

EXHIBIT B
STATEMENT OF WORK

1. GENERAL

- 1.1.** The Borrower is being provided with funds (the “Loan Funds”) to assist with [eligible use] of [Project name] (the “Project”) in [Location]. The Project shall include [number, type, and affordability of units – e.g., for-sale units with affordability ranges of 30%, 50%, and 60% Area Median Income (“AMI”).]. [Additional description from project description, as provided in handoff. Include details about unit mix,]. The Project is also being supported by [insert number, type, and source of project-based vouchers, if any], [type] Low-Income Tax Credits (“LIHTC”), [state or historic tax credits,] and [other local source, if any].
- 1.2. Service Area.** Performance of services for this Agreement shall occur in [insert county or other area].
- 1.3. Borrower’s Obligations.**
- 1.3.1.** Borrower shall complete the Project or cause the Project to be completed, administer this Agreement, and provide required documentation to the State as specified herein.
- 1.3.2.** Borrower shall enter into a written agreement(s), the content of which meets DOLA’s requirements, with the following individuals or entities prior to disbursing any funds:
- 1.3.2.1.** All Subcontractors engaged by Borrower to aid in the performance of the Work.
- 1.3.2.2.** Individuals who receive direct benefits under this Agreement (i.e. program Beneficiaries).
- 1.3.3.** Borrower’s rights and obligations under this Exhibit B are personal and may not be transferred or assigned without the prior, written consent of DOH. Any attempt at assignment or transfer without such consent shall be void. Any assignment or transfer of Borrower’s rights and obligations approved by the State shall be subject to the provisions of this Agreement.
- 1.4. Time of Performance.** Borrower shall commence its performance of the Work on the Agreement Performance Beginning Date and complete all Work prior to the Initial Agreement Expiration Date (both of which are shown on the cover page of the Loan Agreement). The Initial Agreement Expiration Date may be extended in accordance with §2C, §2D, or §18K of the Loan Agreement. To initiate the extension process, Borrower shall submit a written request to DOH Asset Manager at least 60 days prior to the Initial Agreement Expiration Date, and shall include a full justification for the extension request.

2. Definitions.

The following definitions are in addition to definitions appearing in the main Loan Agreement and other Exhibits.

- 2.1. **Affordable Rent Limits.** [Reserved].
- 2.2. **Affordability Period.** “Affordability Period” shall have the meaning described at §8.1.7.
- 2.3. **Beneficiaries.** “Beneficiaries” means the persons and/or households who are the end users that benefit from the Project.
- 2.4. **Extremely Low-Income Family.** “Extremely Low-Income Family” means a household whose annual income does not exceed 30 percent of the median household income of a geographic area, as determined by HUD, with adjustments for smaller and larger families or as HUD may establish for the area.
- 2.5. **HDG-Assisted Units.** “HDG-Assisted Units” shall mean units specifically designated as HDG-Assisted in the Project, as further described in §8 of this **Exhibit B**, which shall comply with all applicable State requirements.
- 2.6. **HUD.** “HUD” is the United States Department of Housing and Urban Development.
- 2.7. **Low-Income Family.** “Low-Income Family” means a family whose annual income does not exceed 80 percent of AMI, as determined by HUD, with adjustments for smaller and larger families, or as HUD may establish for the area. The Area Median Income limits for this Project are published annually on CHFA’s website, or if no longer published by CHFA, an equivalent index shall be designated by DOLA.
- 2.8. **Other Funds.** “Other Funds” means funding provided or to be provided by other federal, state, local, or private sources for the Project. Other Funds are good faith estimates and do not include Loan Funds.
- 2.9. **Pre-Agreement Costs.** “Pre-Agreement Costs” are costs incurred prior to the Effective Date of this Agreement that are eligible for payment with Loan Funds. Pre-Agreement Costs are allowed only to the extent such costs are specifically identified in §5.2.4 of this Exhibit B.
- 2.10. **Project.** “Project” means the overall project described in §1.1 including, without limitation, the Work.
- 2.11. **Project Close-Out Date.** “Project Close-Out Date” shall mean the date DOLA determines the Project is complete as identified in writing to the Borrower.
- 2.12. **Subject Property.** “Subject Property” means both real property that Loan Funds are used to improve or acquire, and real property on which structures are constructed, rehabilitated, cleared or demolished using Loan Funds.
- 2.13. **Substantial Completion.** “Substantial Completion” means DOLA’s receipt of a temporary or permanent certificate of occupancy for each home in the Project assisted with Grant Funds or an alternative completion document in such form and substance as DOLA reasonably determines to be acceptable to meet the Agreement purposes and requirements.
- 2.14. **Work.** See §3HH of the main Loan Agreement.

