

REQUEST FOR AGENDA PLACEMENT FORM

Submission Deadline - Tuesday, 12:00 PM before Court Dates

SUBMITTED BY: CJO | TODAY'S DATE: 9/16/22

DEPARTMENT: CJO

SIGNATURE OF DEPARTMENT HEAD: _____

REQUESTED AGENDA DATE: 9/26/22

SPECIFIC AGENDA WORDING:

Consideration of Beneficiary Agreement Between Johnson County and Your Harvest House for the Distribution of ARPA Funds

COMMISSIONERS COURT

SEP 26 2022

Approved

PERSON(S) TO PRESENT ITEM:

Judge Harmon

SUPPORT MATERIAL: (Must enclose supporting documentation)

TIME: 1 minute
(Anticipated number of minutes needed to discuss item)

ACTION ITEM: ✓
WORKSHOP:
CONSENT:
EXECUTIVE:

STAFF NOTICE:

COUNTY ATTORNEY: ✓

AUDITOR: ✓

PERSONNEL:

BUDGET COORDINATOR: ✓

IT DEPARTMENT:

PURCHASING DEPARTMENT: ✓

PUBLIC WORKS:

OTHER:

This Section to be completed by County Judge's Office

ASSIGNED AGENDA DATE: _____

REQUEST RECEIVED BY COUNTY JUDGE'S OFFICE:

COURT MEMBER APPROVAL:

DATE:

BENEFICIARY AGREEMENT BETWEEN JOHNSON COUNTY AND Your Harvest House FOR THE DISTRIBUTION OF ARPA FUNDS

THIS AGREEMENT made, entered into and executed by and between Johnson County, Texas, a political subdivision of the State of Texas, referred to as "County" and Your Harvest House "Harvest House", a nonprofit organizations in Johnson County, Texas.

WITNESSETH:

WHEREAS, on March 11, 2021, the American Rescue Plan Act (H.R. 1319), § 4001, ("ARPA") was signed into law providing federal funding relief for American workers, families, industries, and state and local governments;

WHEREAS, on May 10, 2021, the United State Department of Treasury released an interim final guide on allowed uses of funds and allocated \$350 billion for state, local, territorial, and Tribal governments from the American Rescue Plan Act Fund;

WHEREAS, Johnson County was allocated \$34,150,391 in ARPA funds, and received half of this amount in 2021 and the other half in 2022;

WHEREAS, the Harvest House and its employees have been and continue to be on the front line of the Covid-19 pandemic. The Harvest House has experienced a 300% increase in need, while space and resources struggle to keep up with the existing and expected future need as specifically described in the memorandum provided herein as Exhibit "A";

WHEREAS, the Harvest House was not a recipient of ARPA funds facilities updating and expansion. Specifically, the Harvest House plans a modified expansion of our current facilities in order to create more client space, education space, and pantry expansion. in Johnson County by utilizing ARPA funding;

WHEREAS, The Harvest House is a 501(c)(3) nonprofit organization, and is able to provide documentation as provided by the United States Internal Revenue Services; and

WHEREAS, the County has determined the Harvest House is an appropriate beneficiary to receive a grant of ARPA funds.

NOW, THEREFORE, County and the Harvest House, in consideration of these mutual covenants and agreements, agree as follows:

1. The purpose of this agreement is to enable County to provide a portion of its ARPA funding to the Harvest House as a beneficiary to enable the Harvest House to modify and expand our existing building, driveway, walkway, client aid, and pantry space. This agreement is not intended to provide ARPA funding for any purposes that are not allowable under Texas law.

