additional insured party, during the entire course of construction.

4. The program participant shall furnish to Subrecipient a copy of each policy for the aforementioned insurance coverages within ten days after adoption of the agreements with the program participants described by Section III. B, hereof, and notify Subrecipient at least ten days prior to the date on which any cancellation or material change of any such coverage is to become effective. Subrecipient shall be named as an additional insured party in all policies of insurance obtained pursuant to this Interlocal Contract.

5. Should the program participant not carry Comprehensive Automobile Liability Insurance covering bodily injury and property damage, Subrecipient must provide coverage therein.

N. At any time during normal business hours, records with respect to the Program shall be made available for audit, examination, and review by the County, the Attorney General's Office, contracted independent auditors, HUD, the Comptroller General of the United States, or any combination thereof.

O. Subrecipient will not use any funds or resources which are supplied by the County in any pending or threatened litigation, arbitration, administrative proceeding, or any other legal proceeding, against any person, natural or otherwise, or in its own defense in any such litigation and also to agree to notify the County of any legal action which is filed by or against it.

P. This Interlocal Contract will commence upon its approval and signature by all parties. As pertains to the NSP2 Funds, Subrecipient shall have 24 months from the date HUD signs the NSP2 Funding Approval and Grant Agreement to expend not less than fifty percent of the allocated Federal NSP2 Grant Amount pursuant to the requirements of HERA, ARRA, and the Notice of Fund Availability for the Neighborhood Stabilization Program 2 under the American Recovery and Reinvestment Act, 2009 published at FR-5321-N-01 (May 4, 2009) (Notice). Subrecipient shall have 36 months from the date HUD signs the NSP2 Funding Approval and Grant Agreement to expend the NSP2 Funds pursuant to the requirements of the Notice. Program income may be reused for eligible activities outlined in Exhibit "A" according to HUD regulations with regard to this program.

Q. Subrecipient, and any subgrantee, shall keep and maintain in effect at all times any and all licenses, permits, notices and certifications which may be required by any city or county ordinance or state or federal statute.

R. Subject to, and without waiving the limits set forth in NRS Chapter 41, Subrecipient will protect, defend, indemnify, and hold harmless the County from and against any and all liability, damages, demands, claims, suits, liens, and judgments of whatever nature including, but not limited to, claims for contribution or indemnification for injuries to or death of any person or persons, caused by, in connection with, or arising out of any activities undertaken pursuant to this Interlocal Contract. Subrecipient's obligation to protect, defend, indemnify, and hold harmless as set forth in this paragraph shall include any and all reasonable attorneys' fees incurred by the County in the defense or handling of said suits, demands, judgments, liens, and claims and all reasonable attorneys' fees and investigation expenses incurred by the County in enforcing or obtaining compliance with the provisions of this Interlocal Contract.

S. No officer, agent, consultant, or employee of Subrecipient may seek or accept any gifts, service, favor, employment, engagement, emolument, or economic opportunity that would tend improperly to influence a reasonable person in that position to depart from the faithful and impartial discharge of the duties of that position.

T. No officer, agent, consultant, or employee of Subrecipient may use his or her position to secure or grant any unwarranted privilege, preference, exemption, or advantage for himself or herself, any member of his or her household, any business entity in which he or she has a financial interest or any other person.

U. No officer, agent, consultant, or employee of Subrecipient may participate as an agent of Subrecipient in the negotiation or execution of any contract between Subrecipient and any private business in which he or she has a financial interest.

V. No officer, agent, consultant, or employee of Subrecipient may suppress any report or other document because it might tend to affect unfavorably his or her private financial interests.

W. Subrecipient may not assign or delegate any of its rights, interests or duties under this Interlocal Contract without written approval from the County. Any assignee must meet NSP2 program requirements and serve eligible low, moderate and middle income clients. Any such assignment or delegation made with the required consent shall be void, and may, at the option of the County, result in the forfeiture of all financial support provided herein.

X. Davis-Bacon federal wage requirements shall be the responsibility of Subrecipient and be subject to technical approval by CRMD staff prior to payment of program invoices.