3. DELIVERABLES

- 3.1. **Outcome.** Project Completion in accordance with C.R.S. 24-32-721, the Borrower’s loan application, the Performance Measures set forth below, and the other terms and conditions of this Loan Agreement.
- 3.2. **Performance Measures.** Borrower shall comply with the following Milestones and Target Dates:

| Milestone/Borrower shall: | Target Date: |
|---|---------------------|
| Close on Property | 00/00/2000 |
| Begin construction | 00/00/2000 |
| Complete 100% construction and obtain temporary or permanent certificate of occupancy | 00/00/2000 |
| Sell 100% of units | 00/00/2000 |
| Upon closing of sale of each HDG-Assisted Unit, execute and record DOH Use Covenant and Regulatory Agreement. | On-Going |
| Submit Quarterly Financial Status Report | Per §7.4.1 |
| Submit Quarterly Performance Report | Per §7.4.2 |
| Submit Project Completion Report | Per §7.4.3 |
| Submit Weekly Davis-Bacon Payroll Reports | Per §7.4.4 below |

4. KEY PERSONNEL

- 4.1. **Responsible Administrator.** Borrower’s performance hereunder shall be under the direct supervision of the individual identified below, an employee or agent of Borrower, who is hereby designated as the Responsible Administrator of this project:

Name and title of Responsible Administrator
 Street Address
 City, CO 80000
 email:

- 4.2. **Other Key Personnel.** Name, Title or “None.”
- 4.3. **DOH Asset Manager.** [Insert Name and email address.]
- 4.4. **Replacement Personnel.** If any Borrower Key Personnel cease to serve, Borrower shall immediately notify DOH of such event in writing. Replacement of Borrower Key Personnel shall be subject to DOH approval. Requests to replace Borrower Key Personnel shall be made in writing and shall include, without limitation, the name of the person, their qualifications, and the effective date of the proposed change. Notices sent pursuant to this subsection shall be sent in accordance with §14 of the main body of the Agreement, with a copy to DOH Asset Manager. Anytime Borrower Key Personnel cease to serve, the State, at its sole discretion, may direct Borrower to suspend work on the Project until such time as the Borrower proposes a replacement and such replacement is approved by DOH.

5. FUNDING

The amount of funding provided by the State is limited to the Agreement Maximum Amount shown on the Cover Page of the Loan Agreement, and is shown in the table in §5.2.1 as “Loan Funds (DOLA)”. The Loan Funds shall be used for activities shown in table in §5.2.3.

5.1. **Other Funds.** Borrower shall provide all funds necessary to complete the Project. All Sources listed below, other than the Loan Funds and Matching Funds (if any), are good faith estimates.

5.2. **Project Budget.**

5.2.1. **Sources.**

| Source | Amount |
|--------------------------------|-----------------|
| Loan Funds (DOLA) | \$0,000 |
| Grant Funds (DOLA) | \$0,000 |
| Matching Funds [insert source] | \$0,000 |
| LIHTC Equity | \$0,000 |
| City/County of [name] | \$0,000 |
| Deferred Developer fee | \$0,000 |
| Total Sources | \$00,000 |

5.2.2. **Uses.**

| Use | Amount |
|-------------------|------------------|
| | \$000,000 |
| | \$000,000 |
| | \$000,000 |
| Total Uses | \$000,000 |

5.2.3. **Loan Funds (DOLA).** Costs eligible for payment with DOLA Loan Funds are limited to the items and amounts listed in the table below (subject to any line item adjustments made pursuant to §5.4.1).

| Eligible Use | Amount |
|--------------|------------------|
| | \$000,000 |
| | \$000,000 |
| | \$000,000 |
| Total | \$000,000 |

5.2.4. **Pre-Agreement Costs.** Loan Funds may be used to pay only those Pre-Agreement Costs listed in the table below.

| Eligible Use | Amount |
|--------------|------------|
| | \$0 |
| Total | \$0 |

5.3. **Matching Funds.** Borrower shall provide the funds, if any, identified as “Matching Funds” in §5.2.1, above.

