

CITY OF RICHMOND

PROCEDURES MANUAL FOR
FEDERAL ENTITLEMENT FUNDS
FOR FISCAL YEAR
2019-2020 & 2020-2021

Community Development Block Grant Program

Home Investment Partnership Program

Emergency Solutions Grant Program

Housing Opportunities for Persons with AIDS Program

City of Richmond

Department of Housing and Community Development

1500 E. Main Street, Suite 400

Richmond, VA 23219

804-646-5633

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INTRODUCTION

By receiving CDBG, HOME, ESG, or HOPWA funding, an organization is taking on considerable administrative responsibilities. The City of Richmond is a “recipient” of federal entitlement funds, and those organizations receiving grant funding from the City are considered “subrecipients”. Just as the City is bound by all the requirements associated with the use of these federal funds, those same requirements are conveyed to all the City’s subrecipients. The City’s Department of Housing and Community Development (HCD) strives to make this process work as smoothly as possible. To do so, this manual was developed to outline the Federal and City administrative requirements for each of the entitlement funds; provide the forms and reports subrecipients are required to submit; and provide a sufficient description of the administrative process. In order to ensure smooth operations of federally funded programs, it is important to adhere to the following:

1. **Learn the process and requirements (Read this manual).** The purpose of this manual is to make your journey through the administrative process as simple as possible. To avoid unnecessary missteps that might cause delay, you need to understand the processes and requirements as outlined in this manual.
2. **Read your contract.** While this manual attempts to explain all of the requirements of the contract, it is important to read through the contract and understand that this is a legal and binding document with diverse requirements.
3. **Get to know and talk to your project manager on a regular basis.** The project manager in the Department of Housing and Community Development is the central staff person who will work in your project. It is important to keep in touch with your project manager about the project. All questions regarding the project should be directed to the project manager.
4. **Submit forms, reports, and requested data in a timely manner.** If you fail to keep up with the administrative requirements for the process, your funding could be delayed or stopped until issues are resolved.
5. **Attend training.** Over the course of the project a series of training sessions on different topics will be held. Training is required by the project contract and it is necessary to make sure that all of the subrecipients are aware of the latest requirements.
6. **Ask questions.** Subrecipients should feel free to ask staff questions about any aspect of the process. Ask before you make any assumptions that might be incorrect. This can help avoid problems and make the process work effectively.
7. **Familiarize yourself with the federal program requirements.** There are numerous federal regulations and requirements for each of the entitlement programs. This manual only highlights some of them; however your contract includes all other federal requirements by reference.

CHAPTER I. FY 2019-20 ENTITLEMENT FUND PROCESS TIMELINE

MAY 2019

- City submits FY 2019-20 Annual Plan and Budget to HUD
- City provides official notice of grant award to subrecipients
- City staff and subrecipients begin the preparation of Item Plans
- Subrecipients training for FY 2019-20

JUNE 2019

- Final draft Item Plans submitted to the HCD
- City staff distribute Item Plans and Contracts to subrecipients to obtain needed signatures
- Signed Item Plans and Contracts submitted to the HCD by July 1st

JULY 2019

- Fiscal year begins
- City processes initial disbursement of funds (subject to signed agreement from HUD)
- City Staff begins environmental review of all projects
- Final Quarterly Report for 4th quarter FY 2018-19 (end of year report) due 5th working day to HCD
- Section 3 Summary Report and Minority Business Report due same day as Final Quarterly Report to Department of Housing and Community Development (July 8th)
- All FY 2018-19 invoices must be submitted to the HCD by July 15th

AUGUST 2019

- City staff completes environmental review of all projects

SEPTEMBER 2019

- Draft FY 2019-20 Consolidated Plan Annual Performance Report for citizen comment
- City staff submits Consolidated Plan Annual Performance Report to HUD
- All sub-recipients must report Contractors and Minority Business Activity (Oct. 1, 2018 thru Sept. 30, 2019) to the City by September 10, 2019.

OCTOBER 2019

- 1ST Quarter Report due 5th working day to Department of Housing and Community Development
- Review FY 2019-20 unexpended funds to identify carryover and surplus available for reallocation
- Begin Item Plan revisions to reflect carryover
- Three (3) copies of audit report for any subrecipients who receives \$750,000, whose fiscal year ends June 30th, due to the HCD by October 30th

DECEMBER 2019

- All Item Plan revisions reflecting carryover are due to the HCD

(*) Dates related to Federal funding budget are subject to change depending on federal allocation

JANUARY 2019

- 2ND Quarter Reports due 5th working day to HCD Department
- Three (3) copies of audit for subrecipients, whose fiscal year ends September 30th, due to the Department of Finance by January 29th.

MARCH 2020

- Mayor's Budget Announcement
- Mayor's funding recommendations submitted to City Council (FY 2020-21)

APRIL 2020

- City Council conducts public hearing on the FY 2020-2021 Consolidated Annual Plan and Budget
- 3rd Quarter Report due 5th working day to Department of Housing and Community Development
- Three (3) copies of audit report for subrecipients, whose fiscal year ends December 31st, due to the Department of Finance by April 30th.

MAY 2020

- City Council adopts FY 2020-2021 Consolidated Annual Plan and Budget
- City staff submits Consolidated Plan to HUD by May 15th
- Conduct subrecipient training for the new fiscal year

JUNE 2020

- Final draft Item Plans submitted to the HCD Department
- City staff distribute Item Plans and Contracts to subrecipients to obtain needed signatures
- Signed Item Plans and Contracts submitted to the Department of Housing and Community Development by July 1st

CHAPTER II. THE CONSOLIDATED PLAN

2.1 Consolidated Action Plan

The Five-Year Consolidated Plan identifies the City's overall needs for affordable housing, community development, economic development, community facilities and services to persons with special needs. It also includes a strategic plan to address the identified needs. In addition to being a planning document, the Plan serves as the City's official application to the U. S. Department of Housing and Urban Development (HUD) for the following entitlement programs:

- Community Development Block Grant (CDBG)
- HOME Investment Partnership (HOME)
- Emergency Solutions Grant, formally Emergency Shelter Grant (ESG)
- Housing Opportunities for Persons with AIDS (HOPWA)

Each year, federal regulations require the City of Richmond to submit an Annual Action Plan, which describes how the City will use CDBG, HOME, ESG, and HOPWA funds to implement the Three-Year Consolidated Plan. The 2019-2020 Annual Action Plan, marks the Twentieth of such documents, and all of the proposed projects are consistent with the 2016-2020 Consolidated Plan. For FY 2019-20, the City expects to receive a total of \$7,480,634 for the four entitlement programs.

The Department of Housing and Community Development is charged with preparing the 2016-2020 Consolidated Action Plan, and for ensuring compliance with the appropriate HUD regulations.

Amendment of the Consolidated Action Plan

The Consolidated Action Plan and the federal funds budget can be modified in small amounts by administrative action. A substantial change, will, however, require an amendment to the Consolidated Plan with approval by City Council. A "substantial change" has been defined in the Consolidated Plan as one of the following:

1. Funding a new project in excess of \$30,000
2. Adding more than \$50,000 to an existing project
3. Subtracting more than \$50,000 from an existing project
4. Changing the purpose, location or beneficiaries of an activity.

When it has been determined that a substantial change must be made to Consolidated Action Plan, the proposed amendment will be published for review in the local newspaper at least 30-days prior to City Council adoption of the amendment. City Council will hold

a public hearing before adopting an amendment to the Consolidated Action Plan. The HCD Department makes all arrangements for public hearings and is responsible for handling all public notices.

2.2 Neighborhoods in Bloom/Vacant Building Strategy

The City of Richmond continues to implement its award winning Neighborhoods in Bloom Program. This targeted strategy receives \$2,380,440, about 40% of the CDBG and HOME funds, to comprehensively address conditions in six neighborhoods. Funds will be used for property acquisition, housing construction, and housing rehabilitation in Bellemeade, Blackwell, Carver, Highland Park North, Oak Grove, Southern Barton Heights, Church Hill and Swansboro.

Simultaneous with NiB implementation is the continuation of the Vacant Building Strategy, with an expressed goal of addressing vacant buildings within the City. Through code enforcement, acquisition, rehabilitation, and demolition, blight caused by abandoned buildings will be reduced. The Vacant Building Strategy will work in tandem with NiB and the City's code enforcement efforts, using powers available through other state approved initiatives such as spot blight and conservation projects.

CHAPTER III. FUNDING SOURCES AND ELIGIBLE ACTIVITIES

3.1 Community Development Block Grant (CDBG) Fund

Community Development Block Grant funds constitutes the largest block of financial resources available to the City for housing and community development activities. These flexible funds are provided on an annual basis to the City to carry out a wide range of community activities focused in the areas of:

- Housing and Neighborhood Revitalization
- Economic Development
- Public Facilities
- Planning Public Services

CDBG Broad National Objectives

All CDBG Projects must meet a Broad National Objective (BNO). The objectives fall into three primary categories:

- Providing a Benefit to Low to Moderate Income Persons
- Preventing or Eliminating Slums and Blight
- Meeting an urgent need, in cases of natural disasters or other emergencies

The Broad National Objective assigned to a project should not change over the course of the project. Certain projects that involve the development of single family housing, either through new construction or rehabilitation, can serve both low/mod and slums/blight Broad National Objectives. The activity in the item plan must reflect if it is a low/mod or a slums/blight activity.

Listed below are the BNOs that apply to CDBG projects:

- **Low-Mod Area Benefit** is provided when a project provides a benefit to all the residents of an area, which is considered low-to-moderate income because 51% of the residents are low to moderate income (i.e. at or below 80% of the Richmond median income).
- **Low-Mod Limited Clientele Benefit** is provided when a project provides a benefit to a specific clientele (i.e. youth, the elderly etc.) that is primarily low-to-moderate income.
- **Low-Mod Housing Benefit** is provided when a project creates or retains housing for low-to-moderate income persons.
- **Low-Mod Jobs Benefit** is provided when a project provides employment primarily for low-to-moderate income persons.

- **Slums and Blight-Area Basis Benefit** is provided when a project is helping to prevent or eliminate slum conditions in a designated blighted area.
- **Slums and Blight-Spot Basis Benefit** is provided when a project is eliminating or preventing blight on specific property in an otherwise stable unblighted area.

CDBG Eligible Activities

The following are eligible activities under the CDBG program:

- **Acquisition of Real Property** - The purchase, long-term lease, donation or transfer (whole or in part) of property for a CDBG-eligible development activity or public purpose.
- **CBDO Activities for Otherwise Ineligible Activities** - A Community Based Development Organization (CBDO) is an organization in which representation by neighborhood residents and property owners exists. A CBDO is focused on addressing the physical, economic, and/or social needs of a particular community through a neighborhood revitalization plan, a community economic development project, or energy conservation project. The components of a CBDO project might not otherwise be eligible but provide a comprehensive approach to revitalization.
- **Code Enforcement** - Inspection for code violations and enforcement activities in deteriorated areas. These activities will be carried out in conjunction with public improvements, rehabilitation, and other services to arrest the decline of the area.
- **Clearance Activities** - The demolition, clearance and removal of buildings or the movement of buildings and improvements to other sites.
- **Commercial or Industrial Development** - The acquisition, construction, rehabilitation, or installation of commercial and industrial buildings.
- **Construction of Housing** - The construction of housing only in special circumstances provided in the U.S. Housing Act of 1937.
Generally, CDBG funds cannot be used for the construction of new housing. Subrecipients classified as a CBDO are permitted to construct new houses (see CBDO Activity).
- **Direct Economic Development Assistance to Private For Profit Entities** - Assistance to for profit entities including grants, loan guarantees, interest supplements, technical assistance and other support.
- **Direct Homeownership Assistance** - Assisting homebuyers by subsidizing interest rates and mortgage principal amounts, financing a lease purchase, acquiring mortgage guarantees from private lenders, providing up to 50% of a required home down payment, or the paying of reasonable closing costs.
- **Disposition** - Costs related to the sale, lease, donation or transfer of any real property acquired with CDBG dollars or holding costs associated with the temporary retention of a property. The disposition must assure the property meets one of the CDBG Broad National Objectives.
- **Economic Development Services** - Special services to foster economic development including: grant application, preparation of agreements, job placement, job training, outreach efforts etc.

- **Historic Preservation** - The rehabilitation, preservation, or restoration of any property, which the City of Richmond, Commonwealth of Virginia, or U.S. Government has designated as historic or which has been determined eligible.
- **Interim Assistance** - Temporary assistance to arrest significant deterioration that will be followed by permanent assistance, or temporary assistance to alleviate an emergency condition. *This activity applies to the urgent need BNO and is not generally used.*
- **Lead-Based Paint Hazard Evaluation and Reduction** - The identification and abatement of lead based paint hazards.
- **Loss of Rental Income Replacement** - Payments to property owners for a loss of rental income for holding properties for persons displaced by eligible activities.
- **Micro Enterprise Assistance** - Providing credit, technical assistance, or general assistance for the development of micro enterprises. A micro enterprise is a business with 5 employees or less, of which the owner is included.
- **Planning & Administration**- The development of a neighborhood or city-wide plan for housing, economic development, historic preservation, capital improvements, transportation, utilities, environmental issues, recreation and parks, or comprehensive evaluation of issues. Planning funds may also be used to help an agency undertake capacity building activities.
- **Privately-Owned Utility Development** - The acquisition, construction, reconstruction, rehabilitation or installation of privately owned utilities or the placing of existing utilities underground.
- **Program Administration** - The program administration category is only for programs that pay for the overall administration of CDBG funds. Generally, this category will only apply to the administration of the CDBG program by the City. The administrative costs of a project need to be prorated into different activity categories.
- **Public Facilities and Improvements** - The acquisition, construction, reconstruction, rehabilitation and/or improvements of public facilities.
- **Public Services** - Providing public services concerned with employment, crime prevention, child care, youth services, health, drug abuse, fair housing counseling, education, energy conservation, welfare (not including payments), recreational needs, and other public service needs.
- **Reconstruction** – Rebuilding a structure on the same site in substantially the same manner as the previous structure on the site.
- **Rehabilitation** - The rehabilitation of existing public facilities, commercial or industrial properties (exterior only), non-profit owned buildings, public housing, or residences. This activity also includes emergency repair activities.
- **Relocation** - Payments and other assistance for the permanent or temporary relocation of individuals, families, businesses and nonprofit organizations displaced by other funded activities in conformance with the City’s Section 104 (d) Relocation and Replacement Plan.
- **Removal of Architectural Barriers** - The removal of architectural barriers for the disabled in conformance with Section 504 requirements and the Americans with Disabilities Act.
- **Renovation of Closed Buildings** - The renovation and conversion of closed buildings for a public facility or for housing.
- **Urban Renewal Completion** - Activities that will result in the completion of existing urban renewal areas.

3.2 Home Investment Partnerships (HOME) Fund

HOME funds are awarded to the City annually to expand the supply of decent, affordable housing to low and extremely low-income households with an emphasis on homeownership. The program provides coordinated assistance for the creation of affordable housing for homeowners.

HOME Eligible Activities

The following are eligible activities under the HOME program:

- **Acquisition of Real Property** - The purchase of property for the rehabilitation or construction of housing.
- **Rehabilitation** - The rehabilitation of existing housing units or converted buildings for housing for low-to-moderate income people. All rehabilitations must meet Housing Quality Standards (HQS).
- **Homeownership Assistance** - Providing assistance to low-to-moderate income homebuyers in the form of down payment assistance, the payment of closing costs, and other forms of assistance.
- **New Construction** - The construction of housing units for low-to-moderate income people.
- **CHDO Loans** - Loans made by Community Housing Development Organizations (CHDO's) to low-to moderate income people to purchase housing.
- **CHDO Capacity Building** - Activities for CHDO's to develop their organizational capacity.
- **CHDO Administration** – Activities for CHDO's to cover general program administration costs for projects that are directly funded with HOME funds. Program administration includes personnel, supplies and other related costs.
- **HOME Program Administration** - *The program administration category is only for programs, which pay for the overall administration of HOME funds.* Generally, this category will apply to the City of Richmond, RRHA and other non-profit organizations for the general administration of funds. The administrative costs of subrecipients must be prorated over the costs of different project categories.

3.3 Emergency Solutions Grant (ESG) Fund

The objectives of the Emergency Solutions Grant, formally Emergency Shelter Grant, funds are to broaden existing emergency shelter and homelessness prevention activities and to add short- and medium-term rental assistance and services to rapidly re-house homeless people

Since its inception and incorporation into the McKinney-Vento Act, the ESG program has helped states and localities provide facilities and services to meet the needs of homeless

people. ESG funds assist in providing shelter for the homeless, but also aid in the transition of this population to permanent housing.

A. ESG Eligible Activities

The following are eligible activities under the ESG program:

- **Street Outreach Component** - Essential Services include street outreach services for: engagement; case management; emergency health and mental health services; transportation; and services for special populations.
- **Emergency Shelter Component** - This serves people staying in emergency shelters. Essential Services include: case management; child care, education, employment, and life skills services; legal services; health, mental health, and substance abuse services; transportation; services for special populations. Shelter activities include: renovation (including major rehab or conversion); operations (e.g., maintenance, utilities, furniture, food). (Street outreach and emergency shelter expenditures are capped.)
- **Homelessness Prevention Component** - Eligible activities: housing relocation and stabilization services; short- and medium-term rental assistance.
- **Rapid Re-Housing Component** - Available to those who are literally homeless, it can be used to help a homeless individual or family move into permanent housing and achieve housing stability. Eligible activities include housing relocation and stabilization services, along with short- and medium-term rental assistance.
- **Homelessness Management Information System (HMIS) Component** - Homeward is the lead HMIS agency in Richmond.
- **Administrative Costs** – Up to 7.5 percent of the annual grant is available to the local government for administrative purposes.

B. Ineligible and Prohibited Activities

- Sub-grantee past due taxes
- Sub-grantee late fees
- Repayment of loans from the program participant to the sub-grantee
- Return of utility or security deposits to the sub-grantee not tracked as program income
- Assistance where other resources are available
- Other ineligible and prohibited activities:
 - construction or rehabilitation
 - credit card bills or other consumer debt
 - car repair
 - program participant travel costs
 - medical or dental care and medicines
 - clothing and grooming
 - home furnishings
 - pet care
 - entertainment activities
 - work or education related materials
 - indirect costs
 - cash assistance to program participants

- Any ESG funds used to support program participants must be issued directly to the appropriate third party, such as the landlord or utility company, and in no case are funds eligible to be issued directly to program participants. If funds are found to be used for ineligible activities as determined by HCD, the sub-grantee will be required to reimburse these costs to HCD.
- Program fees
- Any fees charged to the program applicant or participant

3.4 Housing Opportunities For Persons With AIDS (HOPWA) Fund

The Housing Opportunities for Persons with AIDS (HOPWA) Fund was created to assist localities with the resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with Acquired Immune Deficiency Syndrome (AIDS) and related diseases. HOPWA housing assistance and supportive services are limited to persons with AIDS (PWA's) or related diseases and their families who are low-income (any individual or family whose income does not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families unless HUD determines higher or lower ceilings are necessary because of prevailing levels of construction costs or unusually high or low family incomes). Any person with AIDS, regardless of income, can receive housing information services and participate in a community residence's outreach and educational activities.

HOPWA Eligible Activities

HOPWA funds may be used to assist all forms of housing designed to prevent homelessness including emergency housing, shared housing arrangements, apartments, single room occupancy (SRO) dwellings and community residences for persons with AIDS and related diseases. Appropriate supportive services must also be provided as part of any HOPWA assisted housing, program funds may also be used to provide services independently of any housing activity. In addition, administrative costs can be covered but are limited to 7% of each project sponsor's grant award.

The following are eligible activities included under the HOPWA program:

- **Housing information services**
- **Resource identification**
- **Acquisition, rehabilitation, conversion, lease, and repair of facilities to provide housing and services**
- **New construction for SRO dwellings and community residences only**
- **Project or tenant based rental assistance, short-term rent, mortgage, and utility payments to prevent homelessness**
- **Supportive services (to include providing first month's rent)**
- **Operating costs for housing**
- **Technical assistance in establishing and operating a community residence**
- **Administrative Costs limited to 7% of allocation.**

- **City Administrative Costs limit to 3% of Annual Allocation**

CHAPTER IV. ITEM PLANS AND CONTRACTS

4.1 Item Plan

An Item Plan is a required project control document for each funded project (see Appendix II). It sets forth what will be accomplished, when it will be done, the budgeted allowable cost, and the measurable objective. It is the primary document for all activities and expenditures connected with each project. It is the documented source of goals against which all accomplishments will be reported. When Contracts are used, the Item Plan will be included as Exhibit A - Work Program, with each Contract. No funds can be committed or expended until the Item Plan indicates that an appropriate account code has been assigned to a specific activity and HUD has authorized the Release of Funds for expenditures. Each Item Plan, as outlined in Chapter IX, Section 9.1, contains a brief description of the purpose of the project, the project goals, the specific accomplishments of the project, and the budget for each activity. In addition, the first page of the Item Plan shows the date of the latest issue and the sign-off acceptance of the plan by all responsible parties either involved in the review or implementation of the Item Plan.

Item Plan Development and Processing

After adoption of the Consolidated Action Plan by City Council, the HCD Project Manager will work with the subrecipient's Item Manager to prepare an Item Plan document. The Item Plan will then be submitted to the HCD. Completed Item Plans and Contracts will be submitted to the subrecipients along with contracts (if applicable) for required signatures and returned so that funding is available at the beginning of the fiscal year. The processing of funds cannot begin until the subrecipient returns the Item Plan. Failure to return the signed Item Plan by September 1st may result in the termination of the project and the recapture of funds. If an Item Plan is not completed by the end of the fiscal year for funds that were allocated in the original budget and/or by amendment, the City will recapture allocated funds at the end of the fiscal year.

Revision of Item Plans

During the course of the fiscal year, a budgetary and/or programmatic revision of the Item Plan may become necessary. The Item Manager should consult with the HCD Project Manager, to revise the Item Plan for submission to the Director of HCD. The Item Manager may be required to provide documentation on the need for the revision with detailed program and budget information including impact on project objectives. After receipt of the revision and approval of the Item Plan, the HCD Project Manager shall prepare the revised portions of the Item Plan. After the appropriate changes are made, the revised document will be circulated as necessary for authorization and then submitted to the City Finance Department for processing.

Any change in budget line items:

- Less than \$10,000 that does not change the total project amount requires a revision of the Item Plan and must be approved by the Project Manager of the HCD.
- More than \$10,000 that does not change the total project amount requires a revision of the Item Plan and all required signatures on the first page of the Item Plan.
- Adding or subtracting less than \$50,000 from the total project budget requires a revision of the Item Plan and Contract, all required signatures for both documents and HUD notification.
- Adding or subtracting more than \$50,000 from the total project budget requires a City Council amendment to the Consolidated Action Plan, a revised Item Plan and Contract with all required signatures and HUD notification.

4.2 Contracts

The contract is the overall legal document that defines the relationship between the subrecipient and the City. Subrecipients will receive a separate contract for each of the grants (CDBG, HOME, ESG, HOPWA) it will receive for the fiscal year. Each of the subrecipient's projects receiving funding will be listed in the appropriate contract. Each contract will cover one fiscal year of a project. Subrecipients will be monitored for their compliance with the contract as specified in Chapter VII, Sections 7.1 and 7.2. The Contract may be terminated by either party hereto upon delivery of written notice, one to the other, at least thirty (30) days by registered mail return receipt. The City may also reduce the dollar amount of the Contract in the same manner.

4.3 Reallocation and Carryover of Unspent Project Funds

The City of Richmond automatically recaptures funds that have not been spent at the end of the fiscal year. Unless specifically granted as carryover, the recaptured funds go to the undesignated reserve to be reprogrammed. For unspent funds to be granted as carryover, the subrecipient must provide documentation describing the need for, and use of, these funds. Adding carryover funds, unspent from the previous fiscal year, requires an amendment to the item plan and contract, but does not require City Council approval, regardless of the amount. Funds provided as carryover are designated as such in the item plan.

CHAPTER V. Requirements for Housing Development

5.1 Board Composition for a Community Development Corporation (CDC)

The board of directors of a non-profit corporation undertaking housing or community development activities, generally known as a Community Development Corporation (CDC) should consist of representation from the community where the housing is being developed and from various fields that are essential to sound housing development. There should be a clear separation of responsibility and authority between the board and staff. Paid staff may not serve as voting members of the board of directors of a community development corporation or any other non-profit corporation funded with CDBG, HOME, ESG, or HOPWA funds. In order to receive CHDO or CBDO funding, the organization must complete and submit a notarized CHDO/CBDO Self-Certification form, Appendix J-8. Certification must be approved by City Staff prior to entering into a contract.

A. Community Housing Development Organization (CHDO) Requirements

Certification as a CHDO is necessary in order to take advantage of certain HOME funded activities. Organizations must meet the following criteria to qualify as a CHDO:

- Is organized under State or local laws;
- Has no part of its net earnings incurring to the benefit of any member, founder, contributor, or individual;
- Has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986;
- Has standards of financial accountability that conform to CFR 84.21, "Standards for Financial Management System";
- Has among its purpose the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or by-laws;
- Maintains at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations;
- Has a demonstrated capacity for carrying out activities assisted with HOME funds;
- Has a history of serving the community for a least a year within which housing to be assisted with HOME funds is to be located.

B. Community Based Development Organization (CBDO) Requirements

Certification as a CBDO is necessary to use CDBG funds for new construction and certain other activities. Organizations must meet the following criteria to qualify as a CBDO (private nonprofit organization):

- Is organized under State or local laws;

- Is engaged in community development activities (which may include housing and economic development activities) primarily within an identified geographic area of operation within a neighborhood;
- Has as its primary purpose the improvement of the physical, economic or social environment of its geographic area (neighborhood) by addressing one or more critical problems of the area, with particular attention to needs of persons of low and moderate income;
- Maintains at least 51 percent of its governing body's membership for low and moderate-income residents of its geographic area of operation (neighborhood).

5.2 Financial Support

It is the policy of the City of Richmond to provide financial support for the development of housing by providing the minimum subsidy necessary where the lack of a subsidy makes the project financially infeasible. To that end, for housing development activities, the City will fund the gap between the total development costs of a property (excluding the cost of acquisition, demolition, and relocation) and the net sales price based on fair market value. Included in the development cost should be a reasonable developer's fee to cover all indirect and administrative costs associated with the project by the housing subrecipient. A reasonable developer's fee will generally range from 8-12% of project construction costs. The basis for calculating the developer's fee shall be the sum of all direct construction costs and the predevelopment costs. No additional administrative or personnel costs associated with housing development will be funded. The City reserves the right to further limit developer's fees. It may not include interest, taxes, utilities or "other" costs, as listed on the pro-forma in Appendix A4.

For each project, City staff will review the pro-forma submitted for reasonableness of costs. The project pro-forma (Appendix A4) is part of the financial information submitted with the Project Initiation Form as described in Chapter IX, Section 9.3.

For development assistance other than single family residential, the City will, upon reviewing project financials, determine the appropriate structuring of City financial participation in the project.

5.3 Housing Development Subsidy Limits

The purpose of providing CDBG and HOME funds for housing rehabilitation and new construction is to accommodate the financial gap between the development cost and the market value of the completed project. It is recognized that the development subsidy required is a function of the type of development (new construction or rehabilitation), the extent of the project (gut rehab or minor rehab), and the size of the structure. The total project subsidy (inclusive of any developer's fee) should not exceed \$45,000 for new construction and \$65,000 for rehabilitation; under special circumstances the project subsidy will be determined on a case by case basis particularly where there are substantial costs for the abatement of lead based paint. For projects that incorporate green designs and meet energy star standards for the whole project the total project subsidy (inclusive of any developer's fee) should not exceed \$65,000 for new construction and \$75,000 for

rehabilitation. Since a developer's fee is to be incorporated into the project cost, no other indirect or administrative costs to undertake these projects will be provided, nor should any be budgeted. Disbursement of these funds will be provided in accordance with Section 5.8.

5.4 Housing Upgrades

The inclusion of luxury or upgrade items is not appropriate for inclusion in homes where the development is subsidized with federal funds. This includes but is not limited to: custom tile work, custom counter tops, substantial upgrade or "luxury" plumbing fixtures, nonstandard flooring (such as excessive use of hardwood in new construction), certain appliances or any other upgrade discouraged or prohibited by federal requirements.

5.5 Housing Affordability

To further affordable housing, homebuyer assistance can be provided where the project is required to serve low/mod homebuyers. Such assistance should be structured as a second mortgage in the form of a deferred loan with an interest rate of no more than 3%, accruing for no more than 10 years, to be paid in full only upon sale of property. This instrument will be held as joint trustees from the subrecipient and the City of Richmond. However upon sale, the funds will be returned to the City of Richmond as program income. Financing such as this can be in addition to down payment and closing cost assistance, structured as a forgivable loan. The City shall retain the discretion to, after 10 years; waive some or all of the lien in instances where property values have declined. This assistance cannot exceed \$25,000 without written permission and sufficient justification.

When calculating the housing affordability period for Homeowner rehabilitation assistance, Direct Down Payment and/or closing cost assistance that involves a Deed of Trust and Deed of Trust Note, the affordability period shall start on the date the Deed of Trust signed unless stated otherwise in the Deed of Trust Note.

The City Of Richmond defines **Affordable Housing Rents** as housing for which the occupant(s) is/are paying no more than 30 percent of his or her income for gross housing costs, including utilities. This definition applies to the CDBG and HOME programs.

5.6 Personnel and Administrative Costs for other Housing Activities

It is the policy of the City of Richmond to utilize fee-based payments for services to the maximum extent practical. To that end, specific fees will be established for the provision of specific housing related services. Invoicing and payment of fees shall follow a schedule established by the City and referenced in the Item Plan for each activity. Activities that would typically be paid on a fee-based system include direct homeownership assistance and owner occupied housing rehabilitation. It is the intention that these fees will be the only compensation for personnel and administrative costs associated with the activity.

For activities where it is not practical to use a fee-based system, administrative and personnel costs associated with these activities will be negotiated with each subrecipient. Such activities typically include: acquisition, demolition, disposition, and relocation.

5.7 Relocation

In order for relocation funds to be budgeted or dispersed, a subrecipient must provide documentation that it has the expertise in-house to undertake relocations consistent with HUD requirements. Alternatively, a subrecipient may provide documentation of an arrangement with another qualifying entity to undertake relocation on its behalf.

5.8 Funds Disbursement for Housing Development Activities

Disbursement of the allowed development subsidy or fee for projects will occur in accordance with the following guidelines. Please note percentages are cumulative. Disbursements are based upon the estimated development subsidy within the pro forma submitted with the PIF. The final payment will be calculated based on the information within the final pro forma, which is submitted with the PCF. All funds drawn must be expended on eligible expenses for the designated address within 15 days. Any funds received and not expended for eligible costs must be returned to the City.

For Purchase/Rehab/Sale and New Construction Projects (most CDCs)

- Total amount is based upon the total development subsidy needed for the project as shown on the project pro forma
- Up to 40% of total upon submission of Project Initiation Form, Section 106 checklist material, and Lead Based Paint Form
- Up to 80% of total upon submission of passing veneer inspection
- Up to 90% of total upon issue of certificate of occupancy
- Up to 100% of total upon completion of project (property is sold, and the following forms have been submitted: project completion form, development proforma, passing clearance test, lead based paint and risk assessment, and proof of homeowner notification of lead based paint hazards and hazard reduction activities)

For Owner Occupied Rehab

- Total amount is based upon a fee (per project) agreed upon between the City and the subrecipient, plus the hard costs of the rehab. (as shown on the project write-up)
- Project administrative fee is paid in two parts- one-half with the submission of Project Initiation Form and required documents. The remaining one-half with the submission of the Project Completion Form and required paperwork, to include passing clearance test and homeowner notification.
- Project hard costs are paid after receipt of PIF, with the final hard costs to be paid only after receipt of all required documents.

For Down Payment (Direct Homeownership) Assistance

- Payment has three components: actual amount of down payment assistance, payment to the subrecipient to cover administrative and other costs, and where agreed to, reimbursement for specific expenses (inspections, credit report, etc.). Reimbursement for administrative costs to subrecipient will not exceed an amount agreed upon between the City and the subrecipient per loan
- Once there is a certified purchaser, 50% of the administrative costs can be paid

- Actual amount of DPA will be paid upon closing of loan
- Other expenses (credit report, inspections, etc.) can be paid once they have occurred, provided they are associated with a specific address
- Any remaining amounts to be paid upon closing of loan

For Other Fee-based Forgivable Loans Involving Rehab or New Construction

- Up to 20% at the beginning of the fiscal year for pre-development and marketing costs (no project initiation form is required, however cost must ultimately be linked to a particular address)
- Once a purchaser has been identified, the Project Initiation Form, Lead Based Paint Form, Section 106 certification, and risk assessment has been submitted, and a construction contract has been signed, 50% of the fee can be paid
- Up to 75% can be paid once construction is 50% complete
- Remaining 25% to be paid upon closing of the loan and submission of the Project Completion Form, passing clearance test, and proof of homeowner lead notification (if homeowner has been identified)

For Principal Reduction Assistance

- Administrative fee is generally not allowed, but may be negotiated if deemed necessary
- The request for principal reduction funds should be submitted at least two weeks prior to closing. A draft HUD settlement statement and an interim project pro forma that documents the need for assistance should accompany request
- Please note that HUD limits assistance to projects using HOME Investment Partnerships funds and may affect the amount of principal assistance available to a project
- Projects with a high probability that homebuyer assistance may be needed, the estimated amount of that assistance may be obtained during construction of the property using the percentage method for construction assistance. If the amount of drawn principal reduction assistance exceeds the amount needed at closing, the extra amount must be returned to the City as an overpayment

5.9 Customer Complaints

Resolution of customer complaints is the responsibility of the housing provider (subrecipient). If the City of Richmond receives a customer complaint either directly from the customer or by referral from HUD or any other relevant agency, HCD staff will follow up to ensure that the appropriate housing provider has taken, or is taking appropriate action to address the complaint.

Clients contacting the Department of Housing and Community Development will be instructed to first work with the appropriate housing provider to resolve the complaint. Housing providers are expected to attempt to address all complaints and respond in writing

to all complaints made to them. All communication and subsequent resolutions for client complaints should be documented in the client files for review during monitoring visits.

For complaints that remain unresolved, the City may at its expense undertake an independent evaluation or inspection of the issues raised by the complainant. Based on the results of that evaluation, the City may require the housing provider to address those issues at its expense.

5.10 Other Property Requirements

All subrecipients purchasing or selling real estate that has been purchased in whole or in-part with federal funds must abide by all applicable City and federal requirements. They include:

- Property Acquisition Requirements
(see Section 8.23 and 24 CFR 570.201 (a); 201(c), 202, 203(a).
- Property Use, Management and Disposition Requirements
(see Section 8.22; 24 CFR 570.505 and 24 CFR 570.503(b)(7).
- Allowable Property Holding Costs (see Section 6.1)

5.11 Subsidy Layering Guidelines

The City of Richmond's HOME grant policies and procedures require a certain level of valuation for each proposed project before committing any HOME or CDBG funding to a housing development project for homeowner rehabilitation, homeownership or rental development assistance. At a minimum, projects will be evaluated per minimum HUD requirements (CPD Notice 98-1) to ensure that the City will not invest more HOME/CDBG funds than necessary to provide affordable housing.

Project Evaluation Criteria:

HOME evaluations will be performed before any funds are committed to a project. Meaning before a contract is executed between the City and the agency requesting the funds.

Projects will be evaluated using the following information:

Application for Low Income Housing Tax Credits (LIHTC) from the (VHDA), Rental Housing Assistance for a private developer, homeowner rehabilitation/repair grants requests, homebuyer assistance grant requests.

- HOME Project Evaluation Report
- HOME Subsidy Layering Analysis Worksheet
- HUD Assistance Certification Form

A City letter of commitment will be issued to the agency contingent upon verification that all the necessary funding has been secured for the proposed project.

Evaluation Tools:

Applicants will be required to fill out the HOME Project Evaluation Report that will be provided to all applicants in an electronic format during the application process. This report will provide much of the financial information used in the review process.

In addition to filling out the evaluation report, applicants will also be required to fill out the HOME Subsidy Layering Analysis Worksheet that will be provided to all applicants in an electronic format during the application process. This worksheet will provide information on the financial viability of the project during the HOME affordability period or the agreed terms outlined in the CDBG Deed of Trust for homebuyer, homeowner rehabilitation, or rental assistance projects.

1. Maximum Per Unit Subsidy Limits (Section 234 mortgage limits) <https://www.hudexchange.info/resources/documents/Notice-CPD-15-003-Interim-Policy-on-Maximum-Per-Unit-Subsidy-Limits-for-the-Home-Program.pdf>

Richmond, VA – HCP of 263%			
Bedrooms	Section 234 Basic (Elevator-type) Limit	HCP	HOME Maximum Per-Unit Subsidy Limit
0 BR	\$57,234	240%	\$137,361.60
1 BR	\$65,611	240%	\$157,466.40
2 BR	\$79,782	240%	\$191,476.80
3 BR	\$103,212	240%	\$247,708.80
4+ BR	\$113,295	240%	\$271,908.00

2. Sources and Uses of Funds, including documentation that the funding is secured
 - A. Sources of Funds:

Provide commitment letters with all terms and conditions for all mortgages, grants, subordination agreements, bridge loans and investment tax credits (if applicable). If the source of funds is not documented, it doesn't exist.

Partnerships agreements indicating roles and responsibilities identifying cash contributions by general partners or limited partners.

- B. Use of Funds:

- Earnest Money agreement, option or closing statement for land and/or building
- Development Cost including construction cost estimates.
- Name and qualifications of the cost estimators and methodology used to arrive to the cost estimates.
- Preliminary bids/Construction contract.
- Agreement governing reserves which are capitalized at closing.
- Appraisal
- Tax credits, documentation on syndication cost (legal, accounting, tax opinion, and other charges) and person responsible or organization responsible for syndication and sale of the offerings. Note: Additional documentation will be requested if the City deems the provided is not sufficient or doesn't support the cost estimates submitted.

- Developer's Fee, a reasonable developer's fee will generally range from 8-12% of the project construction costs. No Developer Fees, including overhead, will exceed the caps listed below:
 - Any Development in Census Tracts with > 51% LMI Residents maximum fee capped at 25%
 - Senior Housing Development maximum fee capped at 20%
 - Other Housing including homeowner's rehabilitation projects and homebuyer assistance grants maximum fee capped at 25%

Note: Developer's fees are subject to negotiation based on need and program performance

- Builders Fees
 - Profits will be limited to maximum capped at 6% of the construction cost
 - Overhead will be limited to maximum capped of 2% of construction cost
 - General requirements will be limited to maximum capped of 8% of the construction cost

Note: Builder's fees are subject to negotiation based on need and program performance. In addition developers/builders must disclose any existence of an identity of interest with any party to the development with their HOME/CDBG application.

3. Income/Expense Projections

A. Income

All income should be included in the pro forma (commercial, residential, laundry, grant funding, etc.)

All additional equity contributions to the operating budget (e.g., staged tax credit equity payments, funds to cover anticipated initial operating deficits) should be shown as income.

Rate of increase for income should be no higher than 3% per year for average project.

B. Operating Expenses

All cash expenses should be included and reflect the project's type (Homeowner Rehabilitation, Homebuyer Assistance, Rental, Cooperative, or Condominium), size (number of units), services and cost provided by the locality (garbage collection, tax abatements, water and sewer charges) and type of mechanical systems (electric vs. gas).

Expenses should always be trended higher than income on an annual basis, e.g., increase of 4 to 6 percent per year (as compared to 3 percent for income).

Operating expenses tend to be generally 30-40 percent of gross rents for a market rental project (varies depending on many factors including the limitation on the gross rents that can be obtained in a HOME/CDBG subsidized project vs. a market rate project which has no such limitations). The operating expenses of comparable rent control projects should also be examined to determine a percentage for the project.

The vacancy rate should be a minimum of 5 percent on an annual basis (regardless of project type, size or market conditions).

Property management fees should be approximately 5-10 percent of gross rents. Note: The 5-10 % range is based solely on the managing agent's property management responsibilities. If social services are included in the rent and the managing agent has the responsibility to coordinate/provide such services, the fee may be higher based on additional responsibilities.

- C. Expenses
All partnership distributions (surplus cash) should be included as expenses.

All debt service should be included in the cash flow projections.

All non-cash expenses should be included such as depreciation, amortization of fees and amortization of principal.

4. Operating Pro-Forma

- A. Operating reserve equal to six months of projected expenses including debt service payments and replacement reserve payments.
- B. Replacement Reserve for new construction should be a minimum of:
 - 0-1 bedroom units-\$300 per unit per year
 - 2-3 bedroom units -\$400 per unit per year
 - 4-5 bedroom units-\$500 per unit per year

Replacement Reserve for rehabilitation for rental projects will be at the same minimums listed for new construction projects but the City will also evaluate a cost adjustment based on the property general condition at time of the initial review and the length of the required HOME affordability period or CDBG terms noted in the Deed of Trust.

- C. Debt coverage ratio should be at least 1.15 and must be maintained for the duration of the debt.
- D. Return on investment will be evaluated considering the tax benefits received by the investors, if applicable.

Note: Pro-forma should not be unduly conservative or overly optimistic. The City will evaluate the project to ensure that cost are customary, reasonable and necessary. Additional information may be requested if deemed necessary.

HOME/CDBG funds may be denied if applicant refuses to make reasonable adjustments or to limited financial return or related soft cost.

5. Other required Documentation will be provided including:
 - A. Signed Certification Form Of Governmental Assistance
 - B. Market Analysis- Note this study should be no more than 12 months old.
 - C. HUD 1 for homebuyers Projects
 - D. Appraisal if deem necessary
 - E. Zoning/ Lead Paint/ 106 Certifications
 - F. Written Agreements/MOUs
 - G. Other information if requested by the City
6. Projects Using Low Income Housing Tax Credits
If an applicant is requesting LIHTC from VHDA, the City may rely on the VHDA subsidy layering evaluation and deem the applicant in conformance with the City's layering guideline. However, the applicant will be required to submit the approved LIHTC application as part of their HOME/CDBG application. In addition, the project will be further evaluated to ensure it meets all applicable City requirements.

CHAPTER VI. FINANCIAL REQUIREMENTS & PROCEDURES

6.1 Allowable Property Holding Costs

For property acquired with federal funds, the City of Richmond will support reasonable property holding costs associated with a property for which a future development activity has been identified. Such expenses will be allowed for up to twelve (12) months from the date of purchase whether any development activity has occurred or not. If activity is initiated (e.g. a building permit is obtained), within 12 months of purchase, the City will support holding costs for up to an additional 12 months. If no activity occurs during the initial 12 months, the subrecipient may receive additional support provided they submit their request in writing and can demonstrate cause. The City cannot support maintenance for more than 5 years for any property purchased with federal funds.