Y. Subrecipient shall abide by NSP2 program caps as set forth under HERA and ARRA (i.e. 10 percent for Administration).

III. FEDERAL GENERAL CONDITIONS

A. Subrecipient shall comply with the following laws and directives:

1. The Hatch Act as set forth in Title 5, Chapter 15, of the United States Code.

2. The National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations issued at 24 CFR, Parts 50 and 58.

3. Title VIII of the Civil Rights Act of 1968, Pub. L. 90-284.

4. Section 109 of the Housing and Community Development Act of 1974.

5. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), and implementing regulations issued at 24 CFR, Part 1.

6. The Fair Housing Act (42 U.S.C. 3601-20), any amendments thereto, and implementing regulations issued at 24 CFR, Part 100.

7. Section 109, Title I of the Housing and Community Development Act of 1974, Pub. L. 93-383.

8. Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u, and any amendments thereto.

9. Executive Order 11063, any amendments thereto, and implementing regulations issued at 24 CFR, Part 107.

10. The Age Discrimination Act of 1975 (42 U.S.C. 6101-07), and implementing regulations issued at 24 CFR, Part 146.

11. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations issued at 24 CFR, Part 8.

12. Executive Order 11246, and the regulations which are issued under the Order at 41 CFR, Chapter 60.

13. The Federal Labor Standards Act.

14. The Fair Labor Standards Act, as amended.

15. National Flood Insurance Program and the regulations thereunder (44 CFR, Parts 59 through 79), and Sections 102 and 202 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012 (a) and 4106 (a).

16. Sections 302 and 401(b) of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), and implementing regulations issued at 24 CFR, Part 35, and, in addition, appropriate action must be taken to protect facility occupants from the hazards associated with lead-based paint abatement procedures.

17. The Davis-Bacon Act, as amended, which requires that all laborers and mechanics who are employed to perform construction work, or any contractor or construction work which is financed, in whole or in part, with assistance which is received under the Housing and Community Development Act of 1974 shall be paid wages at rates which are not less than those that prevail in the locality for similar construction and shall receive overtime compensation in accordance with the Contract Work Hours and Safety Standards Act. The contractor and its subcontractors shall also comply with all applicable Federal laws and regulations that pertain to labor standards, including the minimum wage law.

18. 24 CFR, Part 92, of the Cranston-Gonzales National Affordable Housing Act of 1990.

19. 24 CFR, Part 24, Subpart F of the Drug-Free Workplace Act of 1988.

20. Section 319 of Pub. L. 101-121, of the Department of the Interior Appropriations Act, which prohibits Subrecipient from using appropriated Federal funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan, and requires that no Federal appropriated funds have been paid or will be paid, by or on behalf of Subrecipient, 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.

21. Title I of the Housing and Community Development Act of 1974, as amended, which requires that Subrecipient shall:

a. not discriminate against any employee or applicant for employment on the basis of religion and not limit employment or give preference in employment to persons on the basis of religion;

b. not discriminate against any person applying for such public services on the basis of religion and not limit such services or give preference to persons on the basis of religion; and

c. provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of such public services.

22. Protecting Tenants at Foreclosure Act, May 20, 2009

B. Before disbursing any NSP2 funds to a program participant, Subrecipient shall sign a written agreement with the program participant, which shall remain in affect during any period that Subrecipient has control over NSP funds, including program income. At a minimum, the written agreement with the program participant shall include provisions concerning the following items: (1) statement of work, (2) records and reports, (3) program income, (4) uniform administrative requirements, (5) other program requirements (Subpart K), (6) conditions for religious organizations, (7) suspension and termination, and (8) reversion of assets.

C. Subrecipient shall carry out its activities in compliance with all Federal laws and regulations described in 24 CFR, Part 570, Subpart K (570.600 - 570.612), which are applicable to Federal Fiscal Years 2005-2009 CDBG grants, except that Subrecipient will not assume the County's environmental responsibilities described at 24 CFR 570.604. Environmental reviews shall be prepared by Subrecipient and forwarded to the Manager, CRMD, as authorizing party, to sign and process.