5.4. **Project Budget Line Item Adjustments**

- 5.4.1. If the table in §5.2.3 lists more than one Eligible Use, Borrower shall have authority to make adjustments between line items, up to an aggregate of 10% of such line item, without the prior approval of the State. Such authority shall not allow Borrower to transfer to or between administration budget lines (e.g. development fees, overhead and project delivery). Borrower shall send written notification of allowed adjustments to the State within 30 days of such adjustment.
- 5.4.2. Changes to individual line item amounts in excess of 10% require prior written approval of the DOLA Controller. Borrower shall submit a written request for changes pursuant to this Section to the State. Such request shall include the amount of such request, the reason for the request and any necessary documentation. If the State approves such request, the State may unilaterally execute an Option Letter accepting such request pursuant to §18K of the Loan Agreement.

6. PAYMENT

Payments to Borrower shall be made in accordance with the provisions of §5 of the Loan Agreement, and this §6 of **Exhibit B**.

- 6.1. **Payment Schedule.** Borrower shall submit all payment requests in a timely manner. Unless otherwise agreed to by DOH, Borrower shall submit payment requests once per month, on or before the 20th of each month. Eligible expenses incurred by Borrower during any calendar month shall be included in the following month’s pay request. Borrower shall submit payment requests to the DOH Asset Manager listed in §4.3. The DOH Asset Manager shall review the payment request and, if approved, shall submit the pay request to DOLA accounting for its review, approval and payment.

| Payment | Amount | Timing |
|---------------------------|-------------------------|--|
| Interim Payment(s) | \$90-95% of total award | Paid upon DOLA’s receipt and approval of a written request for payment and expense documentation of eligible costs. |
| Final Payment | \$5-10% of total award | Paid upon DOLA’s receipt and approval of a written request for payment, expense documentation of eligible costs, Beneficiary data, and all required reports. |
| Total | \$000,000.00 | n/a |

- 6.2. **Remittance Address.** If mailed, payments shall be remitted to the following address unless changed in accordance with §14 of the Agreement:

Borrower Name
 Address
 City, CO 80000

- 6.3. **Interest.** If advance payments are authorized, Borrower or Subgrantee may keep interest earned from Loan Funds up to \$500 per year for administrative expenses. All interest earned in excess of \$500 shall be remitted to DOLA.

6.4. **Withholding of Payments.** In addition to any other rights that the State has with respect to enforcement of this Agreement, DOH may, at its discretion, withhold its approval of payment requests submitted by Borrower pursuant to §6.1 pending Borrower's submission and DOH's review and approval of:

6.4.1. Proof that **Exhibit F** (the Use Covenant and Regulatory Agreement) has been properly recorded.

6.4.2. Any reporting required pursuant to the terms of the main body of the Loan Agreement or this **Exhibit B**.

7. ADMINISTRATIVE REQUIREMENTS - STATE

Borrower shall administer Loan Funds in accordance with the requirements of this Agreement, Division of Housing (DOH) Guidelines, and this **Exhibit B**.

7.1. **Accounting.** Borrower shall maintain segregated accounts of Loan Funds and Other Funds associated with the Project and make those records available to the State upon request. All receipts and expenditures associated with the Project shall be documented in a detailed and specific manner, in accordance with the Project Budget in §5.2 above.

7.2. **Audit Report.** If an audit is performed on Borrower's records for any fiscal year covering a portion of the term of this Agreement or any other grants/contracts with DOLA, Borrower shall submit the final audit report, including a report in accordance with the Single Audit Act and 2 CFR 200.500, *et seq.*, to:

Department of Local Affairs
Accounting & Financial Services
1313 Sherman Street, Room 323
Denver, CO 80203, or
email to: dola.audit@state.co.us, and
dola_doh_loans@state.co.us

7.3. **Cost Certification.** Borrower shall ensure completion of a cost certification for the Project performed by a certified public accountant and shall submit a copy to DOLA within thirty (30) days of Substantial Completion or 100% sale of the Project, whichever is later.

7.4. **Reporting.** In addition to all reporting required pursuant to the terms of the main Agreement, Borrower shall submit to DOLA the reports listed below in a format acceptable to the State. If such reports are not submitted in a timely manner, the State may withhold payments to Borrower as provided in §6 of this **Exhibit B**.

7.4.1. **Financial Status Report.** Within twenty (20) calendar days of the end of each quarter.

7.4.2. **Performance Report.** Within twenty (20) calendar days of the end of each quarter.

