EXHIBIT A –
APPLICABLE LAWS

Laws, regulations, and authoritative guidance incorporated into this Agreement include, without limitation:

1. Housing and Community Development Act of 1974, Pub L, No. 93-383, as amended.
2. 24 CFR Part 570, Community Development Block Grants.
3. State of Colorado Community Development Block Grant (CDBG) Guidebook, available on DOLA's website.
4. 24 CFR Parts 0-91 Housing and Urban Development.
5. 24 CFR Subtitle B, Chapter I – XXV, HUD.
6. 24 CFR Part 58, Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities.
7. 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
8. CRS §29-1-601 et seq., Local Government Audit Law.
9. CRS §24-32-106 – Powers of the director provision.
10. CRS §24-32-705(1)(i) – DOH ability to accept and receive grants
11. 16 USC §469 et seq., Historic Preservation
12. 2 USC Chapter 26, Disclosure of Lobbying Activities.
13. 5 USC §552a, Public Information; agency rules, opinions, order, records and proceedings (Privacy Act 1974).
14. 8 USC §1101-1646, Immigration and Nationality.
15. 12 USC §§1701- 1701z-15, National Housing Act.
16. 15 USC Chapter 49, Fire Prevention and Control.
17. 16 USC Chapters 1-92, Conservation.
18. 16 USC §469 et seq., Historic Preservation
19. 16 USC §1531 et seq., Endangered Species
20. 16 USC §1271 et seq., Wild and Scenic Rivers
21. 20 USC Chapter 38, Discrimination Based on Sex or Blindness (Title IX, as amended, Education Amendment of 1972).
22. 29 USC Chapter 8, §§201, 206, et seq., as amended, Labor.
23. 29 USC Chapter 14 Age Discrimination in Employment.
24. 29 USC Chapter 16, §§793-794, et seq., as amended, Vocational Rehabilitation and Other Rehabilitation Services.
25. 31 USC Subtitles I – VI, Money and Finance.
26. 40 USC Subtitle I, Federal Property and Administrative Services.
27. 40 USC Subtitle II, Public Buildings and Works.
28. 40 USC §§ 3141 – 3148, Wage Rate Requirements (Davis Bacon).

29. 40 USC §§ 3701 – 3708, Contract Work Hours and Safety Standards Act.
30. 40 CFR Parts 1500-1508, Council on Environmental Quality (Regulations Implementing NEPA).
31. 41 CFR Chapter 60, Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.
32. 41 USC § 6502, et seq., Walsh-Healey Public Contracts Act.
33. 41 USC Chapter 81, Drug Free Workplace.
34. 42 USC Chapter 6A, Public Health Service.
35. 42 USC Chapter 21, Civil Rights.
36. 42 USC Chapter 45 Fair Housing.
37. 42 USC Chapter 50, National Flood Insurance.
38. 42 USC Chapter 55, National Environmental Policy.
39. 42 USC Chapter 63, Lead-Based Paint Poisoning Prevention.
40. 42 USC Chapter 69, Community Development.
41. 42 USC Chapter 76, Age Discrimination in Federally Assisted Programs.
42. 42 USC Chapter 85, Air Pollution Prevention and Control.
43. 42 USC Chapter 89, Congregate Housing Services.
44. 42 USC Chapter 126, Equal Opportunity for Individuals with Disabilities.
45. 42 USC Chapter 130, National Affordable Housing.
46. 42 USC §§300f – 300j-26, Safe Drinking Water
47. 49 CFR Part 24, as amended, Uniform Relocation Assistance and Real Property for Federal and Federally Assisted Programs.
48. CRS §24-34-301, et seq., Colorado Civil Rights Division.
49. CRS §24-34-501, et seq. Housing Practices.
50. CRS §24-75-601 et seq., Legal Investment of Public Funds.
51. Executive Order 11063, HUD Equal Opportunity in Housing, as amended by Executive Order 12259, Leadership and Coordination of Fair Housing in Federal Programs.
52. Executive Order 11593, Protection and Enhancement of the Cultural Environment.
53. Executive Order 11988, Floodplain Management.
54. Executive Order 11990, Protection of Wetlands
55. Public Law 110-289, Housing and Economic Recovery Act of 2008.
56. Public Law 111-203, Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.
57. Compliance with all applicable standards, orders, or requirements issued pursuant to section 508 of the Clean Water Act (33 USC §1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR Part 15). (Applicable to contracts, subcontracts, and subgrants of amounts in excess of $100,000).
58. Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and

Conservation Act (Pub. L. 94–163, 89 Stat. 871). [53 FR 8068, March 11, 1988, as amended at 60 FR 19639, Apr. 19, 1995].

EXHIBIT B –
STATEMENT OF PROJECT

1. GENERAL

1.1 Project Description. Grant funds are being provided to the [Grantee], for the benefit of [Subgrantee], for use in the [use] (the "Project"). Insert additional Project Description information.

1.2 Eligibility. This project is eligible under the Housing and Community Development Act (HCDA) Section(s) 105(a)(13) and (24).