D. No officer, agent, consultant, employee, or elected or appointed official of the County, or Subrecipient, shall have any interest, direct or indirect, financial or otherwise, in any contract or subcontract, or agreement with respect thereto, or the proceeds thereof, either for himself or herself or for those with whom he or she has family or business ties during his or her tenure, or for one year thereafter, for any of the work to be performed pursuant to the Program. All requested exceptions must be reviewed by the County on a case-by-case basis.

E. None of the personnel employed in the administration of the Program shall be in any way or to any extent engaged in the conduct of political activities prohibited by Chapter 15 Title 5, U.S. Code, as applicable.

F. None of the Funds to be paid under this Interlocal Contract shall be used for any partisan political activity, or to support or defeat legislation pending before Congress.

G. Program income, as defined in 24 CFR 570.500, shall be returned to the County unless the County authorizes in writing that all or a specific portion thereof of such program income will be retained by Subrecipient. Provisions under Subpart 504 shall include:

1. Recording program income. The receipt and expenditure of program income as defined in 24 CFR 570.500 (a) shall be recorded as part of the financial transactions of the grant program.

2. Disposition of program income received by program participants.

3. Disposition of program income received by Subrecipient.

4. Disposition of certain program income received by the County.

H. Subrecipient shall comply with applicable uniform administrative requirements, as described in 24 CFR 570.502.

I. Subrecipient shall maintain records in accordance with 24 CFR, Part 85, 570.502 (b).

J. Subrecipient shall follow criteria to determine whether a NSP2-Assisted activity complies with one or more of the national objectives as required under 24 CFR 570.200 and 570.208, "Criteria for National Objectives".

IV. FINANCIAL MANAGEMENT

A. Subrecipient shall carry out its activities in compliance with all Federal laws and regulations described in 24 CFR, Part 85, "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments"; 2 CFR 225, "Cost Principles for State, Local and Indian Tribal Governments"; and OMB Circular No. A-133, "Audits of States, Local Governments, and Nonprofit Organizations."

B. Subrecipient shall retain books, documents, papers, and records in the manner and for the time periods specified in the United States Office of Budget (OMB) Circular No. A-133 entitled "Audits of States, Local Governments, and Nonprofit Organizations", and its relevant attachment "C".

C. Program participants, except program participants of Subrecipient that are governmental entities, shall comply with the requirements and standards of 2 CFR 230, "Cost Principles for Non-Profit Organizations," and 2 CFR 220, "Cost Principles for Educational Institutions", as applicable; OMB Circular No. A-122, "Cost Principles for Nonprofit Organizations"; and OMB Circular No. A-133, "Audits of States, Local Governments and Nonprofit Institutions" (as set forth in 24 CFR part 45). Audits shall be conducted and submitted to the County annually. Such program participants of Subrecipient shall also comply with the following provisions of the Uniform Administrative Requirements of 2 CFR 215 (implemented at 24 CFR part 84, "Uniform

Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations") or the related CDBG provision, as specified in this paragraph.

C. All Subrecipient's costs of the Program shall be recorded by budget line items and be supported by canceled checks, payrolls, time records, invoices, contracts, vouchers, orders, and other accounting documents evidencing in proper detail the nature and propriety of all costs. At any time during normal business hours, Subrecipient's financial transactions with respect to the Program may be audited by the County, independent auditors contracted by the County, HUD, the Comptroller General of the United States, the General Accounting Office, or any combination thereof. The representatives of the auditing agency or agencies shall have access to all books, documents, accounts, records, reports, files, papers, things, property, program participants, and other persons pertaining to such financial transactions and necessary to facilitate the audit.

D. Copies, excerpts, or transcripts of all of the books, documents, papers, and records, including canceled checks, payrolls, time records, invoices, contracts, vouchers, orders and accounting documents concerning matters that are reasonably related to the Program will be provided upon request by the County.

E. Invoices of expenditures must be submitted to County and funds will be accounted for in a ledger separate from all other revenue sources, per 24 CFR 85.21. Timeliness of payments to Subrecipient shall be in accordance with 24 CFR 85.21, 24 CFR 85.20, and 31 CFR 205, whereby methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the subgrantee, in accordance with the cited regulations. Disbursement of funds should occur within 3-5 working days, per recommendation of HUD.