7.4.3. **Project Completion Report.** Within thirty (30) calendar days of the Substantial Completion or 100% sale of the Project, whichever is later, the Borrower shall submit the HDG Project Completion Report including all attachments, and the

final Financial Status Report. If Borrower does not utilize all of the Loan Funds, then Borrower shall provide DOLA with a deobligation letter with the final completion report.

7.4.4. Davis-Bacon Payroll Reports. [Reserved].

7.5 Monitoring. The State shall monitor this Agreement in accordance with its Risk-Based Monitoring Policy and §§7B and C of the Loan Agreement. Final evaluation of the Project will be accomplished when DOLA approves the Project Completion Report.

7.6 Bonds. If the Work involves new construction, rehabilitation, site or facility improvements, Borrower, Subgrantee or the Subcontractor(s) performing such Work shall secure the bonds listed below from companies holding certificates of authority as acceptable sureties pursuant to 31 CFR Part 223 and authorized to do business in Colorado.

7.6.1 Bid Bond. A bid guarantee from each bidder of Work equivalent to five percent (5%) of the bid price. The “bid guarantee” shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder shall, upon acceptance of his bid, execute such contractual documents as may be required within the time specified. The foregoing notwithstanding, no bid guarantee shall be required if the General Construction Contract is in place and executed as of the Effective Date of the Agreement.

7.6.2 Performance Bond. A performance bond on the part of the Borrower, Subgrantee or their Subcontractor for one-hundred percent (100%) of the awarded contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the Borrower, Subgrantee or their Subcontractor's obligations under such contract.

7.6.3 Payment Bond. A payment bond on the part of the Borrower, Subgrantee or their Subcontractor for one-hundred percent (100%) of the awarded contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by statute of all persons supplying labor and material in the execution of the work provided for in the contract.

7.6.4 Substitution. Borrower may request and DOLA may approve, at its sole discretion, a waiver to allow another form of surety in lieu of the bonding requirements in this §7.6. Such surety shall be in the form of an Irrevocable Letter of Credit (LOC) or cash collateral, in form and substance acceptable, and payable, to the State. The amount of the surety shall be no less than the total amount of the Loan Funds.

8. PROJECT REQUIREMENTS

8.1. Affordability Requirements - Rental. [Reserved].

8.2. Affordability Requirements – For Sale

8.2.1. HDG-Assisted Units. Borrower shall designate number (#) units at the Project as HDG-Assisted. The unit designated as HDG-Assisted shall be of the type set forth in the table below.

| Unit Type | 1-BR | 2-BR | Total | Income Limit |
|-------------------------|----------|----------|----------|--------------|
| XX-Assisted | 0 | 0 | 0 | ≤ 30% of AMI |
| Other Affordable | 0 | 0 | 0 | ≤ 30% of AMI |
| Other Affordable | 0 | 0 | 0 | ≤ 40% of AMI |
| Other Affordable | 0 | 0 | 0 | ≤ 50% of AMI |
| Other Affordable | 0 | 0 | 0 | ≤ 60% of AMI |
| Unrestricted | 0 | 0 | 0 | n/a |
| Total Units | 0 | 0 | 0 | n/a |

- 8.2.2. Fixed Units.** The location of the HDG-Assisted Units shall be fixed throughout the Affordability Period.
- 8.2.3. Affordability Period - Homeownership.** The HDG-Assisted Units shall be used to provide housing for Eligible Beneficiaries for a period of number (#) years (the “Affordability Period”).
- 8.2.4. Eligible Beneficiaries.** Eligible Beneficiaries are households that are lawfully present and have annual gross income that does not exceed number percent (#%) of AMI. Income limits by household size for the area in which the Project is located are provided in **Exhibit D**. Income limits are updated annually by HUD and republished on DOLA’s website. Borrower is responsible for verifying the applicable income limit in effect at the time each HDG-Assisted Unit is sold.
- 8.2.4.1. Income Eligibility Determinations.** Borrower shall ensure that household purchasing an HDG-Assisted Unit is income eligible by determining the household’s annual income (as defined in 24 CFR §5.609).
- 8.2.4.2. Lawful Presence.** [Reserved].
- 8.2.5. Homebuyer Deed Restriction - Recapture.** [Reserved].
- 8.2.6. Homebuyer Deed Restriction - Resale.** At or prior to the closing of the sale of each HDG-Assisted Unit Borrower shall properly execute and record a DOH Use Covenant and Regulatory Agreement in a form substantially equivalent to **Exhibit F**. Borrower shall promptly provide DOLA with a copy of the recorded document.
- 8.2.7. Noncompliance.** If the HDG-Assisted Units are not used to house Eligible Beneficiaries, as determined at the time of each sale, throughout the Affordability Period, Borrower shall repay the full amount of the Grant Funds to the State, within sixty days of the State’s request.
- 8.3. Homeownership Counseling.** Grantee shall ensure that the purchasing household undergoes a minimum of 8 hours of HUD or State approved homeownership counseling prior to date of closing.
- 8.4. Program Income.** If this project generates Program Income, Grantee shall submit Program Income reports at least semi-annually, or more frequently if required by the State. These reports shall be submitted in accordance to the reporting requirements in DOLA’s Program