2. The Harvest House agrees that all funds received from County pursuant to this agreement shall be used for the purposes stated in paragraph 1.
3. The County agrees to provide the Harvest House with \$200,000. It is the intent of the parties that these funds will be used within one year from the effective date of this agreement. If any portion of the funds have not been used within one year from the effective date, the Harvest House will return the unused funds to County unless the Harvest House requests and receives an extension of time. Thirty (30%) of the funds will be provided to the Harvest House within two weeks after approval of this agreement by the parties. Thirty percent (30%) of the funds will be provided to the Harvest House at Fifty (50%) completion. Thirty percent (30%) of the funds will be provided to the Harvest House at Seventy Five (75%) completion. Ten (10%) shall be retained by the County until completion of the project. Upon project completion and submission of final progress report the Johnson County Auditor may pay the remaining 10% of the allocated funds. Johnson County reserves the right to retain all 10% of the final payment, until final approval is given.
4. The amount provided pursuant to this agreement does not obligate County to provide additional funds to the Harvest House for these or any other purposes in the future.
5. In order to ensure compliance with the existing ARPA and SLFRF (Coronavirus State and Local Fiscal Recovery Funds program) guidelines set forth by the US Treasury, while also ensuring that all expenditures within the scope of this Agreement adhere to future guidelines that may be established by the US Treasury during the term of this Agreement, the Harvest House shall provide any additional documentation to support such expenditures requested by the Johnson County Auditor upon request.
6. The Harvest House shall provide to the County monthly progress reports documenting the project progress. The Harvest House shall provide to the County Auditor any invoices for work performed, goods and services, copies of cleared checks for payment of invoices, photographs, plans, designs, or any other documentation as deemed necessary by the County Auditor to show the projects progress. The Harvest House shall provide the requested documentation on or before the last business day of each successive month after the effective date of this agreement. The County may request additional information from the Harvest House, as needed, to meet any additional guidelines regarding the use of ARPA funds that may be established by the US Treasury.
7. The Harvest House shall comply with all federal, state, and local laws and all requirements and published guidance set forth regarding the usage of any and all monies appropriated under the ARPA. The parties agree that the County reserves the right to hire or consult with a 3rd Party for compliance with all state, federal, and local laws regarding the usage of ARPA funds. The Harvest House agrees to cooperate with any request for information, documentation, or other necessary actions to ensure ARPA compliance from either Johnson County, its contractors, or employees.
8. The Harvest House shall maintain records, books, documents, and other materials relevant to its performance under this Agreement. These records shall be subject to inspection,

review, and audit by the County or its designees, and the US Treasury for five (5) years following termination of this Agreement. If it is determined during the course of the audit that the Harvest House was reimbursed for unallowable costs under this Agreement, the Harvest House agrees to promptly reimburse the County for such payments upon request

9. The Harvest House agrees to comply with any reporting obligations established by Treasury as they relate to this grant.

10. If the Harvest House uses any portion of the funds provided under this agreement for any purposes not directly related to the intended purpose of this agreement or uses the funds for a purpose not allowed by Texas law, County shall have the right to require a return of all or any portion of the funds so provided. If the Harvest House fails to provide any report required by this agreement or fails to provide any other documents requested by a Johnson County official pursuant to this agreement, County shall have the right to require a return of all or any portion of the funds so provided.

11. At no times while operating under this Agreement will any officers, employees, or volunteers of either entity be considered employees or agents of the other entity.

12. It is expressly understood and agreed that no provision of this agreement is in any way intended to constitute a waiver by either party of any immunity from suit or liability that the parties or any of their officers and employees may have by operation of law.

13. This agreement shall be construed to effectuate the purpose stated in Section I. If any provision of this agreement is declared unconstitutional, or the applicability to any persons or circumstances is held invalid, the constitutionality of the remainder of the agreement and applicability to the other persons and circumstances shall not be affected.

14. The parties to this agreement do not intend to create a third-party beneficiary or for any third party to obtain a right by virtue of this Agreement. Neither this agreement, nor any term or provision hereof, nor any inclusion by reference, shall be construed as being for the benefit of any party not in signatory hereto.

15. The parties shall observe and comply with all applicable federal, state, and local laws, rules, ordinances, and regulations in any manner affecting this agreement.

16. It is mutually understood that nothing in this Agreement is intended or shall be construed in any way creating or establishing the relationship of partners between the parties hereto, or as constituting either party as an agent or representative of the other party for any purpose or in any manner whatsoever.

17. **INDEMNIFICATION: THE PROVISIONS OF THIS ARTICLE SHALL SURVIVE THE TERMINATION OF THIS AMENDED AGREEMENT HOWEVER CAUSED, AND NO PAYMENT, PARTIAL PAYMENT, OR ISSUANCE OF EITHER A CERTIFICATE OF SUBSTANTIAL COMPLETION OR FINAL SYSTEM ACCEPTANCE IN WHOLE OR IN PART SHALL WAIVE OR RELEASE ANY OF THE PROVISIONS OF THIS ARTICLE.**