F. Expenditures will be reviewed for consistency with the approved budget and scope of work as well as Office of Management and Budget Circular A-87, "Cost Principles for State and Local and Indian Tribal Governments". Approved invoices will be paid in a timely manner.

G. Funding for NSP2 is contingent upon receipt by the County of the Federal Fiscal Year 2009/2010 NSP2 grant funds, in the amounts shown at Exhibit "A". The County shall bear no liability to fund or provide payment to or on behalf of Subrecipient's expenditures under the jurisdiction of this Interlocal Contract in the event no NSP2 funds are received for Federal Fiscal Year 2009/2010 and shall only be liable for payment to the extent NSP2 funds are received.

H. Upon the expiration or revocation of this Interlocal Contract, Subrecipient shall transfer to County any Funds on hand at the time of expiration or revocation and any accounts receivable attributable to the use of the Funds.

V. <u>EXPIRATION, MODIFICATION, OR REVOCATION OF INTERLOCAL</u>

CONTRACT

A. The parties hereto are required to amend or otherwise revise this Interlocal Contract should such modification be required by HUD or any applicable Federal statutes or regulations.

B. The County shall not be obligated to pay any NSP2 monies that are terminated or withheld from the County or otherwise not forthcoming and in such event the County may modify or revoke this Interlocal Contract. Nothing in this Interlocal Contract shall prohibit the County, at its discretion, from providing a portion of the Funds to or on behalf of Subrecipient in the event that the County receives only a portion of the Funds expected to be received by the County from HUD in the amounts described at Exhibit "A".

C. In the event that the County finds that the total amount of its NSP2 funds allocated for the Program are not expended in the time and manner prescribed in this Interlocal Contract, the County reserves the right to extract that portion for other projects and programs under its NSP2 Program, after providing at least forty-five days written notice to Subrecipient.

D. If Subrecipient fails to fulfill in a timely and proper manner its obligations under this Interlocal Contract, the County may suspend or terminate this Interlocal Contract in accordance with 24 CFR 85.43.

E. The County may revoke this Interlocal Contract for its convenience at any time in accordance with 24 CFR 85.44.

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IN WITNESS WHEREOF, the parties hereto have made and executed this Interlocal Contract on the date and year first set forth above.

COUNTY OF CLARK

By: ______________________________
RORY REID, Chairman

ATTEST:

By: ______________________________
DIANA ALBA, County Clerk

APPROVED AS TO FORM:

CLARK COUNTY DISTRICT ATTORNEY

By: ______________________________
District Attorney

CITY OF LAS VEGAS

Council Action ____________________

By: ______________________________
Oscar B. Goodman, Mayor

APPROVED AS TO FORM:

Robert S. Sylvain 1-12-10
Robert S. Sylvain Date
Deputy City Attorney

ATTEST:

____
Beverly K. Bridges, MMC Date
City Clerk

APPROVED AS TO FUNDING:

____
Mark R. Vincent, Director Date
Finance and Business Services

APPROVED AS TO CONTENT

____
Stephen K. Harsin Date
Director of Neighborhood Services

Exhibit A
Program Description and Budget

Clark County will grant a total NSP2 funding allocation of $102,648,000 to the City of Las Vegas in order to implement the following six NSP2 activities. Shifting of funds from one activity to another shall not be considered a substantial amendment to the Action Plan but will be considered a critical management decision in order to successfully implement the NSP2 program within the required timeframe.