Acceptable development expenses include:

- utilities
- taxes
- insurance
- property maintenance (e.g. lawn care, boarding and lot cleaning)

6.2 Allocation of Funds by HUD Activity Categories

All CDBG, HOME, ESG, and HOPWA funds have activity categories, which are listed in Chapter III. Subrecipients must allocate all of their costs by the activity categories. The HCD Project Managers and subrecipients will work closely in the item plan development process to achieve this. Some subrecipients may have only one category. Others may have as many as seven or eight. It is advisable for a subrecipient to concentrate federal funds in as few activity categories as possible.

6.3 ESG & HOPWA Administrative and Personnel Cost Limitations

ESG program rules limit indirect administrative costs up to 7.5 percent of the annual grant is available to the local government for administrative purposes.

HOPWA program rules limit indirect administrative costs to 7% of the total HOPWA amount received.

HOPWA program rules limit City Administrative costs to 3% of the annual HOPWA allocation.

6.4 Invoice and Cash Reimbursement Review and Payment Process

The City Finance Department shall be responsible for accounting and reporting for all expenditures, encumbrances and commitments. For activities not covered in the Funds Disbursement Policy in Section 5.8, subrecipients will request funds on a cost reimbursement basis. Exceptions to this rule will be addressed on a case by case situation. Requisitions for cash are to be submitted to the City Finance Department for review using a Requisition for Cash Form (Appendices B1-B4). This form should include all funds received and expenses to date. If any funds are advanced to a subrecipient and not spent in a timely manner and they earn interest, in compliance with Federal Regulation 24 CFR 85.21 (i), the interest earned shall be returned to the City on a quarterly basis and subsequently returned to the U. S. Treasury by the City. Any allowable administrative costs related to the earning of interest shall be recorded as an expenditure and not netted against the interest earned.

Expenditure Reimbursement: Requests for reimbursement are submitted on the Requisition for Cash Form, which is discussed in Chapter IX, Section 9.8. An expense report [Cost Category Summary Form (Appendices C1, C4, C6, and C8), and Activity Category Forms (Appendices C2, C5, C7, and C9)] must accompany each Requisition for Cash form (Appendices B1-B4).

The general process undertaken by the City Departments of Finance and Housing and Community Development for reviewing and approving invoices is as follows:

- Expenditure and cash requests are submitted to, and reviewed by the Department of Finance for accuracy of the request and to ensure that the request does not exceed the budgeted amount for any activity or line item.
- Finance staff prepares a receiver's report to initiate the payment and forwards it with documentation submitted by the subrecipient to the Administrative Coordinator with HCD.
- Project manager reviews the request and makes a determination (after consulting as necessary with the Director) if it is appropriate to make a payment. For NiB projects, project managers will verify the following:
 - All appropriate related paperwork has been received (project initiation forms, 106 reviews, lead clearance reports, etc.)
 - All payment requests are in conformance with guidelines for the particular program or activity (e.g., subsidy amount does not exceed amount allowed; personnel and indirect costs do not exceed guidelines).
 - There is sufficient information to connect draw requests with the address of a particular project, or provision of services.
 - There are no other outstanding issues with the subrecipient that would preclude payment (lack of quarterly reports, delinquent taxes, delinquent audit report or program income submittal, or any other information requested from the City, etc.)
- If any information is determined to be missing, unclear or incomplete, a written communication will be made to the subrecipient requesting this information. If the

request is found to be in order, the project manager will initial the form and forward it to the HCD Director for final approval.

Upon receipt of an invoice from the Department of Finance, Housing and Community Development Project Managers make every effort to either recommend the invoice for payment (either full or partial) or contact the subrecipient for any needed information within 5 days of receipt of request.

6.5 Requirements Specific to City Agencies

City departments and agencies should not request advance funds or drawdowns because they operate through the City's existing purchasing and accounting systems.

6.6 Allowable and Unallowable Costs for Government Agencies

The following are allowable CDBG Costs:

- Accounting
- Advertising
- Advisory council
- Audit services
- Bonding
- Budgeting
- Building lease management
- Central stores
- Communications
- Compensation for personal services
- Depreciation and use of allowances
- Disbursing services
- Employee health morale and welfare costs
- Exhibits
- Legal Expenses
- Maintenance and repair
- Materials and supplies
- Memberships, subscriptions and professional services
- Motor pools
- Payroll preparation
- Personnel
- Printing and reproduction
- Procurement services
- Taxes (in certain circumstances)
- Travel
- Training and education
- Transportation

The following are allowable HOME costs:

- Acquisition
- Administration and planning costs
- Architecture/engineering or related professional services
- Audit services
- Development hard costs
- Rehabilitation costs
- Relocation costs
- Tenant based rental assistance (if requirements are met)

The following are unallowable CDBG costs:

- Bad debts
- Fines and penalties

- Contingencies
- Contributions and donations
- Entertainment
- General government expenses
- Interest and other financial costs
- Legislative expenses
- The recovery of costs under grant agreements

6.7 Expenditures (City Agencies)

For City agency programs, it shall be the responsibility of the responsible director to ensure that all expenditures are for eligible items and do not exceed their budget. Agencies and departments may expend up to the limit of the amount stated for that activity (and/or item) account code on the latest revised copy of the Item Plan for the current fiscal year. As a rule, transactions that will exceed available funds will be rejected and returned to the originating department marked "Insufficient Funds". In those cases where a transaction is not rejected and creates a negative availability of funds, the Finance Department will notify both the originating department and the Housing and Community Development, and request that appropriate action be taken to increase the availability of funds or transfer the charge to some other account. All expenditures made shall be in compliance with both current City purchasing policies and procedures and with the cost principles set forth in Uniform Administrative Requirements A-110 (See Appendix I6).

6.8 Encumbrances (City Agencies)

The same rules and procedures given for expenditures apply to encumbrances. In addition, no contract may be negotiated or executed, nor any obligations made to purchase or secure any services, article, equipment, or material prior to notification of release of funds by HCD Department.

6.9 Double Reimbursement

The subrecipient shall be prohibited from receiving reimbursement for the same project cost from different funding sources.

6.10 Special Circumstances for Historic Tax Credits

The City of Richmond encourages the use of the Virginia State Historic Tax credits in the rehabilitation of housing for owner occupancy. The work required to meet the historic rehabilitation standard may differ from that to satisfy Section 106 standards, and may require modifications and greater expenses in the rehabilitation of the property. For projects receiving assistance under City housing programs, this may mean higher expenses that will be reflected in the development pro forma as submitted for projects. This may require temporary financial assistance from the City since generally the income generated from the tax credit is not available until the conclusion of the project. Agencies seeking to use the Virginia historic tax credits must identify the use at the outset and show the estimated tax credit on the pro forma. The City will treat any related financial assistance as a short term no interest loan to be repaid at the time the credit is received.

6.11 Program Income and Other Income Sources

Program income represents gross income earned by the subrecipient from federally supported activities. Such earnings exclude interest earned on advances of federal funds and may include, but will not be limited to: sale of real estate, income from service fees, sale of commodities, usage or rental fees, and royalties on patents and copyrights. Subrecipients will account for program income related to projects financed in whole or in part with federal funds in the following manner:

- A.** Interest earned on advances of Federal funds shall be returned to the City to be remitted to the Federal government except for interest earned on advances to States or an instrumentality of a State as provided by the Intergovernmental Cooperation Act of 1968 (Public Law 90-377).
- B.** Proceeds from the sale of real and personal property either provided by the Federal government or purchased in whole or in part with Federal funds, shall be handled in accordance with Circular A-110 (See Appendix I6) and requirements described in Section 8.22.
- C.** All program income will be returned to the City in accordance with Circular A-110, unless otherwise specified in the City's contract with the subrecipient.

All program income is to be reported and submitted to the City no later than 45 days after the end of each quarter.

6.12 Financial Sanctions

The City reserves the right to impose financial sanctions on the subrecipient. If the City elects to impose sanctions they may include withholding any and all project funds, termination of the contract, requiring the subrecipient to return funds already received, and barring the agency from future funding. Sanctions may be imposed if the subrecipient does one or more of the following:

- A.** Fails to file required reports (quarterly reports, lead forms, CAPER data etc.) or to meet project progress or completion deadlines.
- B.** Materially fails to comply with any provision of the Contract.
- C.** Expends project funds for ineligible activities, services or items.
- D.** Implements the project prior to the beginning of the fiscal year or approval of the Contract and Item Plan.
- E.** Violates the Historic Preservation (Section 106) requirements of the program.
- F.** Violates lead safe housing requirements.
- G.** Violates any requirement regarding property acquisition or disposition.
- H.** Violates any of the other stipulations of the Contract or requirement for the use of federal funds.

- I.** Fails to comply with written notice from the City of substandard performance under the terms of this agreement, identified in programmatic or financial monitoring.
- J.** Fails to expend funds within the Contract period and cannot verify funds will be spent in a timely manner.
- K.** Fails to meet its lawful obligations; i.e. compliance with the applicable zoning, payment of taxes, etc.

6.13 Procurement Procedures

Listed below are required procurement procedures. Additional procurement procedures are outlined in Uniform Administrative Requirement A-110 (See Appendix I8).

- A.** No employee, officer or agent of a subrecipient shall participate in the selection, award or administration of a contract in which CDBG, HOME, HOPWA or ESG funds are used, where the employee, officer, or agent's immediate family, partner, or organization has a financial interest or with whom the employee, officer or agent, is negotiating or has any arrangement concerning prospective employment. This agency's officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors or service providers.
- B.** Purchases of less than \$10,000 shall be based on three or more quotations secured by telephone or some other informal means. Documentation of the quotation process should be maintained in the files. Purchases, which are essentially a unit, shall not be divided for the purpose of evading this policy. The purchase of insurance bonds shall be made on the basis of at least three quotations, which shall be maintained in the subrecipient's insurance file.
- C.** Purchases larger than \$10,000 will be made on the basis of formal competitive bids. All awards of maintenance service contracts for seven or more like items (such as typewriter repairs) will be made on the basis of an annual or semi-annual competitive bid process, unless a sole source contract can be substantiated.
- D.** A petty cash system can be established, however, petty cash purchases should be limited to \$150. Purchases which are essentially a unit shall not be divided for the purpose of evading this policy.
- E.** All purchases shall be made only after comparing market prices, discounts offered, and the vendors' ability to provide the goods or services in a timely and satisfactory manner. When there is a need for new equipment, the appropriate analysis will be made to determine whether that equipment should be leased or purchased.
- F.** Procurement of contractors or other services related to the development of housing through either new construction or rehabilitation must be made on the basis of soliciting competitive bids. Advertisements for bid must include the following language: "This is a HUD funded project; Section 3 businesses and/or business that employ Section 3 residents are encouraged to respond."

6.14 Financial Audit

All subrecipients receiving CDBG, HOME, and HOPWA funds with total Federal expenditures in excess of \$750,000, or \$300,000 for ESG, will be required to have an audit of all Federal funds received from all sources, unless exempted in writing. The audits are to be performed in compliance with OMB Circular A-133, Audits of Institutions of Higher Education and Non-Profit Institutions. The audit must comply in all respects with the generally accepted auditing standards of the American Institute of Certified Public Accounts, the standards for financial and compliance audits contained in the standards for audit of government organizations, programs, activities and functions issued by the U.S. General Accounting Office. The activities of the third-party contractors shall be audited at least once each fiscal year. Three copies of the audit report shall be submitted to the City of Richmond, Department of Finance within 120 days after the end of agency's fiscal year, unless otherwise approved.

On or before the due date the agency may submit an audit report or a letter to the Department of Finance (1) requesting an extension of time with a specific date the report will be submitted and (2) give the reason for non-compliance with the due date. The City will respond in writing to the subrecipient within fifteen calendar days to approve or disapprove the request. Unless an extension or waiver is granted, sanctions may be taken in accordance with Chapter VI, Section 6.12.

Upon receipt of an agency's audit report the City will review it for content, and any deficiencies regarding financial statements, internal controls and program or financial compliance. When applicable, the audited agency will submit to the City along with the audit report, its responses and a corrective action plan for any finding contained in the report. If the agency does not receive the audit report in time to prepare responses within the 120 day period, an extension, not to exceed two weeks, will be granted upon request. The City will evaluate the auditor's findings and the agency's proposed corrective action plan. Based on this evaluation, the City will work with the agency to establish a course of action and ensure that the prescribed action is implemented.

An audit may be required by the City even though the subrecipient's total Federal expenditure does not exceed the \$100,000 limit. Federal funds may not be used to cover the cost of the audit if the total Federal expenditure does not exceed the \$100,000 limit.

6.15 Indemnification

The City shall not be responsible or liable for any debts, actions, obligations, negligence, or liabilities committed or incurred by the subrecipient, its staff or clientele. Pursuant to the terms and condition of the subrecipient contract, the subrecipient agrees to defend, save, hold harmless, and indemnify the City from and against all claims for negligent acts in the performance of the services under the contract.

6.16 Insurance

A. The Subrecipient shall furnish the City with a copy of the insurance certificate that

- protects him, her or it under the Workmen's Compensation Act and for claims for bodily injury, death or property damage which may arise from the performance of his, her or its services under the project Contract.
- B.** Such evidence of insurance must be approved by the City and shall require at least thirty (30) days prior notice to the City before cancellation or material change.
- C.** The subrecipient will provide a commercial general liability policy, including contractual liability, issued by a company licensed to do business in the Commonwealth of Virginia with limits of not less than \$1,000,000 covering bodily injury, property damage and personal injury. The contractor will pay premiums the policy will be kept in force during the terms of the contract. The insurance policy shall contain a provision that it shall not be canceled or terminated or changed materially without thirty days written notice to the Division of Neighborhood Revitalization. The City of Richmond will be named as an additional insured party on all insurance policies.
- D.** The subrecipient as required under the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001-4128), may not use Federal funds for acquisition and construction purposes (including rehabilitation) in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:
- The community in which the area is situated is participating in the National Flood Insurance Program (see 44 CFR part 59 through 79), or less than one year has passed since the FEMA notification regarding such hazards; and
 - Where the community is participating in the National Flood Insurance Program, flood insurance protection is to be obtained as a condition of the approval of financial assistance to the property owner.

6.17 Close-out and Completion Reports

The Housing and Community Development Department (HCD) shall be responsible for ensuring that the following closeout procedures are followed whenever a project has been completed.

Upon determination that an item is completed and ready for closeout, HCD shall:

- Notify the Department of Finance that unspent funds shall be transferred to the undesignated reserve account
- Ensure all related contracts and agreements are completed
- Complete an inventory of funded property and equipment and make final disposition
- Obtain records or advise the agency director of the need to secure records for a three-year period

CHAPTER VII. MONITORING AND RECORDS

7.1 Financial Monitoring

The City Department of Finance conducts financial monitoring, which consists of performing periodic reviews of Item Plan expenditures in order to ensure that costs charged against CDBG/HOME/ESG/HOPWA activity categories are eligible (see Chapter III, for allowable costs). Each subrecipient will be responsible for maintaining and making available the following records to support all expenditures:

- Payroll data and supportive personnel records
- Vouchers, invoices and related documentation in reference to the procurement of supplies, equipment, and services
- An inventory system that records and physically accounts for all land, equipment, and non-expendable items purchased with funds
- A filing system that provides the easy accessibility and safe storage of all financial records

The Department of Finance will review the accounting system and controls for each subrecipient that is a third party contractor. Monthly, a desk review will be done of the financial reports received from these subrecipients. During each fiscal year an on-site visit will be made to each subrecipient to do a more extensive review of the fiscal management of the Contract. Technical assistance will be offered when needed or requested.

7.2 Programmatic Monitoring

The HCD Department will monitor program performance under the terms of the Contract for compliance with applicable CDBG/HOME/ESG/HOPWA regulations, City ordinances, and Contract provisions. Monitoring will be accomplished through on-site visits, analysis of quarterly reports, review of subcontracts and bid documents, employment records, employee interviews and random checks to verify client income. The programmatic monitoring visit shall consist of the following:

The City will conduct at least one programmatic monitoring visit of the subrecipient during the biennium. If findings or concerns warrant, one or more follow up monitoring visits may be scheduled.

Within 45 days or less of the monitoring visit, the subrecipient will receive a monitoring report. The report will provide a detailed evaluation of the project and the subrecipient's organization. The subrecipient will be expected to respond to any issues raised in the monitoring documents within the timelines established in the report.

7.3 Reporting Requirements

The HCD Department has a variety of reporting requirements for the CDBG, ESG, HOME, and HOPWA programs and Federal funding in general. The assistance and cooperation of both City and non-City agencies will be required to obtain the needed information on schedule. Subrecipients may be called upon to clarify the information requested by the City. Each Item Plan will contain objectives and accomplishments, which will be used to track and measure the performance of each activity. A quarterly report shall provide sufficient information to enable the progress of the Item Plan to be evaluated.

7.4 Subrecipient Quarterly Reports

A quarterly report shall follow the appropriate outline and use the forms described in Chapter IX, Section 9.7. It will include information necessary to evaluate progress on the Item Plan, as well as information to evaluate compliance with necessary regulations. Reports are due by the 5th working day following the end of the quarter. Richmond City Council has requested quarterly updates for all CDBG and HOME projects. For this reason, it is critically important that all reports are submitted completely, submitted accurately, and on time. Extensions of time for submitting quarterly reports will not be granted.

The Consolidated Plan Annual Performance Report shall be drafted for transmittal to the HUD Area Office on or before September 30th. It shall include progress relative to the major objectives of each Item Plan as well as problems encountered that hindered such progress.

7.5 Record Keeping Requirements

Financial records, supporting documents, statistical records, environmental review records, and all other records pertinent to the CDBG, HOME, ESG, and HOPWA programs shall be retained by the subrecipient for a period of at least five years after the completion of the project. Records other than confidential client records shall be deemed public records and made available to the general public, the City, or the U.S. Department of Housing and Urban Development upon request.

CHAPTER VIII. OTHER FEDERAL AND CITY REQUIREMENTS

8.1 Introduction to Contract Mandates

All subrecipients accepting CDBG, HOME, ESG, or HOPWA funds should recognize that there are a number of definite regulatory requirements that come with these funds. Included within each Contract are all the Federal and City requirements that apply to all projects with regard to the funding source.

8.2 CDBG Administrative Requirements

The CDBG program requires detailed project information on each property being developed or acquired with CDBG funds. This requires that a Project Initiation Form (see Appendix A2) and a project pro forma (Appendix A4) be submitted for each building being rehabilitated or built with CDBG funds. Subrecipients must submit a Project Completion Form (see Appendix A3) with a final pro forma within 30 days of final inspection or receipt of the Certificate of Occupancy. Each form is described in detail in Chapter IX. All forms shall be submitted to the Department of Housing and Community Development at 1500 E Main Street, Suite 400, Richmond, VA 23219.

***CDBG subrecipients must report on the project match annually and the total match expended at project completion.**

8.3 HOME Administrative Requirements

1. The HOME program requires detailed project information on each property being developed with HOME funds. This requires that a Project Initiation Form (Appendix A2) be submitted for each building being rehabilitated or built with HOME funds. Subrecipients must submit a Project Completion Form (Appendix A3) within 30 days of unit occupancy. In addition to the Project Completion Form, a Homebuyer/Homeowner Rehab Completion Report (see Appendices D1 and D2) or a Rental Housing Project Completion Report (see Appendix D3) must also be submitted. Each form is described in detail in Chapter IX. All forms shall be submitted to the Department of Housing Community Development.

2. All HOME recipients must submit written cost estimates, construction contracts, and construction documents for their assigned City of Richmond Project Manager to review. Additionally, HOME recipients must conduct construction progress and final inspections to insure work is completed in compliance with the applicable codes, the construction contract, and construction documents.

3. New home construction and rehabilitation projects must be sold/lease to own to an eligible homebuyer(s) within nine months of the date of completion of construction or rehabilitation. Construction is completed when a certificate of occupancy is issued. If there is no ratified sales contract on a home within nine months of the date of completion, the unit must be rented to an eligible tenant in accordance with the HOME rental requirements (§92.252) or the HOME funds must be repaid.

If the property is converted to rental housing, the developer of a homebuyer property becomes the owner and property manager of a HOME-assisted rental project with HOME rental housing requirements (related to leases, rents, income targeting.)

4. All HOME program subrecipients who receive funds for acquisition, new construction and/or rehabilitation projects (not owner occupied rehabilitations) must have a rental policy to be able if the need arrives to convert units from homeownership to rental units. The HOME program subrecipient must demonstrate that the organization be able to managed the proposed rental unit(s) throughout the lifetime of the HOME program requirements. The proposed rental policy and procedures must be approved by the City of Richmond prior to the subrecipient receiving or encumbering expenses of HOME funding prior to the start of the fiscal year.

5. All HOME program subrecipients who receive funds for acquisition, new construction and/or rehabilitation projects must provide match report at the end of the project. City of Richmond only considers Match can include tax

*** HOME subrecipients are required to have a 25% match. HOME subrecipients must report on the project match annually and the total match expended at project completion. Cash (non -federal sources) is the City of Richmond’s preferred form of HOME match; however local tax and state tax credits may be accepted.**

8.4 ESG Administrative Requirements

All projects funded in whole or in part with ESG funds must participate in the regional Continuum of Care and use the Homeless Management Information Systems (HMIS) managed by Homeward. A Quarterly Report for Emergency Solutions Grant (ESG) must be submitted each quarter to report project progress using the HMIS reporting system (or equivalent). An abstract must accompany each Item Plan for projects never before funded in the City with ESG funds.

***ESG regulations require all sub-recipients to have a one to one project match. ESG sub-recipients must report on the project match annually and the total match expended at project completion.**

8.5 Additional Requirements for ESG Providers

1. Purpose

The Emergency Solutions Grant (ESG) is a federally funded program, managed by the Dept. of Housing and Community Development (HCD), to assist households experiencing homelessness or at-risk of experiencing homelessness to obtain housing stability. The program goals are to provide effective and efficient assistance to reduce the length of time households experience homelessness and to reduce the number of homeless households. It is intended to be administered as a community-based resource that maximizes mainstream resources.

The ESG program is authorized by the McKinney-Vento Homeless Assistance Act funded through the U.S. Department of Housing and Urban Development (HUD). This federally funded program is administered through HUD by a formula allocation to ESG entitlement localities and states.

2. Sub-grantee Eligibility

Sub-grantees must be a nonprofit or unit of local government and be current on 990 filings (not applicable to units of government).

Sub-grantees must be in compliance with applicable state and federal policies and procedures as outlined in the Other Requirements section of this document including compliance with federal and state non-discrimination laws.

Sub-grantees must have established standard accounting practices including internal control and fiscal accounting procedures and be able to track agency and program budgets by revenue sources and expenses.

Sub-grantees with outstanding audit findings, IRS findings, HCD monitoring findings or other compliance issues are not eligible to receive ESG allocations or reimbursements. Please note that HCD will work with all interested parties, where appropriate, toward the resolution of unresolved matters.

In some cases sub-grantees may be involved in partnerships with other organizations to provide ESG-supported activities. The sub-grantee must assume full responsibility for meeting all data reporting, record keeping, spending, and other program requirements regardless of partnership agreements.

Generally, the intent of ESG assistance is to rapidly transition program participants to stability, either through their own means or through public assistance, as appropriate. ESG assistance is not intended to provide long-term support, nor will it be able to address all of the financial and supportive services needs of households that affect housing stability. Rather, assistance should be focused on housing stabilization, linkages to community resources and mainstream benefits, and helping program participants develop a plan for preventing future housing instability. *Sub-grantee programs should therefore ensure that there is a clear process for determining the type, level, and duration of assistance for each program participant.*

Each ESG sub-grantee must adhere to the following requirements including:

- Full participation in coordinated/centralized intake process where available;
- Coordination with other homeless services and homeless prevention providers;
- Initial screening (through coordinated/centralized intake process or in coordination with other homeless services or homeless prevention providers) for all households seeking assistance;
- Documentation of homeless status and services received;

- Use of a Homeless Management Information System (HMIS) with all program participants (Domestic violence program may use another data system, but must meet all HMIS data standards and reporting requirements);
- Timely referral of appropriate households for homeless prevention assistance (through participation in coordinated of centralized intake process or through coordination with providers);
- Timely referral of appropriate households for rapid re-housing (through participation in coordinated of centralized intake process or through coordination with providers);
- Completion of housing barriers assessment for program participants.

Please note that sub-grantees may **not** charge program participants any program-related fees.

3. Written Standards for Provision of ESG Assistance

By accepting ESG funds from the City of Richmond, the service provider agrees to administer the funds in ways that are consistent with the standards provided by the City of Richmond and in accordance with the HUD ESG regulations found at [24 CFR, Part 576](#).

A. Requirement to serve residents of the City of Richmond

Funds should be used for residents of the City of Richmond. Agencies are expected to verify city residence when verifying other eligibility requirements.

B. Client Eligibility Requirements

Clients will be referred from the Coordinated Entry System of the Greater Richmond Continuum of Care (GRCoC). All assisted households must be “homeless” or “at-risk” as defined at [24 CFR § 576.2](#). Service providers are expected to familiarize themselves with the HUD definitions which are detailed within this citation, and summarized in the chart just below:

Service Type	Eligibility Criteria
Emergency Shelter	<ul style="list-style-type: none"> • Literally homeless • At imminent risk of homelessness • Individuals exiting institutions (where they resided temporarily) with no resources or anywhere to go.
Rapid Re-housing	Household must be literally homeless as defined by HUD at 24 CFR § 576.2 and without other housing resources.
Prevention	<ul style="list-style-type: none"> • Be at risk of homelessness as defined by HUD at 24 CFR § 576.2, and

	<p>will become homeless within 14 days but for this assistance, and</p> <ul style="list-style-type: none"> • have a total household income at or below 30% AMI, and • have medium to high barriers to housing as defined by using tool(s) currently adopted by the Greater Richmond CoC Board.
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For all assistance, an initial evaluation to determine program eligibility of individuals and/or families will be conducted. It will establish the type and amount of assistance needed, as well as how to address the needs of ineligible applicants. Clients will be assessed using the tool(s) adopted by the GRCoC Board. The assessment must include:

- confirmation that the household has been screened by the Coordinated Entry System (can be confirmed with review of intake in HCIS or in the coordinated entry for survivors of sexual and domestic violence),
- certification of homeless status,
- an assessment of need and vulnerability using a currently-approved CoC assessment tool (currently, the *VI-SPDAT*), and
- a completed housing barrier assessment for service and housing needs.

Recertification

Agencies/service providers will reassess the household eligibility, assistance needs (including level and type) at least every three months. Households can be recertified for continued assistance based on need. Each recertification will include a review of income and service needs.

Homeless Management Information System (HMIS) Participation

All agencies are required to enter client-level data into the GRCoC-designated HMIS or a comparable data base. Data entry requirements include but are not limited to the following:

- HUD-required data elements
- Assessed housing barrier level at intake and recertification
- An exit assessment that is entered into HMIS or a comparable-level database.

Providers must adhere to the Data Quality Plan and other GRCoC-approved policies and procedures for HMIS.

C. Participation in the Greater Richmond Continuum of Care

All ESG-funded agencies are required by federal regulations to be *active* members of the Greater Richmond Continuum of Care (GRCoC) as defined by the GRCoC by-laws (found at www.endhomelessnessrva.org). Participation in the GRCoC must be

demonstrated annually by official communication from the CoC governing body or its designee.

D. Shelter Operations

Shelters must meet basic habitability standards including fire inspection and Americans with Disabilities Act (ADA) standards. If the shelter itself is not ADA compliant, the sub-grantee must have a plan to meet the needs of households with disabilities.

Shelters include programs that provide temporary shelter to households experiencing homelessness and may include seasonal shelters. Transitional housing is not eligible under ESG.

Eligible Costs

Most costs associated with the operation of a shelter are eligible ESG costs. These costs include:

- Rent
- Security
- Maintenance
- Utilities
- Supplies
- Essential Services (case management and limited support services)

E. Rapid Re-housing Assistance

All households receiving assistance must meet the client eligibility requirements identified in the section above titled *Client Eligibility Requirements*.

Eligible costs

Eligible rapid re-housing costs include rent, security deposits, maintenance, utilities, housing relocation services, supplies, and case management. Grantees should refer to the ESG Regulations for specific guidance on eligible costs. In cases where there is uncertainty about costs, grantees are asked to contact the City of Richmond ESG Coordinator for additional guidance.

Level of assistance

Providers are expected to work with households to identify the types and levels of assistance that are needed to support a permanent housing placement. Support should be limited to the **minimal amount** needed to house a client. It is strongly encouraged that clients share in rent and utility costs, if they have the ability to pay. Recertifications should be used to offer additional support to clients that need additional assistance to maintain housing stability. All costs should be assessed for reasonableness and agencies

should document assessments of reasonableness in client case files. Rents should meet the Rent Reasonableness guidelines detailed in the ESG regulations issued by HUD.

Expectation of services

All individuals seeking or receiving assistance must be provided information explaining the types of services that they are being screened for, and an explanation of how that determination will be made. RRH Case Management and Services should be based on the following core principles: *housing first approach, client-driven, housing-retention focused, and collaborative with the client to engage in the community.*

The following guidelines should be used when providing assessment and case management services to RRH clients:

- Assessment and housing case management should begin within three (3) business days of referral;
- Beginning with assessment, all decisions and case management should be client-driven;
- For Housing-Focused Case Management, each RRH Service provider will have a policy that indicates the minimum and/or maximum number of properties shown;
- Housing-focused case management (i.e., tasks necessary to obtain housing) should be provided at least weekly, until housed;
- Housing stabilization case management (i.e., tasks necessary to sustain housing such as connection to mainstream resources and wrap-around services) will be provided at least monthly, once housed, while receiving financial assistance; and
- Once financial assistance has ended, client contact should continue at least monthly for a minimum of two (2) months before discharge.

Length of assistance and types of assistance

The duration of financial assistance will not exceed more than 12 consecutive months at a time, excluding arrears, and it will not exceed more than 24 months total over a 36 month period. Assistance provided may be short-term rental assistance, medium-term rental assistance, payment of rental arrears, housing search, case management or any combination thereof.

- Short-term rental assistance is to be limited to a maximum of 3 months of rent.
- Medium-term rental assistance shall extend for more than 3 months but not more than 12 months of rent. Households must be authorized for short-term assistance and receive medium-term assistance only at the initial recertification.
- Payment of rental arrears consists of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears.
- Housing relocation and stabilization services include financial assistance activities such as moving costs, rental application fees, security deposits, last month's rent,

utility deposits and utility payments; and services such as housing search and placement, housing stability and case management, mediation, legal services, and credit repair.

- Housing search and placement services include services or activities that assist individuals or families in locating, obtaining, and retaining suitable housing.

Habitability standards

When funds are used to pay for rents, the rental unit must meet the habitability standards established in the HUD ESG regulations.

F. Prevention Assistance

Eligible costs

Eligible prevention assistance costs include rent, security deposits, maintenance, utilities, housing relocation services, supplies, and case management. Grantees should refer to the ESG Regulations (under 24 CFR § 576, Subpart B) for specific guidance on eligible costs. In cases where there is uncertainty about costs, grantees are asked to contact the City of Richmond ESG Coordinator for additional guidance.

Level of assistance

Providers are expected to work with households to identify the types and levels of assistance that are needed to support a permanent housing placement. Support should be limited to the **minimal amount** needed to house a client. It is strongly encouraged that clients share in rent and utility costs, if they have the ability to pay. Recertifications should be used to offer additional support to clients that need additional assistance to maintain housing stability. All costs should be assessed for reasonableness and agencies should document assessments of reasonableness in client case files. Rents should meet the Rent Reasonableness guidelines detailed in the ESG regulations issued by HUD.(Appendix F6).

4. Other Requirements

A. Documentation of Homelessness or At-Risk Status

Documentation of participants' homelessness situation is an important aspect of ESG program compliance. ESG sub-grantees are required to maintain adequate documentation of homelessness or at-risk status to determine the eligibility of persons served by HUD's homeless assistance or prevention programs. The documentation is typically obtained from the participant or a third party at the time of referral, entry, intake or orientation to the ESG-funded program. A completed Homeless Certification Form or At-Risk of Homelessness Certification Form and any supporting documentation must be maintained in the client file. Sub-grantees will be monitored for compliance with this documentation requirement.

B. Discharge Coordination

Persons who are being imminently discharged into homelessness from publicly funded institutions are eligible to receive financial assistance or services through ESG as long as they meet the program participant eligibility requirements. ESG sub-grantees must coordinate with these institutions to prevent where possible individuals from becoming homeless. Referrals must be made where appropriate to the following:

- Homeless prevention providers
- Veterans Administration (VA)
- HOPWA
- Department of Social Services
- Local domestic violence services
- Department of Behavioral Health and Developmental Services
- Other service providers as needed

C. Compliance with Fair Housing, Civil Rights and Affirmative Outreach Laws

(1) Sub-grantees must comply with all applicable fair housing and civil rights requirements in 24 CFR 5.105(a).

(2) If the sub-grantee:

(a) Has been charged with an ongoing systemic violation of the Fair Housing Act;

or

(b) Is a defendant in a Fair Housing Act lawsuit filed by the Department of Justice alleging an ongoing pattern or practice of discrimination; or

(c) Has received a letter of findings identifying ongoing systemic noncompliance under Title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, or section 109 of the Housing and Community Development Act of 1974, and the charge, lawsuit, or letter of findings referenced in subparagraphs (a), (b), or (c) above has not been resolved before the application deadline, then the sub-grantee is ineligible to apply for ESG funds.

Subrecipients also have a responsibility to do affirmative outreach and referrals to mainstream resources (see Appendix I13 for more details).

D. Property Standards

HCD is providing a Basic Habitability Checklist form (Appendix F7) that must be completed and included in all program participant records, not applicable to shelter operations, note that the Basic Habitability Checklist standards are different from the Housing Quality Standards (HQS). In contrast to HQS inspections, the habitability standards do not require a certified inspector.

Please note that housing that is occupied by families with children and that was constructed before 1978 - must also comply with Lead Based Paint inspection requirements, per the Lead Based Paint Poisoning Prevention Act. This requirement applies only to units that a family moves into with ESG assistance. This does not apply to existing units. Subrecipients will complete the HCD Visual Paint Assessment Form (Appendix H9) and include it in the program participant records.

E. Uniform Administrative Requirements

Non-profit agencies shall be subject to the requirements of 24 CFR part 84.

8.6 HOPWA Administrative Requirements

Client data will be submitted to the VCU Survey Research Lab to be added to an established client database, which will ease uniform reporting to HUD. Subrecipients who use HOPWA grant funds for acquisition, new construction, or rehabilitation projects will be required at a minimum to have or gain site control, comply with environmental review requirements, and execute a Deed of Trust guaranteeing use of the facility to provide housing or assistance to persons with AIDS or related diseases for the following periods of time: not less than 10 years for projects involving acquisition, new construction, or substantial rehabilitation, not less than 3 years for projects involving non-substantial rehabilitation or repair of a building or structure. In addition to an item plan, subrecipients will also develop a program abstract as outlined in Section 8.7 for projects never before funded in the City with HOPWA funds.

***HOPWA regulations do not require match to participate in the program. However, HUD and the City of Richmond requires all HOPWA sub-recipients to report any project match annually.**

8.7 Additional Reporting Requirements for HOPWA Providers

HOPWA providers must complete each of the following forms for each new (never before funded) project in the HOPWA Program:

1. Client Forms

Each project sponsor will be required to develop a Client Form to be used in determining whether persons are eligible for assistance. At a minimum, the form must request income information and AIDS diagnosis information. Clients receiving housing assistance will be required to provide written verification of income and documentation verifying that the person has AIDS or a related disease. Program eligibility for clients receiving supportive services not associated with housing assistance can be determined without verification from the information provided on the application.

2. Expenditure Plan

This plan must show how HOPWA funds are to be expended, or set aside, on behalf of eligible clients according to the type of HOPWA assistance (short-term and long-term rental assistance, placement in community residence, etc.). This plan should include the priority by which clients will be given assistance (i.e. a “first-come, first-serve basis”, severity of crisis, or other criterion) and the process used to determine which clients will be served (i.e. meeting between case managers or maintenance of a waiting list). If a subrecipient currently receives HOPWA funds, include the number of persons on waiting lists for HOPWA-related assistance. Please note any limits, or caps on HOPWA assistance per client, which are imposed by the organization.

3. Area to be Served

This is the general location(s) and costs of the proposed activities. If the subrecipient plans to subcontract a specific activity, list the ASO’s name (subcontractor name),

address, phone #, contact person of the ASO, and the amount of HOPWA funds to be allocated to meet a specific activity. If HOPWA funds are being requested for leasing, acquisition, rehabilitation, and/or new construction of a housing facility, the following information must be submitted:

- Address of the site, if known, evidence of site control if applicable, and a photograph.
- Submission of a completed “Threshold Review for Property Proposed for Use in HOPWA Program” form.
- For acquisition, the purchase price and an estimate of closing costs
- For rehabilitation projects, whether the property is owned by the project sponsor or under long-term lease.
- For rehabilitation or new construction projects, a description of the nature, scope, and a detailed cost estimate of planned work.
- A description of the total amount of cash needed to carry out the project including reasonable costs for operations and supportive services and a list of resources either already committed to the project or to be pursued. This information will be used in determining the reasonableness and feasibility of the proposed project.

4. Client Needs

This should explain the critical housing and supportive service needs of eligible persons not currently being addressed by available public and private resources and how the proposed activities to be carried out with HOPWA assistance will address these needs; also a description of the public and private resources that are expected to be made available in connection with the proposed HOPWA-supported activities. Note: If funding is for the entire region, it **must** describe the unmet needs of the entire region.

5. Information for Clients

The method (e.g. outreach, referrals, existing shelter network) of informing eligible persons regardless of their race, color, religion, sex, age, national origin, familial status, or handicap of the housing assistance and services available through HOPWA. Subrecipients should refer to *Affirmative Outreach* contained in 24 CFR Part 574.600 Paragraph (e). NOTE: If you are applying for funding for an entire region, your outreach plan **must** demonstrate how you will ensure region-wide coverage and participation).

6. Coordination of Services

The procedures that have been, or will be, taken to ensure coordination of HOPWA assistance with other State and local government agencies responsible for providing services to persons with AIDS or related diseases and their families, including, where applicable, coordination with agencies administering assistance provided under the Ryan White Comprehensive AIDS Resources Emergency Act of 1990. Also, describe how community-based, non-profit organizations experienced in caring for persons with AIDS and organizations which represent persons with AIDS have been consulted and involved in the application planning process. If you are planning to serve an entire region, coordination activities must take place throughout the region.

8.8 Environmental Review

The City is required to assume the responsibility of undertaking environmental reviews. Federally funded programs and/or projects are undertaken by subrecipients on behalf of the City of Richmond. Environmental Review will be undertaken by the Block Grant Administration Staff. In most cases, environmental review can take place without participation from the funded agency. Should the funded project have environmental impacts that need to be addressed the subrecipient may be called upon to modify the project to address the environmental concerns.

The environmental review process consists of two sets of requirements:

- A.** The first set is based on NEPA and the implementation regulations issued by CEQ (40 CFR Parts 1500 through 1508). All federally funded projects other than those exempt (24 CFR 58.34) or categorically excluded (24 CFR 58.35) must be approved according to this set of requirements.
- B.** The second set derives from other statutory and regulatory requirements of various Federal agencies such as the Environmental Protection Agency (EPA), the Advisory Council on Historic Preservation (ACHP), or HUD's own requirement such as those relating to noise. The environmental review of all projects other than those exempt (24 CFR 58.34) are subject to this second set of requirements.

8.9 Anti-Kickback Rules

A builder, design professional, or any other individual or corporation providing services shall be prohibited from paying a "kickback" to the subrecipient or primary contractor. The subrecipient shall maintain appropriate anti-kickback procedures in its written procedures and in any subcontracts.

8.10 Building and Zoning Regulations, Permits and other City Regulations

The City of Richmond cannot and shall not knowingly fund a subrecipient that owns properties that fail to meet appropriate building and zoning codes, and other appropriate City requirements. Examples of what constitutes such a violation include:

- The use of a property in violation of the zoning code without an appropriate special use permit
- The construction or rehabilitation of a property in violation of building or zoning codes
- Failure to keep the building in compliance with the City property maintenance code
- Failure to keep a property in compliance with the City environmental code
- Failure to obtain a business license
- Delinquent property and/or real estate tax

If a subrecipient allows a structure to be built in a manner that places it out of compliance with any City building or zoning requirement, it is the responsibility of the subrecipient to resolve that issue without any special treatment or additional funding from the City.

A final housing inspection, performed by a qualified housing inspector, is required prior to the sale of any house constructed or rehabilitated under the NiB program or any other City housing program. The inspection report must indicate that no substantive issues remain to be addressed at the completed property at the time of the sale.

8.11 Rehabilitation Standards for CDBG and HOME Housing Activities

Under HOME regulations, participating jurisdictions must have written standards for rehabilitation. The regulations further prescribe that housing assisted with these federal funds, at a minimum, must meet HUD's Uniform Physical Conditions Standards (UPCS). All housing repairs and rehabilitations must meet all applicable local codes, ordinances and zoning ordinance and all applicable permits. Federally assisted housing repair, moderate and substantial rehabilitations are also required to satisfy regulations dealing with occupancy standards, environmental review, historic preservation, lead-based paint and fire prevention. In addition, moderate and substantial rehabilitations are required to satisfy more stringent requirements dealing with lead-based paint and energy conservation.

In conjunction with the development of rehabilitation standards, the following definitions have been adopted to begin to standardize the type and level of work to be undertaken by subrecipients:

Housing Repair (\$1,000 – \$10,000) are immediate and necessary repairs that affect the health and safety of the occupants. These repairs include, but are not limited to, the repair or replacement of a furnace, hot water heater, roof, electrical, plumbing and structure systems, stairs, railings and ramps. No cosmetic work will be included in these projects, except to abate a cited code violation. All work must be in compliance with applicable codes and obtain the necessary permits. All HOME funded repair projects must bring the house up to UPCS standards. (If the project is funded with CDBG funds, these repairs will not necessarily bring the property into compliance with all City building codes or UPCS.)

Moderate Rehabilitation (\$10,000 - \$30,000) is the repair or rehabilitation of one of more of the above mentioned building systems. These projects may also include moderate cosmetic repairs such as painting, kitchen cabinets and bathroom fixtures. All work must be in compliance with applicable codes and obtain the necessary permits. These repairs should bring the property into compliance with City building codes and UPCS.