THE Harvest House SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS THE COUNTY ITS OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, SUCCESSORS AND ASSIGNS ("INDEMNIFIED PARTIES") FROM AND AGAINST ALL CLAIMS AND LIABILITY DUE TO THE ACTIVITIES OF CONTRACTOR, OR ANOTHER ENTITY OVER WHICH Harvest House EXERCISES CONTROL, PERFORMED UNDER THIS AMENDED AGREEMENT AND WHICH RESULT FROM ANY NEGLIGENT ACT, ERROR, OR OMISSION; INTENTIONAL TORT; INTELLECTUAL PROPERTY INFRINGEMENT; OR FAILURE TO PAY A SUB Harvest House OR SUPPLIER; COMMITTED BY Harvest House OR ANOTHER ENTITY OVER Harvest House EXERCISES CONTROL.

THE Harvest House SHALL ALSO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE COUNTY FROM AND AGAINST ANY AND ALL EXPENSES, INCLUDING REASONABLE ATTORNEY'S FEES WHICH MIGHT BE INCURRED BY THE COUNTY, IN LITIGATION OR OTHERWISE RESISTING SAID CLAIMS OR LIABILITIES WHICH MIGHT BE IMPOSED ON THE COUNTY AS THE RESULT OF SUCH ACTIVITIES BY Harvest House OR ANOTHER ENTITY OVER WHICH THE Harvest House EXERCISES CONTROL.

THE Harvest House SHALL INDEMNIFY, DEFEND, AND HOLD THE COUNTY HARMLESS FROM ANY AND ALL LIABILITY, EXPENSE, JUDGMENT, SUIT, CAUSE OF ACTION, OR DEMAND FOR PERSONAL INJURY, DEATH, OR DIRECT DAMAGE TO TANGIBLE PROPERTY WHICH MAY ACCRUE AGAINST THE COUNTY TO THE EXTENT IT IS CAUSED BY THE NEGLIGENCE Harvest House OR ANOTHER ENTITY OVER WHICH Harvest House EXERCISES CONTROL, WHILE PERFORMING SERVICES UNDER THIS AMENDED AGREEMENT. COUNTY WILL GIVE THE Harvest House PROMPT, WRITTEN NOTICE OF ANY SUCH CLAIM OR SUIT. COUNTY SHALL COOPERATE WITH Harvest House IN ITS DEFENSE OR SETTLEMENT OF SUCH CLAIM OR SUIT.

THE Harvest House SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS THE COUNTY FROM AND ALL THIRD PARTY CLAIMS, DAMAGES, LIABILITIES AND EXPENSES (INCLUDING, WITHOUT LIMITATION ATTORNEY'S FEES) FOR INJURY TO OR DEATH OF ANY PERSON OR FOR DAMAGE TO OR DESTRUCTION OF ANY THIRD PARTY PROPERTY RESULTING DIRECTLY FROM ANY AND ALL ACTS OR OMISSIONS OF Harvest House AND ANY SUB Harvest House OR ANYONE EMPLOYED BY OR AFFILIATED WITH ANY OF THEM OR ANYONE FOR WHOSE ACTS ANY OF THEM MAY BE LIABLE, PROVIDED THAT, FOR PURPOSES OF THIS PARAGRAPH, THE TERM "THIRD PARTY" SHALL INCLUDE CONTRACTOR'S OFFICERS, AGENTS, SUBCONTRACTORS, AND EMPLOYEES.

THE Harvest House SHALL ALSO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE COUNTY FROM ALL DAMAGES, EXPENSES, SUITS, ACTIONS AND CLAIMS OF EVERY KIND AND CHARACTER WHATSOEVER WHICH THE COUNTY MAY SUFFER DIRECTLY DUE TO ANY BANKRUPTCY, STATE OR FEDERAL TAX

LEVIES OR LIENS, OR OTHER SIMILAR LEGAL PROCEEDINGS AFFECTING THE CONTRACTOR, IN WHICH THE COUNTY MAY BECOME IN ANY WAY INVOLVED, WHETHER RELATED TO THE AMENDED AGREEMENT AND/OR CONTRACTOR'S PERFORMANCE OR NON-PERFORMANCE UNDER THIS AMENDED AGREEMENT.

