

EXHIBIT B
STATEMENT OF WORK

1. GENERAL

1.1 Project Description. The Grantee is being provided with funds (the “Grant Funds”) to assist with [acquisition, construction, rehabilitation, etc.] of scattered site homeownership units (the “Project”). The funding shall support the creation of [#] homes for households with incomes up to 100% Area Median Income (“AMI”). Grantee may use Grant Funds of up to \$70,000 [, and up to \$2,000 for administrative costs,] per home. The allocation per home may be increased by up to \$14,000 for no more than [#] units that comply with modular requirements and/or energy efficiency requirements.

At least thirty percent (30%) of the Grant Funds must be drawn by August 1, 2026. Fifty percent (50%) of the Grant Funds must be drawn within one year of the Effective Date. If Grant Funds are not drawn in accordance with this schedule, DOH will de-obligate the remaining funds.

Grantee shall convey to each homebuyer a fee simple interest in land and improvements or, when conveying a real property interest in improvements only, Grantee shall ensure that the real property interest is subject to a land lease between the Grantee or its wholly owned subsidiary and the homebuyer. Such land lease shall ensure that the home remains affordable, with resale options limited to future Eligible Beneficiaries.

1.2 Service Area. Performance of services for this Agreement shall occur in [insert counties or “statewide”], in such areas as have opted into Prop 123.

1.3 Grantee’s Obligations.

1.3.1 Grantee 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 Grantee 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 Grantee to aid in the performance of the Work.

1.3.2.2 [Reserved].

1.3.3 Grantee’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 Grantee’s rights and obligations approved by the State shall be subject to the provisions of this Agreement.

1.4. Time of Performance. Grantee 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 Grant Agreement). The Initial Agreement Expiration Date may be extended in accordance

with **§2C**, **§2D**, or **§18K** of the Grant Agreement. To initiate the extension process, Grantee 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 Grant 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 AHOP-Assisted Units.** “AHOP-Assisted Units” shall mean units specifically designated as assisted by Affordable Home Ownership Project (“AHOP”) in the Project, as further described in §8 of this Exhibit B, and 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 Grant 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 Grant 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 Grantee.
- 2.12 Subject Property.** “Subject Property” means real property that Grant Funds are used to acquire; or to which Grant Funds are used to make on-site improvements; or on which Grant Funds are used to construct, rehabilitate, clear or demolish improvements.
- 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 §3JJ of the main Grant Agreement.

3. DELIVERABLES

3.1 Outcome. Project Completion in accordance with C.R.S. 24-32-721, the Grantee’s Grant application, the Performance Measures set forth below, and the other terms and conditions of this Grant Agreement.

3.2 Performance Measures. Grantee shall comply with the following Milestones and Target Dates:

| Milestone/Grantee shall: | Target Date: |
|--|---|
| Prior to entering into a contract with a potential homebuyer for DOH-assisted units, submit the applicant file to Asset Manager for review and approval. | Ongoing, at least 14 calendar days prior to Purchase and Sale Agreement effective date |
| Submit a draft DOH Use Covenant for each Subject Property, including the final property address and legal description, for review and approval prior to execution. | Ongoing, at least 14 calendar days prior to acquisition of each Subject Property |
| Execute and record a DOH-approved Use Covenant for each Subject Property prior to recording the Land Lease (if any) and homeowner conveyance documentation. | Ongoing, upon acquisition of each Subject Property |
| Submit a recorded DOH Use Covenant for each Subject Property. | Ongoing |
| Submit copies of recorded Land Lease (if any) and conveyance documentation. | Ongoing |
| Begin construction/rehabilitation. | Ongoing |
| For Subject Properties acquired in anticipation of rehabilitation, submit required insurance certificates (initial and renewals of coverage). | Within 7 days of Grant Agreement execution Ongoing renewals of coverage, no later than 15 days before expiration of coverage |
| For Subject Properties acquired in anticipation of new construction, submit insurance certificates required in Grant Agreement §§10A through 10G (initial and renewals of coverage). | Within 7 days of Grant Agreement execution Ongoing renewals of coverage, no later than 15 days before expiration of coverage |