Substantial Rehabilitation (\$30,000 or greater) is the total rehabilitation of a property which includes the repair or replacement of all building systems as well as cosmetic improvements but, does not include luxury items such as pools, decks, hot tubs, etc. All work must be in compliance with applicable codes and obtain the necessary permits. When completed, these projects will be in compliance with all city building codes and UPCS.

A. Scope of Work

Work to be completed on a house as part of a subrecipient's HOME funded rehabilitation contract must meet all contractual requirements under the HOME program. Work must bring the property up to applicable building code and the HUD's Uniform Physical Conditions Standards (UPCS). Homeowner occupied rehabilitation assistance is provided in the form of a forgivable loan and is used to correct major system deficiencies including, but not limited to, plumbing, electrical, heating and roofing. The scope of work items for owner-occupied housing projects is classified into three priority categories.

- Priority Item #1 – Code violations cited by the City's Department of Planning and Development Review, Health Department or other City agency.
- Priority #2 – Code violations identified by the subrecipient's rehabilitation staff. Other deficiencies noted including failed item noted in the HUD's Uniform Physical Conditions Standards (UPCS) checklist, energy conservation items and necessary accessibility modifications. In the event that HUD has not provided rules and/or guidance on UPCS than the project will continue to use Section 8 Housing Quality Standards (HQS).
- Priority #3 – General deterioration and removal of high maintenance items. Incipient items can be included. These would be items that are likely to fail, are deteriorated or are near the end of their useful life.

B. Code and Regulatory Requirements

1. Standards of Work

All rehabilitation activities, except for CDBG-funded housing repairs, must address the needs of the entire housing unit and must adhere to Uniform Physical Conditions Standards (UPCS). All work performed with City of Richmond HOME or CDBG funds must conform to applicable building code standards.

- a. International Property Maintenance Code as adopted by the City of Richmond
- b. Virginia Uniform Statewide Building Code
- c. HUD's Uniform Physical Conditions Standards (UPCS) on HOME funded projects. In the event that HUD has not provided rules and/or guidance on UPCS than the project will continue to use Section 8 Housing Quality Standards (HQS).
- d. All other codes included by reference in the any of the codes listed above

2. Master Specifications for Housing Rehabilitation

Rehabilitation activities must address the needs of the entire housing unit and must adhere to Minimum Property Standards (MPS) in accordance with 24 CFR § 200.925 and 24 CFR § 200.926, HUD's Uniform Physical Conditions Standards (UPCS). In the event that HUD has not provided rules and/or guidance on UPCS than the project will continue to use Section 8 Housing Quality Standards (HQS). All rehabilitation projects must be in compliance with updated property standards as they are adopted by HUD. Repairs shall also meet the Virginia Uniform Statewide Building Code. HQS is only required when HOME funds are used.

All new construction and rehabilitation projects must be in compliance with the 2012 Virginia Construction Code and the 2012 Virginia Rehabilitation Code and amendments.

- <http://www.dhcd.virginia.gov/images/SBC/CodeBooks/2012%20Virginia%20Construction%20Code.pdf>
- <http://www.dhcd.virginia.gov/images/SBC/CodeBooks/2012%20Virginia%20Rehabilitation%20Code.pdf>

No HOME funds may be used for emergency repairs, weatherization work, or handicapped accessibility projects, unless a part of a more comprehensive scope of work that brings the unit into compliance with HUD's Uniform Physical Conditions Standards (UPCS). In the event that HUD has not provided rules and/or guidance on UPCS than Project will continue to use HUD's Housing Quality Standards (HQS) on projects.

3. Occupancy Standards

Upon completion of rehabilitation, all units must meet occupancy requirements as determined by applicable code. Occupancy standards included, but are not limited to, heating, lighting, ventilation, exit requirements, ceiling heights, accessibility, and space and room size requirements.

4. Environmental Review Record

All City of Richmond CDBG and HOME housing projects require that the federally mandated environmental review be accomplished prior to the start of any work unless those projects or programs are determined to be exempt by the appropriate Department of Housing and Community Development staff.

5. Historic Preservation – Section 106 Compliance

All housing repair or rehabilitation projects must receive Section 106 approval prior to the start of work. If the property being assisted with City of Richmond federal funds is located in a designated or eligible historic district or is a designated historic property, all (exterior) rehabilitation work must be reviewed and approved by appropriate Department of Planning and Development Review staff or the Commission of Architectural Review, where applicable. See Procedures Manual for Section 106 forms and procedures.

6. Lead-based Paint

The subrecipient undertaking rehabilitation and acquisition activities shall comply with the provisions of the Lead-based Paint Poisoning Prevention Act (42 U.S.C §et seq.) 24 CFR Part 35, subparts B-R and §982,401(j). See Procedures Manual for Lead-base Paint forms and procedures (Appendixes H1-H10).

7. Cost Effective Energy Conservation Standards (CEECS)

On owner occupied rehabs CEECS shall be used when it is cost effective, the City & HUD realize that not all of the requirements can be followed in all situations due to existing building conditions and funds available.

These minimum requirements include:

- a) Blower door (Units for sale or rent)
- b) Weather stripping of doors and windows
- c) Caulk and seal openings, cracks and joints in building envelope

- d) Insulate all openings in exterior walls where the cavity has been exposed as a result of the rehabilitation. Insulate ceiling areas where necessary
 - e) Adequately ventilate attic and crawl space areas
 - f) Insulate supply and return pipes and ducts in replacement HVAC systems
 - g) High-efficiency HVAC systems when existing HVAC systems are replaced
 - h) The use of Energy Star rated appliances and HVAC equipment.
8. Federal Fire Prevention and Control Act of 1974
- a. Multi-family units of four or more stories must be equipped during construction or renovation with an automatic sprinkler system and hard-wired smoke detectors
 - b. All other dwelling units, including single-family dwellings, must be equipped with hard-wired or battery-operated smoke detectors.

C. Reporting

The following three-step process and reporting standards have been developed to ensure that federally assisted housing meets minimum requirements.

- a. For all HOME-funded owner-occupied repair and rehabilitation projects, the subrecipient will complete a UPCS checklist. Housing Quality Standards checklist prior to beginning the project. (Appendix F4 of the Procedures Manual)
- b. For all CDBG & HOME-funded housing repair, moderate and substantial rehabilitation projects, the subrecipient will complete a Section 106 packet of information. (Appendix F1, F2, F3 of the Procedures Manual).
- c. A final inspection will be made upon completion of all moderate and substantial rehabilitation projects. The final inspection will be based on the UPCS checklist for HOME funded projects. The final inspection for CDBG funded owner occupied projects will use the HQS checklist on those areas or building component that was repaired or replaced using CDBG funds.
- d. All federal funded projects must comply with Section 106 information that was submitted and approved.

D. Rehabilitation Standards for Manufactured Homes

The City of Richmond will assist homeowners with repairs to manufactured homes. The City will only make repairs to manufactured homes built after 1983 with the approved HUD stamp. The City will limit hard repair cost to \$5,000. In no case will repairs equal or exceed the value of the home. The follow life safety repairs will be addressed for manufactured homes.

- a. Electrical system repairs
- b. Plumbing repairs
- c. HVAC system repairs
- d. Access improvements
- e. Roof and water infiltration repairs
- f. In situations where the homeowner rents the land on which the home site, the City will not make repairs to systems that are considered to be the landowner's responsibility under this repair program.

8.12 Owner Occupied Rehabs on Duplexes, Triplexes and Quads

It is the City's priority to assist primarily owner occupied single family dwelling under the owner rehab programs. However, on occasion, the City will assist property owners who meet the income requirements and live in one unit of a 2- 4 unit building as their primary residence.

1. Owner occupant in one unit and related extended family in remaining units, (CDBG or HOME funds)
 - All residents age 18 and older must meet the income requirement as a household.
 - The property owner must sign a statement that they do not receive income from the other household members that exceed the basic cost of their utilities.
 - All residents age 18 and older must receive written notification regarding lead paint requirements.
2. Owner occupant in one unit and the remaining units are vacant or occupied by renters.
 - CDBG funds can be used to pay for repairs on only those parts of the building that pertain to the owner's unit, for example, the cost for repairing the bathroom in owner's unit.
 - CDBG funds can be used to pay for part of the cost of building component that is shared in common. For instance, if the roof on a four (4) unit building needs replacing and will cost \$20,000, then the city will pay 25% or \$5,000 of the \$20,000 to replace the roof. The owner will be required to pay the subrecipient or its contractor the remaining \$15,000 to replace the roof. Evidence of ability to pay must be provided prior to the start of work.
 - HOME funds can be used to pay for repairs on only those parts of the building that pertain to the owner's unit, for example, the cost for repairing the bathroom in owner's unit or may be used to pay for part of the cost of a building component that is shared in common. For instance, if the roof on a four (4) unit building needs replacing and will cost \$20,000, then the city will pay 25% or \$5,000 of the \$20,000 to replace the building. The owner will be required to pay the subrecipient or its contractor the remaining \$15,000 to replace the roof. In all cases when HOME funds are used the whole building must be brought up to Housing Quality Standards (HQS). The owner would be required to pay for the repairs to the additional units in order to meet HQS.
 - All residents age 18 and older must receive written notification regarding lead paint requirements. In addition, the owner may be responsible for ongoing lead paint maintenance requirements on all units once the work has been completed.
3. When rehabilitation or repair work is undertaken in response to code action, all code violations must be addressed, including those affecting units not assisted with federal funds. These repairs must be undertaken concurrent with the federally funded work on the owner's unit. At a minimum the owner must disburse funds on a prorated basis consistent with the City's payout schedule.

8.13 Energy Star/Green Building Standards

The City of Richmond and HUD strongly encourages all of its subrecipients when building new or rehabilitating single family dwellings that they meet or exceed Energy Star standards. Any homes that meet the Energy Star Standards at the end of construction should be reported on the City's Project Completion Form, (Appendix A3), along with a copy of the Third Party Verification as required by Energy Star.

For more information about Energy Star and Green Building standards go EPA's website: <http://www.energystar.gov/index.cfm?c=home.index>

8.14 Conflict of Interest

The subrecipient shall adopt procedures to assure that officers, board members and staff do not use and do not appear to use their position for private gain for themselves or others. The subrecipient will assure that for a period of one year after the end of their tenure with the subrecipient, a past officer or employee shall not undertake business with the subrecipient. The conflict of interest section shall extend to all persons or organizations with which an officer, staff person or board member has family or business ties. City staff should be notified if a staff member of one subrecipient serves on the board of another.

8.15 Crime Prevention

All agencies that receive funding from the City, (even those not specifically targeted at crime reduction), must contribute to crime prevention. The policies and programs of the agency must specifically include mechanisms to help reduce crime in the City. These should be reflected in the objectives and accomplishments for each project item plan.

8.16 Drug Free Workplace

It is incumbent upon the subrecipient to create a drug free workplace in accordance with 24 CFR Part 21.200.

8.17 Equal Employment Opportunity

As specified in the Contract, the agency shall adopt policies to prohibit the discrimination in hiring or employment of anyone upon the basis of race, color, creed, religion, sex, age, handicap, disability, sexual orientation, ancestry, national origin, marital status, family status, or any other basis prohibited by law. These policies shall be posted in the work place, and made available to new and current employees. Records of equal employment policies and practices shall be maintained.

8.18 Equal Opportunity in Participation

As specified in the Contract, the agency shall adopt policies to prohibit discrimination in providing services to anyone upon the basis of race, color, creed, religion, sex, age, handicap, disability, sexual orientation, ancestry, national origin, marital status, family status, limited English proficiency (LEP) or any other basis prohibited by law.

This type of discrimination includes:

- Denying any type of program services
- Providing any facilities, services or other benefits in a different way to different clients
- Segregating or separating clients in any way
- Providing any restriction in services
- Treating clients differently in regard to the eligibility and requirements of programs
- Denying any person with a legal right the opportunity to participate in the program

8.19 Grievance Policy

Any individuals seeking and/or receiving federal assistance must receive written notification of the sub-grantee's grievance policy. Grievance policies must provide specific procedures to be followed for any disputed decision impacting federal assistance. Program participants contacting HCD directly will be referred back to the sub-grantee's grievance policy. The grantee must be prepared to provide documentation of the grievance records for all program participant grievances.

The sub-grantee may terminate assistance to a program participant who violates program requirements. Sub-grantees may resume assistance to a program participant whose assistance was previously terminated. In terminating assistance to a program participant, the sub-grantee must provide a formal process that recognizes the rights of individuals receiving assistance to due process of law. This process, at a minimum, must consist of: (1) written notice to the program participant containing a clear statement of the reasons for termination; (2) a review of the decision, in which the program participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and (3) prompt written notice of the final decision to the program participant.

For complaints that remain unresolved, the City may at its expense undertake an independent evaluation or inspection of the issues raised by the complainant. Based on the results of that evaluation, the City may require the subrecipient to address those issues at its expense.

8.20 Fair Housing

As specified in the Contract, the subrecipient (if their project involves housing) agrees to affirmatively further fair housing and abide by 24 CFR 570.601.

Sub-grantees will have a duty to affirmatively further fair housing opportunities for classes protected under the Fair Housing Act. Protected classes include race, color, national origin, religion, sex, physical disability, mental disability (including hoarding,) and familial status. Examples of affirmatively furthering fair housing include:

- (1) marketing the program to all eligible persons, including persons with disabilities and persons with limited English proficiency;

- (2) making buildings and communications that facilitate applications and service delivery accessible to persons with disabilities (see, for example, HUD's rule on effective communications at 24 CFR 8.6);
- (3) providing fair housing counseling services or referrals to fair housing agencies;
- (4) informing participants of how to file a housing discrimination complaint, including providing the toll-free number for the Housing Discrimination Hotline: 1-800-669-9777; and
- (5) recruiting landlords and service providers in areas that expand housing choice to program participants.

8.21 Violence Against Women Act

Public housing agencies (PHAs) administering federal Public Housing and Section 8 voucher programs, and all landlords, owners, and managers participating in the Section 8 voucher and project-based programs must be in compliance with the Violence Against Women Reauthorization Act of 2013, Title VI: Safe Homes for Victims of Domestic Violence, Dating Violence, Sexual Assault and Stalking. VAWA amended the Public Housing Program (42 U.S.C. § 1437d), the Housing Choice Voucher Program (42 U.S.C. § 1437f(o)), and Project-Based Section 8 (42 U.S.C. §§ 1437f(c), (d)).

- Amendments to the federal Public Housing and Section 8 statutes to clarify that victims of domestic violence may not be evicted from or denied housing because they are victims
- Amendments to federal housing planning requirements to ensure that the needs of victims are considered in these local planning processes
- Amendments to the federal McKinney-Vento Homeless Assistance Act to ensure safety and confidentiality for victims in the Homeless Management Information System (HMIS)
- The new protections cover victims of domestic violence, dating violence, and stalking who are tenants in the federal Public Housing and Section 8 voucher and project-based programs. The protections also cover immediate members of the victim's family. See 42 U.S.C. § 1437d(u)(3)(D); 42 U.S.C. § 1437f(f)(11).
- <http://www.ncdsv.org/images/ImpactofVAWAHousingFAQ.pdf>

8.22 Tenant Based Rental Assistance

All housing units that are part of a TBRA program being funded by HOME or HOWPA funds must comply with HUD's Housing Quality Standards, Lead Paint Regulations and documentation.

8.23 Flood Disaster Protection

It is the City of Richmond Policy not to fund any housing activity that is located within the 100 year flood plain. Housing activities include acquisition, down payment assistance, rehabilitation and new construction.

The City of Richmond will not fund any commercial activities located within the 100 year flood plain without special written approval from HCD staff.

As specified in the Contract, for properties rehabilitated, built or acquired by it, the subrecipient will maintain flood insurance in flood hazard areas. The subrecipient as required under the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001-4128), may not use Federal funds for acquisition and construction purposes (including rehabilitation) in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:

- The community in which the area is situated is participating in the National Flood Insurance Program (see 44 CFR part 59 through 79), or less than one year has passed since the FEMA notification regarding such hazards; and
- Where the community is participating in the National Flood Insurance Program, flood insurance protection is to be obtained as a condition of the approval of financial assistance to the property owner.

8.24 Findings Confidential

Except as provided by law, the reports, information, data and documentation prepared by or prepared for the subrecipient shall be deemed confidential. The information may not be released without the permission of the City.

8.25 The Hatch Act

As specified in the Contract, the subrecipient and all of its employees and officers are restricted from engaging in political activities that might violate the Hatch Act.

8.26 Lead-Based Paint

As specified in the Contract, all projects, including, but not limited to residential rehabilitation, demolition, new construction after demolition, down-payment assistance programs, occupant relocation, and disposition as well as residential property that receives assistance for acquisition, leasing, support services, and operations must comply with federal, state and city lead-based paint regulations. All owners, perspective owners and tenants of buildings constructed prior to 1978 must be notified of hazards associated with lead-based paint, receive a lead hazards information pamphlet, and if a clearance test is performed, notice must be provided to the occupants describing the result of this examination.

Prior to the start of all projects, the Lead-Based Paint Form must be completed and submitted to the City's Lead-Based Paint Planner, with all required supporting documentation. Upon completion of all projects, a copy of the results of the passing lead clearance test, if applicable and completed occupant Notification Form must be submitted to City staff. Refer to Appendices H1-H10 for a copy of the Lead-Based Paint Evaluation Forms and Guidelines.

8.27 Davis Bacon Labor Standards

A. Applicability

All laborers and mechanics employed by contractors or subcontractors on construction work financed in whole or in part with assistance received under CDBG, ESG, HOME, or HOPWA shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a - 276a-5). By reason of the foregoing requirement, the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 *et. seq.*) also applies. These requirements apply to all public facility projects and the rehabilitation of residential property only if such property contains more than 8 units. For HOME projects only, this requirement applies to residential properties containing 12 or more units in new construction or rehabilitation activities.

B. Pre-construction Conference

When bids and construction contracts are awarded the subrecipient or designee shall hold a conference with the principal contractor and all available subcontractors prior to the start of construction. The HCD Department will be notified of all conferences for the purpose of informing the contractors and subcontractors of their responsibilities and obligations regarding the Labor Standard provisions contained in the contract documents. HUD representatives will be notified by the HCD Department to attend the conference when the contract is for \$1,000,000 or more.

C. Labor Standards Reporting

A report that includes items discussed and attendees shall be prepared and retained for file by the Labor Compliance Officer within five working days following the conference. The report shall contain:

- Project name, location, and description
- Name of contractor
- Contract amount
- Date and place of conference
- Summary of items covered

D. Verification of Contractor Eligibility

Subrecipients shall provide the HCD Department a listing of all contractors and subcontractors for verification prior to the start of construction.

8.28 Lobbying Restrictions

As specified in the Contract, using federal funds to lobby the United States Congress is prohibited. If non-federal funds are used, it is necessary for the operating agency to report this to the City. No board members, officers or employees paid in whole or in part with federal funds may participate in such lobbying.

8.29 Property Management Standards and Requirements

All subrecipients shall maintain an inventory of property owned by the agency, which has been improved or purchased with federal funds. The subrecipients must report on a quarterly basis all addresses acquired or disposed of to note changes in their federally purchased property inventory.

When properties are disposed of, the subrecipient will guarantee that the City will be reimbursed for the fair market value of the property, less any non-contract funds. The subrecipient will further guarantee that the property will meet one of the CDBG Broad National Objectives (BNO's), HOME, ESG, or HOPWA program requirements for a period of time after completion. In addition, the subrecipient will ensure that the project will comply with all Leadsafe Housing Rule and Section 106 requirements.

When a subrecipient proposes to dispose of property in a manner that is not in accordance with the agreed upon Item Plan or contract, written permission must be obtained from the City prior to the disposition of the property. The priority of the City will be the disposition of the property in a manner that fulfills the purpose of the Item Plan or contract, since this is a commitment to the public as well as to HUD.

8.30 Property Acquisition Requirements

Whenever the City reimburses a subrecipient all or part of the cost associated with the acquisition of real estate in accordance with the Contract for services, the subrecipient shall execute and record a deed of trust to secure the funds provided by the City and provide confirmation of the recorded instrument to the City within 30 days of receipt of payment. This deed of trust shall be subordinated only to a construction line of credit associated with that particular property.

Whenever the City provides a subrecipient with funds in advance for the acquisition of real estate in accordance with the Contract for services, the subrecipient shall execute and record a deed of trust to secure the funds provided by the City and provide confirmation of the recorded instrument to the City within 30 days of the acquisition of the property by the subrecipient. This deed of trust shall be subordinated only to a construction line of credit associated with that particular property.

Where a subrecipient receives a loan to purchase real estate from a financial institution or other entity, and is requesting reimbursement to repay that purchase loan, the HCD Department reserves the right to delay reimbursement until the actual development of the property is complete or underway.

Non-profit organizations, public agencies and private for-profit developers that purchase properties using HOME funds must start new construction or rehabilitation activities within twelve (12) months of acquisition. If new construction or rehabilitation activities are not initiated within the required time period, the subrecipient must submit monthly status reports to City staff until the project is complete or the City has been reimbursed for the total cost of the project.

8.31 Religious Organizations Providing Public Services

Religious organizations can provide services with entitlement funds if they agree to do the following steps elaborated on in the Contract:

- A. The subrecipient will not discriminate against any applicant for services based on religion.
- B. The subrecipient shall not conduct religious instruction, worship or counseling as a part of the project. An organization may still engage in inherently religious activities providing they are voluntary for participants in HUD-funded activities and occur separately in time or location from HUD-funded activities.
- C. No rehabilitation or new construction shall take place on property owned by the religious organization with entitlement funds unless they allocate costs so that HUD funds are used only for eligible HUD activities. Additionally, HUD funds may not be used to acquire or improve sanctuaries, chapels, or any other room that faith-based entities receiving HUD funds use as their principal places of worship.
- E. A religious organization that participates in ESG will retain its independence from federal, state, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct ESG funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities to provide ESG-funded services, without removing religious art, icons, scriptures, or other religious symbols. In addition, an ESG-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents. Agencies that participate in the ESG program shall not, in providing program assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief.

8.32 Section 104 (d) Relocation and Replacement

The City of Richmond is required to provide relocation assistance to any low- and moderate-income persons displaced by the demolition of any housing or the conversion of a low/moderate-income dwelling to another use in connection with a federally-assisted activity and to replace on a one-to-one basis any units lost through the demolition of low/moderate-income dwellings or the conversion of low/moderate-income dwellings to another use in connection with a federally-assisted activity. The Section 104 requirements are elaborated on in the Contract and in the Richmond 104 (d) Plan (see Appendix I9).

- A. **With regard to relocation**, any existing tenant who is temporarily or permanently displaced in connection with any Contract funded activities must be provided relocation benefits in accordance with the 104 (d) Plan.
- B. **With regard to displacement**, the City is responsible for providing information to HUD on all units that are lost in connection to Contract funded activities and all units that replace them. Replacement information is gathered through the Section 106 forms and property documentation forms submitted by the subrecipient.

8.33 Section 106 Historic Preservation Review

Section 106 was established by the U.S. Congress as part of the National Historic Preservation Act of 1966 (NHPA). The Section 106 Review process was designed to ensure that every Federal agency “takes into account” how each funded “undertaking” could affect historic properties. An undertaking is the total project or any component of a project that has received federal funds. The following activities are undertakings subject to Section 106 Review:

- Acquisition
- Boarding
- New Construction
- Rehabilitation and repair projects
- Demolition
- Reconstruction
- Lead paint abatement
- Licenses and permits
- Loans
- Loan guarantees
- Grants
- Federal property transfers
- Other types of Federal involvement

Richmond, as a local government that receives federal funding, is delegated the review responsibility from the U. S. Department of Housing and Urban Development. The Virginia Department of Historic Resources and the Federal Advisory Council on Historic Preservation are the state and federal agencies that have oversight of the review process. The City’s administration of the process is guided by the regulations of the Advisory Council on Historic Preservation (36 CFR Part 800), the Richmond Programmatic Agreement, and the Advisory Council Statement on Affordable Housing and Historic Preservation. Copies of any of these documents are available by e-mailing historic preservation.

Each address based activity that constitutes an undertaking is subject to review. It is a requirement of CDBG, HOME, ESG, and HOPWA regulation that Section 106 documentation be submitted by the subrecipient for each of these activities and that documentation of the submission and approval be maintained in applicant files. Documentation of multiple activities, such as combining acquisition, demolition, and new construction, can be bundled into a single submission provided there is adequate documentation.

The documentation for each property consists of a *City of Richmond, Virginia Section 106 Submission Checklist and Project Description* and a *Secretary of the Interior’s Standards Checklist* prepared according to instructions with all necessary supporting documentation. Copies of these documents are provided in Appendix F3 and F1. To obtain technical assistance or additional information about Section 106 please call Historic Preservation Division staff at 804-646-3709 or e-mail them at chelsea.jeffries@richmondgov.com.

8.34 Section 3 - Economic Opportunities for Low & Very Low Income Persons

A. Applicability

All subrecipients must comply with Section 3 of the Housing and Urban Development Act of 1968 and provide, to the greatest extent feasible, opportunities for the recruitment and training of workers and recruitment of businesses from the project area (the area of the City served by the project). In the case of a city wide project, services and workers should be sought from all, City jurisdiction. Section 3 defines low income and very low income as families (including single persons) whose incomes do not exceed 80 percent of the median income for the area.

All employment opportunities should be advertised in media generally available to Section 3 residents and include the following language: “This is a HUD funded project; Section 3 businesses and/or businesses that employ Section 3 residents are encouraged to respond.”

Subrecipients shall inform potential contractors and subcontractors of their obligations under Section 3; this can be accomplished by including a Section 3 clause in every solicitation and contract connected with the project. In addition, Section 3 should be discussed in pre-bid and pre-construction conferences and incorporated into development proposal packages.

B. Definition

Section 3 Residents are defined as persons that reside in City of Richmond jurisdiction whose income does not exceed 80% of the median income.

To determine percentage of median income please see:

<http://www.huduser.org/portal/datasets/il.html>

Section 3 business concerns are defined as those that meet at least one of the following conditions:

- Majority ownership is held by Section 3 residents
- At least 30 percent of the employees are Section 3 residents-or were within the first 3 years of their employment
- More than 25 percent of their work is subcontracted to businesses that meet either of the first two conditions.

Note: A business concern seeking to qualify for Section 3 shall certify and submit evidence that the business meets one of the guidelines stated above. (Refer to Certification for Business Concerns Seeking Section 3 Preference in Contracting and Demonstration of Capability, Appendix I6)

C. Documentation Requirement

In order to document specific Section 3 business involvement and Section 3 worker’s participation, the City will require all subrecipients that meet City’s guidelines for reporting Section 3 information to complete on a quarterly basis the following forms, See Section 9.10 of the Procedures Manual;

Section 3 Clause & Contract Language, Appendix I5
Section 3 Contractor Self Certification Form, Appendix I6A
Section 3 Contractor Previous Certification Form, Appendix I6B
Section 3 Contractor Assurance of Compliance Form, Appendix I7
Section 3 Resident Self Certification Form, Appendix I8
Section 3 Report HUD-60002, Appendix I9
Section 3 Business Quarterly Report, Appendix I10
Section 3 Workers Quarterly Report, Appendix I11

Subrecipients must make it clear to contractors that they have an obligation to do this and submit all Section 3 forms to the Housing and Community Development Department.

Also, all subrecipients will be required to complete an Annual Report using the Section 3 Summary Report 60002 form, Appendix I9. The Annual Report will be due to the City by the 15th of July.

8.35 Opportunities for Women Owned Business & Minority Owned Business

Subrecipients must make every feasible effort to contact minority owned and women owned business enterprises to respond to invitations for bids. In addition, all subrecipients must submit a Minority Business Report (Appendix I3), required by HUD, to report the number of minority and women owned businesses that worked on HUD funded projects. The Minority Business Report follows HUD's fiscal year which is October 1 thru September 30.

8.36 Section 504 (d) Persons with Disabilities

Subrecipients are responsible for complying with Section 504 (d) handicapped accessibility requirements. Waivers to provisions of the requirement can be given if implementation would be unduly burdensome. Some basic guidelines for implementation include:

- All public facilities must be completely accessible
- Housing subrecipients must be prepared to make individual units accessible should they have a handicapped client
- Public services and all agency offices should meet accessibility guidelines.

8.37 Unanticipated Discoveries

In the event that a previously unidentified archeological resource, such as a cistern, building foundation, or human remains, is discovered during ground disturbing activities, the subrecipient shall immediately contact the Historic Preservation Division, who in turn shall immediately notify the State Historic Preservation Office. All construction work involving subsurface disturbance will be halted in the area of the resource and in the surrounding area where further subsurface remains can reasonably be expected to occur. The City and the SHPO, or an archeologist meeting *The Secretary of the Interior's Professional Qualifications Standards* (48 FR 44 738-9), immediately will inspect the work site and determine the area and the nature of the affected archeological

property. Construction work may then continue in the project area outside the site area. Within two (2) working days of the original notification of discovery, the City in consultation with the SHPO will determine the National Register eligibility of the resource.

The City will consult with the SHPO to determine the National Register eligibility of the previously unidentified resource. The SHPO will respond within (2) business days of receipt of the documentation, documentation may be submitted electronically. Potentially eligible historic properties will be evaluated using the National Register criteria in accordance with 36 CFR 800.4(c). If the City determines that the resource meets the National Register Criteria for Evaluation (36 CFR Part 60.6), the City shall ensure compliance with Section 800.13(b) (3) of the ACHP's regulations. The SHPO shall provide comments on any treatment plan submitted, within two (2) business days of receipt. If the SHPO fails to comment, the City may assume concurrence and implement the plan. Work in the affected area shall not proceed until a notice to proceed is issued by the City. A notice to proceed shall not be issued until a treatment plan is approved in accordance with this section and implemented by the subrecipient or a determination is made that the located resource is not eligible for inclusion on the National Register.

8.38 Required Documentation

All non-profit organizations receiving CDBG or HOME funds must provide the following documentation, before contracts and item plans can be approved. Any changes to these documents must be provided to the Housing and Community Development department whenever a revision is made.

Documentation

Each organization must submit the following documentation:

- **List of board of directors and executive officers:** A list of individuals appointed or elected to the board of directors. The list must include home addresses of members
- **Articles of Incorporation:** A Virginia State document that grants organizations official legal status to operate as an organization under state and local law
- **By-laws of the organization:** A legal document developed by the organization that determines how the group conducts business and selects members of the board of directors as well as defines their roles
- **A business plan (if available):** A 3 to 5 year strategic plan to describe future direction and evaluates future growth of the organization
- **Organizational Procedures Manual (as applicable):** Policies and guidelines that explain how the organization does business (e.g. financial policies and procedures, real estate policies and procedures etc.)
- **Organizational Chart:** A visual representation used to explain roles of the key staff persons and how the decision making process works in the organization
- **Personnel Manual:** Policies and guidelines that define the organization's employee roles, rights and responsibilities
- **Federal non-profit tax exempt certification:** A tax certification from the Internal Revenue Service under Section 501(c) (3) of the Internal Revenue Code of 1986 that legally allows organizations to be exempt from federal income tax. The organization must perform duties that are in compliance with the IRS ruling.

- **Proof of Insurance:** A general liability insurance policy that an organization purchases to protect the City of Richmond from lawsuits. The City requires all vendors, including non-profit organizations doing business with the City to carry such a policy at a minimum of \$1,000,000 worth of coverage per City contract
- **Resumes** of all full, part-time, and contract staff members working on the funded project. For all subrecipients undertaking housing development activities, there must be one appropriately trained staff member to manage and direct the activities.

8.39 Training Required

As specified in the Contract, it is obligatory for subrecipients to participate in the applicable training offered by the City and HUD. The training is necessary to assure that subrecipients know all of the requirements of the program. The City will provide reasonable notice of all training.

CHAPTER IX. GRANT MANAGEMENT FORMS

All grant management forms are available electronically and via email. Forms provided in Microsoft Word or Excel should be completed electronically. Other forms, provided in PDF format can be printed and completed by hand.

9.1 Item Plan

An Item Plan must be completed for each project and each funding source. For example, housing projects that receive CDBG and HOME funds would have two different Item Plans. Item Plans will be color-coded and the funding source listed at the top of the page. Initial Item Plans, which include the scope of work and specific objectives, will be negotiated by the HCD Project Manager (City staff person) and the Item Manager (subrecipient contact). The draft Item Plan will be prepared by one of these individuals for review by the Director. A blank Item Plan is provided in Appendix A, and a sample completed Item Plan is provided in Appendix I2.

The following information must be included in the Item Plan.

Titles

The top of the Item Plan lists the funding source, name of the project, the name of the operating agency, the HCD Project Manager and Item Manager. This section is formatted as a header in the electronic document.

Part I - Project Description

The subrecipient and City staff prepares the description of the project during the preparation of the Consolidated Action Plan. The description should be a concise statement that reflects what the project will do with the funds provided.

Part II – Funding Allocation

This section includes the amount of funding available for the project. It represents a summary of the information provided in Part V.

Approvals

The Item Plan requires a number of approvals. Each step in the approval process must be initialed and dated. The following are the steps in the approval process:

- The HCD Project Manager, Economic Development Program Administrator and HCD Grant Administrator
- The Item Manager on behalf of the subrecipient
- City Agency Director, where applicable
- The City Finance Department

Once the Item Plan has gone through the approval process, a copy of the item plan will be sent to the subrecipient and the original placed in the Block Grant Administration files.

Part III - HUD Activity Category

This is the CDBG, HOME, ESG, or HOPWA activity category that applies to the project. For CDBG projects, the Broad National Objective assigned to a project should not change over the course of the project. Certain projects that involve the development of single family housing, either through new construction or rehabilitation can serve both low/mod and slums/blight Broad National Objectives. In this instance, at the beginning of the program year when funds are allocated, it must be determined how much funding will be assigned to which BNO. Where a BNO is assigned to a specific property, the BNO must be determined by the time funds are drawn. If a low/mod BNO is assigned to a property, that BNO cannot change for that property. The information described below will be provided for each of the HUD activity categories.

Account #

Account numbers will be assigned by City staff to identify the specific project and the activity that will be performed.

Amount

Amount of funds dedicated to each activity.

Objective

These objectives define the outputs of the project. For a public service project, an example might be that 25% of the clients participating might pass a particular test. For housing projects, the objective should specify the number of units to be completed with the funding. One objective could cover several different activities. Objectives should contain quantifiable measures.

Project Details

This section includes addresses, types of clients served and other specific details and numbers for each activity category. Specific property addresses should be provided.

Evaluation Criteria and Outcomes

Quantifiable outcomes for each activity should be provided for each of the four calendar quarters. This can include the number of clients, units, and/or any other number suitable to measure the activity's success. The actual annual total means that the same client unit or other number cannot be counted more than once during the project year.

Activity Expenditures

A detailed breakout of how funds will be spent, and should be consistent with the information provided in Part V of the Item Plan.

Part IV - Crime Prevention Reduction

Describes how the project contributes to the reduction of crime.

Part V - Budget by Cost Category

An Excel spreadsheet with embedded formulas that contains the specific dollar cost for each activity and revisions if necessary.

9.2 Contracts

A Contract will be prepared for each non-City agency subrecipient for each funding source. For example, a subrecipient undertaking a number of housing projects would have one contract for all of its HOME-funded projects and one Contract for all of its CDBG-funded projects. Contracts will be color-coded and will list all of the projects and funding amounts. The Contract must list the following information:

- The Federal Identification Number of the subrecipients
- DUNS Number
- The street address and E-Mail address of the subrecipient
- Whether or not there will be minority participation in the project

The HCD Director, or designee, signs the contract before it is circulated for signatures from the Board Chairperson of the subrecipient and the City Chief Administrative Officer. Once the signatures are complete, a copy of the signed contract and all corresponding Item Plans will be provided to the subrecipient.

9.3 Forms for Housing Development Projects

Each individual housing activity that is assisted with CDBG or HOME funds must be documented from the beginning to completion. The following forms are used for this process and are to be submitted to the Department of Housing and Community Development:

A. Project Underwriting Form

B. Project Initiation Form

This form and required attachments, including a project pro forma, must be submitted at the beginning of the process for each individual housing related CDBG or HOME activity. CDBG and HOME funds will not be distributed without a Project Initiation Form and pro forma on file. Refer to Appendix A2 for the Project Initiation Form.

C. Project Completion Form

This report must be completed and submitted when all project funds have been spent. This must be done within 30 days of final inspection or receipt of Certificate of Occupancy for CDBG funded projects and within 30 days of unit occupancy for HOME funded projects. Final payout will not be available until a Project Completion Form is submitted to the Department of Housing and Community Development. Refer to Appendix A3 for the Project Completion Form.

D. Development Pro forma

A development pro forma should be completed for all new construction and rehabilitation projects. A preliminary pro forma should be submitted with the Project Initiation Form, and a final pro forma showing actual cost should be submitted with the Project Completion Form. The development pro forma is provided as an Excel Spreadsheet with embedded

formulas (Appendix A4). This requirement does not apply to owner occupied rehabilitation projects.

E. HOME Project Completion Forms

Each individual housing activity that is assisted with HOME Program funds must be documented for completion. The following forms should be completed and submitted to the Department of Housing and Community Development as an attachment to the required Project Completion Form no later than 30 days after the New Homebuyer, Homeowner Rehab, or Rental Housing project has been completed.

- Homebuyer Set Up and Completion Form (complete sections E, F, G and H)
- Homeowner Rehab Set Up and Completion Form (complete sections D, E, F, and G)
- Rental Set Up and Completion Form (complete sections E, F, G, and H)

Please refer to Appendices D1, D2, and D3 for a copy of these forms.

F. Annual Gross Income Calculation Form

The City of Richmond uses the income definition, commonly referred to as the Section 8 definition, as described in 24 CFR Part 5, to calculate annual gross income for persons using HOME Investment Partnership funds, Community Development Block Grant funds or Housing Opportunities for People With Aids. The Part 5 definition of annual gross income is defined as the total sum of income of all adult members (persons over 18 years of age) living in the proposed property receiving CDBG, HOME and/or HOPWA Program assistance. Total household income will be calculated against total earnings anticipated during the upcoming 12 month period. The City requires household income to be determined by all subrecipients regardless of program income limit regulation. Households with an income over eighty percent of the area median income may only be assisted with CDBG funds in certain circumstances. As a general rule, households assisted with CDBG funds should be at or below eighty percent of the area median income. All households assisted with HOME or HOPWA Program funds must have an income of at or below eighty percent of the area median income. An Annual Gross Income Calculation Form shall be completed for each household assisted by the subrecipient and maintained in the client's file (Appendix D4). To complete the form please follow the instructions below:

- Name – List the head of household
- Identification – Write “Part 5” and the funding source (CDBG, HOME and/or HOPWA)
- Household Members – List all household members including children less than 18 years of age. Please use an additional form if more spaces are needed.
- Net Cash Value of Assets – List total value of current assets for all household members over 18 years of age.
- Total Actual Income from Assets – List total actual income for each household member over 18 years of age.
- If line 3 is greater than \$5,000, multiply by 2% (passbook rate to be determined by the City annually) and enter results here; otherwise leave blank.

- Household members – List name and income source in each of the categories and total the sums for a, b, c, d and e.
- Enter the total of items 6a through 6e. This is the Gross Annual Household Income.

Note: For an electronic version of the Income Calculation form visit the following website: <https://www.hudexchange.info/incomecalculator/>

G. Deeds of Trust and Deed of Trust Note

Depending on the funding and activity associated with a property, the subrecipient may be required to use one or more deeds of trust and deeds of trust notes. Subrecipients receiving funding for housing development (new construction or rehab) that results in homeownership will be required to use the City’s Deed of Trust and Deed of Trust Note included in Appendices G1 & G2. These documents should be used to convey the terms and conditions of the CDBG and HOME Program funds in the project and to ensure that the properties receiving assistance meet the HUD and City requirements for affordability. The period of affordability is determined by the amount of HOME and/or CDBG funds used for down payment and closing cost assistance, other homebuyer assistance, or any other homebuyer financing provided with CDBG or HOME funds. A project with less than \$15,000 of CDBG or HOME assistance to the homebuyer will have an affordability period of 5 years. A project with between \$15,000 and \$40,000 of funding will have an affordability period of 10 years. A project with over \$40,000 will have an affordability period of 20 years. Subrecipients using CDBG or HOME funds for a deferred second mortgage will be required to use the City’s Neighborhoods in Bloom Deferred Loan Deed of Trust (Appendix G3), and the City’s Deed of Trust Note (Appendix G2). Subrecipients using federal funds for acquisition will be required to use the City’s CDBG/HOME Acquisition Funds Deed of Trust (Appendix G5) and the City’s Deed of Trust Note (Appendix G6).

H. Certificate of Satisfaction for Acquisition Deed of Trust/Note

Subrecipients who use CDBG/HOME funds for Acquisition are required to have a Deed of Trust (Appendix G5) and a Deed of Trust Note (Appendix G6). Once the property has been sold to an eligible client, the City of Richmond will issue a Certificate of Satisfaction after the subrecipient has submitted all applicable forms including but not limited to: Project Initiation Form, Project Completion Form, Development Pro-Forma, Lead Paint documentation, Homebuyer and Homeowner forms.

I. Affordability Period

A project with less than \$15,000 of CDBG or HOME assistance to the homebuyer will have an affordability period of 5 years. A project with between \$15,000 and \$40,000 of funding will have an affordability period of 10 years. A project with over \$40,000 will have an affordability period of 20 years. Generally, it is the City’s policy not to reinvest CDBG or HOME into a project after it is completed and while still in its affordability period. On a case by case basis, assistance may be provided to address health or safety issues that are not related to lack of property maintenance.

J. Subordination Policy

The City Of Richmond will have two subordination policies, the first will be for Acquisition Deeds of Trust and the second will be for Deeds of Trust related to

homeowner buyer, homeowner rehabilitation projects or deferred second mortgage used for homebuyer affordability.

- a) The City will subordinate its Deeds of Trust for Acquisition (*Appendix G5*) when the developer applies for a construction mortgage to cover the cost related to development of the property. The developer's first mortgage should not exceed the estimate cost for construction by more than ten percent nor should the property be mortgaged for any other then developed of the property in question. The subordination shall not exceed 12 months without written justification from the developer and approval by the City.

The Developer will provide a Development Pro forma (*Appendix A4*) to the City as well as a written defined timeline for the completion of the project.

- b) Deeds of Trust *CDBG and HOME Generally (Appendix G1) and NIB Deferred Loan (Appendix G3)*. The City will subordinate when the homeowner's meets the following requirements.
 - i. The combined new mortgage payments are less than current combined mortgage payments.
 - ii. The combined new mortgage payments should not exceed 30% of the net household income.
 - iii. The homeowner will not take money out of the value of the property as a result of the refinance to pay personal debt or for personal use.
 - iv. The homeowner must be notified of the City's subordination policy in the notice of eligibility.