IF A RESTRAINING ORDER OR TEMPORARY INJUNCTION IS GRANTED DUE TO ANY ACT, ERROR, OR OMISSION COMMITTED BY THE Harvest House OR ANOTHER ENTITY OVER WHICH THE Harvest House EXERCISES CONTROL, Harvest House SHALL MAKE EVERY EFFORT, INCLUDING BUT NOT LIMITED TO SECURING A SATISFACTORY BOND, TO OBTAIN THE SUSPENSION OF ANY SUCH RESTRAINING ORDER OR TEMPORARY INJUNCTION. COUNTY RESERVES THE RIGHT, AT ITS OWN EXPENSE, TO BE INDEPENDENTLY REPRESENTED BY COUNSEL OF ITS OWN CHOICE IN CONNECTION WITH ANY SUCH SUIT OR PROCEEDING.

18. The exclusive venue for any action under or related to this Beneficiary Agreement is in state district courts in Johnson County, Texas or the Federal District Courts in Dallas, Texas.

19. This instrument constitutes the entire agreement between the parties and supersedes any and all agreements previously entered into by these same parties pertaining to the activities covered by this agreement

EFFECTIVE DATE: The 26 day of September, 2022.

Johnson County

By: _____

Roger Harmon
Johnson County Judge

ATTEST:

By: _____

Becky Ivey
Johnson County Clerk



THE Harvest House

By: _____

Jennifer Woods
Chief Executive Officer

EXHIBIT A

Your Harvest House
American Rescue Plan Act
Attachment to Beneficiary Agreement

August 10, 2022

Harvest House provides necessities, spiritual encouragement, education, and care to individuals and families in our community by following Biblical principles. We offer food, clothing, and monetary assistance to restore financial and emotional stability. Founded 38 years ago as a faith-based ministry, we are now crossing the border into a million-dollar nonprofit. In the past five years, our budget has increased from \$348,000 to \$800,000. Our nine-person board of directors, fifteen staff members, and numerous volunteers serve 15,000 clients each year in Johnson County and southern Tarrant County. We partner with more than ten local organizations including Operation Blessing, the Family Crisis Center, and Promises Community Ministry. Through this collaboration, we connect clients with additional services such as parenting support, stress management, and employment guidance. Our tagline, *Feed – Clothe – Restore*, sums up our goal to not only provide aid for our clients but also to graduate them out of their need for Harvest House.

The impact of COVID-19 and the subsequent inflation has been felt across our campus through a decrease in monetary funding, a rise in food prices, and an increase in client employment needs. Since 2019, our client aid expense has increased from \$63,000 to \$160,000, a 154% increase. This shows that the aftershocks of the pandemic are still affecting our organization two years later, and we are seeing that middle-class families are still being hit the hardest. Even this year, the number of clients served in our food pantry increased from 384 in February to 720 in June. More people are seeking help due to inflation, yet we are receiving less funding for the same reason. Even though our physical donations have increased, our monetary donations, though steady, have declined. Through 2021, funding gradually increased with an apex of \$75,000 in the month of December, but due to the state of the economy, January 2022 saw funding nosedive to less than \$20,000. Since then, monetary funding has been sporadic, rising and falling unpredictably, and our overall monetary donations are down 32% from last year. To compound the problem, food prices have doubled, specifically our discounted meat source which now charges \$2.50 per pound, up from \$1.16. Meat prices are expected to rise even higher because of the drought. As prices soar, our clients are needing more support, not only with food and clothing but also with job applications and employment counseling. Harvest House desires to help clients break the cycle of hopelessness, but our facility is cramped, and we are unable to properly meet this demand. We have limited room for private client interviews and no room for educational classes. The effects of the pandemic, including inflation and employment issues, are exacerbated by the economy and the drought. And we are challenged to meet the multi-layered needs of our clients.

Funding from the American Rescue Plan Act will enable us to update two of our existing buildings to bring them up to code as we plan for additional renovations. Our current goal is to remodel our main building on Renfro Street and our annexed building on Thomas Street to provide more space to meet the needs of our clients. We plan to begin work in December 2022. Through renovation and add-ons to our existing buildings, our square footage will become more usable, resulting in new space for educational classes and meetings, and reorganized space for client aid interviews, offices, food distribution, storage, and a walk-in refrigerator. Our priority is to repair leaks and to update electrical and plumbing to bring them up to code. When we can pass inspection, we will be able to bring in groups to complete the renovation projects. Depending on how far the funding goes, we may be able to make updates to our HVAC system. Because clients need employment resources to transition into stable career opportunities, our building remodel will make it possible for Harvest House to expand our client services, food pantry, and education areas to help clients restore their independence.