1.3 Responsibilities. Grantee shall complete the Project or cause the Project to be completed, administer this Grant, and provide all required documentation to the State as specified herein.

1.3.1 Grantee shall enter into written Subcontract agreements with:

1.3.1.1 All Subgrantees retained to carry out the proposed project activities. The Subcontract(s) shall contain a provision prohibiting transfer, assignment or further subcontracting of the Subcontract without the prior, written approval of DOLA.

1.3.1.2 Individuals who receive direct benefits under this Agreement (i.e. program Beneficiaries).

1.4 Time of Performance. Grantee shall commence performance of the Work on the Agreement Performance Beginning Date and complete its obligations on or before the Initial Agreement Expiration Date, both of which are shown on the cover page of the Grant Agreement. The Initial Agreement Expiration Date may be extended in accordance with **§2C**, **§2D**, or **§18K** of the Grant Agreement. In the event Grantee desires to extend its time of performance, Grantee shall submit a written request to DOH Asset Manager at least sixty (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 Grant Agreement and other Exhibits.

2.1 **Affordable Rents**. "Affordable Rents" shall have the meaning given in 24 CFR §570.483(b)(3).

2.2 **Use Restriction Period**. "Use Restriction 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 **CDBG-Assisted Units**. "CDBG-Assisted Units" shall mean the designated CDBG units in the Project, as further described in **§8** of this **Exhibit B**, which shall comply with all applicable HUD CDBG Program requirements.

2.5 Consolidated Plan. "Consolidated Plan" means the document that DOLA submits to HUD on a quinquennial basis, which serves as the comprehensive housing affordability strategy, community development plan, and submission for funding under all HUD Office of Community Planning and Development formula grant programs. For the purposes of this Grant, this term shall also include the most recent Action Plan (as defined in 24 CFR §91.320) that DOLA submits to HUD on an annual basis. The Consolidated Plan is available on DOLA's website.

2.6 **Displaced Person**. "Displaced Person" shall have the meaning given in 24 CFR §92.352(c)(2).

2.7 HUD. "HUD" is the United States Department of Housing and Urban Development.

2.8 **Low- and Moderate-Income Persons**. "Low- and Moderate-Income Persons" are:

☐ Those persons who are members of households whose combined incomes are at or below 80% of area median income as set forth in **Exhibit D**, as may be amended by HUD and which shall be posted by HUD on its website, or

☐ Those persons who reside in areas that have been determined by HUD, based upon most recent Census data, to be at or below 80% of area median income areas, as further specified in **§3.4** below, or

☐ Those persons belonging to clientele groups (as such term is defined by HUD) who are presumed by HUD to be at or below 80% of area median income, as further specified in **§3.4** below.

2.9 National Objective. "National Objective" means those objectives approved by HUD and listed in **§3.4**.

2.10 Non-entitlement Area. "Non-entitlement Area" means an area which is not a "metropolitan city" or part of an "urban county" and does not include "Indian tribes" (as such terms are defined in 42 USC §5302(a)).

2.11 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 Grant Funds.

2.12 Owner. "Owner" means the individual or entity that is the fee simple or leasehold owner of real property on which the Project is located.

2.13 Pre-Contract Costs. "Pre-Contract Costs" are those costs specifically authorized as pre-contract costs by DOLA and which are specifically authorized by the federal funding source.

2.14 Principal Residence. "Principal Residence" means a dwelling that the Grantee maintains or will maintain as their permanent place of abode, and which the Grantee typically occupies or will occupy for the majority of the calendar year.

2.15 Program Income. "Program Income" shall have the meaning given in 24 CFR §570.489(e).

2.16 Project. "Project" means the overall project described in **§1.1** including, without limitation, the Work.

2.17 Project Close-Out Date. "Project Close-Out Date" shall mean the date DOLA determines the Project is complete as identified in writing to the Grantee.

2.18 **Subject Property**. "Subject Property" means both real property that Grant Funds are used to improve or acquire, and real property on which structures are constructed, rehabilitated, cleared or demolished using Grant Funds.

2.19 Substantial Completion. "Substantial Completion" means

DOLA's receipt of a temporary or permanent certificate of occupancy for the Project from Grantee for new construction or rental rehabilitation projects or, where the scope of the Project does not require a certificate of occupancy, an alternative completion documentation in such form and substance as DOLA reasonably determines to be acceptable to meet the Grant purposes and requirements.

final loan closing under the Grant for Single-Family Owner Occupied Rehabilitation and Down Payment Assistance programs.

final rent assistance payment under the Grant for Tenant Based Rental Assistance programs.

closing of the last of the loans contemplated in the Project Description in **§1.1**.

2.20 Total CDBG Units. "Total CDBG Units" shall include State-funded CDBG units plus locally-funded CDBG units, if any.

3. **DELIVERABLES**

3.1 **Outcome**. Project completion in accordance with the terms of Grantee's grant application, the performance measures set forth below and the other terms and conditions of the Grant Agreement.