The City has the ability to make exceptions on a case by case basis for issues such as unplanned medical expenses or in the case of foreclosure when the financial institution is willing to renegotiate the terms of the mortgage to avoid foreclosure.

9.4 Forms for ESG Projects

Each new (never before funded) individual project assisted with ESG Funds must be documented. The following forms are used in this process.

Quarterly Report for Emergency Solutions Grant (ESG) Subrecipients

A Quarterly Report for Emergency Solutions Grant (ESG) Subrecipients Form must be completed and submitted to the HCD Department quarterly. Refer to Appendix H for this quarterly report form.

9.5 Lead Based Paint Evaluation Form

This form must be completed and submitted with the Project Initiation Form for all projects involving residential repair, rehabilitation, demolition, new construction after demolition, down payment assistance, occupant relocation, and disposition as well as residential property that receives assistance for acquisition, leasing, support services, or operation. Refer to Appendices H1-H9 for the Lead Based Paint Guidelines and Forms.

9.6 Section 106 Documents, Forms, Training, and Technical Assistance

The documents that provide the basis for Section 106 Review:

- *The Secretary of the Interior's Standards for Rehabilitation.*
- *Advisory Council on Historic Preservation Regulation (36CFR Part 800)*
- *The Richmond Programmatic Agreement*
- *The Advisory Council Statement on Affordable Housing and Historic Preservation.*

Electronic copies of these documents are available upon request from Historic Preservation Staff.

Provided in Appendices F1 and F3 of this manual, and on the accompanying disc are two forms: *Secretary of the Interior's Standards Check List* and the *Submission Checklist and Project Description*. These forms must be completed and submitted to the Historic Preservation Division during the planning stage of any CDBG, HOME, ESG, Section 108, or HOPWA-funded development project. The forms must be submitted for any type of development activity including: acquisition, home repair, rehabilitation; new construction, boarding, demolition, and lead paint abatement.

A complete packet (two copies of each form with the necessary documents) must be submitted for each building which is to be reviewed. The initial review of the submission by Historic Preservation Division staff will take 30 days. Within 30 days the project will be approved, additional information will be requested, or it will be forwarded to the SHPO for review. The SHPO will have 30 days to review all projects that the programmatic agreement requires be submitted to them. All supporting documents listed on the forms must be provided and failure to do so may result in the project being delayed by the Historic Preservation Division or SHPO until such information is provided.

The Historic Preservation Division has the ability to develop more specific guidelines for the review of rehabilitation activities. Currently *Rehabilitation Guidelines for State and Federal Historic Districts* are used by Historic Preservation Division Staff in the review of rehabilitation projects and these can be provided to subrecipients electronically. Additional guidelines may be developed for new construction and demolition in the future.

The demolition of a historic building requires completion of a *Structural Analysis of a Historic Building* (Appendix F2) form. Historic Preservation Division Staff can advise whether or not a building is historic in advance of submission. If the building is not an immediate danger to public safety as determined by the Commissioner of Buildings, it will be necessary to provide plans for a replacement structure for the building to be demolished. The Historic Preservation Division and State Historic Preservation Officer may identify additional documentation necessary to justify the demolition of the historic building. The more documentation that a subrecipient can provide justifying demolition of a historic building, the easier it will be for the Historic Preservation Division and the SHPO to review the demolition request.

Training in Section 106 is provided as a part of the annual subrecipient training. Additional training and the Section 106 monitoring of each agency will take place after the main subrecipient training. Training and technical assistance regarding Section 106 are available on demand throughout the fiscal year. When new staff are hired that will deal with Section

106, training should be requested. Please contact Historic Preservation Division staff at 646-6364 or Chelsea.Jeffries@richmondgov.com to obtain electronic versions of the documents and forms pertaining to Section 106, to arrange Section 106 training, or to arrange Section 106 technical assistance.

9.7 Quarterly Reports

Quarterly reports must be submitted by the 5th working day of the month after the quarter ends. The quarterly report helps the City properly evaluate the progress of subrecipients and provides the data necessary to complete the annual CAPER report. The following forms must be completed as a part of the quarterly evaluation.

A. Quarterly Report - Performance Requirements & Narrative

This form provides the basic information on the accomplishments of the subrecipient during the quarter and a detailed description of the subrecipient's activities during the course of the project (Refer to Appendix E1). A status update should be provided for each address listed- see Item Plan and/or currently underway.

B. Quarterly Report - Participant Profile

There are six (6) different Participant Profile forms, one for each potential activity. Subrecipients should submit the appropriate form for the activity they are implementing with federal funds. Refer to Appendices E2-E7 in addition to the Performance Requirements & Narrative form refer to Appendix E1.

9.8 Financial Reports and Forms

A. Requisition for Cash Form

This form is used for reimbursements and cash advances. All Requisition for Cash forms must be accompanied by an expense report for the previous month or quarter, a Cost Category Summary form and Activity Category forms, refer to Appendices C1-C9. Each Requisition for Cash form should be signed and dated by the staff person that prepared the form and the Executive Director. Refer to Appendices B1-B4 for Cash Requisition forms.

The following information should be included on this form for all reimbursement requests:

- Activity categories for which money is requested should be listed at the top of the form under Activity Category (Department of Finance will provide Activity Category numbers). All required information should be submitted for each activity category.
- Total Cash Received to Date for this Contract – Amount of funds the subrecipient has received to date
- Total Cash Paid Out to Date – Amount of funds subrecipient has spent
- Cash on Hand – Subtract Total Cash Paid Out to Date from Total Cash Received to Date for this Contract. This balance should equal the current expense report submitted if all previous requests have been received.
- Cash Requested but not Received – Amount of funds subrecipient has requested but not received
- Total Cash Available – Add Cash on Hand at End of Month and Cash Requested but not received. This should equal your current expense report submitted.

- Total Cash Available from Previous Requests – This should equal total cash available
- Total Estimated Cash needed- This is used if advances are given, this requires special approval
- Cash Available from previous Requests- Line 11 is duplicated from line 7.
- Total Cash Request for this Requisition- Combinations of lines 10 and 11, total should match current expense report if funds are being requested as a reimbursement.

B. Activity Category Forms

This form will be customized for each Item Plan. A separate page/form for each activity number and category as indicated on the Item Plan will be prepared for use in reporting the monthly detailed expenditures made with entitlement funds. The Total Activity Category amount should be placed on the appropriate Activity Category line in the Monthly Cost column of the Cost Category Summary column. Refer to Appendices C2, C5, C7, and C9 for the Activity Category Forms.

C. Cost Category Summary Form

This form is a summary of the information on the Activity Category forms. It will be customized for the activities indicated on each Item Plan for entitlement funds. The activity number, category and budget amount should appear on the Cost Category Summary as shown on the approved Item Plan. The amount budgeted for each activity will remain the same until such time as an approved revised Item Plan has been received by the Department of Finance.

The Grant to Date Costs column should include the prior month's Grant to Date total plus the Monthly Costs column. The amounts expended in both columns are for entitlement funds only; do not include other sources of funding. Refer to Appendices C1, C4, C6, and C8 for the Cost Category Summary Form.

9.9 Minority Business Report

Each subrecipient that solicits or requests an invitation for bids must submit a Minority Business Report no later than the fifth working day after the end of the fiscal year. All minority owned and/or women owned contractors and subcontractors employed to completed entitlement funded projects should be included on this form (Appendix I3.)

9.10 Section 3 Report

Subrecipients that engage in housing rehabilitation, housing construction and/or other types of public construction and receive more than \$200,000 in federal funds must submit a Section 3 Report no later than the fifth working day after the end of the fiscal year. All contractors, subcontractors and in-house personnel that qualify as Section 3 residents or as a Section 3 business employed to complete federally funded projects should be reported on this report (Appendix I9).

* Please be advised HUD has a pending rule change; you will be notified when the rule takes effects.

Notes:

Appendices

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Appendix A1: Instructions for the Project Initiation and Completion Forms

I. Instructions for Completing the Project Initiation Form

The Project Initiation Form must be filled out for housing activities funded with Community Development Block Grant funds and HOME Investment Partnership funds.

The Project Initiation Form must be completed for new activities and for substantive project revisions. Substantive project revisions include

- Changes in proposed project activities (for example, a structure proposed for demolition is rehabilitated instead).
- Increases in the amount of public funds used in a project (for example, HOME funding originally requested at \$30,000 but an increase to \$40,000 is needed).
- Changes in the proposed funding allocation of a project (for example, changing a project from a HOME funded project to a CDBG funded project).
- Pro-forma is out of date due to substantial delay in project start.

II. Instructions for Completing the Project Completion Form

- This form must be filled out for housing activities funded with Community Development Block Grant funds and HOME Investment Partnership funds.
- Due to changes in federal reporting requirements, a HUD Homebuyer Set Up and Completion Form (Attachment D1, Homeowner Rehab Set Up and Completion Form (Attachment D2) or Rental Housing Project Completion Form (Attachment D3) must be submitted for all projects receiving HOME Investment Partnership Funds. These forms are an attachment to the Project Completion Form, and do not substitute for that form.
- The pro forma addresses development costs and purchase assistance. For the latter, the pro forma distinguishes between down payment assistance to buyer and principal reduction designed to address affordability (see section 5.5). The down payment assistance is referred to as home buyer assistance in the pro forma and affordability contribution, also called principal reduction, should be included under second mortgage (City of Richmond).

Appendix A2:

**Project Initiation Form
City of Richmond Federally Funded Housing Projects**

Provider _____ Date _____

Tax ID # _____ Home Project ID # _____
(To be assigned by HCD)

Area _____ Year Project Funded _____

Form Completed by: _____

Original submission _____ Revised PIF _____ BNO _____
(To be assigned at initial purchase with HCD approval)

Property Information

1. Address _____

2. Current Use: Check one
 Vacant single family structure _____ Occupied single family _____
 Vacant multifamily structure _____ Occupied multifamily _____ # of units _____
 Vacant lot _____

3. Number of bedrooms _____(unit 1) Number of bedrooms _____(unit 2)
 Number of bedrooms _____(unit 3) Number of bedrooms _____(unit 4)

4. Has structure been vacant one year or more? Yes _____ No _____

5. Ownership (answer if applicable)
 Do you own the property? _____
 If not, when will you have title to the property? _____

6. Proposed Outcome:
 New construction/owner occupancy _____ Rehabilitation/rental _____
 Rehabilitation/sale/owner occupancy _____ Number of units _____
 Rehabilitation/owner occupancy _____
 Reconstruction/owner occupancy _____

7. Check **all** actions **this agency** will take with this property:
 Acquisition _____ Demolition of structure _____
 Relocation _____ Site preparation _____
 New construction _____ Disposition to another CDC _____
 Rehabilitation (vacant structure) _____ Disposition to private developer _____
 Reconstruction/owner occupied _____ Rehabilitation – owner occupied _____

		<u>Original</u>	<u>Revised</u>
8	Total Estimated Project Costs	_____	_____
9.	Total Requested CDBG Funds	_____	_____
10.	Total Requested HOME Funds	_____	_____

(Information in 8, 9 and 10 should match information on attached preliminary pro-forma).

Section 106 Review

Not started _____ In progress _____ Completed _____ (date)

Section II: Household Information (if known)

Fill out the applicable section. For items marked with an asterisk (*), please use the applicable code given below.

	Owner Occupied	Rental			
		Unit 1	Unit2	Unit 3	Unit4
# of Bedrooms					
Size of household					
Gross Annual income					
% of Area Median Income*					
Race**					
Hispanic –yes or no					
Head of household***					
Mortgage					
Previous tenant-yes or no					
Monthly rent					
Tenant Contribution					
Subsidy amount					
Total rent					
Rental assistance****					

Percent Area Median Income

1. 0-30%. 2. 30-50%. 3. 50-60% 4. 60-80% 5. Above 80%

**Racial Categories. For each residential unit, enter one code.

1. White.
2. Black/African American
3. Asian
4. American Indian or Alaska Native
5. Native Hawaiian/Other Pacific Islander
6. American Indian/Alaska Native & White.
7. Asian and White
8. Black/ African American & White.
9. American India/Alaska Native & Black/African American.
10. Other Multi Racial.

***Head of Household. For each residential unit, enter one code only based on the following definitions:

1. **Single/Non-Elderly.** One-person household in which the person is not elderly.
2. **Elderly.** One or two person household with a person at least 62 years of age.
3. **Related/Single Parent.** A single parent household with a dependent child or children (18 years old or younger).
4. **Related/Two Parent.** A two-parent household with a dependent child or children (18 years old or younger).
5. **Other.** Any household not included in the above 4 definitions, including two or more unrelated individuals.

**** Rental Assistance. For each residential unit, enter one code only based on the following definitions

1. **Section 8.** Tenants receiving Section 8 assistance through the Section 8 Certificate Program or the Section 8 Housing Voucher Program.
2. **HOME Tenant Based Rental Assistance.** Tenants receiving HOME tenant-based assistance.
3. **Other Assistance.** Tenants receiving rental assistance through other Federal, State or local rental assistance programs.
4. **No Assistance.**

Required Attachments

- Copy of standardized electronic pro forma
- Copy of Lead Based Paint Form, risk assessment and work right up
- Relocation Plan, if household relocation is proposed, to include statement of qualifications to undertake relocation

Project Completion Form

City of Richmond Federally Funded Housing Projects

Provider _____ Date: _____
Tax ID # _____ Home Project ID # ____
Area: _____

Form Completed by: _____

Original Submission _____ Revision PCF _____

Property Information

1. Address _____
2. Final Product:

New construction/sale/owner occupancy	_____	
Rehabilitation/sale/owner occupancy	_____	
Rehabilitation/owner occupied	_____	
Rehabilitation/rental	_____	Number of units _____
Repair/owner occupied	_____	
Number of bedrooms	_____	
3. Date Final Activity Completed _____
4. Date Property Sold (if applicable) _____

Household Information: Owner Occupied (CDBG funded)

Beneficiary's Name _____

Household Size: _____

Gross annual Income: _____

Hispanic yes or no (circle one)

Race _____ (chose one from list below)

- | | |
|--|--|
| 1. White. | 2. Black or African American |
| 3. Asian | 4. American Indian or Alaska Native |
| 5. Native Hawaiian or Other Pacific Islander | 6. American Indian or Alaska Native & White. |
| 7. Asian and White | 8. Black or African American & White |
| 9. American Indian or Alaska Native & Black or African American. | 10. Other/Multi Racial |

Head of Household: _____(choose one from list below)

1. **Single/Non-Elderly.** One-person household in which the person is not elderly.
2. **Elderly.** One or two person household with a person at least 62 years of age.
3. **Related/Single Parent.** A single parent household with a dependent child or children (18 years old or younger).
4. **Related/Two Parent.** A two-parent household with a dependent child or children (18 years old or younger).
5. **Other.** Any household not included in the above 4 definitions, including two or more unrelated individuals.

HOME Funding

Is there HOME funding in this project? yes or no (circle one)

If yes, amount of funding _____

Please see Item # 3 of Required Attachments.

Required Attachments

- 1) Copy of final standardized electronic pro forma _____
- 2) Copy of Clearance Test and Notification Form
- 3) For projects receiving HOME investment Partnership Fund Assistance:
 - Report A. Homebuyer Set Up and Completion Form
 - Report B. Homeowner Rehab Set Up and Completion Form
 - Report C. Rental Set Up and Completion Form

Copies of these forms are in the Procedures Manual.

Does the unit meet Energy Star Standards: yes or no (circle one)
(If yes please provide Third Party Certification)

Appendix A4:

Development Pro forma

ADDRESS:

Date

Prepared: _____

Building and Land	Estimate	Actual
Building and Land		
Attorney's Fee		
Title Insurance		
Recording Fees		
Taxes		
Real Estate Commission		
Demolition		
Other Costs		
Total	\$0	\$0

Pre-Development	Estimate	Actual
Appraisal		
Arch. & Engineering Fees		
Survey		
Environmental		
Hazard Insurance		
Other Costs		
Subtotal	\$0	\$0

Construction	Estimate	Actual
Construction Costs		
Construction Contingency		
Interior Demolition		
Lead Abatement		
Pest Treatment		
Attorney		
Title Insurance		
Utilities		
Taxes		
Bank Loan Fee		
Construction Interest-Bank		
Construction Interest-LISC		
Other Costs		
Subtotal	\$0	\$0

Developer's Fee

--	--

Development Costs

\$0	\$0
------------	------------

	Estimate	Actual
Sales Price		
Sales Commission		
Other Seller Closing Costs		
Net Sales Price	\$0	\$0

Development Costs

\$0	\$0
------------	------------

Development Gap

\$0	\$0
------------	------------

Grants/Subsidy	Estimate	Actual
CDBG Grant		
HOME Grant		
LISC		
Lead Grant		
OTHER		
Remaining Subsidy Req.	\$0	\$0

	Estimate	Actual
First Mortgage		
Second Mortgage (city)		
Second Mortgage (other)		
Homebuyer Assist. (city)		
Homebuyer Assist. (other)		
Homebuyer's Contribution		
Total	\$0	\$0

Sales Price	0	0
Buyer's Closing Costs		
Total Buyer's Costs	\$0	\$0

Circle Project Type	Rehab	New
Square Footage		

NOTE:

Required Field =

--

Appendix B1: CDBG Requisition for Cash Form
 CITY OF RICHMOND - Dept. of Housing and Community Development

CDBG - REQUISITION FOR CASH

Project:
 Operating Agency:

Date: Requisition No:

LINE	CDBG Cash on Hand at End of Month	Activity Category				TOTAL
		8513 DIR HOMSP	8515 REHAB	8522 CBDO Activ	8523 PLAN	
1	Total Cash Received to Date for this Contract					-
2	Total Cash Paid Out to Date					-
3	Cash on Hand at End of Month (Line 1 - Line 2)	-				-
<u>Previous Advance Requested, But Not Received</u>						
4	Cash Requested But Not Received					-
5	Total Cash Available (Line 3 + Line 4)					-
6	Expenses by Activity (owed but not paid)					-
7	Total Cash Available from Previous Requests (Line 5-Line 6)					-
<u>Cash Advance Estimated for 30 Days After the Period Above</u>						
8	Estimated Payment Date				-	-
9	Estimated Payment Date					-
10	Total Estimated Cash Needed (Line 8 + Line 9)					-
11	Cash Available from Previous Requests (Line 7)					-
12	<i>Total Cash Requested for this Requisition-Lines 10 & 11</i>					-
	a. Line 10 - Line 11 if cash is a positive amount					
	b. Line 10 + Line 11 if cash is a negative amount					

I certify that, to the best of my knowledge, the information provided above is correct and that the funds will be disbursed only in accordance with the conditions of the Contract.

Prepared by: _____ Date: _____

Approved by: _____ Date: _____

Appendix B2: HOME Requisition for Cash Form

CITY OF RICHMOND - Dept. of Housing and Community Development

HOME - REQUISITION FOR CASH

Project:
Operating Agency:

Date: Requisition No:

LINE	CDBG Cash on Hand at End of Month	Activity Category			TOTAL
		8515 Rehabilitation	8534 CHDO Admin	8526 New Const	
1	Total Cash Received to Date for this Contract				-
2	Total Cash Paid Out to Date				-
3	Cash on Hand at End of Month (Line 1 - Line 2)				-
<u>Previous Advance Requested. But Not Received</u>					
4	Cash Requested But Not Received				-
5	Total Cash Available (Line 3 + Line 4)				-
6	Expenses by Activity (owed but not paid)				-
7	Total Cash Available from Previous Requests (Line 5-Line 6)				-
<u>Cash Advance Estimated for 30 Days After the Period Above</u>					
8	Estimated Payment Date				-
9	Estimated Payment Date				-
10	Total Estimated Cash Needed (Line 8 + Line 9)				-
11	Cash Available from Previous Requests (Line 7)				-
12	Total Cash Requested for this Requisition-Lines 10 & 11				-
	a. Line 10 - Line 11 if cash is a positive amount				
	b. Line 10 + Line 11 if cash is a negative amount				

I certify that, to the best of my knowledge, the information provided above is correct and that the funds will be disbursed only in accordance with the conditions of the Contract.

Prepared by: _____ Date: _____

Approved by: _____ Date: _____

Appendix B3: ESG Requisition for Cash Form

CITY OF RICHMOND - Dept. of Housing and Community Development

ESG - REQUISITION FOR CASH

Project:

Date: Requisition No:

Operating Agency:

Activity Category	
8529	8530

LINE	CDBG Cash on Hand at End of Month	Operational Costs	Essential Serv		TOTAL
1	Total Cash Received to Date for this Contract		-		
2	Total Cash Paid Out to Date	-	-		
3	Cash on Hand at End of Month (Line 1 - Line 2)		-		
<u>Previous Advance Requested, But Not Received</u>					
4	Cash Requested But Not Received		-		
5	Total Cash Available (Line 3 + Line 4)		-		
6	Expenses by Activity (owed but not paid)		-		
7	Total Cash Available from Previous Requests (Line 5-Line 6)		-		
<u>Cash Advance Estimated for 30 Days After the Period Above</u>					
8	Estimated Payment Date		-		
9	Estimated Payment Date	-	-		-
10	Total Estimated Cash Needed (Line 8 + Line 9)		-		
11	Cash Available from Previous Requests (Line 7)		-		
12	Total Cash Requested for this Requisition-Lines 10 & 11		-		
	a. Line 10 - Line 11 if cash is a positive amount				
	b. Line 10 + Line 11 if cash is a negative amount				

I certify that, to the best of my knowledge, the information provided above is correct and that the funds will be disbursed only in accordance with the conditions of the Contract.

Prepared by: _____ Date: _____

Appendix B4: HOPWA Requisition for Cash Form

Approved by: _____ Date: _____

CITY OF RICHMOND - Dept. of Housing and Community Development

HOPWA - REQUISITION FOR CASH

Project:
Operating Agency:

Date: _____ Requisition No: _____

LINE	CDBG Cash on Hand at End of Month	Activity Category					TOTAL
		8530 Ess Serv	8529 Op Costs	8532 S/T Hsg	8535 L/T Hsg	8524 Prog Admin	
1	Total Cash Received to Date for this Contract	_____	_____	_____	_____	_____	-
2	Total Cash Paid Out to Date	_____	_____	_____	_____	_____	-
3	Cash on Hand at End of Month (Line 1 - Line 2)	_____	_____	_____	_____	_____	-
<u>Previous Advance Requested. But Not Received</u>							
4	Cash Requested But Not Received	_____	_____	_____	_____	_____	-
5	Total Cash Available (Line 3 + Line 4)	_____	_____	_____	_____	_____	-
6	Expenses by Activity (owed but not paid)	_____	_____	_____	_____	_____	-
7	Total Cash Available from Previous Requests (Line 5-Line 6)	_____	_____	_____	_____	_____	-
<u>Cash Advance Estimated for 30 Days After the Period Above</u>							
8	Estimated Payment Date	_____	_____	_____	_____	_____	-
9	Estimated Payment Date	-	-	-	-	-	-
10	Total Estimated Cash Needed (Line 8 + Line 9)	_____	_____	_____	_____	_____	-
11	Cash Available from Previous Requests (Line 7)	_____	_____	_____	_____	_____	-
12	Total Cash Requested for this Requisition-Lines 10 & 11	=====	=====	=====	=====	=====	-
	a. Line 10 - Line 11 if cash is a positive amount						
	b. Line 10 + Line 11 if cash is a negative amount						

I certify that, to the best of my knowledge, the information provided above is correct and that the funds will be disbursed only in accordance with the conditions of the Contract.

Prepared by: _____ Date: _____

Approved by: _____ Date: _____

Appendix C3: Sample CDBG Activity Category Form

SAMPLE

Community Development Block Grant (CDBG)

Activity Category/Number: 8508 - Relocation

From: 10-01-15

To: 10-31-15

<u>Name of Payee</u>	<u>Description</u>	<u>Invoice or Doc. No.</u>	<u>Payroll Period</u>	<u>Date Paid</u>	<u>Amount Paid</u>	<u>Total</u>
1. Personnel:						
John Smith	Salary	116	10/1-10/15	10/16	600.00	
Pat Jones	Salary	117	10/1-10/15	10/16	500.00	
John Smith	Salary	128	10/16-10/31	10/31	300.00	
Pat Jones	Salary	129	10/16-10/31	10/31	600.00	
Sun Trust	FICA (Agency Share)	130	October	10/31	153.00	
Anthem	Medical Insurance	131	October	10/31	100.00	\$2,253.00
2. Supplies/Other Charges:						
Kinko's	Supplies	120		10/16	18.00	
Harrison & Bates	Rent	110		10/1	100.00	
Virginia-Dominion Power	Electricity	111		10/5	52.00	
Verizon	Telephone	112		10/5	38.00	
						\$208.00
3. Land Building & Equipment:						
Office Depot	Printer	126		10/20	125.00	
						\$125.00
TOTAL ACTIVITY CATEGORY (add 1,2 & 3)						<u>\$2,586.00</u>

Prepared by _____

Title _____

Approved by _____

Title _____

Appendix C6: ESG Cost Category Summary Form

EMERGENCY SOLUTIONS GRANT (ESG)

COST CATEGORY SUMMARY

Project _____	Operating Agency _____
Report Period from _____ to _____	Date Prepared _____

<i>Activity Number -- Activity Category (see reverse side)</i>	<i>(Approved) 17-18 Budget</i>	Grant to Date Costs <i>(City Funds Only)</i>	Monthly Costs <i>(City Funds Only)</i>
Personnel			
Supplies/Other Charges - Laundry			
8529 Operational Costs	-	-	-
Personnel			
Supplies/Other Charges-Transport.			
8530 Essential Services	-	-	-
Total of all Activity Categories	-	-	-

Prepared by _____
Written Signature

Title _____

Approved by _____
Written Signature

Title _____

Appendix D1: Homebuyer Setup and Completion Form

Homebuyer Set Up and Completion Form HOME Program (For single and multi-address activities)

U.S. Department of Housing and Urban Development
Office of Community Planning and Development
OMB Approval No. 2506-0171
(Exp. 03/31/2005)

Check the appropriate box:
 Original Submission Change Owner's Address
 Ownership Transfer Revision

Name and Phone Number of Person Completing Form:

Set Up Homebuyer Activity:

A. General Information.

1. Name of Participant:	2. County Code:	3. IDIS Activity ID Number:	4. Activity Name:

B. CHDO Information. (Only if applicable)

1. Is funding limited to CHDO Operating (CO) or CHDO Capacity Building (CC)? Y/N: (If Yes, STOP. DO NOT FILL OUT THIS FORM.)	2. If this is a CHDO activity (funded with CR), is the CHDO acting as (check one): (1) <input type="checkbox"/> Owner (2) <input type="checkbox"/> Sponsor (3) <input type="checkbox"/> Developer
3. Is this a CHDO Loan? Y/N: (If Y, answer item 4.)	4. Is the activity going forward? Y/N: (When Y, fill out the rest of the form. If N, Sections ?? are not needed.)

C. Activity Information.

1. Activity Type (check one): (2) <input type="checkbox"/> New Construction Only (4) <input type="checkbox"/> Acquisition & Rehab (3) <input type="checkbox"/> Acquisition Only (5) <input type="checkbox"/> Acquisition & New Construction	2. Homebuyer's Street Address:
1. Homebuyer's Name (optional):	5. Zip Code:
3. City:	6. Estimated HOME Cost:
7. Loan Guarantee? Y/N:	

D. Developer Information. (Only applicable if this is a multi-address activity)

1. Developer Type (check one): (1) <input type="checkbox"/> Individual (4) <input type="checkbox"/> Not-for-Profit (2) <input type="checkbox"/> Partnership (5) <input type="checkbox"/> Publicly Owned (3) <input type="checkbox"/> Corporation (9) <input type="checkbox"/> Other	2. Developer's Name:
3. Developer's Street Address:	5. State:
4. City:	6. Zip Code:

Complete Homebuyer Activity:

E. General Information. (Same as set up)

1. Name of Participant:	2. County Code:	3. IDIS Activity ID Number:	4. Activity Name:
-------------------------	-----------------	-----------------------------	-------------------

F. Activity Information. (Sections F, G, and H are to be filled out for each property address. If this is a multi-address activity, make copies of this form so that each address has separate F, G, and H information.)

1. Activity Type (check one): <input type="checkbox"/> New Construction Only <input type="checkbox"/> Acquisition Only <input type="checkbox"/> Acquisition & Rehab <input type="checkbox"/> Acquisition & New Construction	2. Property Type (check one): <input type="checkbox"/> 1-4 Single Family <input type="checkbox"/> Condominium <input type="checkbox"/> Cooperative <input type="checkbox"/> Manufactured Home	3. Total Completed Units: HOME-assisted Units: _____ 504-accessible Units: _____
4. Homebuyer's Name (optional): _____		
5. Homebuyer's Street Address:	6. City:	7. State:
8. Zip Code:	9. Purchase Price:	10. Value After Rehab (only applicable for Acquisition/Rehab activities):

G. Activity Costs.

1. HOME Funds (Including Program Income)

a. Property Costs

(1) Amortized Loan	\$
(2) Grant	\$
(3) Deferred Payment Loan (DPL)	\$
(4) Other	\$
b. Downpayment Assistance	
(1) Amortized Loan	\$
(2) Grant	\$
(3) Deferred Payment Loan (DPL)	\$
(4) Other	\$
c. CHDO Loan	\$

Total HOME Funds [a + b + c]

Public Funds

(1) Other Federal Funds	\$
(2) State/Local Funds	\$
(3) Tax Exempt Bond Proceeds	\$
Total Public Funds [(1) + (2) + (3)]	\$

3. Private Funds

(1) Private Loans	\$
(2) Owner Cash Contribution	\$
(3) Private Grants	\$
Total Private Funds [(1) + (2) + (3)]	\$

4. Activity Total (Sum All Totals)

	\$
--	----

H. Household Characteristics. (Refer to code below where applicable)

Unit #	# of Bedrooms	Occupant	% Med	Hispanic? Y/N	Household Race		Type	Assistance Type	Total Monthly Rent
					Size	Race			

1. Homebuyer Counseling? (check one):
 No Counseling Post-counseling
 Pre-counseling Both

2. First-time Homebuyer? Y/N: _____

3. FHA Insured? Y/N: _____

4. Lease Purchase? Y/N: _____ if yes, date of agreement: _____

of Bedrooms
 0 - SRO/Efficiency
 1 - 1 bedroom
 2 - 2 bedrooms
 3 - 3 bedrooms
 4 - 4 bedrooms
 5 - 5 or more bedrooms

Occupant
 1 - Tenant
 2 - Owner
 9 - Vacant Unit

Household Race
 11 - White
 12 - Black or African American
 13 - Asian
 14 - American Indian or Alaska Native
 15 - Native Hawaiian or Other Pacific Islander
 16 - American Indian or Alaska Native & White
 17 - Asian & White
 18 - Black or African American & White
 19 - American Indian or Alaska Native & Black or African American
 20 - Other Multi Race

Household Size
 1 - 1 person
 2 - 2 persons
 3 - 3 persons
 4 - 4 persons
 5 - 5 persons
 6 - 6 persons
 7 - 7 persons
 8 - 8 or more persons

Household Type
 1 - Single, non-elderly
 2 - Elderly
 3 - Single parent
 4 - Two parents
 5 - Other

Assistance Type
 1 - Section 8
 2 - HOME TBRA
 3 - Other Federal, State, or Local Assistance
 4 - No Assistance

Appendix D2: Homeowner Rehab Setup and Completion Form

U.S. Department of Housing and Urban Development
Office of Community Planning and Development
OMB Approval No. 2506-0171
(Exp. 03/31/2005)

Homeowner Rehab Set Up and Completion Form HOME Program (For single and multi-address activities)

Check the appropriate box: Change Owner's Address
 Original Submission Revision
 Ownership Transfer

Name and Phone Number of Person Completing Form:

Set Up Homeowner Activity:

A. General Information.

1. Name of Participant:	2. County Code:	3. IDIS Activity ID Number:	4. Activity Name:

B. Activity Information.

1. Homeowner's Name (optional):		2. Homeowner's Street Address:	
3. City:	4. State:	5. Zip Code:	6. Estimated HOME Cost:
7. Loan Guarantee? Y/N:			

C. Contractor Information. (Only applicable if this is a multi-address activity)

1. Contractor Type (check one): (1) <input type="checkbox"/> Individual (2) <input type="checkbox"/> Partnership (3) <input type="checkbox"/> Corporation (4) <input type="checkbox"/> Not-for-Profit (5) <input type="checkbox"/> Publicly Owned (9) <input type="checkbox"/> Other		2. Contractor's Name:	
3. Contractor's Street Address:			
4. City:	5. State:	6. Zip Code:	

Complete Homeowner Activity:

D. General Information. (Same as set up)

1. Name of Participant:	2. County Code:	3. IDIS Activity ID Number:	4. Activity Name:
-------------------------	-----------------	-----------------------------	-------------------

E. Activity Information. (Sections E, F, and G are to be filled out for each property address. If this is a multi-address activity, make copies of this form so that each address has separate E, F, and G information.)

1. Property Type (check one): <input type="checkbox"/> 1-4 Single Family <input type="checkbox"/> Condominium <input type="checkbox"/> Cooperative <input type="checkbox"/> Manufactured Home	2. Total Completed Units: HOME-assisted Units: _____ 504-accessible Units: _____	
3. Homeowner's Name (optional):	4. Homeowner's Street Address:	
5. City:	6. State:	7. Zip Code:
		8. Value After Rehab:

F. Activity Costs.

1. HOME Funds (Including Program Income)

(1) Amortized Loan	\$
(2) Grant	\$
(3) Deferred Payment Loan (DPL)	\$
(4) Other	\$
Total HOME Funds [(1) + (2) + (3) + (4)]	<p>2. Public Funds</p>

(1) Other Federal Funds	\$
(2) State/Local Funds	\$
(3) Tax Exempt Bond Proceeds	\$
Total Public Funds [(1) + (2) + (3)]	<p>3. Private Funds</p>

(1) Private Loans	\$
(2) Owner Cash Contribution	\$
(3) Private Grants	\$
Total Private Funds [(1) + (2) + (3)]	<p>Page 2 of 3</p>

4. Activity Total (Sum All Totals)

	\$
--	----

G. Household Characteristics. (Refer to code below where applicable)

Unit #	# of Bdrms	Occupant	% Med	Household			Type	Assistance Type	Total Monthly Rent
				Hispanic? Y/N	Race	Size			

FHA Insured? Y/N:

--	--

of Bdrms
 0 - SRO/Efficiency
 1 - 1 bedroom
 2 - 2 bedrooms
 3 - 3 bedrooms
 4 - 4 bedrooms
 5 - 5 or more bedrooms

Occupant
 1 - Tenant
 2 - Owner
 9 - Vacant Unit

Household Race
 11 - White
 12 - Black or African American
 13 - Asian
 14 - American Indian or Alaska Native
 15 - Native Hawaiian or Other Pacific Islander
 16 - American Indian or Alaska Native & White
 17 - Asian & White
 18 - Black, African American & White
 19 - American Indian or Alaska Native & Black or African American
 20 - Other Multi Racial

Household Size
 1 - 1 person
 2 - 2 persons
 3 - 3 persons
 4 - 4 persons
 5 - 5 persons
 6 - 6 persons
 7 - 7 persons
 8 - 8 or more persons

Assistance Type
 1 - Section 8
 2 - HOME TBRA
 3 - Other Federal, State, or Local Assistance
 4 - No Assistance

Household % of Med
 1 - 0 to 30%
 2 - 30+ to 50%
 3 - 50+ to 60%
 4 - 60+ to 80%

Household Type
 1 - Single, non-elderly
 2 - Elderly
 3 - Single parent
 4 - Two parents
 5 - Other

Appendix D3: Rental Setup and Completion Form

U.S. Department of Housing and Urban Development
Office of Community Planning and Development
OMB Approval No. 2506-0171
(Exp. 03/31/2005)

Rental Set Up and Completion Form HOME Program (For single and multi-address activities)

Check the appropriate box: Original Submission Change Owner's Address
 Ownership Transfer Revision

Name and Phone Number of Person Completing Form:

Set Up Rental Activity:

A. General Information.

1. Name of Participant:	2. County Code:	3. IDIS Activity ID Number:	4. Activity Name:

B. CHDO Information. (Only if applicable)

1. Is funding limited to CHDO Operating (CO) or CHDO Capacity Building (CC)? Y/N:
 (If Yes, STOP. DO NOT FILL OUT THIS FORM.)

2. If this is a CHDO activity (funded with CR), is the CHDO acting as (check one):
 (1) Owner (2) Sponsor (3) Developer

3. Is this a CHDO Loan? Y/N:
 (If Y, answer item 4.)

4. Is the activity going forward? Y/N:
 (When Y, fill out the rest of the form. If N, Sections ?? are not needed.)

C. Activity Information.

1. Activity Type (check one):
 (1) Rehab Only (4) Acquisition & Rehab
 (2) New Construction Only (5) Acquisition & New Construction
 (3) Acquisition Only

2. Property Street Address:

3. City: 4. State: 5. Zip Code: 6. Estimated HOME Units: 7. Estimated HOME Cost:

8. Loan Guarantee? Y/N:

D. Developer Information. (Only applicable if this is a multi-address activity)

1. Developer Type (check one):
 (1) Individual (4) Not-for-Profit
 (2) Partnership (5) Publicly Owned
 (3) Corporation (9) Other

2. Developer's Name:

3. Developer's Street Address:

4. City: 5. State: 6. Zip Code:

Complete Rental Activity:

E. General Information. (Same as set up)

1. Name of Participant:	2. County Code:	3. IDIS Activity ID Number:	4. Activity Name:
-------------------------	-----------------	-----------------------------	-------------------

F. Activity Information. (Sections F, G, and H are to be filled out for each property address. If this is a multi-address activity, make copies of this form so that each address has separate F, G, and H information.)

1. Activity Type (check one): (1) <input type="checkbox"/> New Construction Only (2) <input type="checkbox"/> Acquisition Only	(4) <input type="checkbox"/> Acquisition & Rehab (5) <input type="checkbox"/> Acquisition & New Construction	2. Property Type (check one): (1) <input type="checkbox"/> Condominium (2) <input type="checkbox"/> Cooperative (3) <input type="checkbox"/> SRO (4) <input type="checkbox"/> Apartment (5) <input type="checkbox"/> Other	3. FHA Insured? Y/N:
4. Mixed Use? Y/N:	5. Mixed Income? Y/N:	6. Total Completed Units: HOME-assisted Units: _____ 504-accessible Units: _____	
7. Property Street Address:		8. City:	9. State:
			10. Zip Code:

G. Activity Costs.

1. HOME Funds (Including Program Income)

(1) Amortized Loan	\$
(2) Grant	\$
(3) Deferred Payment Loan (DPL)	\$
(4) Other	\$
(5) CHDO Loan	\$
Total HOME Funds [(1) + (2) + (3) + (4) + (5)]	\$

2. Public Funds

(1) Other Federal Funds	\$
(2) State/Local Funds	\$
(3) Tax Exempt Bond Proceeds	\$
Total Public Funds [(1) + (2) + (3)]	\$

3. Private Funds

(1) Private Loans	\$
(2) Owner Cash Contribution	\$
(3) Private Grants	\$
Total Private Funds [(1) + (2) + (3)]	\$

Appendix D4: Annual Gross Income Calculation Form

Name of Person Completing _____ Date _____

1. Name		2. Identification			
Assets					
Family Member	Asset Description	Current Cash Value of Assets	Actual Income from Assets		
3. Net Cash Value of Assets		3.			
4. Total Actual Income from Assets			4.		
5. If line 3 is greater than 5,000, multiply line by _____ (Passbook Rate) and enter results here; otherwise leave blank			5.		
ANTICIPATED ANNUAL INCOME					
Family Members	A. Wages/Salaries	B. Benefits/Pensions	C. Public Assistance	D. Other Income	E. Asset Income
					Enter the greater of lines 4 or 5 from above in e.
6. Totals	a.	b.	c.	d.	e.
7. Enter total items from 6a. through 6e. This is the Annual Income.....					7.

Note: Please see Page 9.3(E) of the FY 2018-19 Procedures Manual for Instructions For Richmond MSA Income Limits go to:

http://www.huduser.org/portal/datasets/il/il2015/select_Geography.odn

Appendix E1: (Updated 2/22/17)

QUARTERLY REPORT - PERFORMANCE/ACCOMPLISHMENTS & NARRATIVE

*City of Richmond Department of Housing and Community Development
(Amended 2-22-17)*

Project Name _____

Operating Agency Name _____ **FUNDING YEAR** _____

Quarter Number (*circle*) (1) July - Sept. (2) Oct. - Dec. (3) Jan. - March (4) April - June YEAR-END

Prepared By _____ **Date Prepared** _____

Phone Number _____ **EMAIL** _____

OBJECTIVES: List objectives outlined in the item plan for the year. List each activity separately.