NSP2 ACTIVITY	LAS VEGAS (SUBRECIPIENT) GRANT FUNDING ALLOCATION	PERCENT OF SUBRECIPIENT TOTAL GRANT
HOMEBUYER ASSISTANCE PROGRAM	6,400,000	6.2
ACQUISITION & REHAB FOR RESALE	19,200,000	18.7
ACQUISITION & REHAB FOR RENTAL	43,120,000	42
DEMOLITION OF BLIGHTED STRUCTURES	0	0
REDEVELOPMENT	29,040,000	28.3
ADMINISTRATION	4,888,000	4.8
TOTAL	**102,648,000**	**100%**

ACTIVITY 1- NSP2 Homebuyer Assistance Program (HAP)

The purpose of the program is to enable low-and middle-income households to quickly purchase and occupy foreclosed single-family homes before the effects of vacancy, vandalism and blight become acute. Through the provision of a broad range of financial assistance and incentives, new homebuyers will purchase and occupy foreclosed properties that meet the Consortium's housing standards in designated census tracts. The target purchaser population would be FHA or other credit worthy borrowers. This program will also be used to assist homebuyers to purchase foreclosed homes that have been acquired and rehabilitated through Activity 2.

This program will be operated through selected participating nonprofit subgrantees using pre-approved lenders offering FHA or conventional fixed-rate mortgages. Homebuyer loans of up to $50,000 in direct NSP2 assistance will be available for qualified individuals (up to $25,000 reimbursement of actual rehabilitation hard and soft costs). These activities will serve eligible 120% AMI or below households to assist them in becoming homeowners. All qualified homebuyers will be required to:

- Have a total gross household income at or below the 120% AMI, adjusted for family size
- Occupy the home as a principal residence for duration of affordability period (up to 15 years depending on the amount of assistance provided)
- Qualify for a first mortgage through a pre-approved lender using FHA or conventional fixed-rate mortgage financing
- Complete an eight hour homebuyer training program through a HUD-certified agency
- Accept specific deed restrictions for continued affordability, including repayment of the loan upon sale, transfer of title, refinancing of the first mortgage, or leasing of the property.
- Homebuyer must contribute a minimum of 20% but no more than 30% of gross monthly income toward mortgage payment

Homebuyer Assistance will be in the form of a conditional second mortgage loan secured by a deed of trust. The maximum amount is anticipated to not exceed $50,000; however, this determination will be made based on market conditions at the time of program implementation. NSP2 funds will be recaptured upon sale, transfer or change of ownership of the assisted property. Specific loan requirements may vary depending on the type of first mortgage financing available in the marketplace for low- and middle-income households. NSP2 assisted properties will be required to meet the "continued affordability" requirements established by the Consortium for the NSP2 Program. The minimum requirements will be in accordance with the HOME Program standards at 24 CFR 92.254 for homeownership housing. A recapture provision and repayment schedule will be established to require thresholds of affordability based upon the amount of assistance provided. Funds recaptured will be treated as NSP2 program income.

NSP Category: B
CDBG Entitlement Regulation: 24 CFR 570.201(N)
Projected Start Date: March 2010
Projected End Date: February 2013
Location Description:
(Subrecipient) Total Budget: $6,400,000
Performance Measures: (Subrecipient) will assist approximately 128 households with this activity.

ACTIVITY 2 – NSP2 Acquisition, Rehabilitation of Single-Family Housing for Resale

The purpose of the program is to acquire and rehabilitate foreclosed and abandoned homes in targeted areas and resell them to program-eligible owner-occupants. Using NSP2 funds (and other lines of credit as available) nonprofit agency subgrantees selected by the Consortium through a Notice of Funding Availability (NOFA) or procurement process would purchase foreclosed or abandoned homes and rehabilitate them to Consortium's housing standards. The Consortium will also explore the possibility of individual jurisdiction members acquiring property directly for future sale depending on the needs of the community and in order to fulfill the timeliness requirements of NSP2 expenditure. Homes may be purchased individually or through a bulk sale. Upon completion of rehabilitation (if needed), homes would be marketed to eligible buyers. This activity will provide affordable homeownership opportunities for households earning less than 120% AMI while simultaneously repairing damaged property, improving the aesthetic appeal of our target neighborhoods, modernizing older housing stock, and increasing the energy efficiency of homes.

To implement this activity, the Consortium will provide funds for one or more developers to acquire and rehabilitate abandoned, vacant or foreclosed upon homes in target area census tracts. All properties acquired under this activity must meet the required purchase discount of 1% less than current market appraised value, and the discounted price shall be supported by an appraisal within 60 days of the final offer being made. The Consortium will provide funds for the acquisition, rehabilitation and redevelopment of the homes to include related eligible development and activity delivery costs, sales and closing costs, rehabilitation costs, carrying costs, and reasonable developers' fees.