| Milestone/Grantee shall: | Target Date: |
|--|---|
| For Subject Properties acquired in anticipation of new construction, submit insurance certificates required in Grant Agreement §§10H through 10K (initial and renewals of coverage). | 15 days prior to beginning construction on each Subject Property Ongoing renewals of coverage, no later than 15 days before expiration of coverage |
| Submit a 504 Self Evaluation checklist/plan. Revise all policies and procedures identified as deficient. | Provide draft version within 7 days of Grant Agreement execution And Provide final version 7 days before Grant Agreement expiration date |
| Submit Affirmative Housing Marketing Plan. | Within 30 days of Grant Agreement execution |
| Submit invoices for reimbursement for Eligible Uses totaling at least 30% of the Grant Funds (\$000,000). | August 1, 2026 |
| Submit invoices for reimbursement for Eligible Uses totaling at least 50% of the Grant Funds (\$000,000). | Within one year of Grant Agreement execution |
| If applicable, submit documentation of compliance with modular or energy efficiency requirements. | Ongoing |
| If applicable, submit draft deed restrictions. | Ongoing |
| Submit temporary or permanent certificates of occupancy. | Ongoing |
| Sell 100% of units. | Within two years of Grant Agreement execution |
| 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 |

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 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 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, and is shown in the table in §5.2.1 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 |
|--------------------------------|-----------------|
| 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 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 §5.4.1).

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

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

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

5.3 Matching Funds. Grantee 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, 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 (e.g. development fees, overhead and project delivery). Grantee 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. 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 §18K 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) | \$90-95% 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 |

6.1.1 **Advance Payment and Recapture.** Grantee may submit payment requests for eligible uses before such costs are incurred or paid by the Grantee. Grantee shall use Grant Funds paid in advance for the eligible use indicated in such request. If Grantee fails to use such advance payments for the use indicated in the payment request and any related documentation, Grantee shall notify DOLA in writing within fifteen (15) business days, or if DOLA determines that any funds advanced to Grantee were not used consistently with the approved uses under the Agreement, Grantee shall repay the funds to DOLA within fifteen (15) business days of such notification or DOLA's request for repayment, as applicable.

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 an **Exhibit F** (the Use Covenant and Regulatory Agreement) for each AHOP unit 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 - STATE

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

7.1 **Accounting.** Grantee shall maintain 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 Agreement or any other grants/contracts with DOLA, Grantee 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
[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 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, 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.** 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 Grantee shall submit the AHOP Project Completion Report including all attachments, and the final Financial Status Report. If Grantee does not utilize all of the Grant Funds, then Grantee 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 Grant 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, Grantee, 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 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 (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 Grant Funds.

8. PROJECT REQUIREMENTS

8.1 Affordability Requirements - Rental. [Reserved].

8.2 Affordability Requirements – For Sale

8.2.1 AHOP-Assisted Units. Grantee shall designate 100% of the units as AHOP-Assisted.

8.2.2 Fixed Units.[Reserved]..

8.2.3 Affordability Period - Homeownership. The AHOP-Assisted Units shall be used to provide housing for Eligible Beneficiaries for a period of thirty (30) years (the “Affordability Period”).

8.2.4 Eligible Beneficiaries. Eligible Beneficiaries are households that have annual gross incomes that do not exceed 100% 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. Grantee is responsible for verifying the applicable income limit in effect at the time each AHOP-Assisted unit is sold.

8.2.4.1 Income Eligibility Determinations. Grantee shall ensure that household purchasing an AHOP-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. Upon the acquisition of each Subject Property, and prior to recording any Land Lease and any documentation conveying the Subject Property to a subsequent homeowner, Grantee shall properly execute and record a DOH Use Covenant and Regulatory Agreement in a form substantially equivalent to **Exhibit F**. Grantee shall promptly provide DOLA with a copy of the recorded document.

8.2.7 Noncompliance. If the AHOP-Assisted Units are not used to house Eligible Beneficiaries, as determined at the time of each sale, throughout the Affordability Period, Grantee 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. Grantee shall make available to DOLA written cost estimates for construction.

9.1.4 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.

9.2 Rehabilitation. [Reserved].

9.3 Acquisition. At the time of Substantial Completion, existing for-sale housing that is acquired with Grant Funds, 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. [Reserved].

9.5 TBRA. [Reserved].

9.6 Ongoing property condition standards: [Reserved].

9.7 Section 504 (29 USC 793), as amended. [Reserved].

10 ADMINISTRATIVE REQUIREMENTS – FEDERAL

10.1 Affirmative Marketing Plan. Grantee 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, Grantee 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. Grantee 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, 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.

END OF EXHIBIT B