Planned Activity (Ex. Acquisition, demolition, etc.)	Low-to-Moderate Income or Slums Blight	Planned # of Units

ACCOMPLISHMENTS: List actual project performance results achieved **IN THIS QUARTERLY REPORTING PERIOD ONLY.**

Actual Activity (Ex: acquisition, demolition, etc.):					
Address	Status	Low-to-Moderate Income or Slums Blight	Funding Source (CDBG, HOME, Both)	# of Units	# of Clients

Actual Activity (Ex: acquisition, demolition, etc.):					
Address	Status	Low-to-Moderate Income or Slums Blight	Funding Source (CDBG, HOME, Both)	# of Units	# of Clients

Actual Activity (Ex: acquisition, demolition, etc.):					
Address	Status	Low-to-Moderate Income or Slums Blight	Funding Source (CDBG, HOME, Both)	# of Units	# of Clients

NARRATIVE: Please provide a summary on the project by addressing the following points:

- (1) The activities accomplished during the report period
- (2) **List timeline for each housing activity not complete during the report period**
 - Address
 - Activity start date by
 - Planned completion by
 - Buyer contract by
- (3) Any major changes in the scope of the project
- (4) The problems encountered during the previous months and proposed solutions to these problems
- (5) Any other comments relevant to the progress of the project

Appendix E2:

QUARTERLY REPORT – PUBLIC FACILITIES / SERVICES
Department of Housing and Community Development - Richmond, Virginia

Project Name _____ Agency Name _____

Quarter Number (*circle*) **1** **2** **3** **4** **YEAR END**

Date Prepared _____

	Total #
Persons assisted w/ new access to facility or service	
Persons assisted w/ improved access to facility or service	
Persons that no longer have access to a substandard facility or service	
Beds created in overnight shelter or other emergency housing	

Name	Total # Served
Race:	
White	
Black/African American	
Asian	
Am. Indian/Alaskan Native	
Native Hawaiian/Other Pacific Islander	
Am. Indian/Alaskan Native & White	
Asian & White	
Black/African Am. & White	
Am. Indian/Alaskan Native & Black/African Am.	
Other Multi racial	
Ethnic:	
Hispanic	
Income	
Very Low	
Low	
Moderate	
Sex	
Female	
Male	
Female Headed Household*	

*A female headed household is a household consisting of an adult female with no adult male present and at least one child under the age of 18

Appendix E7A: QUARTERLY REPORT – PARTICIPANT PROFILE ECONOMIC DEVELOPMENT

E7-A--QUARTERLY REPORT – SETUP PARTICIPANT PROFILE ECON DEV

Project Name _____ Agency Name _____

Quarter Number (*circle*) (1) July-Sept. (2) Oct.-Dec. (3) Jan.-March (4) April-June (5) Year End Date Prepared _____

Company Name	DUNS #	New or Existing business Y/N	Business Expansion Y/N	Business relocation Y/N	Commercial facade or rehab Y/N	Provides goods/services to neighborhood Y/N

Company Name	# jobs expected to create	# jobs created	# jobs created w/ employer sponsored healthcare	# persons unemployed prior to taking job created	# jobs expected to retain	# jobs retained	# jobs w/ employer sponsored healthcare

Updated 3/16/12 FY 2012-13

Appendix E7B

QUARTERLY REPORT – PROJECT COMPLETION PARTICIPANT PROFILE ECO DEV

E7B-QUARTERLY REPORT – PROJECT COMPLETION PARTICIPANT PROFILE ECON DEV

Company Name _____ DUNS# _____ IDIS # _____
 Quarter Number (circle) (1) July-Sept. (2) Oct.-Dec. (3) Jan.-March (4) April-June (5) Year End Date Prepared _____

Job Performance Measures

Actual FTE Jobs Created: _____ Actual FTE Jobs Retained: _____

Created	Total
Of Jobs Created, Number of Jobs With Employer Sponsored Health Care Benefits	
Of Jobs Created, Number of Persons Unemployed Prior to Taking Jobs Created Under this Activity	

Retained	Total
Income Levels	
Extremely Low = < 30% AMI	
Low > 30% but < 50% AMI	
Moderate > 50% but < 80% AMI	
Non-Low/Moderate > 80% AMI	
Totals	

Company Name	DUNS #	New or Existing business Y/N	Business Expansion Y/N	Business relocation Y/N	Commercial façade or rehab Y/N	Provides goods/services to neighborhood Y/N

Updated 3/16/12 FY 2012-13

E7.B--QUARTERLY REPORT - PROJECT COMPLETION PARTICIPANT PROFILE ECON DEV

Company Name	# jobs expected to create	# jobs created	# jobs created w/ employer sponsored healthcare	# persons unemployed prior to taking job created	# jobs expected to retain	# jobs retained	# jobs w/ employer sponsored healthcare

Number of Jobs Created or Retained by EDA Classification

Types of Jobs Created/Retained	# Officials/Managers	# Professionals	# Technicians	# Sales	# Office & Clerical	# Craft Workers (skilled)	# Operatives (semi-skilled)	# Laborers	# Service Workers

Assistance to Businesses

	Total	Number Expanding	Number Relocating
New Businesses Assisted		N/A	N/A
Existing Businesses Assisted		N/A	N/A
Total		N/A	N/A

Appendix E8:

YEAR END REPORT FOR
LEVERAGE FUNDS USED BY SUBRECIPIENTS

Subrecipient Agency Name: _____

Contact Person and Phone Number: _____

Project Name: _____

(complete separate sheet for each project)

Funding Sources (to be filled in at the end of the year):

Include funding specifically for this project/program provided by a different funding source than City Entitlement money e.g. United Way, Philip Morris, CoC, Federal, State, Local general funds, etc. and amount

Other Federal:	\$
Other Federal:	\$
State:	\$
Local Gov.:	\$
Private:	\$
Fees:	\$
Other:	\$
Other:	\$
	\$
	\$
	\$
Total:	\$

Appendix F1: Secretary of the Interior's Standards Checklist

***Work Write-up and Secretary of the Interior's Standards Check List
for Rehabilitation and New Construction Projects:
Attachment to the Department of Historic Resources
Project Review Application***

Please read the following instructions completely. If incomplete or inaccurate information is provided with your application, delays in review will result.

This form is to be used to indicate whether work to be carried out as part of a proposed project involving preservation, rehabilitation, restoration, or reconstruction will meet the Secretary of the Interior's *Standards for the Treatment of Historic Properties*. It is also to be used for projects involving new construction, to indicate whether the new construction will be compatible with historic properties that it might affect. Please fill out the form in its entirety. If you check "Modification" under the Proposed Treatment column, you must provide a complete explanation of what that modification will be and why it is the chosen course of action. If that modification does not meet the Standards, you must provide a complete explanation (and, if appropriate, a financial justification) of the economic or design constraints that *preclude* the project from meeting the Standards. The Advisory Council on Historic Preservation has issued a *Policy Statement on Affordable Housing and Historic Preservation* which allows for some flexibility on a case by case basis in the application of the Standards to affordable housing projects. See the Advisory Council's website (www.achp.gov) for the text of the Policy Statement. Attach additional pages as necessary.

This form *must* be accompanied by a completed Project Review Application form. Incomplete information on the Project Review Application or this form will delay our review process and may result in return of the application. A work write-up or scope of work may be provided as well, but cannot be substituted for the attached form. Architectural drawings, showing exterior elevations for new construction and exterior and interior details for rehabilitation, are also required. Please see the instructions accompanying the Project Review Application for additional information. If you have questions about what to submit, please contact the Office of Review and Compliance at (804) 367-2323.

The Secretary of the Interior's *Standards for Rehabilitation* are summarized on the following page. For more information on the Standards and their application, see the web site at <http://www2.cr.nps.gov/tps/standguide/index.htm>. To meet the Standards, work on historic properties must follow guidance in the series of technical information publications prepared by the National Park Service, known as the Preservation Brief series. The Preservation Briefs, listed on Page 3, can be downloaded from the Internet at <http://www.cr.nps.gov/hps/tps/briefs/presbhom.htm>. If Internet access is not available, copies of Preservation Briefs can be obtained from the Department of Historic Resources, by calling 804-367-2323 (please specify which publication is needed, or what topic is being addressed).

Some communities may, in consultation with DHR, develop alternative rehabilitation and/or new construction guidelines for certain historic districts. If DHR has approved the use of alternate guidelines for your community, please make a note on the form which guidelines are being followed and it will be understood that reference to the Standards on the following form will refer to the approved alternate guidelines in place.

Please note that rehabilitation projects may also qualify for federal and/or state historic rehabilitation tax credit programs. For additional information, contact DHR at 804-367-2323, ext. 100, or by e-mail at Kyle.Meyer@dhr.virginia.gov.

MAIL THIS FORM WITH THE PROJECT REVIEW APPLICATION TO:

Virginia Department of Historic Resources
Attention: Project Review
2801 Kensington Avenue, Richmond, VA 23221

SECRETARY OF THE INTERIOR'S STANDARDS FOR REHABILITATION

1. A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
2. The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.
3. Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.
4. Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.
5. Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.
6. Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.
7. Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.
8. Significant archeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.
9. New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.
10. New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

NATIONAL PARK SERVICE'S PRESERVATION BRIEFS

The following is a list of the Preservation Briefs. Each Preservation brief can be accessed online at the National Park Service's website: <http://www.nps.gov/tps/how-to-preserve/briefs.htm>. If Internet access is not available, copies of Preservation Briefs can be obtained from the Department of Historic Resources, and printed versions may be purchased from the United States Government Printing Office.

- 01: The Cleaning and Waterproof Coating of Masonry Buildings
- 02: Repointing Mortar Joints in Historic Masonry Buildings
- 03: Conserving Energy in Historic Buildings
- 04: Roofing for Historic Buildings
- 05: The Preservation of Historic Adobe Buildings
- 06: Dangers of Abrasive Cleaning to Historic Buildings
- 07: The Preservation of Historic Glazed Architectural Terra-Cotta
- 08: Aluminum and Vinyl Siding on Historic Buildings: The Appropriateness of Substitute Materials for Resurfacing Historic Wood Frame Buildings
- 09: The Repair of Historic Wooden Windows
- 10: Exterior Paint Problems on Historic Woodwork
- 11: Rehabilitating Historic Storefronts
- 12: The Preservation of Historic Pigmented Structural Glass (Vitrolite and Carrara Glass)
- 13: The Repair and Thermal Upgrading of Historic Steel Windows
- 14: New Exterior Additions to Historic Buildings: Preservation Concerns
- 15: Preservation of Historic Concrete: Problems and General Approaches
- 16: The Use of Substitute Materials on Historic Building Exteriors
- 17: Architectural Character - Identifying the Visual Aspects of Historic Buildings as an Aid to Preserving Their Character
- 18: Rehabilitating Interiors in Historic Buildings - Identifying Character-Defining Elements
- 19: The Repair and Replacement of Historic Wooden Shingle Roofs
- 20: The Preservation of Historic Barns
- 21: Repairing Historic Flat Plaster - Walls and Ceilings
- 22: The Preservation and Repair of Historic Stucco
- 23: Preserving Historic Ornamental Plaster
- 24: Heating, Ventilating, and Cooling Historic Buildings: Problems and Recommended Approaches
- 25: The Preservation of Historic Signs
- 26: The Preservation and Repair of Historic Log Buildings
- 27: The Maintenance and Repair of Architectural Cast Iron
- 28: Painting Historic Interiors
- 29: The Repair, Replacement, and Maintenance of Historic Slate Roofs
- 30: The Preservation and Repair of Historic Clay Tile Roofs
- 31: Mothballing Historic Buildings
- 32: Making Historic Properties Accessible
- 33: The Preservation and Repair of Historic Stained and Leaded Glass
- 34: Applied Decoration for Historic Interiors: Preserving Historic Composition Ornament
- 35: Understanding Old Buildings: The Process of Architectural Investigation
- 36: Protecting Cultural Landscapes: Planning, Treatment, and Management of Historic Landscapes
- 37: Appropriate Methods of Reducing Lead-Paint Hazards in Historic Housing
- 38: Removing Graffiti from Historic Masonry
- 39: Holding the Line: Controlling Unwanted Moisture in Historic Buildings
- 40: Preserving Historic Ceramic Tile Floors
- 41: The Seismic Retrofit of Historic Buildings: Keeping Preservation in the Forefront

- 42: The Maintenance, Repair, and Replacement of Historic Cast Stone
- 43: The Preparation and Use of Historic Structure Reports
- 44: The Use of Awnings on Historic Buildings: Repair, Replacement and New Design
- 45: Preserving Historic Wooden Porches
- 46: The Preservation and Reuse of Historic Gas Stations
- 47: Maintaining the Exterior of Small and Medium Size Historic Buildings

WORK WRITE-UP AND STANDARDS CHECK LIST

Property Address : _____

Lead Agency/Contact Person: _____

Program Name: _____

EXTERIOR (FOR BOTH NEW CONSTRUCTION AND REHABILITATION)

<u>Property component</u>	<u>Proposed treatment</u>		<u>Does proposed treatment meet the Standards?</u>
	Impact	Description of Modification	
Roof	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Exterior cladding	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Windows	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Doors	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Porch roof	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Porch ceiling	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Porch floor	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No

<u>Property component</u>	<u>Proposed treatment</u>		<u>Does proposed treatment meet the Standards?</u>
	Impact	Description of Modification	
Porch posts	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Porch railing	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Porch steps	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Porch other: (describe) _____	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Chimney	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Cornice	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Soffit	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Other exterior trim: (describe) _____	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No

INTERIOR (FOR REHABILITATION PROJECTS ONLY)

<u>Property component</u>	<u>Proposed treatment</u>		<u>Does proposed treatment meet the Standards?</u>
	<u>Impact</u>	<u>Description of Modification</u>	
Floorplan	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Walls	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Floors	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Ceilings	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Stairs	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Door/window trim	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Baseboard trim	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Other trim: (describe) _____	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Mantles	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No

<u>Property component</u>	<u>Proposed treatment</u>		<u>Does proposed treatment meet the Standards?</u>
	Impact	Description of Modification	
Paneling	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Other interior architectural detail: (describe) _____	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Mechanical systems (HVAC, plumbing, electrical, etc.)	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Other: (describe) _____	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No

SITE WORK (FOR BOTH NEW CONSTRUCTION AND REHABILITATION)

<u>Property component</u>	<u>Proposed treatment</u>		<u>Does proposed treatment meet the Standards?</u>
	Impact	Description of Modification	
Fences/walls	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Paving (sidewalks, parking, etc.)	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Landscaping	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No
Other: (describe) _____	<input type="checkbox"/> No impact <input type="checkbox"/> Repair <input type="checkbox"/> Replace in kind <input type="checkbox"/> Modification		<input type="checkbox"/> Yes <input type="checkbox"/> No

Appendix F2: Structural Analysis of a Historic Building

STRUCTURAL ANALYSIS OF A HISTORIC BUILDING (REVISED 6-12-01)

This form must be submitted for any historic property that has received the concurrence of the Richmond Vacant Building Review Team. Section 106 is on hold until this form is provided. For historic properties that have not received VBRT concurrence, additional documentation justifying demolition must be provided before Section 106 can be processed.

Existing Building Description

Date Submitted _____
Building Address: _____
Map Reference # _____
Prepared By: _____ Phone _____

This is for:

_____ Complete Demolition
_____ Partial Demolition, Specify

This building is:

_____ Occupied
_____ Vacant. If vacant, estimate how long: _____

In general, what is wrong with this building:

Existing Structural Systems Description

A. Foundation

Type:

_____ Walls
_____ Piers

Material:

_____ Brick
_____ Concrete
_____ Concrete Block
_____ Parged
_____ Wood

Describe the current condition of the foundation (good and bad). Be specific:

B. Interior Bearing Walls

Material:

_____ Brick
_____ Concrete block
_____ Stone
_____ Wood Frame

Describe the current condition of the interior bearing walls (good and bad). Be Specific:

C. Roof

Type:

- _____ Flat
- _____ Front Gable
- _____ Side Gable
- _____ Hipped
- _____ Shed

Material:

- _____ Built-up
- _____ Composition Shingle
- _____ Standing Seam Metal
- _____ Wood Shingle
- _____ Slate
- _____ Not Visible

Describe the current condition (good and bad) of the roof. Be specific:

Existing Building Exterior Description

A. Exterior Wall Cladding:

Material:

- _____ Weatherboard
- _____ Brick
- _____ Aluminum/Vinyl Siding
- _____ Asbestos/Asphalt Shingle Siding
- _____ Bricktex

Describe the current condition (good and bad) of the exterior walls, be specific:

B. Decks, Porches, Balconies:

Location:	Number	Stories
Front	_____	_____
Rear	_____	_____
Side	_____	_____

Describe the current condition (good and bad) of the decks, porches, and balconies, be specific:

C. Chimneys

Number: _____

Location: _____

Describe the current condition (good and bad) of the chimneys. Be specific:

Appendix F3: Section 106 Submission Checklist and Project Description

City of Richmond, Virginia Section 106 Submission Checklist and Project Description (1/21/05)

Instructions: **Fill out this form for each individual property/building. Please check all of the boxes that apply and provide complete and concise descriptions of the work to be done. A complete form will assure that City and State staff have enough information to complete review in a timely manner. Failure to complete the form can result in the City or State returning the project for additional information. Two copies of this form, the Work Write-Up and Secretary Standard's Checklist, project plans and specifications, and any supporting documentation need to be submitted to the City.**

Address of Project: _____ Agency: _____
Contact: _____ Phone and/or E-Mail: _____

The property:
____ is a vacant Lot ____ has an existing building

Proposed Activity (check the applicable sections below)

A. Rehabilitation ____ No ____ Yes

1. Exterior Work: ____ NA ____ The following area will areas will be impacted:
____ Siding ____ Roofing ____ Masonry ____ Partial demolition ____ Front Porch ____ Rear or side porch ____ Ornamentation ____ HVAC Installation

2. Interior Work: ____ NA ____ The following area will areas will be impacted: ____ Walls ____ Trim
____ Mantels and chimneys ____ Floors ____ Other Features ____ Doors
____ Cabinets

3. Description of Work:

4. Documentation: ____ Specifications ____ Plans (Required for exterior elevation changes and changes in floor plan) ____ Other (Specify): _____

B. Reconstruction ____ No ____ Yes

1. Description of Work: Describe the amount of the original building that will be demolished, how much would remain and generally what the new building would look like (size, roof and pitch, number of bays on front façade, porches and decks, setbacks and other relevant features):

2. Documentation: ____ Plans (Showing the amount of demolition and original features to be retained) ____ Structural Analysis of Historic Property Form ____ Architect or Engineer's evaluation ____ Other (specify): _____

C. New Construction ____ No ____ Yes

1. Previous Use of Design: If this design has been used before list the addresses where it has been constructed most recently:

2. Description of Work: Describe in general terms what the new building would look like (size, roof and pitch, number of bays on front façade, porches and decks, setbacks and other relevant features etc):

3. Documentation: ___ Elevations of the building ___ Location of building on site plan with relationship to the adjoining buildings ___ Other (specify): _____

D. Demolition ___ No ___ Yes

1. Existing Condition: The building to be demolished is: ___ Frame ___ Block ___ Brick

2. Deterioration: Discuss in general terms the type and extent of deterioration:

3. Alternatives to Demolition: List alternatives to the demolition of the property that have been considered:

4. Documentation: ___ Structural Analysis of a Historic Property form ___ The report of a structural engineer or architect ___ Other (specify): _____

E. Site Work ___ No ___ Yes

Documentation: Provide a site plan that shows the existing site features of the property (building footprint, planting beds, parking area, walks) and those features that will be changed.

Appendix F5: HUD Homeless Definition




Homeless Definition

CRITERIA FOR DEFINING HOMELESS	Category 1	Literally Homeless	<p>(1) Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:</p> <ul style="list-style-type: none"> (i) Has a primary nighttime residence that is a public or private place not meant for human habitation; (ii) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs); <u>or</u> (iii) Is exiting an institution where (s)he has resided for 90 days or less <u>and</u> who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution
	Category 2	Imminent Risk of Homelessness	<p>(2) Individual or family who will imminently lose their primary nighttime residence, provided that:</p> <ul style="list-style-type: none"> (i) Residence will be lost within 14 days of the date of application for homeless assistance; (ii) No subsequent residence has been identified; <u>and</u> (iii) The individual or family lacks the resources or support networks needed to obtain other permanent housing
	Category 3	Homeless under other Federal statutes	<p>(3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:</p> <ul style="list-style-type: none"> (i) Are defined as homeless under the other listed federal statutes; (ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the homeless assistance application; (iii) Have experienced persistent instability as measured by two moves or more during in the preceding 60 days; <u>and</u> (iv) Can be expected to continue in such status for an extended period of time due to special needs or barriers
	Category 4	Fleeing/ Attempting to Flee DV	<p>(4) Any individual or family who:</p> <ul style="list-style-type: none"> (i) Is fleeing, or is attempting to flee, domestic violence; (ii) Has no other residence; <u>and</u> (iii) Lacks the resources or support networks to obtain other permanent housing



Homeless Definition

RECORDKEEPING REQUIREMENTS 	Category 1	Literally Homeless	<ul style="list-style-type: none"> • Written observation by the outreach worker; <u>or</u> • Written referral by another housing or service provider; <u>or</u> • Certification by the individual or head of household seeking assistance stating that (s)he was living on the streets or in shelter; • For individuals exiting an institution—one of the forms of evidence above <u>and</u>: <ul style="list-style-type: none"> ○ discharge paperwork <u>or</u> written/oral referral, <u>or</u> ○ written record of intake worker’s due diligence to obtain above evidence <u>and</u> certification by individual that they exited institution
	Category 2	Imminent Risk of Homelessness	<ul style="list-style-type: none"> • A court order resulting from an eviction action notifying the individual or family that they must leave; <u>or</u> • For individual and families leaving a hotel or motel—evidence that they lack the financial resources to stay; <u>or</u> • A documented and verified oral statement; <u>and</u> • Certification that no subsequent residence has been identified; <u>and</u> • Self-certification or other written documentation that the individual lack the financial resources and support necessary to obtain permanent housing
	Category 3	Homeless under other Federal statutes	<ul style="list-style-type: none"> • Certification by the nonprofit or state or local government that the individual or head of household seeking assistance met the criteria of homelessness under another federal statute; <u>and</u> • Certification of no PH in last 60 days; <u>and</u> • Certification by the individual or head of household, and any available supporting documentation, that (s)he has moved two or more times in the past 60 days; <u>and</u> • Documentation of special needs <u>or</u> 2 or more barriers
	Category 4	Fleeing/ Attempting to Flee DV	<ul style="list-style-type: none"> • <i>For victim service providers:</i> <ul style="list-style-type: none"> ○ An oral statement by the individual or head of household seeking assistance which states: they are fleeing; they have no subsequent residence; and they lack resources. Statement must be documented by a self-certification or a certification by the intake worker. • <i>For non-victim service providers:</i> <ul style="list-style-type: none"> ○ Oral statement by the individual or head of household seeking assistance that they are fleeing. This statement is documented by a self-certification or by the caseworker. Where the safety of the individual or family is not jeopardized, the oral statement must be verified; <u>and</u> ○ Certification by the individual or head of household that no subsequent residence has been identified; <u>and</u> ○ Self-certification, or other written documentation, that the individual or family lacks the financial resources and support networks to obtain other permanent housing.

Appendix F6: Rent Reasonableness Checklist/Certification

RENT REASONABLENESS CHECKLIST AND CERTIFICATION

	Proposed Unit	UNIT #1	UNIT #2	UNIT #3
ADDRESS				
NUMBER OF BEDROOMS				
SQUARE FEET				
TYPE OF UNIT/CONSTRUCTION				
HOUSING CONDITION				
LOCATION/ACCESSIBILITY				
AMENITIES				
UNIT:				
SITE:				
NEIGHBORHOOD:				
AGE IN YEARS				
UTILITIES (TYPE)				
UNIT RENT UTILITY ALLOWANCE GROSS RENT				
HANDICAP ACCESSIBLE?				

CERTIFICATION:

A. COMPLIANCE WITH PAYMENT STANDARD

_____ PROPOSED CONTRACT RENT+ _____ UTILITY ALLOWANCE = _____ PROPOSED GROSS RENT

APPROVED RENT DOES NOT EXCEED APPLICABLE PAYMENT STANDARD OF

\$ _____.

B. RENT REASONABLENESS

Based upon a comparison with rents for comparable units, I have determined that the proposed rent for the unit [] is [] is not reasonable.

NAME:	SIGNATURE:	DATE:
-------	------------	-------

When households receive rental assistance, the rent must meet two standards:

1. Rent Reasonableness – rent is equal to or less than other like units in the area
2. Fair Market Rent (FMR) – rent (including utilities) is at or below the HUD established FMR for the unit size in the area

The rental assistance to move into a unit cannot exceed the actual rental cost, which must be in compliance with HUD’s standard of rent reasonableness. *Rent reasonableness* means that the total rent charged for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units. To make this determination, the sub-grantee should consider (a) the location, quality, size, type, and age of the unit; and (b) any amenities, housing services, maintenance and utilities to be provided by the owner. A copy of the completed worksheet must be included in program participant file.

The rental assistance provided for a unit cannot exceed the actual rental cost, which must be at or below Fair Market Rents (FMR) for the area. Note: the FMR, including utility allowances, requires grantees to utilize the appropriate utility allowance for any utilities that are paid by the program participant separate from rent.

FMR limits include the cost of utilities. Sub-grantees will need to utilize an established utility allowance in order to assess FMR limits for rents on units not including all utilities. The grantee may use VHDA’s appropriate regional allowances in order to calculate the rent standard. The actual rent charged for a unit plus the allowance for any utilities that the program participant must pay themselves must not exceed the FMR for the area.

For VHDA’s utility allowances please go to:

<http://www.vhda.com/BusinessPartners/HCVPAgents/Pages/HCVUtilityAllowanceSchedulesforVA.aspx#.VryUAXgrKUK>

AGENCIES MUST USE FAIR MARKET RENT (FMR) STANDARDS TO DETERMINE ELIGIBILITY. IF A UNIT IS ABOVE FMR, THE PARTICIPANT IS INELIGIBLE FOR ESG. AGENCIES SHOULD ASSIST PROGRAM PARTICIPANTS TO LOCATE A RENTAL UNIT AT OR BELOW FAIR MARKET RENT.

FINAL FY 2018-19 FAIR MARKET RENTS BY UNIT BEDROOMS

EFFICIENCY	ONE-BEDROOM	TWO-BEDROOM	THREE-BEDROOM	FOUR-BEDROOM
\$899	\$932	\$1,061	\$1,410	\$1,686

<https://www.huduser.gov/portal/datasets/fmr.html>

Appendix F7: ESG Basic Habitability Checklist

ESG Basic Habitability Checklist

Unit Address (include street address, city and zip code)	
Landlord/ Property-owner Contact Information (include name, company name, mailing address and phone number)	

	YES	NO
<u>State and local codes.</u> Unit is compliant with all applicable state and local housing codes, licensing requirements, and any other requirements in the jurisdiction regarding the condition of the structure and the operation of the housing or services.		
<u>Structure and materials.</u> The unit is structurally sound so as not to pose any threat to the health and safety of the occupants and so as to protect the residents from the elements.		
<u>Access.</u> The unit is accessible and capable of being utilized without unauthorized use of other private properties. The unit has alternate means of egress in case of fire.		
<u>Space and security.</u> Each resident is afforded adequate space and security for themselves and their belongings. Each resident must be provided an acceptable place to sleep.		
<u>Interior air quality.</u> Every room or space has natural or mechanical ventilation. Unit is free of pollutants in the air at levels that threaten the health of residents.		
<u>Water supply.</u> The water supply is free from contamination.		
<u>Sanitary facilities.</u> Residents have access to sufficient sanitary facilities that are in proper operating condition, may be used in privacy, and are adequate for personal cleanliness and the disposal of human waste.		
<u>Thermal environment.</u> The unit has adequate heating and/or cooling facilities in proper operating condition.		
<u>Illumination and electricity.</u> The unit has adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of residents. There are sufficient electrical sources to permit the use of essential electrical appliances while assuring safety from fire.		
<u>Food preparation and refuse disposal.</u> All food preparation areas contain suitable space and equipment to store, prepare, and serve food in a sanitary manner.		
<u>Sanitary condition.</u> The unit and any equipment are maintained in sanitary condition.		
<u>Fire safety.</u> Each unit includes at least one battery-operated or hard-wired smoke detector, in proper working condition, on each occupied level of the unit. Smoke detectors are located, to the extent practicable, in a hallway adjacent to a bedroom. If the unit is occupied by hearing impaired persons, smoke detectors have an alarm system designed for hearing-impaired persons in each bedroom occupied by a hearing-impaired person.		
<u>Fire safety.</u> The public areas of all units must be equipped with a sufficient number, but not less than one for each area, of battery-operated or hard-wired smoke detectors. Public areas include, but are not limited to, laundry rooms, community rooms, day care centers, hallways, stairwells, and other common areas.		

Agency Name

Agency Staff Name

Signature

Date

Tenant Name

Date

Signature

Name Landlord/Property owner

Date

Signature

DEED OF TRUST
(CDBG and HOME Generally)

THIS DEED OF TRUST, made this ____ day of _____, 20____, by and between **Insert Name** (individually and/or collectively referred to as “Grantor”), and **Insert Name, Insert Address, BONNIE ASHLEY and JANE FERRARA, each of the City of Richmond, 1500 East Main Street, Suite 400, Richmond 23219** (individually and collectively referred to as the “Trustee”), either of whom may act;

WITNESSETH:

That the said Grantor does grant and assign with General Warranty of Title unto the Trustee, the following property, located in the **CITY OF RICHMOND, Commonwealth of Virginia**, (the “Property”):

SEE ATTACHED SCHEDULE “A” FOR COMPLETE DESCRIPTION

Property Address:

«Address»
«CityStateZip»

IN TRUST TO SECURE to **CITY OF RICHMOND**, a municipal corporation of the Commonwealth of Virginia (“City of Richmond” or “Noteholder”), or its assigns, the payment of a certain promissory Deed of Trust Note of even date herewith, in the principal sum of **«Insert Amount»** AND 00/100 Dollars (**«Insert Dollar Amount»**), (the “Note”) with interest thereon at the rate of no more than three percent (3%) per year, simple interest, which interest shall accrue until it shall be payable, if at all, as provided in the Note; the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Deed of Trust; and the performance of all other covenants and agreements of the Grantor herein contained, payable in full in one installment, as set out in the paragraph below entitled “REPAYMENT.” The Note is payable to the order of the **City of Richmond, ATTN: Dept. Housing and Community Development, 1500 E. Main Street, Suite 400, Richmond, VA 23219-3690**, or at such other place as the Noteholder may designate in writing.

REPAYMENT: The principal of and the interest on the Note shall be repaid to the Noteholder in full in one installment if the Grantor fails to use the premises as his primary place of residence, within the “affordability period,” which is **five (5) years. [NOTE: Period may vary depending upon amount of funds]**

SECURITY: It is mutually understood and agreed by and between the parties hereto that (a) the building(s) and all improvements and (b) any and all attached fixtures now upon or which may hereafter be placed upon the property, shall be deemed part of the security for the indebtedness herein mentioned, and shall be covered by this Deed of Trust.

RIGHT OF FIRST REFUSAL: In the event that Grantor wishes to sell, assign, convey or otherwise transfer the property secured under this Deed of Trust, the City of Richmond, Commonwealth of Virginia, shall have the exclusive Right of First Refusal to purchase or otherwise receive title to this property at the amount of a third party bona fide offer under the following terms and conditions:

1. If the Grantor receives a bona fide offer from a ready, willing, and able purchaser to purchase the Property secured by this Deed of Trust, the Grantor shall give written notice of same and a true copy of the offer to purchase the Property to the City of Richmond by certified mail, return receipt requested within seven (7) days of the Grantor's receipt of the offer.
2. The City of Richmond shall have thirty (30) days from the date of receipt of Grantor's notice to give the Grantor a like notice if the City of Richmond intends to exercise its right to purchase the Property from the Grantor (referred to as the "Exercise Notice").
3. If the City of Richmond exercises its right to purchase the Property, the right shall be exercised and payment to the Grantor shall be made within thirty (30) days of receipt by the Grantor of the City of Richmond's Exercise Notice under paragraph 3, above, Upon payment of the price as determined above, the Grantor shall convey the Property to the City of Richmond by special Warranty Deed, free and clear of all liens and encumbrances, except those matters of record as the date of this Deed of Trust, real taxes not yet due and payable, and such other matters as would not materially interfere with the use of the Property or the marketability of title. The payment of the purchase price shall satisfy all liens and obligations of the Grantor to the City of Richmond which are secured by this Deed of Trust.
4. The Grantor acknowledges that any and all mortgage obligations must be satisfied and that the sale proceeds are paid over to the Grantor.
5. The foregoing Right of First Refusal shall expire upon the earlier to occur of the following: (a) the expiration of the Affordability Period which, under the terms and conditions of this Deed of Trust, is _____ years, or (b) the City of Richmond's failure, whether by passage of time or otherwise, to exercise the Right of First Refusal pursuant to the terms hereof.
6. The first right of refusal restrictions will automatically terminate if title to the mortgaged property is transferred by foreclosure, deed-in-lieu of foreclosure, or if the mortgage is assigned to the Secretary as required by 24 CFR Part 203.41.

QUIET POSSESSION; DEFAULT: The Trustee agrees that the Grantor shall remain in quiet and peaceable possession of the property, and take the profits thereof to his own use, until he defaults in the payment

of any matter of indebtedness hereby secured or in the performance of any of the covenants herein provided, in which case the Noteholder may declare all sums secured by this Deed of Trust to be immediately due and payable. The Noteholder shall have the right to proceed in law or in equity, or to enforce payment of the Note by any means provided by law, which rights shall exist notwithstanding that by its terms, the Note may not then be due.

RELEASE: Upon the full payment of the Note, and all monies advanced or expended, as herein provided, and all other proper costs, charges, commissions and expenses, or at the end of the affordability period, whichever comes first, the Trustee shall, at the expense of the Grantor, release the lien of this Deed of Trust.

DUE ON SALE; ACCELERATION: The indebtedness under the Note and this Deed of Trust may not be assumed. If all or any part of the property or an interest therein is leased, sold, or otherwise transferred by the Grantor, excluding the granting of a lien subordinate to this Deed of Trust, or a transfer by devise, descent or by survivorship, the Noteholder will declare all sums secured by this Deed of Trust to be immediately due and payable.

Grantor further covenants and agrees as follows:

1. Grantor will promptly pay the principal and interest at the time and in the manner provided.
2. Grantor will pay all taxes, assessments, water rates, and other governmental or municipal charges, fines or impositions levied upon the property, and will promptly deliver the official receipts evidencing such payments to the Noteholder.
3. Grantor has executed and delivered this Deed of Trust to secure monies advanced in full to the Grantor on account of a loan evidenced by the Note, for the purpose of (a) down payment assistance; (b) making the improvements to or on the property described or referred to in a certain contract between Grantor and **« Insert Seller Name »** dated, **«Insert Date Of Contract»**, and/or (c) for such other purpose, if any, described or referred to therein (collectively, the “Improvements”).
4. The Grantor shall make or cause to be made all of the Improvements. If the construction or installation of the Improvements shall not be carried out with reasonable diligence, the Noteholder or the Trustee, after notice to the Grantor, is hereby authorized (a) to enter upon the property to preserve and protect the property and improvements; (b) to carry out any existing contracts between the Grantor and other parties for the purpose of making the Improvements, or to make such additional like contracts to reasonably complete the Improvements, pursuant to the obligations of the Grantor; and (c) to pay and discharge all debts, obligations and liabilities incurred by the Noteholder or the Trustee, acting in execution of this trust, as provided in this paragraph. All amounts so paid, with interest thereon at the rate of no more than three percent (3%) per year, shall be payable by the Grantor to the Noteholder on demand, and shall be secured by this Deed of Trust.
5. Grantor acknowledges that, after rehabilitation, the Property must at least meet the United States Department of Housing and Urban Development Section 8 Housing Quality Standards for Existing Housing covered in 24 CFR 982.401.
6. Grantor shall obtain the written consent of the Noteholder prior to:
 - (a) removal or demolition of any building, improvement, fixture or personal property conveyed hereby;

(b) alteration of or addition to any building or improvement, now or hereafter upon the property.

7. Grantor acknowledges that he/she satisfies the eligibility requirements of the [REDACTED] program. Grantor intends to use the Property as Grantor's permanent residence, and agrees that the property shall be maintained in livable condition at all times. Grantor agrees to provide to the Noteholder a yearly report showing income and household composition, including family size. Grantor shall not be entitled to any financial benefit or interest from any City of Richmond activity for one year after termination of any prior relationship he/she may have had as an employee, agent, consultant, officer, elected or appointed official of the Noteholder, or as a recipient or subrecipient of [REDACTED] funds. Violation hereof, including misstatement or ineligibility, shall constitute default hereunder.

8. The Trustee or its agents shall have the right to inspect the property from time to time at any reasonable hour of the day. Should the property require repair, as determined by the Trustee in his sole discretion, then the Trustee may, after notice to the Grantor, effectuate said repair(s) and pay therefor. On the first day of the month following such payment, Grantor shall reimburse the Trustee or the Noteholder for such payment. Any unreimbursed payments shall be added to the amounts secured by this Deed of Trust.

9. All sums secured by this Deed of Trust shall, at the option of the Trustee, be immediately declared due and payable upon the happening of any of the following events:

- (a) The filing of a petition in bankruptcy by or against the Grantor;
- (b) The making by the Grantor of an assignment for the benefit of creditors; or
- (c) The Trustee's discovery of Grantor's failure, in any application to the Noteholder for the loan hereby secured, to disclose any material fact, or any material misrepresentation therein.

10. Grantor will give immediate notice, as provided below, to the Noteholder of any fire, damage or other casualty affecting the property, or any conveyance, transfer or change in ownership of the property, or part thereof.

11. Grantor agrees to pay all reasonable costs and expenses, including attorney's fees, incurred because of Grantor's failure to perform, comply with and abide by each and every one of the agreements, conditions and covenants of the Note and this Deed of Trust, or either.

12. For structures built before 1978, the Grantor shall sign as having received from the Noteholder a notice published by the U. S. Department of Housing and Urban Development on the hazards of lead paint poisoning. The Grantor is to keep this document in his files and is required to provide proof of receipt and execution of the document. Failure by the Grantor to comply with this requirement constitutes a default under the Note and this Deed of Trust.

13. The Grantor shall give proper notice to any subsequent purchaser regarding any lead base paint used or once used in the property. The Grantor must ensure that the subsequent purchaser signs as having received a notice published by the U. S. Department of Housing and Urban Development on the hazards of lead paint poisoning. The Grantor is to document the subsequent purchaser's receipt of the notice as required under the

program and is required to provide proof of this exercise to the Noteholder when requested. Failure by the Grantor to comply with this requirement constitutes a default under the Note and this Deed of Trust.

The covenants herein contained shall bind, and the benefits shall insure to, the respective, heirs, executors administrators and assigns of the parties hereto. Whenever used, the singular shall include the plural, the plural the singular, and the use of any gender shall include the other gender, and the term “Noteholder” shall include any payee of the indebtedness hereby secured or any transferee, thereof whether by operation of law or otherwise. Any notice, demand or request required or permitted herein may be made in writing, and may be served in person or sent by mail to the Grantor at his address as shown on Noteholder’s records.

The failure of the Noteholder or the Trustee to exercise any right or option given herein shall not constitute a waiver thereof; nor a waiver of any such right or option resulting from any subsequent default or occurrence.

This Deed of Trust is made under the provisions of Chapter 4, Title 55, including Sections 55-58, 55-58.1, 55-59, 55-59.1, 55-59.2, 55-59.3 and 55-59.4, of the Code of Virginia, 1950, as amended, in force and effect as of the date of the acknowledgement hereof, and shall be construed to impose and confer upon the parties hereto and the beneficiaries hereunder all of the duties, rights and obligations prescribed in said Section 55-59.1, 55-59.2, 55-59.3 and 55-59.4, and, in short form provided in Section 55-60, the following provisions:

Identified by Trustee’s signature.	Insurance required: <u>«InsuranceAmount»</u>
Deferred purchase money.	Substitution of trustee permitted.
Exemptions waived.	Any trustee may act.
Subject to all upon default.	Advertisement required: Once a week for two weeks.

NOTICE: THE DEBT SECURED HEREBY IS SUBJECT TO CALL IN FULL OR THE TERMS THEREOF BEING MODIFIED IN THE EVENT OF SALE OR CONVEYANCE OF THE PROPERTY HEREBY CONVEYED. THE DEBT SECURED HEREBY IS ALSO SUBJECT TO CALL IN FULL IN THE EVENT THE GRANTOR FAILS TO USE THE PROPERTY AS HIS PRIMARY PLACE OF RESIDENCE.

ATTENTION IS DIRECTED TO THE PROVISIONS CONTAINED IN THE NOTE SECURED HEREBY REQUIRING A WAIVER AND FORGIVENESS OF PRINCIPAL IN THE EVENT THE GRANTOR OWNS AND OCCUPIES THE PROPERTY AS HIS PRIMARY PLACE OF RESIDENCE DURING THE AFFORDABILITY PERIOD.

SUBORDINATION: Notwithstanding any provision herein to the contrary, the lien of this Deed of Trust shall be subordinate to the lien of that certain Deed of Trust to be recorded simultaneously herewith, securing a Note payable to «MortgageCompany».

WITNESS the following signature(s) and seal(s):
_____ [SEAL]

_____ [SEAL]

COMMONWEALTH OF VIRGINIA
CITY OF RICHMOND, to wit:

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____

My commission expires: _____
Notary Public

DEED OF TRUST NOTE
(CDBG and HOME Generally)

Richmond, Virginia
_____, 20__

MAKER: «Name»
Address: «Address», «CityStateZip»

NOTEHOLDER: CITY OF RICHMOND, a municipal corporation of the Commonwealth of Virginia (“City of Richmond” or “Noteholder”), mailing address: **City of Richmond, ATTN: Dept. of Housing and Community Development, 1500 East Main Street, Suite 400, Richmond, VA 23219-3690.**

FOR VALUE RECEIVED, the undersigned maker promises to pay to the Noteholder or order, the principle sum of «WordAmount» and 00/100 («DollarAmount») Dollars with interest thereon at the rate of four percent (4%) per year, simple interest, which interest shall accrue until it shall be payable, if at all, as set out below in the paragraph headed “REPAYMENT.” The Note is payable to the order of the City of Richmond, at the above address, or at such other place as the Noteholder may designate in writing.

REPAYMENT AND FORGIVENESS OF PAYMENT: The principle of and the interest on the Note shall be repaid to the Noteholder within the “affordability period,” which is **five years.** [NOTE: Period may vary depending upon amount of funds]

Notwithstanding any of the foregoing provisions, the Noteholder will waive and forgive payment of the principal and interest required by this Note so long as the maker owns and occupies the real property described in this Note (and the Deed of Trust securing this Note) as his primary place of residence during the affordability period commencing not later than thirty (30) days from the date of this Note. In the event the maker owns and occupies the said real property as his primary place of residence for a period of time less than the affordability period, then one-fifth of the principal payment will be waived for each full year that maker so owns and occupies the real property. [NOTE: Proration may vary depending upon amount of funds and applicable affordability period – i.e. one-tenth or one-fifteenth]

QUIET POSSESSION; DEFAULT: The Noteholder and Trustee agree that the maker shall remain in quiet and peaceable possession of the property, and take the profits thereof to his own use, until he defaults in the payment of any matter of indebtedness hereby secured or in the performance of any of the covenants herein provided, in which case the Noteholder may declare all sums secured by this Deed of Trust to be immediately due and payable. The Noteholder shall have the right to proceed in law or in equity, or to enforce payment of this Note by any means provided by law, which rights shall exist notwithstanding that by its terms, this Note may not then be due. The maker agrees to pay all reasonable costs and expenses, including attorney’s fees incurred because of maker’s failure to perform, comply with and abide by each and every one of the agreements, conditions and covenants of this Note and the Deed of Trust, or either.

Presentment, protest, and notice are hereby waived. The drawers and endorsers of this Note also waive the benefit of the homestead exemption as to this debt.

“In the event of foreclosure or deed in lieu of foreclosure of Prior Security Deed or assignment of the first mortgage to the Secretary of Housing and Urban Development, any provisions herein or any provisions in any other collateral agreement restricting the use of the property or otherwise restricting the Borrower’s ability to sell the Property shall have no further force or effect. Any person (including his successors or assigns) receiving title to the Property through a foreclosure or deed in lieu of foreclosure of the Prior Security Deed shall receive title to the Property free and clear from such restrictions.”