All potential NSP2 properties will be subject to environmental review/assessment by the appropriate jurisdiction prior to acquisition in order to ensure no negative impacts on the surrounding environment as well as to ensure that the property is safe for development per 24 CFR 92.352. NSP2 properties are also subject to Lead-Based Paint Regulations found at 24 CFR 35 and 24 CFR Section 570.608. The use of lead-based paint is prohibited. For all properties constructed prior to 1978, an inspection and assessment for lead based paint hazards will be conducted and all purchasers of properties constructed prior to 1978 will be notified of the hazards of lead based paint poisoning. If found, abatement of hazards shall be completed in compliance with 24 CFR 35.1325. Rehabilitation must also be in compliance with asbestos inspections and surveys as required by National Emissions Standards for Hazardous Air Pollutant and OSHA.

The developer will then sell each home to an eligible buyer and it is anticipated that the majority of new purchasers will be provided with direct homeownership assistance and/or assistance through the Homebuyer Assistance Program as described in Activity 1. NSP2 assisted properties will be required to meet the continued affordability requirements established by the Consortium for NSP2. The minimum requirements will be in accordance with the HOME Program standards at 24 CFR 92.254 for homeownership housing. Funds repaid by the developer from sale proceeds will be treated as program income according to the terms of the Notice and used to fund additional NSP2 activities. As an alternative to sale, the Consortium may authorize the home to be transferred to the rental program described in Activity 3. The continued affordability requirements of NSP2 assisted rental properties will be in accordance with the HOME Program standards at 24 CFR 92.252 (a), (c), (e) and (f).

NSP Category: B
CDBG Entitlement Regulation: 24 CFR 570.201(A) & 570.202 & 570.208(A)(2)
Projected Start Date: March 2010
Projected End Date: February 2013
Location Description:

(Subrecipient) Total Budget: $19,200,000
Performance Measures: (Subrecipient) will assist approximately 384 households with this activity.

ACTIVITY 3 – NSP2 Acquisition and Rehabilitation for Rental Housing

The purpose of this program is to purchase and rehabilitate foreclosed or abandoned rental housing to benefit households up to 120% AMI, particularly focusing on those at or below 50% AMI. The Consortium would use NSP2 funds to assist a selected subgrantee or group of subgrantees to strategically purchase and rehabilitate foreclosed or abandoned rental properties in eligible target communities to add to the available stock of affordable rental housing. The Consortium will also explore the possibility of individual jurisdiction members acquiring property directly for future sale to nonprofits depending on the needs of the community and in order to fulfill the timeliness requirements of NSP2 expenditure.

The Consortium funding assistance would be in the form of a grant and/or subordinated mortgage to the subgrantee to include purchase price, closing costs, minor rehab costs, carrying costs and project delivery costs directly attributable to a specific address. The Consortium would, whenever practical, leverage these investments with other sources of financing. This activity will primarily benefit households at or below 50% AMI. Agreements and deed restrictions would be recorded to ensure long-term affordability (minimum per HOME Program requirements). Rehabilitation (if needed) will follow CDBG wage-rate requirements for properties of 8 units or more in compliance with the Davis-Bacon Act.

All properties acquired under this activity must meet the required purchase discount of 1% less than current market appraised value. Selected subgrantees of Subrecipient will own, operate, and manage these NSP2 properties. The tenure of the beneficiaries will be rental and individual leases must be for at least one year. As currently interpreted, NSP2 considers rental revenue in excess of the cost of operating and maintaining the unit to be program income and must be returned to the Consortium. All program income will be disbursed for eligible NSP2 activities before additional cash withdrawals are made from the U.S. Treasury in accordance with 24 CFR 570.500.(a). As program income is received from other NSP2 activities, neighborhood stabilization through rental activity may be expanded as funds permit.