3.2 **Performance Measures**. Grantee shall comply with the following Milestones and Targets:

Milestone/Grantee shall:	Target Date:
Provide Affirmative Marketing Information	X Quarter 20xx
Provide Section 504 Compliance Information	X Quarter 20xx
Close on Property (if applicable)	X Quarter 20xx
Provide copy of construction contract(s)	X Quarter 20xx
Provide evidence of bonding (per §7.6 of Exhibit B)	X Quarter 20xx
Provide copies of Certificates of Insurance	X Quarter 20xx
Begin Construction (if applicable)	X Quarter 20xx
Pre-Sell 50% of units	X Quarter 20xx
Complete 100% of construction and temporary or permanent certificate of occupancy. (if applicable)	X Quarter 20xx
Sell/Lease 100% of units (as applicable)	X Quarter 20xx
Provide Affirmative Marketing Information	X Quarter 20xx
Submit Quarterly Performance Report	Per §7.4.2
Submit Project Completion Report	Per §7.4.4

3.3 **Service Area**. The performance of services for this Grant shall occur in: Name of County (the "Service Area"). The Service Area must qualify as a Non-entitlement Area.

3.4 **National Objective**. As determined by the State, Grantee shall present documentation to demonstrate compliance by the Project with the National Objective identified below during the term of this Grant:

☐ Area Benefit Activities: This Project meets the National Objective of benefit to Low- and Moderate-Income Persons as required in 24 CFR §570.483(b)(1).

☐ Homeownership Assistance: This Project meets the National Objective of benefit to Low- and Moderate-Income Persons as required in 24 CFR §570.483(b)(3).

☐ Planning: This Project meets the National Objective of benefit to Low- and Moderate-Income Persons as required in 24 CFR §570.483(b)(5).

☐ Public Services, Area Benefit: This Project meets the National Objective of benefit to Low- and Moderate- Income Persons as required in 24 CFR §570.483(b)(1).

☐ Public Services, Limited Clientele: This Project meets the National Objective of benefit to Low- and Moderate- Income Persons as required in 24 CFR §570.483(b)(2).

☐ Rental Housing: This Project meets the National Objective of benefit to Low- and Moderate-Income Persons as required in 24 CFR §570.483(b)(3).

4. KEY PERSONNEL

4.1 **Responsible Administrator.** Grantee's performance hereunder shall be under the direct supervision of the individual identified below, an employee or agent of Grantee, who is hereby designated as a key person and the Responsible Administrator of this project:

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

4.2 Other Key Personnel. [Insert Name, Title and email address or "None."]

4.3 DOH Asset Manager. [Insert Name and email address.]

4.4 Replacement Personnel. If any Grantee Key Personnel cease to serve, Grantee shall immediately notify DOH of such event in writing. Replacement of Grantee Key Personnel shall be subject to DOH approval. Requests to replace Grantee 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 Grantee Key Personnel cease to serve, the State, at its sole discretion, may direct Grantee to suspend work on the Project until such time as the Grantee 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 Grant Agreement which is shown for convenience in the table below as "Grant Funds (DOLA)". The Grant Funds shall be used for activities shown in table in **§5.2.3**.

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

5.2 Project Budget

5.2.1 **Sources**.

Source	Amount
Grant Funds (DOLA)	$0
Mortgage Lenders	$0

Source	Amount
Home Buyers	$0
Program income	$0
Total Sources	**$0**

5.2.2 Uses

Use	Amount
	$000,000
	$000,000
	$000,000
Total Uses	$000,000

5.2.3 Grant Funds (DOLA) Costs eligible for payment with DOLA Grant Funds are limited to the items and amounts listed in the table below (subject to any line item adjustments made pursuant to **§5.3**).

Eligible Use	Amount
	$000,000
	$000,000
	$000,000
Total	$000,000

5.2.4 Pre-Contract Costs. The State may authorize its Subrecipient or State Recipient to incur pre-award costs in accordance with the requirements of 24 CFR §92.212(d). Pre-Contract costs eligible for payment with Grant Funds, if any, are identified in the table below**.**

Eligible Use	**Amount**
	$0
Total	**$0**

5.3 Project Budget Line Item Adjustments. Adjustments made pursuant to this Section cannot increase Grant Funds.

5.3.1 If the table in **§5.2.3** lists more than one Eligible Use, Grantee 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 Grantee to transfer to or between administration budget lines (i.e. Project Delivery and Program Overhead). Grantee shall send written notification of allowed adjustments to the State within thirty (30) days of such adjustment.

5.3.2 Changes to individual line item amounts in excess of 10% require prior written approval of the DOLA Controller. Grantee 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 **§18.K** of the Grant Agreement.

6. **PAYMENT**

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

6.1 **Payment Schedule**. Grantee shall submit all payment requests in a timely manner. Unless otherwise agreed to by DOH, Grantee shall submit payment requests once per month, on or before the 20th of each month. Eligible expenses incurred by Grantee during any calendar month shall be included in the following month's pay request. Grantee 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% of total award	Paid upon DOLA's receipt and approval of a written request for payment and expense documentation of eligible costs.
Final Payment	$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:

Grantee Name
Address
City, CO 80000

6.3 **Interest**. If advance payments are authorized, Grantee or Subgrantee may keep interest earned from Grant 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 Grantee pursuant to **§6.1** pending Grantee'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 Grant Agreement or this **Exhibit B.**

7. **ADMINISTRATIVE REQUIREMENTS**

Grantee, a Unit of General Local Government ("UGLG"), shall administer these funds in accordance with the requirements of this Grant, Division of Housing (DOH) Guidelines. Grantee shall comply with the administration requirements set forth in the most recent State Community Development Block Grant (CDBG) Guidebook, or such requirements as may be subsequently amended by the State, which shall be available on DOLA's website.