Whenever used, the singular shall include the plural, and the plural the singular, and the use of any gender shall include the other gender, and the term “Noteholder” shall include any payee of the indebtedness hereby secured or any transferee thereof whether by operation of law or otherwise. This Note is to be construed according to the laws of the Commonwealth of Virginia.

Address of secured property:

«Address»

Maker: _____ [SEAL]

Maker: _____ [SEAL]

This is to certify that this is the Note described in and secured by a Deed of Trust to **Bonnie Ashley and Jane Ferrara**, and _____ Trustees, of even date herewith, securing real estate known as **«Address»** in the City of Richmond, VA.

Date: _____

My Commission Expires:

Notary Public

DEED OF TRUST
(*NEIGHBORHOODS IN BLOOM DEFERRED LOAN*)

THIS DEED OF TRUST, made this _____ day of _____, **20**, by and between **Insert Name** (individually and/or collectively referred to as “Grantor”), and **BONNIE ASHLEY, and JANE FERRARA, each of the City of Richmond, 1500 East Main Street, Suite 400, Richmond 23219** (individually and collectively referred to as the “Trustee”), either of whom may act;

WITNESSETH:

That the said Grantor does grant and assign with General Warranty of Title unto the Trustee, the following property, located in the **CITY OF RICHMOND, Commonwealth of Virginia**, (the “Property”):

SEE ATTACHED SCHEDULE “A” FOR COMPLETE DESCRIPTION

Property Address:

«Address»

«CityStateZip»

IN TRUST to secure the **CITY OF RICHMOND, a municipal corporation, or order, at 1500 East Main Street, Suite 400, Richmond, Virginia 23219**, the payment of a certain promissory note of even date herewith in the amount of provide dollar amount here **and No/100 Dollars (\$XX,XXX.00)**, with interest thereon at the rate of no more than three percent (3%) per year, simple interest, which shall accrue for a period of ten (10) years from the date of this deed of trust, payable in full in one installment upon the death of the grantor or upon the property being conveyed, assigned, transferred or disposed of by the Grantor or after the Grantor fails to occupy the premises described above as the “property address” as his/her primary place of residence. The Note is payable to the order of the **City of Richmond, ATTN: Dept. of Housing and Community Development, 1500 E. Main Street, Suite 400, Richmond, VA 23219-3690**, or at such other place as the Noteholder may designate in writing.

SECURITY: It is mutually understood and agreed by and between the parties hereto that (a) the building(s) and all improvements and (b) any and all attached fixtures now upon or which may hereafter be placed upon the property, shall be deemed part of the security for the indebtedness herein mentioned, and shall be covered by this Deed of Trust.

RIGHT OF FIRST REFUSAL: In the event that Grantor wishes to sell, assign, convey or otherwise transfer the property secured under this Deed of Trust, the City of Richmond, Commonwealth of Virginia, shall have the exclusive Right of First Refusal to purchase or otherwise receive title to this property at the amount of a third party bona fide offer under the following terms and conditions:

7. If the Grantor receives a bona fide offer from a ready, willing, and able purchaser to purchase the Property secured by this Deed of Trust, the Grantor shall give written notice of same and a true copy of the offer to purchase the Property to the City of Richmond by certified mail, return receipt requested within seven (7) days of the Grantor's receipt of the offer.
8. The City of Richmond shall have thirty (30) days from the date of receipt of Grantor's notice to give the Grantor a like notice if the City of Richmond intends to exercise its right to purchase the Property from the Grantor (referred to as the "Exercise Notice").
9. If the City of Richmond exercises its right to purchase the Property, the right shall be exercised and payment to the Grantor shall be made within thirty (30) days of receipt by the Grantor of the City of Richmond's Exercise Notice under paragraph 3, above. Upon payment of the price as determined above, the Grantor shall convey the Property to the City of Richmond by special Warranty Deed, free and clear of all liens and encumbrances, except those matters of record as the date of this Deed of Trust, real taxes not yet due and payable, and such other matters as would not materially interfere with the use of the Property or the marketability of title. The payment of the purchase price shall satisfy all liens and obligations of the Grantor to the City of Richmond which are secured by this Deed of Trust.
10. The Grantor acknowledges that any and all mortgage obligations must be satisfied and that the sale proceeds are paid over to the Grantor.
11. The foregoing Right of First Refusal shall expire upon the earlier to occur of the following: (a) the expiration of the Affordability Period which, under the terms and conditions of this Deed of Trust, is _____ years, or (b) the City of Richmond's failure, whether by passage of time or otherwise, to exercise the Right of First Refusal pursuant to the terms hereof.
12. The first right of refusal restrictions will automatically terminate if title to the mortgaged property is transferred by foreclosure, deed-in-lieu of foreclosure, or if the mortgage is assigned to the Secretary as required by 24 CFR Part 203.41.

QUIET POSSESSION; DEFAULT: The Trustee agrees that the Grantor shall remain in quiet and peaceable possession of the property, and take the profits thereof to his own use, until he defaults in the payment of any matter of indebtedness hereby secured or in the performance of any of the covenants herein provided, in which case the Noteholder may declare all sums secured by this Deed of Trust to be immediately due and payable. The Noteholder shall have the right to proceed in law or in equity, or to enforce payment of the Note by any means provided by law, which rights shall exist notwithstanding that by its terms, the Note may not then be due.

RELEASE: Upon the full payment of the Note, and all monies advanced or expended, as herein provided, and all other proper costs, charges, commissions and expenses, or at the end of the affordability period, whichever comes first, the Trustee shall, at the expense of the Grantor, release the lien of this Deed of Trust.

DUE ON SALE; ACCELERATION: The indebtedness under the Note and this Deed of Trust may not be assumed. If all or any part of the property or an interest therein is leased, sold, or otherwise transferred by the Grantor, excluding the granting of a lien subordinate to this Deed of Trust, or a transfer by devise, descent or by survivorship, the Noteholder will declare all sums secured by this Deed of Trust to be immediately due and payable.

Grantor further covenants and agrees as follows:

1. Grantor will promptly pay the principal and interest at the time and in the manner provided.
2. Grantor will pay all taxes, assessments, water rates, and other governmental or municipal charges, fines or impositions levied upon the property, and will promptly deliver the official receipts evidencing such payments to the Noteholder.
3. Grantor has executed and delivered this Deed of Trust to secure monies advanced in full to the Grantor on account of a loan evidenced by the Note, for the purpose of (a) down payment assistance; (b) making the improvements to or on the property described or referred to in a certain contract between Grantor and « Insert Seller Name», dated, «Insert Date Of Contract», and/or (c) for such other purpose, if any, described or referred to therein (collectively, the “Improvements”).
4. The Grantor shall make or cause to be made all of the Improvements. If the construction or installation of the Improvements shall not be carried out with reasonable diligence, the Noteholder or the Trustee, after notice to the Grantor, is hereby authorized (a) to enter upon the property to preserve and protect the property and improvements; (b) to carry out any existing contracts between the Grantor and other parties for the purpose of making the Improvements, or to make such additional like contracts to reasonably complete the Improvements, pursuant to the obligations of the Grantor; and (c) to pay and discharge all debts, obligations and liabilities incurred by the Noteholder or the Trustee, acting in execution of this trust, as provided in this paragraph. All amounts so paid, with interest thereon at the rate of four percent (4%) per year, shall be payable by the Grantor to the Noteholder on demand, and shall be secured by this Deed of Trust.
5. Grantor acknowledges that, after rehabilitation, the Property must at least meet the United States Department of Housing and Urban Development Section 8 Housing Quality Standards for Existing Housing covered in 24 CFR 982.401
6. Grantor shall obtain the written consent of the Noteholder prior to:
 - (a) removal or demolition of any building, improvement, fixture or personal property conveyed hereby;
 - (b) alteration of or addition to any building or improvement, now or hereafter upon the property.

7. Grantor acknowledges that he/she satisfies the eligibility requirements of the [REDACTED] program. Grantor intends to use the Property as Grantor's permanent residence, and agrees that the property shall be maintained in livable condition at all times. Grantor agrees to provide to the Noteholder a yearly report showing income and household composition, including family size. Grantor shall not be entitled to any financial benefit or interest from any City of Richmond activity for one year after termination of any prior relationship he/she may have had as an employee, agent, consultant, officer, elected or appointed official of the Noteholder, or as a recipient or subrecipient of [REDACTED] funds. Violation hereof, including misstatement or ineligibility, shall constitute default hereunder.

8. The Trustee or its agents shall have the right to inspect the property from time to time at any reasonable hour of the day. Should the property require repair, as determined by the Trustee in his sole discretion, then the Trustee may, after notice to the Grantor, effectuate said repair(s) and pay therefor. On the first day of the month following such payment, Grantor shall reimburse the Trustee or the Noteholder for such payment. Any unreimbursed payments shall be added to the amounts secured by this Deed of Trust.

9. All sums secured by this Deed of Trust shall, at the option of the Trustee, be immediately declared due and payable upon the happening of any of the following events:

- (a) The filing of a petition in bankruptcy by or against the Grantor;
- (b) The making by the Grantor of an assignment for the benefit of creditors; or
- (c) The Trustee's discovery of Grantor's failure, in any application to the Noteholder for the loan hereby secured, to disclose any material fact, or any material misrepresentation therein.

10. Grantor will give immediate notice, as provided below, to the Noteholder of any fire, damage or other casualty affecting the property, or any conveyance, transfer or change in ownership of the property, or part thereof.

11. Grantor agrees to pay all reasonable costs and expenses, including attorney's fees, incurred because of Grantor's failure to perform, comply with and abide by each and every one of the agreements, conditions and covenants of the Note and this Deed of Trust, or either.

12. For structures built before 1978, the Grantor shall sign as having received from the Noteholder a notice published by the U. S. Department of Housing and Urban Development on the hazards of lead paint poisoning. The Grantor is to keep this document in his files and is required to provide proof of receipt and execution of the document. Failure by the Grantor to comply with this requirement constitutes a default under the Note and this Deed of Trust.

13. The Grantor shall give proper notice to any subsequent purchaser regarding any lead base paint used or once used in the property. The Grantor must ensure that the subsequent purchaser signs as having received a notice published by the U. S. Department of Housing and Urban Development on the hazards of lead paint poisoning. The Grantor is to document the subsequent purchaser's receipt of the notice as required under the [REDACTED] program and is required to provide proof of this exercise to the Noteholder when requested. Failure by the Grantor to comply with this requirement constitutes a default under the Note and this Deed of Trust.

The covenants herein contained shall bind, and the benefits shall insure to, the respective, heirs, executors administrators and assigns of the parties hereto. Whenever used, the singular shall include the plural, the plural the singular, and the use of any gender shall include the other gender, and the term "Noteholder" shall include any payee of the indebtedness hereby secured or any transferee, thereof whether by operation of law or otherwise. Any notice, demand or request required or permitted herein may be made in writing, and may be served in person or sent by mail to the Grantor at his address as shown on Noteholder's records.

The failure of the Noteholder or the Trustee to exercise any right or option given herein shall not constitute a waiver thereof; nor a waiver of any such right or option resulting from any subsequent default or occurrence.

This Deed of Trust is made under the provisions of Chapter 4, Title 55, including Sections 55-58, 55-58.1, 55-59, 55-59.1, 55-59.2, 55-59.3 and 55-59.4, of the Code of Virginia, 1950, as amended, in force and effect as of the date of the acknowledgement hereof, and shall be construed to impose and confer upon the parties hereto and the beneficiaries hereunder all of the duties, rights and obligations prescribed in said Section 55-59.1, 55-59.2, 55-59.3 and 55-59.4, and, in short form provided in Section 55-60, the following provisions:

Identified by Trustee's signature.	Insurance required: «InsuranceAmount»
Deferred purchase money.	Substitution of trustee permitted.
Exemptions waived.	Any trustee may act.
Subject to all upon default.	Advertisement required: Once a week for two weeks.

NOTICE: THE DEBT SECURED HEREBY IS SUBJECT TO CALL IN FULL OR THE TERMS THEREOF BEING MODIFIED IN THE EVENT OF SALE OR CONVEYANCE OF THE PROPERTY HEREBY CONVEYED. THE DEBT SECURED HEREBY IS ALSO SUBJECT TO CALL IN FULL IN THE EVENT THE GRANTOR FAILS TO USE THE PROPERTY AS HIS PRIMARY PLACE OF RESIDENCE.

ATTENTION IS DIRECTED TO THE PROVISIONS CONTAINED IN THE NOTE SECURED HEREBY REQUIRING A WAIVER AND FORGIVENESS OF PRINCIPAL IN THE EVENT THE GRANTOR OWNS AND OCCUPIES THE PROPERTY AS HIS PRIMARY PLACE OF RESIDENCE DURING THE AFFORDABILITY PERIOD.

SUBORDINATION: Notwithstanding any provision herein to the contrary, the lien of this Deed of Trust shall be subordinate to the lien of that certain Deed of Trust to be recorded simultaneously herewith, securing a Note payable to **«MortgageCompany»**.

WITNESS the following signature(s) and seal(s):

_____ [SEAL]

_____ [SEAL]

COMMONWEALTH OF VIRGINIA
CITY OF RICHMOND, to wit:

The foregoing instrument was acknowledged before me this _____ day of _____, 20 , by _____

My commission expires:

Notary Public

Appendix G4: Deed of Trust Note – Neighborhoods in Bloom Deferred Loan, Updated 1/03/11

DEED OF TRUST NOTE
(NEIGHBORHOODS IN BLOOM DEFERRED LOAN)

Richmond, Virginia
_____, 20

MAKER: **«Name»**
ADDRESS: **«Address», «CityStateZip»**

NOTEHOLDER: CITY OF RICHMOND, a municipal corporation of the Commonwealth of Virginia (“City of Richmond” or “Noteholder”), mailing address: **City of Richmond, ATTN: Dept. of Housing and Community Development, 1500 East Main Street, Suite 400, Richmond, VA 23219.**

FOR VALUE RECEIVED, the undersigned maker promises to pay to the Noteholder or order, the principle sum of **«WordAmount»** and 00/100 (**«DollarAmount»**) Dollars with interest thereon at the rate of no more than three percent (3%) per year, simple interest, which interest shall accrue for a period of ten (10) years from the date of this Note, unless sooner paid. The Note is payable to the order of the City of Richmond, at the above address, or at such other place as the Noteholder may designate in writing.

REPAYMENT: The Noteholder will defer payment of the principal and interest required by this Note so long as the maker owns and occupies the real property described in this Note (and the Deed of Trust securing this Note) as his primary place of residence. The principle of and the interest on the Note shall be payable to the Noteholder in full in one installment upon the death of the maker or upon the property being conveyed, assigned, transferred or disposed of by the maker or after the maker fails to occupy the premises described in the Deed of Trust securing this Note as his/her primary place of residence.

QUIET POSSESSION; DEFAULT: The Noteholder and Trustee agree that the maker shall remain in quiet and peaceable possession of the property, and take the profits thereof to his own use, until he defaults in the payment of any matter of indebtedness hereby secured or in the performance of any of the covenants herein provided, in which case the Noteholder may declare all sums secured by this Deed of Trust to be immediately due and payable. The Noteholder shall have the right to proceed in law or in equity, or to enforce payment of this Note by any means provided by law, which rights shall exist notwithstanding that by its terms, this Note may not then be due. The maker agrees to pay all reasonable costs and expenses, including attorney’s fees incurred because of maker’s failure to perform, comply with and abide by each and every one of the agreements, conditions and covenants of this Note and the Deed of Trust, or either.

Presentment, protest, and notice are hereby waived. The drawers and endorsers of this Note also waive the benefit of the homestead exemption as to this debt.

Whenever used, the singular shall include the plural, and the plural the singular, and the use of any gender shall include the other gender, and the term “Noteholder” shall include any payee of the indebtedness hereby secured or any transferee thereof whether by operation of law or otherwise. This Note is to be construed according to the laws of the Commonwealth of Virginia.

Address of secured property:

«Address»

«CityStateZip»

Maker: _____

Maker: _____

This is to certify that this is the Note described in and secured by a Deed of Trust to _____ **Bonnie Ashley and Jane Ferrara**, Trustees, of even date herewith, securing real estate known as **«Address»** in the City of Richmond, VA.

Date: _____

My Commission Expires:

Notary Public

DEED OF TRUST
(CDBG/HOME ACQUISITION FUNDS)

This **DEED OF TRUST** is made on the ___ day of _____, **20**, by and between _____ (“Grantor”), whose address is _____; and **BONNIE ASHLEY and JANE FERRARA** (collectively the “Trustees”), each of the City of Richmond, whose address is **1500 East Main Street, Suite 400, Richmond, Virginia 23219**, either of whom may act.

RECITALS

A. Grantor is the fee simple owner of certain real property located in the City of Richmond, Virginia, known as _____, Richmond, Virginia 232XX, more particularly described on **Exhibit A** (the “Property”). Pursuant to a certain contract for services (the “Contract”) between the City of Richmond and the Grantor dated _____, the City has agreed to provide funds to the Grantor for the acquisition of the Property (the “Acquisition Funds”).

B. The Acquisition Funds are evidenced by a certain promissory note (the “Note”) made by the Grantor payable to the City of Richmond (the City and its successors or assigns are referred to hereafter as the “Noteholder”) having a final Maturity Date of **INSERT DATE 12 MONTHS FROM RECEIPT OF FUNDS**, unless sooner released and forgiven by the Noteholder.

W I T N E S S E T H:

That for and in consideration of the sum of TEN DOLLARS (\$10.00) cash in hand paid, and other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, the said Grantor does hereby grant and convey with GENERAL WARRANTY OF TITLE, unto the Trustees, the following described Property, to-wit:

See Attached Schedule A

Subject, however, to any and all easements, restrictions and provisions of record affecting the Property.

TOGETHER WITH all buildings, improvements, fixtures, or appurtenances now or hereafter erected thereon, including all fixtures, or articles whether in single units or centrally controlled, used to supply heat, gas, air conditioning, water, light, power, refrigeration, ventilation or other services, and also together with any screens, window shades, storm doors and windows, screen doors, awnings, stoves and water heaters, all of which are declared to be part of the said real estate whether physically attached thereto or not.

TOGETHER WITH all proceeds of the conversion, whether voluntary or involuntary, of any of the Property into cash or liquid claims, including without limitation all awards, payments or proceeds with any interest thereon, and the rights to receive same, which may be made as the result of any casualty, any exercise of the right of eminent domain or deed in lieu thereof, the alteration of the grade of any street and any injury to or decrease in the value of the Property, together with reasonable counsel fees, costs, disbursements incurred by the Noteholder in connection with collection of such awards, payments and proceeds. Nothing herein shall be deemed

to be authorization by the Noteholder to Grantor to sell, assign or otherwise dispose of the Property, except in accordance with the provisions of this Deed of Trust. Grantor agrees to execute and deliver from time to time such further instruments as may be requested by Noteholder to confirm such assignment to Noteholder of any such award, payment or proceeds.

IN TRUST to secure the performance of the following covenants and to secure to the **CITY OF RICHMOND, a municipal corporation, or order, at 900 East Broad Street, Richmond, Virginia 23219**, the payment of the Note in the amount of _____ and No/100 Dollars (\$0,000.00), without interest, which shall be payable in one installment on **INSERT DATE 12 MONTHS FROM RECEIPT OF FUNDS** or upon the Property being conveyed, assigned, transferred or disposed of by the Grantor or upon default by the Grantor as to the terms of this Deed of Trust, whichever shall first occur, unless sooner released by the Noteholder. The Property shall also secure reimbursement to the Noteholder and the Trustees for any and all costs, attorney's fees and other expenses of whatever kind incurred in connection with obtaining possession of the Property; collection of sums secured hereby; and any litigation concerning this Deed of Trust; all which costs and expenses shall be obligations of and paid by the Grantor.

Covenants of the Grantor. The Grantor covenants and agrees as follows:

- a) Grantor shall pay the principal of the Note, together with any other sums due hereunder, when the same shall become due;**
- b) Grantor shall develop and dispose of the Property in accordance with the terms of the Contract;**
- c.) Grantor has good and marketable fee simple title to the Property;**
- d.) Grantor has full power and authority to convey the Property to the Trustees and Grantor will take such steps as are necessary to perfect title to the Property in the Trustee and defend title to the Property against all adverse assertions and claims;**
- e.) From the date hereof until a certificate of occupancy is issued for the Property, Grantor shall maintain workers' compensation insurance and a policy of builder's risk insurance in an amount equal to the replacement cost for the improvements on the Property;**
- f.) Grantor shall keep the Property free of all mechanics' and materialmen's liens and all other liens of any kind, whether subordinate or superior to the lien of this Deed of Trust, except liens for construction financing and taxes not yet due.**
- g.) Grantor shall pay all taxes and assessments levied against or which constitute liens on the Property when they are due, but Grantor may appropriately and in good faith contest the levy of such tax or assessment, provided that it makes provision for the protection of the Property, including the payment of such tax or assessment, as Noteholder may reasonably require;**
- h.) The Grantor shall pay and discharge all prior recorded liens on the above described Property as and when the same mature, and whether or not said liens are expressly set out herein, and any default under the terms of any such prior lien shall constitute default hereunder, and in such event the entire debt hereby secured shall, at the option of any Noteholder hereunder, become immediately due and payable.**
- i.) Grantor shall not sell, transfer or convey the Property or any estate therein, voluntarily or by operation of law, without the prior written approval of the Noteholder, so long as the Property shall remain subject to the lien of this Deed of Trust. Failure to obtain prior written approval of Noteholder to any sale, transfer or conveyance of the Property shall constitute a default;**

j.) Grantor shall promptly comply with all present and future laws, ordinances, rules and regulations of any governmental authority affecting the Property or any part thereof or any use of the Property.

This Deed of Trust shall be construed to impose and confer upon the parties hereto and the Noteholders hereunder all of the duties, rights and obligations prescribed in Section 55-59, and in short form as Section 55-60 provides:

1. Exemptions waived.
2. Renewals or extensions permitted.
3. Right of anticipation reserved as per the Deed of Trust Note.
4. Subject to all (call) upon default.
5. Trustee's commission of 5% of gross proceeds of sale.
6. Identified by Trustee's signature.
7. Substitution of Trustees permitted for any reason, with or without cause.
- 8. Any Trustee may act.**
- 9. Advertisement required: Ten (10) days' notice by publication at least three (3) times in a newspaper published or having general circulation in the City or County in which the Property is located. Trustees may postpone sale without advertisement of such postponement.**

Default. In addition to defaults by the Grantor as otherwise described in this Deed of Trust, the occurrence of any one or more of the following events shall constitute a default hereunder:

- 1. Grantor fails to pay the principal due on the Note within ten (10) days of the date such payment is due;**
- 2. Any representation or warranty made by Borrower in this Deed of Trust proves to be materially false, misleading or incorrect when made or reaffirmed;**
- 3. Grantor defaults as to any other debts secured by the Property or is subject of a voluntary or involuntary bankruptcy proceeding;**
- 4. Grantor is in violation of any provision of this Deed of Trust or the Contract and such violation is not corrected within 30 days after written notice from the Noteholder.**

Remedies of the Noteholder & Trustees. If any default shall occur as to the Grantor's covenants under this Deed of Trust, the Noteholder and Trustees may exercise all remedies available at law, including the following:

- 1. Upon default by the Grantor as to the covenants and terms of this Deed of Trust, Noteholder at its option and without further notice, except as may be required by law, declare the Note and all other sums secured hereby as due and payable and shall have the right to have the Trustee take possession of the Property and proceed to sell the Property at public auction, as a whole or in such parcels, for cash or credit and, in addition to the requirements imposed by the laws of the Commonwealth of Virginia, upon any terms that the Trustees deem appropriate.**
- 2. No delay or omission of the Trustees or Noteholders to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein, and every power and remedy given by this Deed of Trust to the Trustees or to the Noteholders may be exercised from time to time and as often as may be deemed expedient. No waiver by the Trustees or by the Noteholders of any such**

default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default or to impair any rights therefrom.

3. The Noteholder hereunder is authorized, for the account of the Grantors, to make any required payments under any liens prior hereto, or under this Deed of Trust, the non-payment of which would constitute a default, including but not limited to principal and/or interest payments, taxes and fire insurance premiums. All sums so advanced shall attach to and become a part of the lien created hereunder, shall become payable at any time on demand thereof, and the failure to pay the same on demand shall, at the Noteholders' option, constitute a default hereunder giving rise to all of the remedies therein provided in the event of other defaults.
4. Noteholder may Substitute the Trustees, without notice, without making application to any Court and without specifying any reason therefor, and such substitute Trustee or Trustees shall not be required to give any bond for the faithful performance of his duties hereunder.

Miscellaneous:

1. *Severability.* If any provision of this Deed of Trust shall be held to be unenforceable or invalid for any reason, such determination shall not affect any of the other provisions of this Deed of Trust, all of which shall remain valid and enforceable to the fullest extent of the law.

2. *Successors and Assigns.* The terms, covenants and conditions herein shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto.

NOTICE

THE DEBT SECURED HEREBY IS SUBJECT TO CALL IN FULL OR THE TERMS THEREOF BEING MODIFIED IN THE EVENT OF SALE OR CONVEYANCE OF THE PROPERTY CONVEYED.

WITNESS the following signatures and seals:

SUBRECIPIENT)

(INSERT

By:

_____(SEAL)

(Name)

(Title)

COMMONWEALTH OF VIRGINIA

City/County of _____ to-wit:

The foregoing instrument was acknowledged before me this _____ day of _____, 20 , by _____ on behalf of _____ in my jurisdiction aforesaid.

My commission expires:

Notary Public

DEED OF TRUST NOTE
(CDBG/HOME ACQUISITION FUNDS)

Richmond, Virginia

_____, 20

MAKER: **«Name»**

ADDRESS: **«Address», «CityStateZip»**

NOTEHOLDER: CITY OF RICHMOND, a municipal corporation of the Commonwealth of Virginia (“City of Richmond” or “Noteholder”), mailing address: **City of Richmond, ATTN: Dept. of Housing and Community Development, 1500 East Main Street, Suite 400, Richmond, VA 23219.**

FOR VALUE RECEIVED, the undersigned maker promises to pay to the Noteholder or order, the principle sum of **«WordAmount»** and 00/100 (**«DollarAmount»**) Dollars, without interest. The Note is payable to the order of the City of Richmond, at the above address, or at such other place as the Noteholder may designate in writing.

REPAYMENT: The principle, without interest, on the Note shall be payable to the Noteholder in full in one installment on **INSERT DATE 12 MONTHS FROM RECEIPT OF FUNDS** (the “Maturity Date”) or upon the Property being conveyed, assigned, transferred or disposed of by the maker or upon default by the maker as to the terms of the Note or Deed of Trust securing the Note, whichever shall first occur, unless sooner released by the Noteholder.

QUIET POSSESSION; DEFAULT: The Noteholder and Trustee agree that the maker shall remain in quiet and peaceable possession of the property, and take the profits thereof to his own use, until he defaults in the payment of any matter of indebtedness hereby secured or in the performance of any of the covenants herein provided, in which case the Noteholder may declare all sums secured by this Deed of Trust to be immediately due and payable. The Noteholder shall have the right to proceed in law or in equity, or to enforce payment of this Note by any means provided by law, which rights shall exist notwithstanding that by its terms, this Note may not then be due. The maker agrees to pay all reasonable costs and expenses, including attorney’s fees incurred because of maker’s failure to perform, comply with and abide by each and every one of the agreements, conditions and covenants of this Note and the Deed of Trust, or either.

Presentment, protest, and notice are hereby waived. The drawers and endorsers of this Note also waive the benefit of the homestead exemption as to this debt.

Whenever used, the singular shall include the plural, and the plural the singular, and the use of any gender shall include the other gender, and the term “Noteholder” shall include any payee of the indebtedness hereby secured or any transferee thereof whether by operation of law or otherwise. This Note is to be construed according to the laws of the Commonwealth of Virginia.

Address of secured property:

«Address»

«CityStateZip»

Maker: _____

Maker: _____

This is to certify that this is the Note described in and secured by a Deed of Trust to **Bonnie Ashley and Jane Ferrara**, Trustees, of even date herewith, securing real estate known as «Address» in the City of Richmond, VA.

Date: _____

My Commission Expires:

Notary Public

Lead Based Paint Guidelines

The United States Department of Housing and Urban Development (HUD) enacted the Leadsafe Housing Rule (24 CFR Part 35) to protect children from lead based paint hazards in housing financially assisted by the federal government. The Rule affects assisted housing built prior to January 1, 1978, which was when the use of lead based paint in residential structures was banned. Compliance with the Rule varies based on the nature of the project. The following set of Guidelines was developed to assist recipients of HOME, CDBG, ESG, and HOPWA funds distributed through the City of Richmond in achieving compliance with the Rule. It is not meant to substitute for the Rule itself. In addition to compliance with the Leadsafe Housing Rule, projects are subject to compliance with all applicable federal, state and local regulations, including, but not limited to: 40 CFR 745 (EPA), 29 CFR 1926.62 (OSHA), 18 VAC 15-30 (Virginia Lead Based Paint Activities Regulations), 16 VAC 25-35 (Virginia Regulations Concerning Lead Contractors Notification, Lead Project Permit & Permit Fees), and the City of Richmond Code.

All materials required to be submitted to the City of Richmond in accordance with Section B (see below) are to be addressed to:

Daniel Mouer
City of Richmond
Department of Housing and Community Development
1500 E. Main Street, Suite 400
Richmond, VA 23219

For more information about lead based paint activities, contact Daniel Mouer, Housing & Community Development Administrator at (804) 646-7025 or by email at Daniel.Mouer@richmondgov.com. Lead based paint information is also available on the following websites:

- www.hud.gov/offices/lead - Contains the Leadsafe Housing Rule and interpretive guidance, technical guidelines, information about lead safe work practices, and general lead based paint information.
- www.epa.gov/opptintr/lead/index.html - Contains information about lead poisoning, EPA regulations that affect lead activities, and a PDF of the pamphlet "Protect Your Family from Lead in Your Home".
- www.osha.gov - Contains federal regulations that pertain to jobsite safety, including safety regulations that apply when lead hazards are present.
- www.state.va.us/dpor - This Virginia Department of Professional and Occupational Regulation website contains information about Virginia's Lead Based Paint Activities Regulations. The website also has licensee information on those licensed in Virginia as lead inspectors, risk assessors, project designers, contractors, supervisors, and workers.
- http://www.dli.state.va.us/whatwedo/lead_asbestos/lead_asbestos.html - The Virginia Department of Labor and Industry site contains information about obtaining a state permit for lead based paint abatement jobs.
- www.leadlisting.org - Contains the names of individuals who have passed an approved Leadsafe Work Practices course and requested to have their name posted on the site.
- www.richmondgov.com - Contains a link to the City of Richmond Code.

A. Summary of Lead Based Paint Requirements under HUD's Leadsafe Housing Rule (24 CFR Part 35)

	Rehabilitation - Subpart J			Acquisition, Leasing, and Support Services, Operations - Subpart K	TBRA - Subpart M	Demolition (City Policy)	New Construction (City Policy)
	Minor Rehab \$5000 or less	Moderate Rehab >\$5,000-\$25,000	Substantial Rehab >\$25,000				
Applicable Project Types	Rehabilitation, rehabilitation of owner occupied units and units to be rented or sold, rehabilitation loans including urban pioneer & rental rehab loans, property acquired with federal funds and disposed to a private developer to rehab			Acquisition & leasing of residential property that is occupied or is to be occupied, units to be occupied by those receiving relocation assistance or down payment assistance, property used to house support services & operations in connection w/housing assistance	TBRA	Demolition of whole or part of structure (does not include interior demo as part of rehab)	New construction when a structure was demolished in the past and no passing soils test is available
Provide Pamphlet & Notification of Lead Hazard Evaluation & Reduction Activities to Occupant	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lead Hazard Evaluation	Paint Testing	Paint Testing & Risk Assessment	Paint Testing & Risk Assessment	Visual Assessment	Visual Assessment	Soils Test	Soils Test
Lead Hazard Reduction	<ul style="list-style-type: none"> • Repair Surface Disturbed by Rehab • Safe Work Practices • Clearance of work site 	<ul style="list-style-type: none"> • Interim Controls • Safe Work Practices • Clearance of Unit 	<ul style="list-style-type: none"> • Abatement (Interim Controls on exterior surfaces not disturbed by rehab) • Safe Work Practices • Daily Sign-in Sheets • Clearance of Unit 	<ul style="list-style-type: none"> • Paint Stabilization • Safe Work Practices • Clearance of Unit 	<ul style="list-style-type: none"> • Paint Stabilization • Safe Work Practices • Clearance of Unit 	<ul style="list-style-type: none"> • Soil remediation if necessary • Safe Work Practices • Passing Soils Test or Visual Inspection 	<ul style="list-style-type: none"> • Soil remediation if necessary • Safe Work Practices • Passing Soils Test or Visual Inspection
Ongoing Maintenance Requirements	For rental rehab w/HOME funds	For rental rehab w/HOME funds	For rental rehab w/HOME funds	Yes, if ongoing relationship	Yes	No	No
EIBLL Requirements	No	No	No	No	Yes	No	No
Options	Presume lead based paint Use safe work practices on all surfaces	Presume lead based paint and/or hazards Use standard treatments	Presume lead based paint and/or hazards Abate all applicable surfaces	Test deteriorated paint Use safe work practices only on lead based paint surfaces	Test deteriorated paint Use safe work practices only on lead based paint surfaces		

B. Required Lead Based Paint Documentation

Document:	Submission Date:
<ul style="list-style-type: none"> Lead Based Paint Form* 	Prior to project start
<ul style="list-style-type: none"> Document verifying age of unit for post 1/1/1978 structures 	Prior to project start
<ul style="list-style-type: none"> Statement of Exemption and supporting documentation (if project is exempt from HUD's Leadsafe Housing Rule)* 	Prior to project start
<ul style="list-style-type: none"> Copy of required Lead Hazard Evaluation (visual assessment, paint test and/or risk assessment) 	Prior to project start
<ul style="list-style-type: none"> Financial Proforma/Project Budget (Rehabilitation Projects) 	Prior to project start
<ul style="list-style-type: none"> Copy of lead based paint project design or work write up (Rehabilitation Projects) 	Prior to project start
<ul style="list-style-type: none"> Elderly Relocation Waiver (if unit is occupied solely by elderly persons @ time of lead work)* 	Prior to project start
<ul style="list-style-type: none"> Occupant relocation information (if occupant is being relocated during lead hazard reduction activities) 	Do not submit; maintain in project files
<ul style="list-style-type: none"> Occupant protection plan if unit is occupied (can be part of project design/ work write-up) 	Do not submit; maintain in project files
<ul style="list-style-type: none"> Copy of risk assessor and/or inspector licenses 	Do not submit; maintain in project files
<ul style="list-style-type: none"> Copy of lead abatement supervisor and lead abatement contractor licenses (Substantial Rehab projects) or proof of completion of an acceptable Leadsafe Work Practices course (for all other projects) 	Do not submit; maintain in project files
<ul style="list-style-type: none"> Lead Contractor bids & contractor agreement 	Do not submit; maintain in project files
<ul style="list-style-type: none"> Contractor draw requests & proof of payment for lead work 	Do not submit; maintain in project files
<ul style="list-style-type: none"> Copy of Commonwealth of Virginia Permit (abatement projects) 	Do not submit; maintain in project files
<ul style="list-style-type: none"> Daily Sign-In sheets (Substantial Rehab projects) 	Do not submit; maintain in project files
<ul style="list-style-type: none"> Abatement report by abatement supervisor (Substantial Rehab projects) 	At project end
<ul style="list-style-type: none"> Copy of passing clearance report 	At project end
<ul style="list-style-type: none"> Copy of passing soils test 	At project end
<ul style="list-style-type: none"> Copy of signed Notification (showing that buyer was supplied with the pamphlet "Protect Your Family from Lead in Your Home" or "Renovate Right" for owner occupied renovations and notice of the lead hazard evaluation & reduction activities)* 	At project end
<ul style="list-style-type: none"> Ongoing maintenance plan (when ongoing maintenance is required) 	Do not submit; maintain in project files
<ul style="list-style-type: none"> Notice to occupants with name of person to contact if paint becomes deteriorated (part of ongoing maintenance) 	Do not submit; maintain in project files
<ul style="list-style-type: none"> Visual Assessment as part of Ongoing Maintenance* 	After each occurrence
<ul style="list-style-type: none"> Clearance tests as part of Ongoing Maintenance 	After each occurrence
<ul style="list-style-type: none"> Copy of signed Notification as part of Ongoing Maintenance* 	After each occurrence
<ul style="list-style-type: none"> Copy of applicable lead licenses for individuals involved in Ongoing Maintenance 	Do not submit; maintain in project files

*Submit on forms Appendix H2-H9

C. Things to Consider At Various Project Stages for Select Project Types

Rehabilitation Projects

Project Development

- Verify Age of Property (pre or post January 1, 1978). If unit was built post January 1, 1978, submit Sections I & II Lead Based Paint Form and proof of age, such as an assessment or certificate of occupancy. Nothing else is required.
- If unit is occupied, educate occupants about lead based paint and distribute the pamphlet "Renovate Right" & "Protect Your Family from Lead in Your Home". Have occupants sign the Notification that they have received the pamphlet
- If unit is not occupied until after the renovation is complete. As occupants are identified educate them about lead based paint and give the pamphlet "Protect Your Family from Lead in Your Home" and have occupants sign the Notification that they received the pamphlet.
- Obtain information on children in the household.
- Develop preliminary scope of work and cost estimate.
- Determine the project's rehabilitation category.
- Presume lead based paint or have properly licensed person evaluate lead based paint & lead hazards (paint test and/or risk assessment as required). Obtain copy of licenses for project files.
- Notify occupants of Evaluation. Have occupants sign the Notification that they have received information regarding the Evaluation (if unit is not occupied this is to be done as soon as occupants are identified).

Rehabilitation Planning

- Develop occupant relocation plan or, if occupants are permitted to stay, occupant protection plan. If unit is occupied by elderly person(s) who choose to stay, have them sign the Elderly Relocation Waiver.
- Develop Lead Project Design /Work Write-Up.
- Submit Lead Based Paint Form to the City (with Project initiation Form if possible). Also submit Lead Paint Evaluation, Project Design, financial proforma, and Notice of Exemption (if applicable).
- Determine timing/sequence of work.
- Verify qualifications of lead contractor & award work to properly licensed contractor. Obtain copy of licenses for project files.
- Contact Lead Based Paint Planner to schedule a site visit prior to the start of the project. Preferably schedule the visit to coincide with the City's Historic Preservation Planner's site visit.

Pre-Construction Conference

- Confirm roles of contractors.
- Discuss work schedule.
- Discuss safe work practice.
- Arrange occupant relocation.

Supervising Lead Hazard Reduction

- Contact City Lead Based Paint Planner just prior to the start of the lead hazard reduction to schedule a site visit.
- Verify quality of adherence to project design/ work write-up.
- Check that safe work practices are being used.
- Check that daily clean-up is performed.

- Check that worker protection measures are followed.
- Verify that everybody on the jobsite is signing the Daily Sign-In Sheet (Substantial Rehab projects).
- Have abatement supervisor complete an abatement report (Substantial Rehab projects).

Final Inspection and Clearance

- Check that work is complete.
- Check that clean-up is done properly.
- Have clearance test, including soils test if applicable, done by properly licensed inspector or risk assessor. Obtain copy of licenses for project files. Clearance test and soils test to be done when all rehabilitation is complete.
- If clearance test fails, correct any deficiencies in lead work and re-clean. Repeat clearance test.
- If soils test fails, contact the Lead Based Paint Planner about options.
- Notify occupants of Lead Hazard Reduction activities and provide them with copy of passing clearance and soils test. Have occupants sign the Notification that they have received the clearance and soils test (if unit is not occupied this is to be done as soon as occupants are identified).
- Submit copy of clearance test and soils test to the City.
- Submit copy of signed Notification to the City when occupant is identified.

Unoccupied Rehabilitated Homes that are to be Sold

- If any surface that could potentially contain lead based paint is disturbed or deteriorates after the clearance is done and prior to the home being sold, repair the surface, re-clean the area, and obtain clearance of affected area.
- Include copy of clearance as part of occupant Notification.
- Submit copy of clearance to City.

Ongoing Maintenance - See Lead Based Paint Ongoing Maintenance Activities Checklist in Forms section of Guidelines

- Inform owner/tenant of ongoing maintenance responsibilities.
- Develop Ongoing Maintenance Plan for rental rehab project done with HOME funds.
- As Ongoing Maintenance occurs submit copies of Visual Assessment, Clearance Test, and Occupant Notification to the City.

Down Payment Assistance Programs

Initial Screening

- Educate eligible homebuyer about lead based paint and requirements applicable to the homebuyer program. Distribute the pamphlet "Protect Your Family from Lead in Your Home". Have occupants sign the Notification that they have received the pamphlet.
- Provide homebuyer with instructions for complying with the Leadsafe Housing Rule.

Purchase Negotiations

- Verify age of property (pre or post January 1, 1978). If unit was built post January 1, 1978, complete Section I & II of Lead Based Paint Form. Submit copy with proof of age. Nothing else is required.
- Obtain a Visual Assessment for Deteriorated Paint. (Inspector must be licensed as a Lead Inspector, a Risk Assessor by the State of Virginia or Certified by HUD)

- Notify homebuyer of Visual Paint Assessment. Have homebuyers sign the Notification that they have received information regarding the Visual Paint Assessment.
- Submit Lead Based Paint Form and copy of Visual Paint Assessment to the City.
- Buyer and seller negotiate who will be responsible for stabilizing paint. Include terms of paint stabilization in the contract.

Lead Hazard Reduction & Clearance

- Deteriorated paint to be stabilized by properly lead licensed persons using safe work practices. Obtain copy of licensing for files prior to start of stabilization.
- If deteriorated paint is found to be below de minimum levels, lead licensing and safe work practices do not apply.
- Obtain Clearance test by licensed Lead Inspector or Risk Assessor. Unit must pass clearance test prior to closing. Obtain copy of licensing for project files.
- If clearance test fails, correct any deficiencies in work and re-clean. Repeat clearance test.
- Notify homebuyer of Lead Hazard Reduction activities and provide them with copy of the passing clearance prior to closing. Have homebuyer sign the Notification that they have received the clearance.
- Submit copies of Clearance Test and signed Notification to the City.
- If house does not go to closing, notify Lead Base Paint Planner.

Post Purchase Counseling (Optional)

- Educate homebuyer about ongoing maintenance.