NSP Category: B
CDBG Entitlement Regulation: 24 CFR 570.201(A) & 570.202
Projected Start Date: March 2010
Projected End Date: February 2013
Location Description:
(Subrecipient) Total Budget: $43,120,000
Performance Measures: (Subrecipient) will assist approximately 278 households with this activity.

ACTIVITY 4 - Demolition of Blighted Structures

The properties demolished with these funds will be blighted structures, some of which may be abandoned or foreclosed upon homes or other non-residential properties. Demolition activities are intended to support and supplement other NSP2 neighborhood revitalization efforts by allowing the Consortium to demolish individual properties that may be too distressed to make rehabilitation economically feasible. Prior to approving any property for demolition, the Consortium will identify the specific plan for re-use and redevelopment of the property and will identify the source of funds to accomplish the plan for redevelopment. The Consortium will focus on NSP2 Redevelopment (Activity 6) however other public re-uses of the property will also be evaluated based upon the needs of the community and other funding sources available. This activity is not intended as Land Banking and information related to demolition and redevelopment will be reported to HUD and citizens via prominent posting on the Consortium's public websites. Demolition activities will follow residential anti-displacement and relocation practices as required however we anticipate all NSP2 demolished properties to be vacant. Any demolished properties purchased and/or redeveloped with NSP2 funds via another NSP2 activity will meet all of the required provisions of those sections with regards to minimum discount requirements and continued affordability. While these funds will not provide a direct benefit to households at or below 120% AMI, the blight removal is expected to provide benefits to our target geographies such as the stabilization of property values and future increase in value of adjacent property.

NSP Category: D
CDBG Entitlement Regulation: 24 CFR 570.201(D)
Projected Start Date: March 2010
Projected End Date: February 2013
Location Description:
(Subrecipient) Total Budget: $0
Performance Measures: (Subrecipient) will demolish approximately 0 blighted structures with this activity.

ACTIVITY 5- Redevelopment

This activity will provide for the redevelopment of existing vacant property within NSP2 target areas or properties that were demolished under Activity 4. These sites may be redeveloped either as new construction of housing (for rental or homeownership as appropriate for area revitalization) or as a residential public facility.

The Consortium anticipates participation with partner agencies as subgrantees as well as collaboration with other regional offices. This activity is not intended as Land Banking. Demolished or vacant sites are generally the target of criminal activity and bring property values down in the surrounding neighborhood. The redevelopment of these sites as either new housing units or other residential public facility will help stabilize property values, possibly even increasing property values for those homes closest to the redevelopment sites as well as provide much needed services to targeted and special needs populations within our communities. It is anticipated that redevelopment projects will serve a diverse mix of income levels and any properties redeveloped as residential housing with NSP2 funds will meet the continued affordability requirements established by the Consortium for the NSP2 Program. The minimum requirements will be in accordance with the HOME Program standards at 24 CFR 92.254 for homeownership housing or, for rental housing, in accordance with the HOME Program standards at 24 CFR 92.252 (a), (c), (e) and (f). Rehabilitation will follow CDBG wage-rate requirements in compliance with the Davis-Bacon Act for properties of 8 units or more and all iron, steel and manufactured goods used for a public building must be produced in the United States as required by this Notice.

NSP Category: E
CDBG Entitlement Regulation: 24 CFR 570.201
Projected Start Date: March 2010
Projected End Date: February 2013
Location Description:
(Subrecipient) Total Budget: $29,040,000
Performance Measures: (Subrecipient) will redevelop approximately 202 properties with this activity.

ACTIVITY 6 - Administration

This activity will provide general administration and planning activities for all jurisdictions involved in the Consortium to effectively carry out NSP2 activities. Requested funds will cover administration costs including contribution to a housing counseling and marketing pool, general management, oversight and coordination, as well as the employment of professional services. Administration costs will not exceed 10% of total NSP2 funding as required by the Notice, and the Consortium has allocated a proposed 4.8% of our total funding request towards this use.

NSP Category: N/A
CDBG Entitlement Regulation: 24 CFR 570.205 & 570.206
Projected Start Date: March 2010
Projected End Date: February 2013
(Subrecipient) Total Budget: $4,888,000