7.1 **Accounting**. Grantee shall maintain properly segregated accounts of Grant 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 Grantee's records for any fiscal year covering a portion of the term of this Grant or any other grants/contracts with DOLA, Grantee shall promptly submit the final audit report, including a report in accordance with the Single Audit Act and 2 CFR Part 500, 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
[Asset.Manager]@state.co.us

7.3 **Cost Certification**. Grantee 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 full lease-up of the Project, whichever is later.

7.4 **Reporting**. In addition to all reporting required pursuant to the terms of the main Agreement, Grantee 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 Grantee as provided in **§6** of this **Exhibit B**.

7.4.1 Financial Status Report. [Reserved].

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

7.4.3 Lease-up Report. [Reserved].

7.4.4 Project Completion Report. Within thirty (30) calendar days of Substantial Completion of the Project.

7.4.5 Davis Bacon Payroll Reports. If Davis-Bacon is applicable, and DOH is the lead agency for Davis-Bacon compliance, by the last business day of each week, Grantee shall submit the Davis-Bacon Payroll Reports for the week ending on the final business day of the previous week. Grantee shall submit a copy of the final statement of compliance to DOH within thirty (30) days of receipt of temporary certificate of occupancy.

7.4.6 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.**

7.5 Monitoring. The State shall monitor this Grant in accordance with its Risk-Based Monitoring Policy (which is available in the Consolidated Plan on DOLA's website) and **§7(B)** and **§7(C)** of the Grant. 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, Grantee, Subgrantee and/or their subcontractors performing such Work shall secure the bonds hereunder 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 (5) percent 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 Grantee, 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 Grantee, Subgrantee or their subcontractor's obligations under such contract.

7.6.3 **Payment Bond**. A payment bond on the part of the Grantee, 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**. Grantee 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 (ILC) 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 Grant.

7.7 **Procurement Standards**. Selection of Subcontractors and purchase of materials to accomplish the Project shall follow appropriate procurement standards as outlined in DOLA's CDBG Guidebook, Financial Management Section (which is available on DOLA's website).

7.8 **Debarment**. Grantee shall demonstrate compliance with the below requirements upon request.

7.8.1 **Grantee**. As a condition of funding, Grantee is actively registered at www.sam.gov, and certifies that it is without active exclusions from eligibility for federal contracts.

7.8.2 **General Contractor**. Prior to entering into an agreement with any General Contractor, Grantee shall verify and maintain documentation of such verification, including the date conducted, that such entity is also actively registered at www.sam.gov and is not actively excluded from eligibility to receive federal funds.

7.8.3 **Subcontractor**. Prior to entering into an agreement with any Subcontractor, Grantee shall verify at www.sam.gov, and maintain documentation of such verification, including the date conducted, and that such entity is not actively excluded from eligibility to receive federal funds. Grantee's written agreement with any General Contractor shall require that before entering into an agreement with a Subcontractor, General Contractor shall verify that Subcontractor is not actively excluded from eligibility to receive federal funds

7.9 Affirmatively Furthering Fair Housing. As a condition of funding, Grantee submitted a list of actions to affirmatively further fair housing and certifies they have taken and will take such actions. Grantee shall maintain documentation of all actions to affirmatively further fair housing, provide such documentation to DOLA upon request, and report on such actions with the Project Completion Report.

7.9.1 Affirmative Fair Housing Marketing Plan. If five (5) or more housing units are funded in the Project, Grantee shall submit and follow an Affirmative Fair Housing Marketing Plan for the Project in accordance with this Grant. The release of funds under this Grant shall be contingent upon the approval of such plan by the State.

7.10 Minority Outreach. Grantee shall take actions to ensure that minority business enterprises and women business enterprises are used when possible in the procurement of property and services. Consistent with this requirement, Grantee shall prescribe procedures acceptable to the State to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, in any subcontracts entered into by the Grantee. Grantee shall maintain documentation of all such actions in its procurement practices, provide this documentation to DOLA upon request, and report outcomes during project monitoring.

7.11 Davis-Bacon Act.

This section ☐ shall ☐ shall not apply to this Grant.

If 8 or more housing units are funded by Grant Funds, Grantee shall comply with all the requirements set forth in 24 CFR §570.603 (Labor Standards). If applicable, the lead agency responsible for compliance shall be: [insert agency name]

7.12 Environmental Requirements. Grantee shall comply with all HUD environmental requirements and shall not obligate Grant Funds prior to compliance with all federal environmental requirements in 24 CFR Part 58 and receipt of the written release of funds from the State.

7.13 Section 3 of the HUD Act of 1968 and 24 CFR Part 135.

This section ☒ shall ☐ shall not apply to this Grant.