Acquisition, Leasing, Support Services or Operation

See above for Down Payment Assistance Program requirements

Prior To or Immediately Proceeding Acquisition

- Verify Age of Property (pre or post January 1, 1978). If unit was built post January 1, 1978, submit Lead Based Paint Form and proof of age. Nothing else is required.
- Distribute the pamphlet "Protect Your Family from Lead in Your Home". Have occupant sign the Notification that they have received the pamphlet (if unit is not occupied this is to be done as soon as occupants are identified)
- Obtain a Visual Assessment to identify deteriorate paint
- Notify occupants of Visual Assessment. Have occupants sign the Notification that they have received a copy of the Assessment (if unit is not occupied this is to be done as soon as occupants are identified).
- Submit Lead Based Paint Form, a copy of Visual Assessment & Notification to the City.

Lead Hazard Reduction & Clearance

- Deteriorated paint to be stabilized by properly lead licensed persons using safe work practices. Obtain copy of licensing for files prior to start of stabilization
- If deteriorated paint is below de minimum levels, lead licensing and safe work practices do not apply.
- Obtain Clearance test by a properly licensed Inspector or Risk Assessor. Obtain copy of licensing for project files.
- If clearance test fails, correct any deficiencies in work and re-clean. Repeat clearance test.
- Notify occupant of Lead Hazard Reduction activities and provide them with copy of the passing clearance. Have occupant sign the Notification that they have received the clearance.
- Submit Copies of Clearance test and signed Notification to the City.

Ongoing Maintenance - See Lead Based Paint Ongoing Maintenance Activities Checklist in Forms section of Guidelines

- Develop Ongoing Maintenance Plan if the unit has a continuing financial relationship with a federal housing assistance program
- As Ongoing Maintenance Occurs submit copies of Visual Assessment, Clearance Test, and Notification to the City

Disposition

- Verify age of housing. If unit was built pre-1978 distribute the pamphlet "Protect Your Family from Lead in Your Home". Fill out Disclosure form required by 24 CFR 35 Subpart A and obtain appropriate signature from entity acquiring unit.
- Submit Lead Based Paint Form and copy of Disclosure to the City

TBRA Programs

Initial Screening

- Determine whether applicant has children under 6 years of age
- If no children under 6 year of age reside or are expected to reside in the unit, fill out Sections I & II of the Lead Based Paint Form. Submit copy of Form and Statement of Exemption. If a child under 6 years of age comes to reside in household receiving assistance, the Leadsafe Housing Rule applies.

Unit Selection & Inspection

- If one or more children under 6 will be residing in unit, verify age of unit (pre or post January 1, 1978). If unit was built post January 1, 1978, complete Section I & II of Lead Based Paint Form. Submit copy with proof of age to the City. Nothing else is required.
- Educate potential occupant about lead based paint and requirements applicable to the TBRA program. Distribute the pamphlet "Protect Your Family from Lead in Your Home". Have potential occupants sign the Notification that they have received the pamphlet.
- Conduct a Visual Assessment to identify deteriorated paint. (Inspector can be HUD certified or license as a Lead Inspector or Risk Assessor by the Virginia.)
- Notify potential occupant of results of Visual Assessment. Have occupants sign the Notification that they have received a copy of the Assessment.

Lead Hazard Reduction & Clearance

- Deteriorated paint to be stabilized by properly lead licensed persons using safe work practices. Obtain copy of licensing for files prior to start of stabilization.
- If deteriorated paint is below de minimis levels, lead licensing and safe work practices do not apply.
- Obtain Clearance test by a properly licensed Inspector or Risk Assessor. Obtain copy of licensing for project files.
- If clearance test fails, correct any deficiencies in work and re-clean. Repeat clearance test.
- Notify occupant of Lead Hazard Reduction activities and provide them with a copy of the passing clearance. Have occupant sign the Notification that they have received the clearance.
- Submit Copies of Clearance test and Notification to the City

Ongoing Maintenance

- Develop Ongoing Maintenance Plan
- Monitor all TBRA recipients for the addition of children under 6 to the household. If a child under 6 years of age comes to reside in household receiving assistance, the Leadsafe Housing Rule applies.
- As Ongoing Maintenance Occurs submit copies of Visual Assessment, Clearance Test, and Occupant Notification to the City

Children with Environmental Intervention Blood Lead Levels (EIBLL)

If a child under 6 years of age living in a household receiving TBRA assistance is identified as having an EIBLL, then:

- Report name and address of EIBLL child to City of Richmond Department of Public Health if the Department of Health was not the source of the information.
- Conduct Risk Assessment of dwelling unit where child lived when blood was sampled.
- Provide report to owner of unit and the City of Richmond Department of Public Health and the Department of Economic and Community Development.
- Owner shall either perform interim controls or abatement to reduce the lead hazards.
- Obtain Clearance test by a properly licensed Inspector or Risk Assessor. Obtain copy of licensing for project files.
- If clearance test fails, correct any deficiencies in work and re-clean. Repeat clearance test.
- Notify occupant of Lead Hazard Reduction activities and provide them with a copy of the passing clearance. Have occupant sign the Notification that they have received the clearance.
- Submit copies of Clearance and Notification to the City.
- Ongoing Maintenance requirements still apply.

Appendix H2:

Lead Based Paint Form

Please fill out and return all sections of this form prior to project start

Section I – General Project Information

Date: _____

Organization: _____

Project Manager: _____

Project Address: _____

Age of Structure (Pre or Post 1978): _____

(If structure is post 1978, **provide proof of age** and disregard the rest of this form)

Does (or will) structure house children six or under? Yes _____ No _____ Don't Know _____

Anticipated Lead Work Start Date: _____ Lead Contractor's Name: _____

Section II – Activity Information

Activity (check **ALL** that apply):

_____ Down Payment Assistance

_____ New Construction

_____ Acquisition, Leasing, Support
Services, or Operation

_____ Disposition

_____ Tenant/Homeowner Relocation

_____ Demolition of Structure

_____ Tenant Based Rental Assistance

_____ Rehabilitation –check one Level (see below to determine amount of **Rehabilitation Assistance**)

Minor Rehabilitation Level - \$5,000 or less in Rehabilitation Assistance

Moderate Rehabilitation Level – over \$5,000 up to \$25,000 in Rehabilitation Assistance

Substantial Rehabilitation Level – over \$25,000 in Rehabilitation Assistance

Rehabilitation Assistance – answer **ALL** questions:

(A) \$ _____ Estimated Hard Costs* of Rehabilitation/Unit (regardless of funding source)

(B) \$ _____ Estimated Cost of Lead Evaluation & Reduction Activities/Unit

(C) \$ _____ **Subtract (B) from (A)**

(D) \$ _____ **Average Federal Assistance/Unit** (Include all Federal funding regardless of source or use)

(E) \$ _____ **Rehabilitation Assistance** – the lesser of (C) or (D)

*Hard Costs **do not** include financing fees, credit reports, title binders & insurance, recording & transaction fees, legal & accounting fees, appraisals, architectural & engineering fees, administrative costs, relocation costs, environmental reviews, property acquisition, and other soft costs.

Project Address: _____

Section III – Lead Hazard Evaluation & Reduction

Presuming lead based paint & addressing all applicable surfaces as required by HUD’s Leadsafe Housing Rule.

Yes _____ No _____

Provide dates that the following methods of lead hazard evaluation occurred and **forward copies of evaluations** to the Department of Economic and Community Development (lead hazard evaluation is not required if Lead Based Paint is assumed):

_____ Visual Assessment

_____ Paint Testing

_____ Risk Assessment

Section IV – Additional Documentation to be Submitted to the City of Richmond

Please **forward copies of the following documents** (send as per schedule in Section 8 of the Lead Based Paint Guidelines) to the Department of Housing and Community Development:

Proof of Age of Housing (if 1978 or later)

Statement of Exemption and supporting documentation (if project is exempt from Leadsafe Housing Rule)*

Financial Pr-forma/Project Budget (for Rehab projects)

Elderly Relocation Waiver (if unit is occupied solely by elderly person)*

Lead Based Paint Project Design/Work Write-Up (Rehab projects)

Abatement report by abatement supervisor (Substantial Rehab projects)

Clearance Test

Soils Clearance Test

Notification – homebuyer, homeowner, or tenant’s signed acknowledgement of receipt of lead pamphlet and disclosure of lead hazard evaluation and reduction activities.*

***Submit on form provided in the Lead Based Paint Guidelines & Forms**

Refer to Lead Based Paint Guidelines for a list of other documents that must be maintained but not submitted.

Mailing Address:

C/O Daniel Mouer

Richmond Department of Housing and Community Development

1500 E. Main Street, Suite 400

Richmond, VA 23219

Or fax to (804) 646-6358

Appendix H3:

Statement of Exemption from the Leadsafe Housing Rule

Occupant's Name(s) and Address of Unit: _____

Answer the following questions by circling "YES" or "NO". If the answer to any of the questions is "YES", the property is exempt from the requirements of HUD's Leadsafe Housing Rule (24 CFR Part 35). Submit this form with supporting documentation to the City of Richmond. The regulatory citation of each exemption is cited as additional guidance.

• Was the property constructed after January 1, 1978? [35.115(a)(1)]	Yes	No
• Is this a zero-bedroom unit? (e.g. SRO, efficiency) [35.115(a)(2)]	Yes	No
• Is this dedicated elderly housing and no child less than age 6 resides or is expected to reside in the unit? (i.e. over age 62) [35.115(a)(3)]	Yes	No
• Is this housing dedicated for the disabled and no child less than age 6 resides or is expected to reside in the unit? [35.115(a)(3)]	Yes	No
• Has a paint inspection conducted in accordance with 35.1320(a) established that the property is free of lead-based paint? [35.115(a)(4)]. The date of the original paint inspection was _____. An optional paint inspection conducted on _____ confirmed this prior finding. Submit paint inspection(s) to the City.	Yes	No
• Has all lead-based paint in the property been identified and removed, and has clearance been achieved as cited below? [35.115(a)(5)]. Submit clearance to the City.	Yes	No
• Clearance was achieved prior to September 15, 2000, and the work was done in accordance with 40 CFR Part 745.227(b)	Yes	No
• Clearance was achieved after September 15, 2000, and the work was done in accordance with 24 CFR Part 35.1320, 1325 and 1340	Yes	No
• Is the property used for non-residential purposes? [35.115(a)(7)] Common areas serving both residential and not residential uses in a mixed use property are not exempt.	Yes	No
• Will all rehab exclude disturbing painted surfaces? [35.115(a)(8)]	Yes	No
• Are emergency actions immediately necessary to safeguard against imminent danger to human life, health or safety, or, to protect the property from further structural damage? (e.g. after natural disaster or fire) [35.115(a)(9)]	Yes	No
• Will the unit be assisted for less than 100 days under emergency rental assistance or emergency foreclosure assistance? [35.115(a)(11)]	Yes	No

Appendix H4:

Elderly Waiver for Relocation

Address of Home

I, _____, the undersigned, choose to remain in my home while rehabilitation work is being performed by _____ or its agents or contractors.

I have made this choice having read, understood, and agreed to the following:

1. I certify that I am at least 62 years old.
2. I certify that the home at the address stated above was built before 1978.
3. I acknowledge that (i) I have received the pamphlet "Protect Your Family from Lead in Your Home" and (ii) I am aware of the health hazards that are posed by lead-based paint.
4. I acknowledge that I have been given a description of work by _____ or its agents or contractors.
5. I agree that I may stay in my home but that I may not enter the work area until _____ or its designee has certified to me that the job is complete.
6. I understand that (i) during the course of the work, lead hazards may be created in the work area as defined in the description of work and (ii) these hazards must be fixed before its agent or contractor certifies that the job is complete.
7. I certify that no children under age six or women of childbearing age currently live in the home or spend significant amounts of time in the home.
8. I understand that allowing children under age six or women of childbearing age to visit my home while work is being done may pose a risk to their health.
9. I agree to hold harmless the City of Richmond and any of its officers, employees, agents, or volunteers from damages of any type whatsoever to either persons or property, including but by no means limited to damages due to lead poisoning, that may occur at the address stated above arising out of, caused by or resulting from the rehabilitation work. I release, discharge and waive any action, either legal or equitable, that might arise by reason of any action of the City of Richmond or any of its officers, employees, agents, or volunteers during the course of the work.

Signed:

Name Date Name Date

Appendix H5:

Sample Daily Sign-In Sheet for Lead Based Paint Reduction Activities

Job Site _____ Date: _____
Address: _____ Worksheet Preparer: _____
_____ Project Supervisor: _____
_____ Weather Conditions: _____
Total # of Workers on Site: _____

Workers' Names

1 _____	16 _____
2 _____	17 _____
3 _____	18 _____
4 _____	19 _____
5 _____	20 _____
6 _____	21 _____
7 _____	22 _____
8 _____	23 _____
9 _____	24 _____
10 _____	25 _____
11 _____	26 _____
12 _____	27 _____
13 _____	28 _____
14 _____	29 _____
15 _____	30 _____

Comments/Concerns:

Notification - of Lead Based Paint Hazard Evaluation & Reduction Activities

(Reference 24 CFR 35.125-130)

Housing Built before 1978 may contain lead based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women.

Address of Unit: _____

Acknowledgement of Receipt of EPA Pamphlet

I have received a copy of the EPA document: (circle one)

"Protect Your Family From Lead in Your Home"

"Renovate Right"

Name(s): _____

Signature(s): _____

Date: _____

Acknowledgement of Receipt of Lead Hazard Evaluation Reports

Lead Hazard Evaluation Completed (circle one): Visual Inspection Paint Testing Risk Assessment Lead Based Paint Assumed

Summary of Results: _____

I have received a summary of the Lead Hazard Evaluation or a copy of the Lead Hazard Evaluation for this unit.

Name(s): _____

Signature(s): _____

Date: _____

Acknowledgement of Receipt of Lead Hazard Reduction Reports

Dates of Reduction: _____

Summary of Lead Hazard Reduction Activities: _____

Components with known lead based paint that remain where activities were conducted:

Date of Clearance Test: _____ Results: _____

Date of Soils Test: _____ Results: _____

I have received a copy of the Clearance Test and/or Soils Test for this unit.

Name(s): _____

Signature(s): _____

Date: _____

Contact person for more information about this Notification

Agency Name & Address: _____ Phone: _____

Contact Person: _____

Instructions for Completing Notification

Housing Built before 1978 may contain lead based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women.

Address of Unit: To be filled out by subrecipient

Acknowledgement of Receipt of EPA Pamphlet

I have received a copy of the EPA document: (circle one) **Subrecipient will circle pamphlet**
"Protect Your Family From Lead in Your Home" "Renovate Right"

Name(s): To be filled out by occupants

Signature(s): To be filled out by occupants

Date: To be filled out by occupants

Acknowledgement of Receipt of Lead Hazard Evaluation Reports

Lead Hazard Evaluation Completed (subrecipient to circle one):
Visual Inspection Paint Testing Risk Assessment Lead Based Paint Assumed

Summary of Results: To be filled out by subrecipient

I have received a summary of the Lead Hazard Evaluation or a copy of the Lead Hazard Evaluation for this unit.

Name(s): To be filled out by occupants

Signature(s): To be filled out by occupants

Date: To be filled out by occupants

Acknowledgement of Receipt of Lead Hazard Reduction Reports

Dates of Reduction: To be filled out by subrecipient

Summary of Lead Hazard Reduction Activities: To be filled out by subrecipient

Components with known lead based paint that remain where activities were conducted:
To be filled out by subrecipient

Date of Clearance Test: To be filled out by subrecipient Results: To be filled out by subrecipient

Date of Soils Test: To be filled out by subrecipient Results: To be filled out by subrecipient

I have received a copy of the Clearance Test and/or Soils Test for this unit.

Name(s): To be filled out by occupants

Signature(s): To be filled out by occupants

Date: To be filled out by occupants

Contact person for more information about this Notification

Agency Name & Address: To be filled out by subrecipient Phone: To be filled out by subrecipient
Contact Person: To be filled out by subrecipient

Appendix H8:

Lead Based Paint Ongoing Maintenance Activities Checklist

(Reference 24 CFR 35.1355)

- Provide a written notice in the language of the occupants, to the extent feasible, asking them to report deteriorated paint or failed encapsulation or enclosure. Include the contact name, address, and telephone number (HUD recommends that the notice be provided every 12 months or at unit turnover).
- Provide new occupants with the pamphlet "Protect your Family from Lead in Your Home". Have them sign the Notification that they have received the pamphlet.
- Conduct visual assessments for deteriorating paint, bare soil, and the failure of any lead hazard reduction measures at unit turnover and every 12 months.
- Address deteriorated paint through paint stabilization unless an evaluation shows that paint does not contain lead.
- Repair enclosures or encapsulations using leadsafe work practices.
- Perform other lead hazard reductions, as necessary, using leadsafe work practices.
- If the initial reduction activity required the treatment of soil, identify and treat bare soil.
- Conduct clearance test.
- Provide copies of visual assessment and clearance to occupants. Have them sign the Notification that they have received the documents.
- Submit copies of the visual assessment, clearance test, & Notification to the City of Richmond.
- Maintain copies of proper lead licenses or certifications for individuals involved in ongoing maintenance.

Appendix H9:

Visual Paint Assessment Form

Date of Visual Assessment: _____ **Client Name:** _____

Address of Housing Unit: _____

Visual Inspection (circle one) Pass Fail **Reason for Failure:** _____

Room	Paint Condition (circle one)			Location & Type of Problem (see definition below)	Visual Assessment	
	Intact	Fair	Poor		Pass	Fall
Entry/Foyer	Intact	Fair	Poor		Pass	Fall
Living Room	Intact	Fair	Poor		Pass	Fall
Dining Room	Intact	Fair	Poor		Pass	Fall
Kitchen	Intact	Fair	Poor		Pass	Fall
Hall #1	Intact	Fair	Poor		Pass	Fall
Hall #2	Intact	Fair	Poor		Pass	Fall
Bathroom #1	Intact	Fair	Poor		Pass	Fall
Bathroom #2	Intact	Fair	Poor		Pass	Fall
Bedroom #1	Intact	Fair	Poor		Pass	Fall
Bedroom #2	Intact	Fair	Poor		Pass	Fall
Bedroom #3	Intact	Fair	Poor		Pass	Fall
Porch	Intact	Fair	Poor		Pass	Fall
Exterior	Intact	Fair	Poor		Pass	Fall
Other _____	Intact	Fair	Poor		Pass	Fall
Other _____	Intact	Fair	Poor		Pass	Fall

<u>Definitions of Paint Conditions</u>	<u>Type of Problem</u>
<p>Intact- Entire surface intact</p> <p>Fair- Deteriorated Paint found on: 2 square feet or less of a large interior surface, 10% or less of the total surface of a small interior surface, or 10 square feet or less of an exterior surface</p> <p>Poor- Deteriorated Paint found on: greater than 2 square feet of an interior surface, greater than 10% of the total surface of a small interior surface, or 10 square feet or more of an exterior surface</p>	<p>DD = Dust & Debris DG = Deteriorated Glazing DP = Deteriorated Paint DW = Deteriorated Wood FP = Friction Problem IN = Incomplete Work IP = Impact Problem PC = Paint Chips PP = Peeling Wallpaper WD = Water Damage</p>

Deteriorated Paint – HUD defines deteriorated paint as “any interior or exterior paint or other coating that is peeling, chipping, chalking or cracking, or any paint or coating located on an interior or exterior surface or fixture that is otherwise damaged or separated from the substrate.”

Inspector/Risk Assessor print name (required) _____

Inspector/Risk Assessor Signature (required) _____

License type and number (required) _____

Appendix H10:

HOPWA Lead Based Paint Requirements

Lead poisoning harms children. It has been conclusively demonstrated to cause learning disabilities, behavioral problems, reduced IQ, attention deficit disorder, and developmental delays. Young children from low income households are at the greatest risk of exposure. The **number one source of lead poisoning is paint in older housing**. Nearly 1 in 20 pre-school children in the US suffer from elevated blood lead levels. Preventing children from being exposed to lead based paint hazards is the responsibility of grantees and project sponsors under the HOPWA program.

Research has demonstrated that the greatest hazard is associated with lead dust resulting from deteriorated paint. This dust settles on floors, window sills and other surfaces. Paint repair can generate large amounts of lead dust. This cannot be cleaned up with brooms and lead-contaminated dust is not visible to the naked eye. The changes to the lead based paint requirements reflect the new understanding concerning the hazards of lead dust, require safe work practices for any stabilization or hazard reduction activities and clearance inspection upon completion of activities.

HUD's lead based paint requirements were changed in 2000 and their applicability to HOPWA housing assistance clearly delineated. The lead based paint requirements can affect much of the housing assistance provided through HOPWA. This fact sheet identifies the HOPWA activities that are subject to the lead based paint requirements and outlines the steps that grantees and project sponsors must take to ensure that HOPWA-assisted housing is lead safe.

Applicability

The HOPWA regulations (24 CFR 574.635) state that The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821–4846) and the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851–4856) apply to activities under the HOPWA program and implementing regulations at part 35, subparts A, B, H, J, K, M, and R of this part apply to HOPWA activities.

The Lead Based Paint regulations (24 CFR PART 35 LEAD-BASED PAINT POISONING PREVENTION IN CERTAIN RESIDENTIAL STRUCTURES) cover HOPWA supported tenant based rental assistance, acquisition, leasing, supportive services, operations, project based rental assistance, rehabilitation assistance, and security deposits under sub-parts H, J, K, M.

The Part 35 requirements impose significant obligations on HOPWA grantees and the requirements vary depending on the type of HOPWA assistance received. If lead based paint requirements apply to a HOPWA assisted unit, the most common requirements are to conduct a visual assessment, paint stabilization (if required), conduct a clearance after stabilization is completed, provide notices to occupants, and conducting on-going assessments of paint conditions. The table below fully delineates the lead based paint compliance requirements by type of HOPWA provided assistance.

There are a number of significant exemptions to these requirements which will substantially lessen the impact for HOPWA providers. Exempt projects/properties have no need to comply with the lead based paint requirements. However, in all HOPWA supported activities in which children less than six years of age are present, sponsors should seek to maintain a lead based paint free environment.

24 CFR 35.115 Exemptions from Lead Based Paint Requirements	
All Housing Constructed after 1/1/78	All residential property for which construction was completed on or after January 1, 1978
A zero-bedroom dwelling unit	This includes a single room occupancy (SRO) dwelling unit; If shelters do not provide separate bedrooms, they are exempt under the zero bedroom exemption
Emergency rental assistance or foreclosure prevention assistance up to 100 days	This exemption for a dwelling unit expires no later than 100 days after the initial payment or assistance – the exemption applies to the unit and the length of time the unit receives HUD assistance
For Tenant Based Rental Assistance (Sub-part M), applies only if child under 6 is present	Lead based paint requirements apply only to dwelling units occupied or to be occupied by families or households that have one or more children of less than 6 years of age, common areas servicing such dwelling units, and exterior painted surfaces associated with such dwelling units or common areas; If the designated party knows that the family includes a pregnant woman, the regulation applies
Housing for the elderly or a residential property designated exclusively for persons with disabilities	This exemption shall not apply if a child less than age 6 resides or is expected to reside in the dwelling unit (see definitions of "housing for the elderly" and "expected to reside" in 24 CFR 35.110).

Lead based paint requirements differ according to the type of assistance provided through HOPWA. The table below summarizes lead based paint compliance requirements by the key types of HOPWA support.

Lead Based Paint Compliance Requirements by Type of HOPWA Assistance	
HOPWA Assistance	Lead Based Paint Requirements
Short Term Supported Housing, up to 60 days of assistance in a 6 month period	Exempt from compliance – provided the 100 day limit is not exceeded. The 100 day period applies to the unit and not the household so if the same unit is used for multiple households and the use of the unit for HOPWA assistance will exceed 100 days, it would need to meet the requirements under Sub-Part K
Short term rent mortgage and utility assistance (STRMU)	Provided the assistance does not exceed 100 days, it is exempt as ' emergency rent or mortgage ' assistance. The requirement is linked to the unit so if the household will be receiving assistance that will extend for longer than 100 days, the Sub-Part K requirements must be met. The 100 day period is cumulative so if the same housing unit will receive STRMU assistance in multiple program years so that over 100 days of assistance is received, then Sub-Part K requirements apply.
Permanent Housing Placement Assistance	This provides security deposits and other assistance for units where on-going residency is expected. Since the residency would be expected to exceed 100 days, the Sub-Part K requirements apply.
Operating support	Projects providing operating support to housing through HOPWA must meet the Sub-Part K requirements.
Supportive Services	Programs that provide services such as medical care, education, or food service are not considered housing assistance programs and are not covered by the regulation. HUD recommends that

Lead Based Paint Compliance Requirements by Type of HOPWA Assistance

	efforts be made to assure that facilities providing these types of support services are lead-safe, if they are frequented by children less than six years of age.
Tenant based rental assistance	If the assisted household contains children less than six years of age , then the Sub-Part M requirements must be met
Project based rental assistance	Sub-Part H applies; note there are differing requirements based on the amount of annual support; less than \$5,000/unit/year and greater than \$5,000/unit/year .
Rehabilitation assistance	Sub-Part J applies; requirements vary depending on dollar amount of rehabilitation support: under \$5,000/unit, between \$5,000 and \$25,000/unit and over \$25,000/unit. The higher the amount of rehab support, the more stringent the lead based paint requirements are.

Review of lead based paint compliance requirements based on type of HOPWA assistance received

As noted above, the lead based paint compliance requirements are based on the type and amount of assistance provided through HOPWA. In addition to specifying how lead based paint is to be inspected for and remediated, the requirements also include providing notifications to affected households, following up and coordinating with public health agencies when housing is provided to children who have elevated levels of lead in their bloodstream. The requirements associated with the different sub-parts of the lead based paint regulations, along with the HOPWA program components to which they apply are presented in the table below. The steps that must be taken to comply with the requirements are discussed after the table. [Note if using this in electronic format (recommended) the included links will bring you to the source documents.]

Part 35 Regulations Sub-Part	Applies to HOPWA Activity:	Compliance for Housing Constructed Prior to 1978 Requires
K	<p>Operating support to facility based projects; STRMU assistance in excess of 100 days; Permanent housing placement if the housing is expected to be occupied in excess of 100 days</p>	<p>Provision of Pamphlet Visual Assessment Paint Stabilization using safe work practices (before occupancy of a vacant unit, or if occupied, upon receipt of federal assistance) Clearance Provision of Notice of hazard reduction activity and clearance results to occupants Ongoing Lead-Based Paint Maintenance</p>
M	<p>Tenant Based Rental Assistance ONLY APPLIES IF A CHILD UNDER 6 YEARS WILL OCCUPY UNIT</p> <p>ADDITIONAL TBRA REQUIREMENT TO COMMUNICATE WITH DEPARTMENT OF HEALTH WITH REGARD TO CHILDREN WITH ELEVATED BLOOD LEAD LEVEL</p>	<p>Units Occupied/To Be Occupied By A Family With a Child Under Age Six: Provision of Pamphlet by the owner Visual Assessment by the designated party during initial and periodic inspections Paint Stabilization using safe work practices before occupancy or, if unit is already occupied, within 30 days after Visual Assessment report Clearance by the designated party Provision of Notice of hazard reduction activity, including clearance results, to occupants Ongoing Lead-Based Paint Maintenance</p> <p>Ongoing Requirement of Tenant-Based Rental Assistance Programs: Report to the public health department an updated list of the addresses of units receiving assistance (at least quarterly) At least quarterly, attempt to obtain from the public health department a list of the names and/or addresses of children under the age of six with an identified EIBLL; match the EIBLL list with the rental assistance program's list (unless the public health department makes this comparison), and respond to the matches of any EIBLL children who live in units receiving assistance.</p> <p>Note: designated party = HOPWA grantee</p>
H	<p>Project Based Rental Assistance – Annual federal assistance per year is <u>less than \$5,000/unit/year</u></p>	<p>Provision of Pamphlet Visual Assessment (during initial and periodic inspections) Paint Stabilization using safe work practices Clearance Provision of Notice of hazard reduction activity and results to occupants Ongoing Lead-Based Paint Maintenance</p>
H	<p>Project Based Rental Assistance – Annual federal assistance <u>in</u></p>	<p>Provision of Pamphlet Ongoing Lead-Based Paint Maintenance between September 15, 2000 and the completion of a risk assessment</p>

Part 35 Regulations Sub-Part	Applies to HOPWA Activity:	Compliance for Housing Constructed Prior to 1978 Requires
	<u>excess of \$5,000/unit/year</u>	Risk Assessment (must be completed in pre-1960 construction by September 17, 2001, and in 1960-1978 construction by September 15, 2003) Provision of Notice of the results of the risk assessment to occupants Interim Controls using safe work practices to treat hazards identified in the risk assessment Clearance Provision of Notice of hazard reduction activity and results to occupants Ongoing Lead-Based Paint Maintenance immediately subsequent to risk assessment unless all lead-based paint has been removed Reevaluation
J	Rehabilitation of existing structures \$5,000/unit or less in Federal rehab expenditures	Provision of Pamphlet Determine Whether to Evaluate or Presume If Evaluate: Test paint on all surfaces to be disturbed by rehab Provision of Notice to occupants of the results of the paint test Use safe work practices while working on surfaces which contain lead-based paint Repair paint on surfaces where lead-based paint has been identified and was disturbed during rehab Clearance of the work area If Presume: Presume lead-based paint present Provision of Notice to occupants of presumption of the presence of lead-based paint and LBP hazards Use safe work practices on all surfaces disturbed by rehab work Repair paint on all surfaces disturbed by rehab Clearance of the work area Provision of Notice of hazard reduction activity, including clearance results, to occupants Ongoing Lead-Based Paint Maintenance required after rehab of a rental property using HOME or CILP funds Record Keeping
J	Rehabilitation of existing structures, more than \$5,000/unit in Federal rehab assistance but less than \$25,000	Provision of Pamphlet Determine Whether to Evaluate or Presume Evaluate Test paint on all surfaces to be disturbed by rehab Risk Assessment in assisted unit, in common areas, and on exterior surfaces Provision of Notice to occupants of the results of the paint

Part 35 Regulations Sub-Part	Applies to HOPWA Activity:	Compliance for Housing Constructed Prior to 1978 Requires
		<p>test and risk assessment Interim Controls on identified hazards and hazards created by rehab, using safe work practices Clearance of the unit</p> <p>Presume Presume lead-based paint and lead-based paint hazards Provision of Notice to occupants of presumption of the presence of lead-based paint and LBP hazards Standard Treatments throughout the unit, using safe work practices Clearance of the unit</p> <p>Provision of Notice of hazard reduction activity, including clearance results, to occupants Record Keeping</p>
J	<p>Rehabilitation of existing structures with more than \$25,000/unit in federal rehab assistance</p>	<p>Provision of Pamphlet Determine Whether to Evaluate or Presume</p> <p>Evaluate Test_Paint on all surfaces to be disturbed by rehab Provision of Notice to occupants of the results of the paint test and risk assessment Risk Assessment in assisted unit, in common areas, and on exterior surfaces Abatement of identified lead-based paint hazards and hazards created by rehab Interim Controls using safe work practices permitted on exterior surfaces not disturbed by rehab Clearance of the unit, including an abatement report</p> <p>Presume Presume lead-based paint Provision of Notice to occupants of presumption of the presence of lead-based paint and LBP hazards Abatement of the surfaces disturbed by rehab and deteriorated, friction, impact, and chewable surfaces Interim Controls using safe work practices permitted on exterior surfaces not disturbed by rehab Clearance of the unit, including an abatement report</p> <p>Provision of Notice of hazard reduction activity, including clearance results, to occupants Record Keeping</p>

The most common requirements, if a HOPWA assisted unit is found to be subject to the lead based paint requirements, are:

- **Visual Assessment which means looking for:**

- (1) *Deteriorated paint;*
- (2) *Visible surface dust, debris and residue as part of a risk assessment or clearance examination; or*
- (3) *The completion or failure of a hazard reduction measure.*


A self-training module to acquire the skills necessary to conduct a visual assessment is available online at the HUD website; the course can be completed in less than one hour.

Individuals who conduct housing quality inspections for HOPWA assisted units should, at a minimum, complete the self-training module.

- **Provision of pamphlet**

- Provided to tenants in each occupied unit that is subject to the requirements under Part 35
- Download pamphlet from: www.hud.gov/lea/leadhelp.html
- A printed, color version of the pamphlet, "Protect Your Family From Lead In Your Home," can be purchased from the U.S. Government Printing Office (\$24.00 for packages of 50) by calling 1-202-512-1800 (this is a toll call). The GPO stock number is 055-000-00507-9. [Check for the Spanish version stock number.] Individual copies of the printed, color version, in either English or Spanish ("Proteja a Su Familia del Plomo en Su Casa"), can be obtained at no cost from the National Lead Information Center at 1-800-424-LEAD. The Center also has a black and white version that can be photocopied.

- **Paint Stabilization**

- Repairing any physical defect in the substrate of a painted surface that is causing paint deterioration, removing loose paint and other material from the surface to be treated, and applying a new protective coating or paint.
-  Paint stabilization must be performed using 'safe work practices'.

- **Safe Work Practices**  new requirement in 9-15-2000 regulations

- Includes occupant protection, worksite containment, using specialized cleaning methods, products and devices, and not using prohibited methods.
- 24CFR 35.1350 Safe work practices.

- **Clearance**  new requirement in 9-15-2000 regulations

- An activity conducted following lead-based paint hazard reduction activities to determine that the hazard reduction activities are complete and that no soil-lead hazards or settled dust-lead hazards, as defined in this part, exist in the dwelling unit or worksite. The clearance process includes a visual assessment and collection and analysis of environmental samples. Dust-lead standards for clearance are found at Sec. 35.1320.
- 24 CFR 35.1340 Clearance.

- **Notice**

- Communicates the results of the evaluation of paint and/or hazards, a decision to presume the presence of lead-based paint or LBP hazards, or the completion of lead hazard reduction, including the results of clearance.

- Only required where paint stabilization or other hazard reduction has been undertaken. If assessment does not determine need for stabilization, then notice is not required.
- **Ongoing Lead Based Paint Maintenance**
 - Conducting a visual assessment for deteriorated paint, bare soil, and the failure of any previous hazard reduction measures at unit turnover and every twelve months thereafter; paint stabilization; treatment of contaminated bare soil; safe work practices when work disturbs lead-based paint greater than de minimum; repair of failed lead hazard control measures; clearance testing after all repairs, abatement, or hazard control activities; and the solicitation of occupant reports of deteriorated paint or failed lead hazard control work.
 - Ongoing lead-based paint maintenance is required only when there is a continuing, active programmatic relationship for more than one year between the property and the federally funded program, such as continuing financial assistance, ownership, or periodic inspections or certifications.
- **Responsibilities of owners and grantees under Tenant Based Rental Assistance**
 - Grantee responsibilities (may be delegated to project sponsors):
 - Conducting a visual assessment prior to initial occupancy and at annual re-inspections of TBRA assisted units
 - If paint stabilization or other hazard reduction activity has taken place, conducting a clearance inspection
 - Owner's responsibilities:
 - Performing paint stabilization or other hazard reduction activity
 - Providing notice of clearance if the activity has taken place

Additional Requirements for HOPWA Grantees:

24 CFR 35.170 Noncompliance with the requirements of subparts B through R of 24 CFR Part 35. A designated party (HOPWA grantee) who fails to comply with any requirement of subparts B, C, D, F through M, and R of Part 35 shall be subject to the sanctions available under the relevant Federal housing assistance or ownership program and may be subject to other penalties authorized by law.

Sec. 35.175 Records.

The Grantee shall keep a copy of each notice, evaluation, and clearance or abatement report required by subparts C, D, and F through M of Part 35 for at least three years. Those records applicable to a portion of a residential property for which ongoing lead-based paint maintenance and/or reevaluation activities are required shall be kept and made available for the Department's review, until at least three years after such activities are no longer required.

For more information regarding HOPWA and lead based paint requirements, please visit:

- The On-Line Guide to HUD's Lead Based Paint Regulation: <http://www.centerforhealthyhousing.org/1012/index.htm>
- The on-line resource for HOPWA information: <http://hudhre.info/>
- HOPWA's home page on the HUD Website: <http://www.hud.gov/offices/cpd/aidshousing/index.cfm>

Appendix I1: Blank Item Plan

2019-20 City of Richmond Item Plan for Use of Entitlement Funds

Project Name

Sub-Recipient Name

Item Manager Name

HCD Project Manager Name

Grant Type: ___CDBG ___HOME ___ESG ___HOPWA

Date of Original: July 1, 2019

Date of Revision: _____

I. Project Description

II. Funding Allocation for 2019-20

Activity Account No.	Activity Name	Approved Budget	Approved Carryover	Additional Allocation	Revised Total
PROJECT TOTAL:					

HCD Project Manager _____ HCD Grant Administrator _____ Item Manager _____

HCD Economic Development Program Administrator _____ City Agency Director _____
Finance _____

2019-20 City of Richmond Item Plan for Use of Entitlement Funds

Project Name

Sub-Recipient Name

Item Manager Name

HCD Project Manager Name

III. Activity Information

1. HUD Activity Category:

Account #:

Amount:

Objective:

Project Details:

Revised Evaluation Criteria and Outcomes:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4

Revised Activity Expenditures:

2. HUD Activity Category:

Account #:

Amount:

Objective:

Project Details:

Evaluation Criteria and Outcomes:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4

Activity Expenditures:

IV. Crime Prevention Reduction:

2009-2010 City of Richmond Item Plan for Use of Entitlement Funds

V. Budget by Cost Category

Grant Type: CDBG Agency: _____

Project Name: _____

Account Number: _____

Original: 7/1/09 Revision 1: _____ Revision 2: _____
date date date

Activity	Approved Budget	Prior Year Balance	Total	Revision 1:	Revised Total 1	Revision 2	Revised Total 2
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Activity 1:

Personnel			\$ -		\$ -		
Supplies			\$ -		\$ -		
Other Services/Charges			\$ -		\$ -		
Land-Bldg-Equipment			\$ -		\$ -		
Total	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -

Activity 2:

Personnel			\$ -		\$ -		
Supplies			\$ -		\$ -		
Other Services/Charges			\$ -		\$ -		
Land-Bldg-Equipment			\$ -		\$ -		
Total	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -

Activity 3:

Personnel			\$ -		\$ -		
Supplies			\$ -		\$ -		
Other Services/Charges			\$ -		\$ -		
Land-Bldg-Equipment			\$ -		\$ -		
Total	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -

Activity 4:

Personnel			\$ -		\$ -		
Supplies			\$ -		\$ -		
Other Services/Charges			\$ -		\$ -		
Land-Bldg-Equipment			\$ -		\$ -		
Total	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -

Activity 5:

Personnel			\$ -		\$ -		
Supplies			\$ -		\$ -		
Other Services/Charges			\$ -		\$ -		
Land-Bldg-Equipment			\$ -		\$ -		
Total	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -

Activity 6:

Personnel			\$ -		\$ -		
Supplies			\$ -		\$ -		
Other Services/Charges			\$ -		\$ -		
Land-Bldg-Equipment			\$ -		\$ -		
Total	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -

Subtotals of Line Items

Total Personnel Costs	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Total Supplies Costs	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Total Other	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Total Land-Bldg-	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -

Grand Total	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
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Appendix I2: Sample Item Plan

2019-20 City of Richmond Item Plan for Use of Entitlement Funds

City Neighborhood Revitalization
Project Name

ABC Non-profit
Sub-Recipient Name

Jane Smith
Item Manager Name

Daniel Mouer
HCD Project Manager Name

Grant Type: CDBG HOME ESG HOPWA

Date of Original: July 1, 2019

Date of Revision: _____

I. Project Description

During FY 2019-20, ABC non-profit will acquire three (3) properties for rehabilitation and final sale to first time homebuyers in the City neighborhood.

II. Funding Allocation for 2019-2020

Activity Account No.	Activity Name	Approved Budget	Approved Carryover	Additional Allocation	Revised Total
4357-2929 -8501	Acquisition SBA	\$24,000			
4357-2929-8502	Disposition LMA	\$10,500			
4357-2929-8515	Rehabilitation LMA	\$105,000			
4357-2929-8540	Disposition SBA	\$4,500			
4357-2929-8543	Rehabilitation SBA	\$45,000			
PROJECT TOTAL:		\$245,000			

DECD Project Manager _____ DECD Grant Administrator _____ Item Manager _____
 DECD Principal Planner _____ City Agency Director _____ Finance _____

This report is to be completed by grantees, developers, sponsors, builders, agencies, and/or project owners for reporting contract and subcontract activities of \$10,000 or more under the following programs: Community Development Block Grants (entitlement and small cities); Urban Development Action Grants; Housing Development Grants; Multifamily Insured and Noninsured; Public and Indian Housing Authorities; and contracts entered into by recipients of CDBG rehabilitation assistance. Contracts/subcontracts of less than \$10,000 need be reported only if such contracts represent a significant portion of your total contracting activity. Include only contracts executed during this reporting period.

This form has been modified to capture Section 3 contract data in columns 7g and 7i. Section 3 requires that the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. Recipients using this form to report Section 3 contract data must also use Part 1 of form HUD-60002 to report employment and training opportunities data. Form HUD-2516 is to be

Community Development Programs

1. **Grantee:** Enter the name of the unit of government submitting this report.
3. **Contact Person:** Enter name and phone of person responsible for maintaining and submitting contract/subcontract data.
- 7a. **Grant Number:** Enter the HUD Community Development Block Grant Identification Number (with dashes). For example: B-32-MC-25-0034. For Entitlement Programs and Small City multi-year comprehensive programs, enter the latest approved grant number.
- 7b. **Amount of Contract/Subcontract:** Enter the dollar amount rounded to the nearest dollar. If subcontractor ID number is provided in 7i, the dollar figure would be for the subcontract only and not for the prime contract.
- 7c. **Type of Trade:** Enter the numeric codes which best indicates the contractor's/subcontractor's service. If subcontractor ID number is provided in 7i, the type of trade code would be for the subcontractor only and not for the prime contractor. The "other" category includes supply, professional services and all other activities except construction and education/training activities.
- 7d. **Business Racial/Ethnic/Gender Code:** Enter the numeric code which indicates the racial/ethnic/gender character of the owner(s) and controller(s) of 51% of the business. When 51% or more is not owned and controlled by any single racial/ethnic/gender category, enter the code which seems most appropriate. If the subcontractor ID number is provided, the code would apply to the subcontractor and not to the prime contractor.
- 7e. **Woman Owned Business:** Enter Yes or No.
- 7f. **Contractor Identification (ID) Number:** Enter the Employer (IRS) Number of the Prime Contractor as the unique identifier for prime recipient of HUD funds. Note that the Employer (IRS) Number must be provided for each contract/subcontract awarded.
- 7g. **Section 3 Contractor:** Enter Yes or No.
- 7h. **Subcontractor Identification (ID) Number:** Enter the Employer (IRS) Number of the subcontractor as the unique identifier for each subcontract awarded from HUD funds. When the subcontractor ID Number is provided, the respective Prime Contractor ID Number must also be provided.
- 7i. **Section 3 Contractor:** Enter Yes or No.
- 7j. **Contractor/Subcontractor Name and Address:** Enter this information for each. Previous editions are obsolete.

completed for public and Indian housing and most community development programs. Form HUD-60002 is to be completed by all other HUD programs including State administered community development programs covered under Section 3.