Income Guidelines (which are available on DOLA's website). **THIS PARAGRAPH 7.4.6 SHALL SURVIVE EXPIRATION AND/OR TERMINATION OF THE GRANT FOR AS LONG AS THE GRANTEE RECEIVES PROGRAM INCOME.**

9. PROPERTY STANDARDS

9.1 New Construction. Newly constructed facilities shall meet all applicable codes and ordinances as of the Project Close-Out Date. All new construction projects shall also meet the requirements below:

- 9.1.1 Accessibility.** The housing and its common areas shall meet the accessibility requirements of Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR Parts 35 and 36, as applicable. Covered multifamily dwellings, as defined at 24 CFR 100.201, shall also meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619).
- 9.1.2 Disaster mitigation.** The housing shall be constructed to mitigate the impact of potential disasters (e.g., earthquakes, flooding, and wildfires), in accordance with State and local codes, ordinances, or other State and local requirements, or such other requirements as DOLA may establish.
- 9.1.3 Written cost estimates, construction contracts and construction documents.** The construction contract(s) and construction documents shall describe the Project in adequate detail for DOLA to conduct inspections. Borrower shall make available to DOLA written cost estimates for construction.
- 9.1.4 Construction progress inspections.** Borrower shall permit the State to conduct progress and final construction inspections. It is a condition precedent to funding that the State determine that work is done in accordance with the applicable codes, the construction contract, and construction documents.

9.2 Rehabilitation. [Reserved].

9.3 Acquisition. At the time of Substantial Completion, existing for-sale housing that is acquired with Loan Funds, and that was newly constructed less than 12 months before the date of commitment of Loan Funds, shall meet the property standards of §9.1, above. All other existing housing that is acquired with Loan Funds for rental housing shall meet the property standards of §9.2, above.

10 ADMINISTRATIVE REQUIREMENTS – FEDERAL

10.1 Affirmative Marketing Plan. Borrower shall provide and follow an Affirmative Marketing Plan for the Project that meets the requirements Section 504 of the Rehabilitation Act of 1973 and other requirements as DOLA may determine from time to time. The disbursement of funds under this Agreement shall be contingent upon the approval of such plan by the State.

10.2 Minority Outreach. [Reserved].

10.3 Davis-Bacon Act. [Reserved].

10.4 Section 3 of the HUD Act of 1968 and 24 CFR Part 135. [Reserved].

10.5 Environmental Requirements. [Reserved].

10.6 Uniform Relocation Act (URA) and Section 104(d) of the Housing and Community Development Act of 1974 (Section 104(d)). [Reserved].

10.7 Civil Rights. Regardless of Project type, Borrower shall comply with civil rights statutes and regulations, including Title VIII of the Civil Rights Act of 1968 (“Fair Housing Act”), Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973 (“Section 504”), Section 109 of Title I of the Housing and Community Development Act of 1974, Title II of the Americans with Disabilities Act of 1990, the Architectural Barriers Act of 1968, and the Age Discrimination Act of 1975. Additional reference information is provided in **Exhibit A**. Laws specifically relevant to this Agreement include, without limitation, the following:

10.7.1 Fair Housing Act, as amended. The Fair Housing Act prohibits discrimination in housing-related transactions based on race, color, national origin, religion, sex, familial status, and disability.

10.7.2 Section 504, as amended. Section 504, as amended, provides that no qualified individual with a disability may, only by reason of his or her disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

10.7.3 Section 504 Self Evaluation. Borrower has submitted or shall submit a Section 504 Self Evaluation and shall revise all policies and procedures identified, which may result in prohibited exclusion or discrimination of disabled persons, to comply with Section 504. Additionally, Borrower shall evaluate reasonable accommodation requests and comply with Section 504 requirements to make such reasonable accommodations that provide disabled individuals equal opportunities to benefit from the Project.

END OF EXHIBIT B