In accordance with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR Part 75, to the greatest extent feasible, Grantee and Subgrantee (if applicable) shall, consistent with existing Federal, State, and local laws and regulations, ensure that employment and other economic opportunities generated by this HUD-financed project be directed to persons whose income is equal to or less than **[#]** % of AMI, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to persons whose income is equal to or less than [#]% of AMI.

Grantee shall maintain documentation of all such efforts in its hiring and procurement practices, provide this documentation to DOLA upon request, and in accordance with §75.25, report labor hours during project monitoring. If reporting indicates that the agency has not met the Section 3 benchmarks described in §75.23, Grantee and Subgrantee (if applicable) must report on the qualitative nature of its activities and those its contractors pursued per 24 CFR §75.15(b) and §75.25(b).

7.14 **Uniform Administrative Requirements**. Grantee shall comply with the requirements of 2 CFR Part 200. To the extent 2 CFR Part 200 conflicts with 24 CFR Part 570, then the requirement of Part 570 shall prevail.

7.15 **The Federal Funding Accountability and Transparency Act of 2006, as amended (FFATA)**. The Grantee shall comply with all the requirements of the Federal Funding Accountability and Transparency Act in accordance with the provisions set forth in **Exhibit C**.

7.16 **Uniform Relocation Act (URA) and Section 104(d) of the Housing and Community Development Act of 1974 (Section 104(d)).** If this Project includes acquisition, rehabilitation, demolition, or conversion, Grantee and Subgrantee are required to follow a Residential Anti-displacement and Relocation Assistance Plan, which complies with all URA and Section 104(d) requirements. Guidance to achieve compliance with all acquisition, rehabilitation, demolition, and conversion activities can be found in HUD Handbook 1378 (Handbook), as HUD may amend from time to time. Therefore, Grantee and Subgrantee shall comply with all applicable requirements in the Handbook, including, without limitation, the following:

7.16.1 **General**. All property owners and permanently displaced, temporarily displaced, and non-displaced residents, tenants, and businesses affected by the Project shall receive required notices, advisory services, and benefits.

7.16.2 **Acquisition**. All acquisitions associated with this Project shall meet the Voluntary Acquisition requirements of the Handbook.

7.16.3 **Demolition and Conversion**. All occupied or vacant but occupiable lower-income dwelling units (as defined at 24 CFR 42.305) that are demolished or converted to a use other than lower-income housing shall be replaced as required by Section 104(d).

7.16.4 **Recordkeeping**. Records demonstrating compliance with these requirements shall be maintained in accordance with the requirements of the Handbook, for the period specified in the Handbook or §7 of the Grant, whichever results in a longer retention period. At a minimum, Grantee or Subgrantee shall make the following records available to the State:

1. Rent roll or occupancy records for the property at the date of the submission of the application for assistance, the date of site control (if after submission of the application), the date of execution of this agreement, and the date of completion of the project. Records should include all persons moving into the property after the date of execution of this agreement but before the completion of the project.
2. Copies of Notices and proof of receipt shall be submitted to the state within 30 days of issuance.
3. Documentation of advisory services provided, submitted to the state on a monthly basis, submitted no later than the 3rd business day of the following month.
4. When occupants are permanently displaced, documentation of inspection and offer of at least three comparable replacement dwellings within 30 days of offering to the displaced tenant. Only in situations where three comparable replacement dwellings are not available (*e.g.*, when the local housing market does not contain three comparable dwellings) may the Agency make fewer than three referrals,
5. When occupants are permanently displaced or temporarily relocated, documentation of moving assistance payments shall be submitted to the state within 30 days of moving. Unless the tenant is being displaced by a Public Housing Authority from a public housing unit, the occupant must be offered the choice of actual reasonable moving expenses (49 CFR 24.301(g)) or fixed payment for expenses (49 CFR 24.302).
6. On a monthly basis, provide documentation by the 3rd business day of the following month to the State of any and all of the scenarios in this section. When occupants are permanently displaced, documentation of replacement housing payment calculation and payment made, including documentation of replacement and displacement rent amount, documentation of income calculation, and comparable replacement dwellings used to calculate upper limit of replacement housing payment per 49 CFR 24.403(a), if applicable. When occupants are temporarily relocated, documentation of any temporary payments made.
7. When businesses are permanently displaced, documentation of moving assistance and related expenses payments shall be submitted to the state within 30 days of moving. Documentation of reestablishment

expenses paid shall be submitted within 30 days of payments being made.

8. When occupants are temporarily relocated, documentation that they return to the building/complex within one year. If an occupant is relocated for more than one year, they are considered permanently displaced and all permanent displacement rules apply.

Upon Request, Borrower or Grantee shall provide additional documentation relating to the relocation of residential or non-residential tenants.

7.16.5 Corrective Action If the State and/or HUD determine that Grantee or Subgrantee did not comply with URA and/or 104(d) requirements, Grantee agrees to take corrective action as the State requires, including but not limited to locating displaced tenants and providing benefits to which those tenants were entitled in arrears.

7.16.6 Conflict of Interest. If Grantee is a State Recipient or a Subrecipient (see **§1.3** above) then the conflict of interest provisions contained in 24 CFR 85.36 and 24 CFR 84.42, respectively, shall apply with respect to the procurement of property and services. In all cases not governed by 24 CFR 85.36 and 84 CFR 84.42, the provisions of 92 CFR 356 shall apply.

7.17 **Eminent Domain**. [Reserved].

7.18 Civil Rights. Regardless of Project type, Grantee must 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. Implementing regulations are cited in **Exhibit A**. Laws specifically relevant to this Grant include, without limitation, the following:

7.18.1 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.

7.18.2 Section 504, as amended. Section 504 of the Rehabilitation Act, 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.

7.18.2.1 Section 504 Self Evaluation. Grantee has submitted 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, Grantee 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.

7.19 Records Retention. Grantee shall maintain and make available to the State Project records in accordance with **§7.A** of the Grant and the applicable CDBG program requirements.

8. PROJECT REQUIREMENTS

8.1 Affordability Requirements – Rental.

8.1.1 **CDBG-Assisted Unit Identification.** Pursuant to 24 CFR §570.483(b) at least fifty-one percent (51%) of the dwelling units at the Project must be occupied by low and moderate income households (the "CDBG-Assisted Units"). Grantor shall designate [number] (00) of the rental housing units at the Project as CDBG-Assisted Units. The units designated as CDBG-Assisted shall be of the type(s) set forth in the table in **§8.1.3**.

8.1.2 **Floating Units**. The CDBG-Assisted Units shall be floating units over the term of the use restriction, meaning that the specific units at the property designated by Grantor as CDBG-Assisted Units may change from time-to-time, so long as the units designated as CDBG-Assisted are, at all times, comparable in terms of number of bedrooms, square footage, and amenities to those units originally designated as CDBG-Assisted.

8.1.3 **Eligible Beneficiaries.** "Eligible Beneficiaries" are households that are lawfully present in the United States pursuant to 8 U.S.C. §1601, *et seq*., and whose annual income is at or below the applicable Area Median Income ("AMI") limit in effect at the time such household occupies a rental housing unit at the Project. Income limits are published annually by the State, on DOH's website, based on indexes published by HUD. If such indexes are no longer published income limits shall be based on an equivalent index designated by the State.

Unit Type	1-BR	2-BR	Total	Income Limit
CDBG-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

Unit Type	1-BR	2-BR	Total	Income Limit
Unrestricted	**0**	**0**	**0**	n/a
Total Units	**0**	**0**	**0**	n/a

8.1.4 **Lawful Presence**. Prior to entering into a lease agreement with any tenant for a CDBG-Assisted Unit, Grantor must confirm that every individual natural person in the applicant household is lawfully present in the United States pursuant to 8 U.S.C. §1601, *et. seq*., when such individual applies for public benefits provided by requiring the applicant to:

8.1.4.1 Produce a verification document in accordance with 62 Fed. Reg. 221, pp. 61,363 - 61,371.

8.1.4.2 Execute a Residency Declaration, a blank version of which is available by request and on DOLA's website.

The foregoing notwithstanding, charitable non-profit corporations are exempt from verifying lawful presence.

8.1.5 **Affordable Rent Limits**. Pursuant to 24 CFR §570.483(b)(3), the rent paid by low and moderate income households occupying a CDBG-Assisted Unit must be at affordable as determined, adopted, and made public by the UGLG. The UGLG hereby agrees that the rents for the CDBG-Assisted Units shall not exceed thirty percent (30%) of adjusted income for households at the applicable AMI limit ("Affordable Rents"). Rent limits are published annually by DOH based on indexes published by CHFA. If such indexes are not available rent limits shall be based on an equivalent index designated by Grantor. The foregoing notwithstanding, if a CDBG-Assisted Unit receives state or federal project-based rental subsidy, and the household pays no more than thirty percent (30%) of its adjusted income toward rent and utilities, then the maximum rent (tenant contribution plus project-based rental subsidy) shall be the maximum rent allowable under the state or federal project-based rental subsidy program. The rent limits in effect as of the Effective Date of the Funding Agreement are listed in the table below. Regardless of any changes in the applicable AMI limit over time, the Project shall not be required to have Affordable Rents that are less than those in effect as of the Effective Date of the Funding Agreement. In the event of a decrease or termination of the Project-Based rental subsidy for the Project, unless such decrease or termination arises from default by Grantor or other material failure to comply with agreements, laws, or regulations applicable to the Project, the State agrees to work in good faith with Grantor to address the Grantor's request to seek alternative sources of funding, and/or, at the State's sole discretion, modify the occupancy restrictions, or increase the rent and income limits required by this Covenant.

[Name] County, Effective Date: [Date]

Rent Limits	1-Bedroom	2-Bedroom	3-Bedroom
60% AMI	$0	$0	$0
50% AMI	$0	$0	$0
40% AMI	$0	$0	$0
30% AMI	$0	$0	$0

8.1.6 **Use Restriction Period**. "Use Restriction Period" means the HUD Use Restriction Period plus the DOH Use Restriction Period (if any). CDBG funds invested in housing that does not meet the affordability requirements for the full Use Restriction Period specified must be repaid. Repayment of Grant Funds shall not terminate the Use Restriction Period.

8.1.6.1 HUD Use Restriction Period. This Covenant shall encumber the Property, without regard to the term of any mortgage or transfer of ownership, for a term of not less than five (5) years (the "HUD Use Restriction Period") following the date the Project is complete (the "Project Close-Out Date") as identified in writing to the original recipient of the funds.

8.1.6.2 DOH Use Restriction Period. This Covenant shall encumber the Property, without regard to the term of any mortgage or transfer of ownership, for a term of not less than twenty-five (25) years (the "DOH Use Restriction Period") from the end of the HUD Use Restriction Period.

8.1.7 **Use Covenant and Regulatory Agreement**. In order to ensure that all affordability requirements associated with the this Agreement and the CDBG program are met for the full Use Restriction Period regardless of any change in ownership of the subject property, Grantee shall execute and record or cause to be executed and recorded **Exhibit F** to this Agreement (the Use Covenant and Regulatory Agreement). Receipt by DOLA of proof of recording of **Exhibit F** in the appropriate county shall be condition precedent to the disbursement of any Grant Funds by DOLA.

8.1.7.1 Noncompliance. If the Project is not used to house Eligible Beneficiaries, at Affordable Rents throughout the Use Restriction Period, Grantee or its successors and assignees, heirs, grantees, or lessees, shall repay the full amount of the Grant Funds to the State, within sixty (60) days of the State's request.

8.2 Affordability Requirements – TBRA, Homebuyer and Homeowner Rehabilitation.

8.2.1 Eligible Beneficiaries. All households served must have a gross income that does not exceed [X]% of AMI. A listing of the incomes for all household sizes is attached as Exhibit D and updated annually on HUD's website.

8.2.2 CDBG-Assisted Unit Identification. The housing units served with Grant funds shall be designated as CDBG-Assisted Units.

8.2.3 Use Restriction Period - Homeownership. Using the mechanism(s) described at **§8.2.4**, below, Grantee shall ensure that each home with the assistance of Grant Funds complies with the required Use Restriction Period specified in the current DOH Revolving Loan Fund Guidelines, which are available on DOLA's website. The Use Restriction Period for CDBG is five (5) years. Grantee shall ensure that the CDBG-assisted housing units shall continue to be used to provide housing for Low- and Moderate-Income Persons for five (5) years after written notification that the Project has been closed-out ("Project Close-out Date"). At the end of the Use Restriction Period, no State restrictions shall remain in effect.

8.2.4 Homebuyer Deed Restriction - Recapture. Homebuyer assistance must be provided in the form of secured debt evidenced by (at a minimum) a promissory note and a deed of trust that continues through the "Use Restriction Period" specified in **§8.2.3**. The loan documents shall include the amount of the assistance provided, the Principal Residency requirement, and the requirement that the promissory note is due upon resale or transfer of the property. Copies of the recorded loan documents evidencing these restrictions must be provided to DOH after the closing.

8.2.5 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. Beginning August 1, 2021, Grantee shall ensure that the purchasing household completes homeownership counseling provided by a HUD certified housing counselor at a HUD-approved housing counseling agency prior to the date of closing.

8.2.6 Income Eligibility Determination. Grantor shall determine that each household occupying a CDBG-Assisted Unit is income eligible by determining the household's annual income (as defined in 24 CFR §5.609).

8.2.6.1 **Initial Determination**. Prior to initially serving such household, Grantor shall examine at least two (2) months of source documents evidencing annual income (e.g. wage statement, interest statement, unemployment compensation statement, etc.) for the household.

8.2.6.2 **Subsequent Determinations**. [Reserved].

8.3 **Program Income**. "Program Income" is defined at **§2.15**. Grantees shall follow the State's Program Income Guidelines (which are available on DOLA's website) for the tracking, accounting, and use of Program Income.

9. PROPERTY STANDARDS

9.1 **New Construction**. Newly constructed housing shall meet all applicable local codes and ordinances at the time of Project Completion. All new construction projects shall also meet the requirements below:

9.1.1 **Accessibility**. The housing shall meet the accessibility requirements of 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and 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). See **§9.6**, below.

9.1.2 **Energy Efficiency**. [Reserved].

9.1.3 **Disaster Mitigation**. Where relevant, the housing shall be constructed to mitigate the impact of potential disasters (e.g., earthquakes, hurricanes, flooding, and wildfires), in accordance with State and local codes, ordinances, or other State and local requirements, or such other requirements as HUD may establish.

9.1.4 **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. Grantee shall make available to DOLA the construction contract(s), construction documents, and written cost estimates for construction.

9.1.5 **Construction progress inspections.** Grantee 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.

9.1.6 **Broadband Infrastructure**. If the Project contains one or more buildings with more than four rental units, Grantee shall ensure that the construction includes installation of broadband infrastructure, as defined in 24 CFR 5.100. This requirement may be waived if DOLA makes a written determination that such installation is not required in accordance with the requirements at 24 CFR 92.251(a)(2)(vi).

9.2 **Rehabilitation**. The primary purpose of the Grant Funds and/or Program Income in rehabilitation of existing structures is to address health, safety, energy conservation, and structural deficiencies. Upon completion, each CDBG-Assisted Unit will at a minimum meet the DOLA Division of Housing Rehabilitation Standards, available on DOLA's website and incorporated by reference, and all applicable local codes, zoning, and ordinances at the time of Project completion.

9.2.1 **Broadband Infrastructure**. For substantial rehabilitation, as defined in 24 CFR 5.100, of a building with more than 4 rental units, the rehabilitation must provide for installation of broadband infrastructure, as this term is also defined in 24 CFR 5.100. This requirement may be waived if DOLA makes a written determination that such installation is not required in accordance with the requirements at 24 CFR 92.251(b)(1)(x).

9.3 **Acquisition**. Existing housing that is acquired with Grant Funds for rental housing, and that was newly constructed less than 12 months before the date of commitment of Grant Funds, shall meet the property standards of §9.1, above. All other existing housing that is acquired with Grant Funds for rental housing shall meet the property standards of **§9.2** above.

9.4 **Downpayment Assistance**. Existing housing that is purchased by a Beneficiary with the assistance of Grant Funds and/or Program Income shall be decent, safe, sanitary, and in good repair. At a minimum, it shall meet State and local code requirements at the time of closing. If no standards exist, then HUD Uniform Physical Condition Standards issued pursuant to 24 CFR 5.705, which is incorporated by reference, shall be used. Grantee shall inspect the housing no earlier than 90 days prior to date of closing, and document compliance based upon such inspection. If the housing does not meet these standards, it shall be rehabilitated to meet these standards or it may not be acquired.

9.5 **TBRA**. All housing occupied by tenants receiving HOME tenant-based rental assistance shall meet the Housing Quality Standards requirements in 24 CFR 982.401, or the successor requirements as established by HUD. Grantee shall inspect the housing prior to providing grant funds and document compliance based upon such inspection.

9.6 **Ongoing Property Condition Standards**. Grantor shall maintain the Property as decent, safe, and sanitary housing in good repair. The Property shall:

9.6.1 Meet all applicable State and local code requirements and ordinances;

9.6.2 Be free of all health and safety defects identified in HUD's Uniform Physical Condition Standards, pursuant to 24 CFR Part 5.705;

9.6.3 Meet the lead-based paint requirements in 24 CFR Part 35;

9.6.4 Comply with the State's ongoing property condition standards in effect at the time this Covenant is executed, which the State shall make available by request and on DOLA's website; and

9.6.5 Meet and maintain the accessibility standards of the Fair Housing Act and Section 504 (42 USC 3601-20 and 29 USC 793, as amended). Section 504 requires selected units are made accessible to persons with disabilities, and to the maximum extent feasible, these units are to be evenly distributed throughout the Project site and be sufficient in range of size when compared to other units. Specific requirements include:

9.6.5.1 **Handicap Accessible**. At least five percent (5%) of total units at the Project shall be handicap accessible according to the Uniform Federal Accessibility Standards. Grantor shall designate [number] (x) units as Handicap Accessible units.

9.6.5.2 **Persons with Hearing or Visual Impairments**. At least two percent (2%) of total units at the Project shall be accessible to persons with hearing or visual impairments as required at 24 CFR 8.22 if new construction and 24 CFR 8.23 if rehabilitation. These units shall be in addition to units required to be Handicap Accessible. Grantor shall designate [number] (x) units as accessible to persons with hearing or visual impairments.

9.6.5.3 **Availability of Units.** The project owner or manager of the housing units shall adopt suitable means to ensure persons with disabilities are made aware of the availability of accessible units and to maximize use of accessible units by individuals needing the features of these units, in accordance with 24 CFR §8.27.

9.7 **Fair Housing Act (42 USC 3601-20), and Section 504 (29 USC 793), as amended.** Construction shall meet the accessibility standards of the Fair Housing Act and Section 504. For housing projects which include any new construction or substantial rehabilitation of multi-family housing units, Section 504 requires selected units to be made accessible to persons with disabilities, and to the maximum extent feasible, these units are to be evenly distributed throughout the Project site and be sufficient in range of size when compared to other units. Specific requirements include:

9.7.1 **Handicap Accessible**. [Number (x)] units shall be designated to meet the requirement that at least 10% of total Project units shall be made handicap accessible according to the Uniform Federal Accessibility Standards.

9.7.2 **Persons with Hearing or Visual Impairments**. [Number (x)] units, in addition to those required in **§9.7.1**, above, shall be designated to meet the requirement that at least 4% of the total Project units shall be accessible to persons with hearing or visual impairments as required at 24 CFR § 8.22.

9.7.3 **Availability of Units**. The owner or manager of the housing units shall adopt suitable means to ensure persons with disabilities are made aware of the availability of accessible units and to maximize use of accessible units by individuals needing the features of these units, in accordance with 24 CFR §8.27.

END OF EXHIBIT B