A Section 3 contractor/subcontractor is a business concern that provides economic opportunities to low- and very low-income residents of the metropolitan area (or nonmetropolitan county), including a business concern that is 51 percent or more owned by low- or very low-income residents; employs a substantial number of low- or very low-income residents; or provides subcontracting or business development opportunities to businesses owned by low- or very low-income residents. Low- and very low-income residents include participants in Youthbuild programs established under Subtitle D of Title IV of the Cranston-Gonzalez National Affordable Housing Act. The terms "low-income persons" and "very low-income persons" have the same meanings given the terms in section 3(b)(2) of the United States Housing Act of 1937. Low-income persons mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary

firm receiving contract/subcontract activity only one time on each report for each firm.

Multifamily Housing Programs

1. **Grantee/Project Owner:** Enter the name of the unit of government, agency or mortgage entity submitting this report.
3. **Contact Person:** Same as item 3 under CPD Programs.
4. **Reporting Period:** Check only one period.
5. **Program Code:** Enter the appropriate program code.
- 7a. **Grant/Project Number:** Enter the HUD Project Number or Housing Development Grant or number assigned.
- 7b. **Amount of Contract/Subcontract:** Same as item 7b. under CPD Programs.
- 7c. **Type of Trade:** Same as item 7c. under CPD Programs.
- 7d. **Business Racial/Ethnic/Gender Code:** Same as item 7d. under CPD Programs.
- 7e. **Woman Owned Business:** Enter Yes or No.
- 7f. **Contractor Identification (ID) Number:** Same as item 7f. under CPD Programs.
- 7g. **Section 3 Contractor:** Enter Yes or No.
- 7h. **Subcontractor Identification (ID) Number:** Same as item 7h. under CPD Programs.
- 7i. **Section 3 Contractor:** Enter Yes or No.
- 7j. **Contractor/Subcontractor Name and Address:** Same as item 7j. under CPD Programs.

may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families. Very low-income persons means low-income families (including single persons) whose income do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

Submit two (2) copies of this report to your local HUD Office within ten (10) days after the end of the reporting period you checked in item 4 on the front.

Complete item 7h. only once for each contractor/subcontractor on each semi-annual report.

Enter the prime contractor's ID in item 7i. for all contracts and subcontracts. Include only contracts executed during this reporting period. PHAs/IHAs are to report all contracts/subcontracts.

Public Housing and Indian Housing Programs

- PHAs/IHAs are to report all contracts/subcontracts. Include only contracts executed during this reporting period.
1. **Project Owner:** Enter the name of the unit of government, agency or mortgage entity submitting this report. Check box as appropriate.
 3. **Contact Person:** Same as item 3 under CPD Programs.
 4. **Reporting Period:** Check only one period.
 5. **Program Code:** Enter the appropriate program code.
 - 7a. **Grant/Project Number:** Enter the HUD Project Number or Housing Development Grant or number assigned.
 - 7b. **Amount of Contract/Subcontract:** Same as item 7b. under CPD Programs.
 - 7c. **Type of Trade:** Same as item 7c. under CPD Programs.
 - 7d. **Business Racial/Ethnic/Gender Code:** Same as item 7d. under CPD Programs.
 - 7e. **Woman Owned Business:** Enter Yes or No.
 - 7f. **Contractor Identification (ID) Number:** Same as item 7f. under CPD Programs.
 - 7g. **Section 3 Contractor:** Enter Yes or No.
 - 7h. **Subcontractor Identification (ID) Number:** Same as item 7h. under CPD Programs.
 - 7i. **Section 3 Contractor:** Enter Yes or No.
 - 7j. **Contractor/Subcontractor Name and Address:** Same as item 7j. under CPD Programs.

Appendix I4: Section 3 Policy

City of Richmond

Department of Housing and Community Development

1500 E. Main Street, Suite 400

Richmond, VA 23219



SECTION 3 POLICY

This policy is developed for the City of Richmond (hereafter referred to as the City) for its exclusive use as a recipient and its sub-recipients of HUD certain financial assistance such as CDBG, HOME, Homeless NSP and other funds as provided. This policy shall be binding upon all contracting, sub-recipient and administrative agreements.

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BACKGROUND ON THE SECTION 3 REGULATION

The purpose of Section 3 of the Housing and Urban Development Act of 1968, as amended by Section 915 of the Housing and Community Development Act of 1992, is to “ensure that employment and other economic opportunities generated by certain HUD financial funding shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed toward low and very low-income persons,

particularly those who are recipients of government funding for housing, and to Business Concerns which provide economic opportunities to low- and very low-income persons.”

Consistent with 24CFR Part 135, as a recipient of HUD funding, the City of Richmond requires fulfillment of Section 3 obligations on all contracts that make use of that assistance. These policies are implemented regardless of the contract amount or whether it is designated as housing construction, housing rehabilitation, lead based paint abatement or other public construction project. The City works to ensure the provision of employment, training, contracting, and other economic opportunities to its residents and other low income persons. In doing so, the City utilizes Section 3 as a means of promoting stability and self-sufficiency to Section 3 Residents. Implementation procedures may be amended periodically by the City to insure that the policy requirements are being met and/or to enhance the efficiencies of compliance.

I. APPLICABILITY

Section 3 of the Housing and Urban Development Act of 1968 by the Housing and Community Development Act of 1992. Section 3, as amended, requires that economic opportunities generated by certain HUD financial assistance for housing (including public and Indian housing) and community development programs shall, to the greatest extent feasible, be given to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to businesses that provide economic opportunities for these persons.

Section 3 requirements apply to all projects and activities funded whole or in part with covered funds and the entire project budget is then a subject to Section 3.

II. DEFINITIONS

Section 3 Residents are defined as persons that reside in City of Richmond jurisdiction whose income does not exceed 80% of the median income.

To determine percentage of median income please see:

<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/income/>

Section 3 business concerns are defined as those that meet at least once of the following conditions:

- Majority ownership is held by Section 3 residents
- At least 30 percent of the employees are Section 3 residents-or were within the first 3 years of their employment
- More than 25 percent of their work is subcontracted to businesses that meet either of the first two conditions.

Note: A business concern seeking to qualify for Section 3 shall certify and submit evidence that the business meets one of the guidelines stated above. (Refer to Certification for Business Concerns Seeking Section 3 Preference in Contracting and Demonstration of Capability, Appendix I6)

NEW HIRES: full-time employees for permanent, temporary or seasonal employment opportunities for any specific City related contract.

RESIDENT OWNED BUSINESS (ROB): A ROB is a Business Concern owned or controlled by Public Housing Residents, or low income Residents of the City of Richmond Residents that are: (a) at least 51% owned and operated by one or more public housing residents; and (b) whose management and daily business operations are controlled by one or more such individuals. For purposes of Section 3 compliance, a ROB must also meet the definition of a Section 3 Business Concern as described below.

EMPLOYMENT OPPORTUNITIES GENERATED BY SECTION 3 COVERED ASSISTANCE: All employment opportunities generated by the expenditure of Section 3 covered funding (i.e. operating funding, development funding, and modernization funding) and with respect to Section 3 covered housing and community development funding, all employment opportunities arising in connection with Section 3 covered projects, including management and administrative jobs (including architectural, engineering, or related professional services and jobs directly related to administrative support of these activities) connected with the Section 3 covered project.

RECIPIENT: Any recipient which receives Section 3 covered funding, directly from HUD or from another recipient and includes, but is not limited to, any State, unit of local government, PHA, IHA, Indian Tribe, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association. Recipient also includes any successor, assignee, or transferee of any such recipient, but does not include any ultimate beneficiary under the HUD program to which Section 3 applies and does not include Section 3 contractors.

SECTION 3: Section 3 of the Housing and Urban Development Act of 1968, as amended (12U.S.C.1701u).

SECTION 3 BUSINESS CONCERN: As defined by HUD, a Section 3 Business Concern is one:

- A. That is Fifty-one (51%) percent or more owned by Section 3 Residents; or
- B. Whose permanent, full-time employees includes persons, at least 30 percent of whom are current Section 3 Residents, or were Section 3 Residents within three (3) years of the date of first employment with the Business Concern if the contractor is working on a redeveloped or replacement asset; or
- C. That provides evidence of a commitment to subcontract a minimum of 25 percent of the total contract award amount (including any modifications) to Section 3 Business Concern s as defined in A or B. Example: If the Contract Amount is = \$1,000,000, contractor must subcontract at least 25% or \$250,000 to Section 3 Business Concern (s) as defined in A or B in this part.

SECTION 3 CLAUSE: The contract provisions and sanction set forth in 24 CFR 135.38

SECTION 3 COVERED ACTIVITY: Any activity that is funded by Section 3 covered funding.

SECTION 3 COVERED ASSISTANCE: Section 3 applies to the following HUD assistance (section 3 covered assistance):

- (1) Public and Indian housing assistance. Section 3 applies to training, employment, contracting and other economic opportunities arising from the expenditure of the following public and Indian housing assistance:
 - (i) Development assistance provided pursuant to section 5 of the U.S. Housing Act of 1937 (1937 Act);
 - (ii) Operating assistance provided pursuant to section 9 of the 1937 Act; and
 - (iii) Modernization assistance provided pursuant to section 14 of the 1937 Act;

The requirements of part 135 apply to recipients of covered section 3 housing and community development assistance for which the amount of the assistance exceeds \$200,000; and these requirements apply to contractors and subcontractors performing work on projects funded by housing and community development assistance for which the recipient's award exceeds \$200,000, and the contract or subcontract exceeds \$100,000. If the recipient's award of assistance exceeds \$200,000, but the contracts and subcontracts do not exceed \$100,000, then only the

recipient is subject to the section 3 preference requirements. The recipient's responsibility includes awarding contracts, to the greatest extent feasible, to section 3 business concerns.

SECTION 3 COVERED CONTRACT: A contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of Section 3 covered funding or for work arising in connection with a Section 3 Covered Project. “Section 3 Covered Contracts” do not include contracts for the purchase of supplies and materials except, whenever a contract for materials includes the installation of the materials, the contract constitutes a “Section 3 Covered Contract”.

SECTION 3 COVERED PROJECT: The construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development funding.

SECTION 3 JOINT VENTURE: An association of Business Concerns, one of which qualifies as a Section 3 Business Concern, formed by written joint venture agreement to engage in and carry out a specific business venture for which purpose the Business Concerns combine their efforts, resources, and skills for joint profit, but not necessarily on a continuing or permanent basis for conducting business generally, and for which the Section 3 Business Concern:

- Is responsible for a clearly defined portion of the work to be performed and holds management responsibilities in the joint venture; and
- Performs at least 25% of the work and is contractually entitled to compensation proportional to its work.

LOW INCOME PERSON: Families (including single persons) whose incomes do not exceed 80% of the median income for the project area.

VERY LOW INCOME PERSON: Families (including single persons) whose incomes do not exceed 50% of the median family income for the project area.

Please refer to www.huduser.org/portal/datasets/il.html for current, local Income Limit information.

- ❖ Select current year.
- ❖ Select “Access Individual Income Limit area”
- ❖ Select “click here for FY 2012 IL Documentation” (where XXXX is the current fiscal year)
- ❖ Select State & County

III. GOALS OF THE SECTION 3 REGULATION

The City’s Section 3 protocol seeks to aid Section 3 residents to the greatest extent feasible in three ways, listed in order of preference:

A. Hiring low- and very low-income workers

Attempt to hire at least 30% of the aggregate number of full-time new hires by the City and its contractors must be Section 3 residents, with a preference for residents at the development where the work is being performed or in the area where the work is being performed.

B. Awarding contracts to Section 3 business concerns

Attempt to award at least 10% of the total dollar amount of all Section 3 covered contracts for building trades work for maintenance, repair, modernization or development of public or Indian housing, or for building trades work arising in connection with housing rehabilitation, housing construction, and other public construction, must be awarded to Section 3 business concerns. Attempt to award at least 3% of the total dollar amount of all other Section 3 covered contracts.

C. Providing other economic opportunities

If the two goals above cannot be met by the City or its contractors, other training and employment opportunities can be provided to substitute for goals A and B. Firms may provide other economic opportunities and will be responsible for soliciting and contracting a qualified firm experienced in providing a Department of Labor Approved curriculum consistent with Section 3 requirements [135.11] in the area of resident training in the following areas:

- Employment Readiness and Professional Development
 - Section 3 Small Business Concern Development Training
 - Building Construction Trades Classroom Training
 - Other direct skills trainings unrelated to public housing solicited commodities
- These are described further in section VII below.

IV. City Responsibilities

The City, as the recipient of HUD funding, accepts the responsibility of not only enforcing the Section 3 requirements, but also pro-actively facilitating compliance with Section 3. The City fulfills this responsibility in the following ways:

- A) Notify Section 3 residents of opportunities and handle all direct resident recruitment and outreach as required to properly and timely give notice to all of their low and very low income residents via some of the following protocols and others as they deem appropriate and consistent with the federal regulation. Additionally, RRHA will maintain such lists of interested and qualified residents for any opportunities with the City and will be required to report those persons and their specific efforts on the required database and/or form as determined by the City.
- B) Posting job openings in the offices of procurement and community development, and in local media;
- C) Conveying that the contract work is a Section 3 Covered Contract in any advertisement for bids and proposals
- D) Notifying contractors in each pre-bid meeting of the Section 3 requirements;
- E) Incorporating the HUD mandated Section 3 clauses in all contracts;
- F) Providing Resident Certification and Affidavit forms for employment at the City offices and allowing applications to be submitted at appropriate city locations;
- G) Encouraging the training of Section 3 residents through the City contractors;
- H) Facilitating an opportunity annually for contractors to meet interested Section 3 residents for employment. A list can be developed as a resource for the City and contractors when seeking to hire Section 3 workers
- I) Facilitating an opportunity annually for small contractors to meet large prime contractors interested in bidding work awarded by the City;
- J) Documenting actions taken to comply with Section 3 requirements including all results and impediments;
- K) Reporting annually on its efforts regarding Section 3 implementation (Form-60002);

- L) Refusing to award contracts to businesses or persons who have previously violated Section 3 requirements;
- M) Posting all job sites funded by the City with a location or phone number of whom and how to apply for any opportunities for employment, training or contracting.

V. Contractor Responsibilities

The 30% new hiring goal and 10% & 3% contracts awarded goal are the only safe harbors whereby a contractor will have complied with Section 3. If the two goals above cannot be met by the contractor, other training and employment opportunities can be provided to substitute for those goals, but documentation should be submitted explaining why those numerical goals could not be met. If a contractor substitutes economic opportunities for its achievement of the numerical goals, their efforts need to be equivalent to those that would be required to meet those goals. The acceptability of these efforts will be determined by the City, or in cases of a complaint, by HUD.

Examples of activities to demonstrate these efforts are listed in the appendix to part 135 of the Code of Federal Regulations—24 CFR Part 135. Section A above of this document applies to fulfilling the first goal of hiring 30% Section 3 residents, and Section B applies to fulfilling the second goal of awarding 10% & 3% of contracts to Section 3 business concerns. Examples include distributing or posting flyers advertising positions to be filled, posting opportunities in a timely manner on the City’s website (in applicable), contacting the City for a list of Residents that may have compiled that have expressed interest in Section 3 employment, notify the City about open positions, holding job informational meeting for residents, etc. Contractors must submit with any bid or proposal an action plan describing the implementation of Section 3. Omission of this document with a bid or proposal makes that contractor non-responsive, and therefore ineligible to be awarded a contract.

VI. Preferences and Eligibility

Note: All persons that are recipients of housing assistance by the government are Section 3 Residents and Public housing residents are a top priority Section 3 Resident. The businesses owned by public housing residents are also top priority business concerns. When employment or contracting opportunities are offered and all requirements are met and remain equal, public housing residents/businesses within the City shall be provided preference over other Section 3 residents/business concerns and non-section 3 residents/business concerns.

- A) Regarding the hiring of Section 3 residents, Preference shall be given to those residents who live at the project site where the Section 3 covered assistance is expended and all other projects owned or managed by the City or by covered assistance.
 Tier I Section 3 Residents shall be as prescribed below:
 - I. Persons assisted with housing by the federal government in the neighborhood within the target area where the project is located.

Tier II Section 3 Residents shall be as prescribed below:

- II. Low and very low income persons within the City of Richmond and Youthbuild

If no Section 3 residents are available from the project site where the project is located or any other project funded or financed by the City, the contractors shall give Preference to any non-Section 3 Resident without regard for their residency.

- B) Regarding the contracting opportunities for Section 3 business concerns, preference shall be given to business concerns owned at least 51% by any City residents of where the project is located and where

the covered assistance is expended. Next, any City residents of any other property owned or managed by the City that is expending the section 3 covered assistance. Last, Section 3 business concerns that are owned at least 51% by residents of the city shall be sought. If no Section 3 Resident Owned Business concern is available from the City, the contractors shall give Preference to any non-Section 3 business concern.

- C) Regarding eligibility, a Section 3 resident seeking employment must fulfill the requirements of the sought position and, if asked, must provide evidence of their Section 3 status (e.g., receipt of public assistance, tax return). A Section 3 business concern seeking to win a contract must fulfill the requirements of the contract and, if asked, provide evidence of their Section 3 status.

VII. Other Economic Opportunities

For contracts or all purchase orders, other economic opportunities may only be used where a contractor or sub-recipient cannot comply with the hiring or subcontracting goals set forth in the Preference Tier structure in paragraph VI. Whenever the other economic opportunities are employed they must equal or exceed 3% of the total contract value including any change orders.

VIII. Complaints and Compliance

Any Section 3 resident or business concern that feels that the Section 3 regulations were not complied with may file a complaint directly to the Assistant Secretary for Fair Housing and Equal Opportunity at the following address (or as otherwise directed by HUD):

Assistant Secretary for Fair Housing and Equal Opportunity
Department of Housing and Urban Development
Philadelphia Regional Office of FHEO
U.S. Department of Housing and Urban Development
The Wanamaker Building
100 Penn Square East, 12th Floor
Philadelphia, Pennsylvania 19107-3380
(215) 861-7646 or 1-888-799-2085 or TTY (215) 656-3450

The complaint must be in writing and be received within 180 days from the date of the action upon which the complaint is based. It should include the complainant's name and address, the City or contractor's name and address, and a description of the acts in question. The complainant will receive a response from HUD within 10 days in which further investigation will be explained.

Attachments

24 CFR Part 135 – Section 3 Regulation

CITY OF RICHMOND

STANDARD SECTION 3 OPERATING PROCEDURES

Policy Effective Date: _____, 20__

Procedural Change Date: _____, 20__

Procedure Title: Section 3

This operating procedure is tied to the Operating Policy on Section 3 designed to achieve and maintain compliance with the HUD Act of 1968 revised 1992 and 1994.

The procedures contained within are relative to the Section 3 daily operations in:

- Hiring
- Procurement
- Contracting
- Compliance Management
- Solicitation Package and Certification Documents

Section 1 - Hiring

This procedure encompasses all employment types including full time, part time, long term, short term, temporary and special assignments. In the process of seeking new employees for the City, the following procedures should be followed in an effort to create as many employment opportunities for Tier I HUD direct recipients:

Step 1 Refer to any list of graduates from any employment readiness training programs sponsored by the City. Notify those Tier I persons first of any employment opportunities and invite them to apply for the position. Only make direct contact below Tier I or beyond persons when no Tier I residents can be secured through any other means listed below.

Step 2 Post the position in community media sources that are generally available to low income residents and the general public.

Step 3 When timing allows, place a notice of the position(s) in any newsletters, notices or bulletins.

Step 4 Place an advertisement in the local newspaper of the open position. Be certain to list that the position is a “**Section 3 Covered Position and that HUD Recipients are encouraged to apply**”.

Step 5 In reviewing all applicants, be certain to first select candidates that best fit the position requirements, if a Tier I resident is identified as a qualified candidate all things being equal with others in consideration, a preference should be given to the City Residents for employment.

Step 6 As a means of compliance, we may establish a relationship and requirement with any temporary employment agency contractor that any person identified for placement with the City complete the City’s Self Certification form clarifying their qualifications as a city Resident. Any person certifying as a city Resident must be given preference for any assignment with the City providing they meet all other position requirements.

Section 2 - Procurement

This policy on procurement procedures is relative only to Section 3 and is not designed to re-write the approved procurement policy for the City.

Whenever a service or service contract is solicited, these steps must be followed to provide priority in contracting to a Section 3 Resident Owned Business Concern (ROB) in line with the City's Section 3 Policy approved _____, 20__.

ROB Verification Whenever ROB status is sought, the City staff shall request address and ownership verification of the 51% Owner/Operator rule as stated in the HUD Act of 1968. Use of the “**Section 3 Self-Certification Form**” attached to this policy is an acceptable statement of address and business data, when presented along with all other required incorporation documents including any Letter of Issuance of a Federal Employer Identification Number (FEIN) and state Articles of Incorporation.

Step 1 During the development process of any solicitation or work project, there should be a determination as to whether or not the work can be and/or should be isolated to Resident Owned Businesses (ROB's) under the **24CFR Part 963.12 Alternative Procurement Method**. If so, than Steps 2-8 should be followed with respect for **ROB's ONLY**. Keep in mind, a qualified ROB can be one that is a Joint Venture Partnership where a non-ROB can participate at no more than 49% ownership, operations and profit. A statement where both parties have committed to these terms is required as validation of ROB status.

Step 2 Refer to any list of graduates from any small business development training programs sponsored by or in partnership with the City. Notify any of those persons that are known to have a small business of any contract opportunities first and invite them to pick up a bid package. Though the work being solicited is not directly in line with their capabilities or line of work, they may be able to secure some sub-contracting opportunities. Encourage them to attend any pre-bid meetings to meet and introduce themselves and business concern to other contractors.

Step 3 Post notice of the solicitation in community media sources where public housing and low income residents normally meet and provide notice to the local public housing authority.

Step 4 The City it's sub-recipients and contractors must place a notice of the contracting opportunity(s) in any public housing resident newsletters, notices or bulletins.

Step 5 The City it's sub-recipients and contractors must place an advertisement in the local newspaper of the contract opportunity(s). The ad must include a notice that the contract opportunity is a “**Section 3 Covered Contract and that HUD Resident Owned Business Concerns are encouraged to apply**”.

Step 6 All procurements must include the attached “**Section 3 Action Plan and Certification**” for contractors to complete and return with their responses. Any response that is received without the completed form, signed and notarized should be considered non-responsive and the response rejected.

Step 7 In reviewing the solicitation responses, any contractors that are identified as qualified Section 3 Concerns should be reviewed and if legitimate, granted a preference in contracting according to the HUD example on the policy attachment titled, “**Examples of Procurement Procedures That Provide for Preference for Section 3 Business Concerns**”.

Step 8 All solicitations shall require that respondents convey prior compliance with Section 3 on any HUD funded contract. **If the contractor has not complied on any HUD funded contract issued since January 2011, they should be considered non-responsive** and not eligible for award unless they are certifying as a current Section 3 Concern or committing to hire at least one (1) Tier I Resident for the life of the contract to be awarded.

Step 9 All solicitations must include a Certification of prior compliance with HUD Section 3 as a requirement for participation in the current solicitation. The respondent should be required to list any HUD funded contracts they worked

on in the past three years and list how they complied with Section 3. See the attached form titled: “**Previous Compliance Certification**”.

Section 3 - Contracting

Step 1 The following language is to be added to all new contracts effective immediately:

“All contractors claiming a preference in contracting by meeting any of the three qualifications including; a Resident Owned Business, Hiring 30% of New Hires and/or Sub-contracting at least 25% of total award to a Section 3 Concern shall maintain that status throughout the life of the contract. Failure to meet this requirement will result in penalties up to and including contract termination. The City, its sub-recipients and contractors shall execute these remedies to achieve compliance in this order:

- A. Based on the first observation or report of non-compliance with Section 3, the contractor will be sent an e-mail by the compliance management contractor notifying them of their non-compliance issue. The contractor will have until the next payroll or 14 calendar days, whichever is lesser to bring the contract into compliance.
- B. If at any time a contractor fails to bring the contract into compliance, the City must withhold all future payments until the contract is in compliance.
- C. The contractor shall have up to 15 business days from the most recent notice of non-compliance to meet compliance as a final cure period or justify in writing to the City why it cannot meet compliance. The City must render a response to the contractor within 10 business days of receipt of its letter of reason for non-compliance. If the City deems the cause to be unacceptable, at its option, can extend the cause period one time for up to 5 days to allow the contractor to identify and secure other compliance options, or
- D. If the contractor fails to take any corrective action to bring the contract into compliance within 7 business days from the most recent notice of non-compliance, or the City does not accept any of their corrective plans and justifications for non-compliance, the City must terminate the contract immediately. **All funds due to the contractor shall be held** and a financial workout of the agreement shall proceed within 24 hours of termination.

Step 2 Any contractor claiming to meet Section 3 compliance by committing to hire residents or fund training itself **shall meet compliance within seven (7) calendar days of contract start** or the City shall halt all work related to the agreement and the actions listed in steps 1-4 in this section shall apply.

Section 4 – Compliance Management

The City institutes one method of compliance management. The City employs a specialized web-based software to conduct management and oversight of sub-recipient and contractor compliance. The software is MIS3 from Motivation, Inc. and allows all sub-recipients each year access to enter all their activities as required by the regulation so the City staff can conduct electronic oversight, audits and reporting in real time, by project/funding source and annually in the 60002 HUD format. Each year as new sub-recipients and contracts are awarded they will be granted access to the software as a requirement of the awarded funds.

Section 5 – Solicitation Package and Certification Documents

The following compliance package includes all the required forms that meet the Section 3 regulation and should be included in ALL solicitations despite the contract value.

Appendix I5: Section 3 Clause & Contract Language

The Section 3 information contained in the following pages is to be inserted in its entirety into every solicitation for work or contracts by the City, its contractors and sub-contractors. All required forms and the Section 3 Clause are already included along with instructions to all contractors bidding work.

All contractors requiring any sub-contractors **MUST** issue this package and receive the completed required forms see Appendixes I6A, I6B, I7 & I8 before issuing any contracts.

Remember, there must be a reasonable (3) bids for all contracts and the residents of the City must be informed of the opportunity and given every chance to submit bids before an award is made.

Any contractor not meeting these requirements will have violated the Section 3 regulation and their contract may and likely will be terminated. If any contractor is terminated for failure to meet Section 3 requirements they will not be able to win awards on any other HUD funded contracts anywhere.

Section 3 Clause

Training and Employment Opportunities for Residents in the Project Area (Section 3, HUD Act of 1968; 24 CFR 135)

(a) The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

(b) The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

(c) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of Section 3 apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

(d) The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

(e) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.

(f) Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

Section 3 Solicitation Overview and Instructions for Contractors

The City's Section 3 policy requires that when the Section 3 regulation is triggered by a need for new hires (whether individual employees, contractors or sub-contractors), every effort within the contractor's disposal must be made to the greatest extent feasible to offer all available employment and contracting opportunities to its residents based on the tiers below. Only when the regulation is triggered by a contractor and they are unable to offer employment or contracting. The contractor may offer employment related training to the City residents. The training must be in an amount equal to or exceeding 3% of the total contract award.

I. Tiers for offering all opportunities to Section 3 Residents and Resident Owned Businesses

1. **Tier I** are City residents/resident owned businesses at the property where the work is being performed
2. **Tier I** are Other Residents/resident businesses of the City
3. **Tier II** are other low and very low income persons and Youthbuild participants in this City's service area

II. What is a Section 3 Business Concern and how do they receive Preference in contract award?

A business that meets these certification definitions must receive Preference in contracting:

1. Is 51% or more owned by Section 3 residents;
2. Employs Section 3 residents for at least 30% of its full-time, permanent staff; or (**During the entire life of the contract**)
3. Provides evidence of a commitment to subcontract to Section 3 business concerns, 25% or more of the dollar amount of the awarded contract.

III. Important Items to remember about receiving Preferences in contract award

- Anytime you can elect to hire at 30% of your total New Hires, or
- Sub-contract at least 25% of your total award to a Section 3 Business Concern
- **YOU MUST MAINTAIN THOSE PREFERENCE LEVELS DURING THE ENTIRE CONTRACT OR RISK HAVING THE CONTRACT TERMINATED FOR FAILURE TO COMPLY**

IV. Other Methods of Compliance

Contractors can provide an array of trainings to Section 3 residents that are employment related, skills enhancing or employment readiness in nature. Here are the methods of achieving compliance through this method:

1. Contractor must develop a solid professional curriculum and it must be approved by a qualified state Department of Labor or the City.
2. Contractor may identify a person or persons that are qualified to provide the training within their staff.
3. Contractors can partner with other groups that provide the desired training and pay them directly for the service.
4. The contractor can sub-contract the Section 3 compliance training to an outside firm specializing in training and educational programs to Section 3 residents.

V. All Contracts and All Contractors must meet Section 3 compliance by:

- A. Giving notice of any and all opportunities for employment and contracting to the local PHA and other low and very low income area residents and businesses by running ads, distributing flyers, community announcements, letter to targeted persons, newsletters, etc. as far in advance of the opportunity as possible.
- B. Clearly stating the requirements for applying for and achieving the opportunity and that the project is paid by “Section 3 Covered funds under the HUD Act of 1968”.
- C. Utilizing the Section 3 Clause when soliciting any work.
- D. Hold informational or “How to Apply” meetings when possible prior to requesting bids or taking applications so the residents or businesses are encouraged to apply for the opportunity.
- E. Help link residents or businesses to local resources that may be available to help prepare them for applying for and achieving the opportunity.
- F. Work with the City in developing a communication and follow up process to track and report all Section 3 application and hiring activities to ensure the reporting of compliance efforts, and that contracting and sub-contracting are accurate.
- G. Provide Preference in hiring and contracting to Section 3 applicants and contractors when all factors are equal for the opportunity including price and salary requests.
- H. Contractors must provide this package to all sub-contractors when soliciting bids; meet all the same processes in A-F; and provide Preference to all sub-contractors meeting the definitions as stated in Item II (above) in that order of priority when all factors remain equal between Section 3 and non-Section other respondents.

Section 3 Contract Compliance Cure and Termination Processes

This language is a component of contract compliance with the work you are responding to in this solicitation. It is being placed in the Section 3 compliance section for ease of reference and due notice. The full requirements are provided in the Section 3 Clause found elsewhere in this package or in the HUD forms 5370-C or 5370 C1 as may be applicable.

All contractors claiming a Preference in contracting by meeting any of the three qualifications including; a Resident Owned Business, Hiring 30% of New Hires and/or Sub-contracting at least 25% of total award to a Section 3 Concern shall maintain that status throughout the life of the contract. Failure to meet this requirement will result in penalties up to and including contract termination. Any contractor triggering the regulation by doing any hiring or contracting once they are awarded the contract through execution must comply with the Section 3 requirements by executing the efforts on their Certification and Action Plan in accordance with the City's Section 3 Action Plan.

The City shall execute these remedies to achieve compliance in this order:

- A. Based on the first observation or report of non-compliance with Section 3, the contractor will be sent an e-mail by the compliance management contractor notifying them of their non-compliance issue. The contractor will have until the next payroll or 14 calendar days, whichever is lesser to bring the contract into compliance.
- B. If at any time a contractor fails to bring the contract into compliance, the City must withhold all future payments until the contract is in compliance.
- C. The contractor shall have up to 15 business days from the most recent notice of non-compliance to meet compliance as a final cure period or justify in writing to the City why it cannot meet compliance. The City must render a response to the contractor within 10 business days of receipt of its letter of reason for non-compliance. If the City deems the cause to be unacceptable, at its option, can extend the cause period one time for up to 5 days to allow the contractor to identify and secure other compliance options, or
- D. If the contractor fails to take any corrective action to bring the contract into compliance within 7 business days from the most recent notice of non-compliance, or the City does not accept any of their corrective plans or justifications for non-compliance, the City must terminate the contract immediately. **All funds due to the contractor shall be held** and a financial workout of the agreement shall proceed within 24 hours of termination. The workout is to include a contract deduct equal to the total Section 3 contract violation of opportunities provided to non-Section 3 residents or business because they were not offered according to the contract and regulation award. All remaining funds can be paid out based on work satisfactorily completed per the agreement.

Any contractor claiming to meet Section 3 compliance by committing to hire residents, fund training itself **shall meet compliance within seven (7) calendar days of contract start** or the City shall halt all work related to the agreement and the actions listed in steps A-D in this section shall apply.

The contractor understands and agrees that a compliance management firm will be used to conduct routine and certified payroll reviews to ensure compliance. Contractor agrees to provide the payroll data in an Excel or Word format each time the payroll is processed throughout the contract.

Appendix I6A: Section 3 Contractor Self Certification Form

CITY OF RICHMOND
Bidder/Offeror/Proposer – Exhibit _____
Required Section 3 Action Plan and/or Certification

Name of Business _____

Address of Business _____

Type of Business (Check One): Corporation Partnership Sole Proprietorship Other

Business Activity: _____

All firms and individuals intending to do business with the City MUST complete and submit this Action Plan and submit it with the bid, offer, or proposal. Any solicitation response that does not include this document (completed, signed, and notarized) will be considered non-responsive and not eligible for award.

I am Certifying as a Section 3 Concern and requesting Preference accordingly (Select only One Option):

1. A business claiming status as a Section 3 Resident-Owned Business Concern (ROB) entity:
Initial here to select this option _____

Provide Certification for Section 3 Residents and proof that they own a minimum 51% of the business

2. A business claiming Section 3 status, because at least 30% of the existing or newly hired workforce for this specific contract will be Section 3 residents throughout the entire contract period. If a Prime or General Contractor is electing this option, the 30% employment requirement will be for the entire project including all the sub-contractors employees:
Initial here to select this option _____

Check all methods you will employ to secure Section 3 Residents/Persons

- Distribute Flyers door-to-door to ALL local public housing authorities
- Posting notice of opportunities on the local housing authority’s web site
- Run multiple advertisements in the local paper announcing the hiring opportunities
- Post signs at the entrance to the job site that it is a Section 3 covered project
- Notify residents and local community organizations including shelters and churches
- Refer to any list of Employment Readiness trained residents provided by the City
- Other: _____

I anticipate my total number of employees for this contract to be ____ and ____ will be qualified Section 3.

3. A business claiming Section 3 status by subcontracting 25% of the dollar award to qualified Section 3 Business:
Initial here to select this option _____

- Provide a list of intended subcontract Section 3 business(es) with subcontract amount
- Provide certification & all supporting documentation for each planned subcontract Section 3 Business

I am **NOT** certifying as a qualified Section 3 Business Concern but if I trigger the regulation by doing any sub-contracting or hiring I will comply by (Select from below):

4. I commit to hiring and maintaining throughout the life of any contract awarded as part of this solicitation (Including and changes or modifications) at least _____ Tier I Section 3 Residents from the housing authorities lease holders or housing choice voucher holders administered by this City. Only if no Tier I residents can be secured, the contractor may hire other low and very low income persons within the service area. Sufficient written justification will be required as to why no Tier I Resident could be hired.

Check all methods you will employ to secure Section 3 Residents/Persons

- Distribute Flyers door-to-door to ALL local public housing authorities
- Posting notice of opportunities on the local housing authority's web site
- Run multiple advertisements in the local paper announcing the hiring opportunities
- Post signs at the entrance to the job site that it is a Section 3 covered project
- Notify residents and local community organizations including shelters and churches
- Defer to any list of Employment Readiness trained residents provided by the City
- Other: _____

Initial here to select this option _____

5. I will commit to funding, from my contract, a qualified Section 3 training in place of Employment or Contracting in the amount of 3% or more of my total contract award as required by the City's policy. That training will commence within ten (10) days of contract start. My training will be:

- Employment Readiness Related Training 40 hours Classroom for up to _____ residents
- Employment Skills w/Readiness-Classroom Only 80 hours Classroom for up to _____ residents
- Employment Skills w/Readiness-Classroom and Job Site for a minimum of _____ (____) residents
- Other: _____ for up to _____ residents

(Contractor understands that if Job Site training is completed by having the trainee complete work comparable to HUD defined employment categories, the trainees must be paid Davis-Bacon wages and covered under their workers compensation insurance)

Initial here to select this option _____

6. I will do the following to meet compliance that meet the 3% other economic requirements.

Initial here to select this option _____

My selected method of compliance is # _____ from above options #4 - #6.

If Contractor does not anticipate triggering the regulation, check this box and initial by the reason below.

_____ I do not anticipate any new hires on this contract.

_____ I do not anticipate any new contracting by my firm on this contract.

Appendix I6B: Section 3 Contractor Previous Certification Form

CITY OF RICHMOND
Bidder/Offeror/Proposer – Exhibit _____
Required Previous Section 3 Compliance Certification

Name of Business _____

Address of Business _____

Type of Business (Check One): Corporation Partnership Sole Proprietorship Other

Business Activity:

All firms and individuals intending to do business with the City **MUST** complete and submit this certification of prior compliance with their bid, offer, or proposal. Any solicitation response that does not include this document will be considered non-responsive and not eligible for award.

I am certifying that I have complied with the HUD Section 3 Regulations in my past contracts when required by employing the following:

1. I was a Section 3 Resident-Owned Business (ROB). List the Contracts Work and HUD Funded Entity:

_____	_____
_____	_____
_____	_____

2. I complied with Section 3 by employing at least 30% of the newly hired workforce for these contracts and maintained them throughout the entire contract period:

Check all methods you employed to secure Section 3 Residents/Persons

- Distribute Flyers door-to-door to ALL local public housing authorities
- Run multiple advertisements in the local paper announcing the hiring opportunities
- Post signs at the entrance to the job site that it is a Section 3 covered project
- Notify residents and local community organizations including shelters and churches
- Defer to any list of Employment Readiness trained residents provided by the City
- Other: _____

List the contracts worked and the HUD funded entity:

_____	_____
_____	_____
_____	_____

3. I complied with Section 3 by subcontracting 25% of the total dollar award to a qualified Section 3 Business:

List the contracts worked and the HUD funded entity and Section 3 Concern you sub-contracted to:

4. I complied with Section 3 on a previous HUD funded contract by doing these things and with these entities:

(What was done?)

List Entities:

5. I have never done any HUD funded contracting. Check this box

6. I completed HUD Section 3 covered contracts in the past three years but was not required to meet compliance.
Check this box and initial by the corresponding reason below.

_____ I did not trigger the regulation by doing any new hires on the contract(s).

_____ I did not trigger the regulation by doing any new contracting by on the contract(s).

Appendix I7: Section 3 Contractor Assurance of Compliance Form

**Assurance of Compliance Certification
Section 3 Action Plan
Housing and Urban Development Act of 1968
(12 U.S.C. 1701 U)**

RE: CITY OF RICHMOND

Contract Name or Number: _____

Purpose: To ensure that regulations promulgated under 24 CFR Part 135 Employment Opportunities for Businesses and Lower Income Persons in Connection with Assisted Projects and the Section 3 Plan and Policy of the City to the greatest extent feasible is adhered to, and to serve as the ‘assurance of compliance’ certification and action plan as required in the bid documents and supplemental general conditions for the contract for any work with the City.

Description of the project’s work detail: The project work will be as listed in the final scope of work in the contract with the City including any change orders.

Contractor: _____

Subcontractor(s): _____

Preliminary Statement for Work Force Needs: Though employment readiness training is our preferred method of Section 3 compliance, it is our intent to identify any short-term and long-term employment or contracting opportunities for qualified Section 3 persons and concerns during the course of our contract with this City. Please list the status of all planned employment position and opportunities for this contract. **Preference for all opportunities must be given to public housing residents if they qualify.**

<u>Category</u>	<u># of Project Workforce Positions</u>	<u>Status of All Positions</u>
-----------------	---	--------------------------------

Skilled

Semi Skilled Labor

Trainees

“To the Greatest Extent Feasible”:

The Contractor has identified ___ # of **OPEN** positions with respect to this contract. The positions are filled by the _____ (Position title) of the Contractor. Contractor must provide a full list of all project employees, identifying all Section 3 employees, if any, at the time of bid submission or no later than at the time of award.

Should the scope of work or duties of the contractor change to a degree requiring a modification of the work force needs, the contractor shall put forth a good faith effort to fill vacant positions with the City resident applicants and/or very low-income area residents.

Documentation of “To the Greatest Extent Feasible”:

The contractor will work with the City managers and staff to notify residents of any opportunities afforded under our contract. It is the contractor’s intent to partner with the City in selecting new employees or businesses from the list they provide, or to execute its own company sponsored training. The contractor will seek to have the City provide a referral for a qualified training firm that can also provide technical assistance in working with the Section 3 covered persons and/or businesses to advise the contractor on how best to comply with the HUD regulations.

The contractor shall recruit or attempt to recruit from the Section 3 area the necessary number of low-income and very low-income residents through documentation of the following:

1. Local media advertising
2. Signs placed at the proposed site for the project and the City’s offices and flyers hand delivered to all local public housing apartments

3. Maintain a list of all low-income area residents who have applied, either on their own or from referral from any source, and employ such person if otherwise eligible and if a trainee vacancy exists.
4. Provide evidence that the contractor has not filled vacant employment positions in its workforce immediately prior to undertaking work in an attempt to circumvent Section 3 regulations.
5. Review and determine if low-income and very low-income residents meet minimum hiring qualifications. Applicants meeting such minimum qualifications, but not hired due to lack of job openings or for other operations reasons, will be placed on a priority hiring list and offered positions upon the occurrence of the first available appropriate job opening.

Utilization of Businesses Located or Owned in Substantial Part by Persons Residing in the Area:

The contractor does ___ does not ___ intend to subcontract any of the work indentified in the scope of work cited in the bid specifications, scope of work or General Conditions.

Should the scope of work or needs of the contractor change, the contractor shall, to the greatest extent feasible, assure that subcontracts be awarded to business concerns within the Section 3 covered area, or to business concerns owned in the substantial part (at least 51%) by persons residing in the Section 3 covered area.

Record Keeping:

The contractor shall maintain on file all records related to employment and job training of low-income and very low-income residents or other such records, advertisements, legal notices, brochures, flyers, publications, assurances of compliance from subcontractors, etc, in connection with this contract. If there is a report that is needed as part of the submission you agree to provide it timely. The contractor shall, upon request, provide such records or copies of records the City, its staff, or agents.

Reports:

The contractor shall provide reports as required in connection with the contractor specifications. All certified and regular payrolls shall clearly detail which employees qualify under Section 3.

Certification:

The contractor will certify that any vacant employment positions, including training positions that filled:

- 1) After the contractor is selected but before the contract is executed, and
- 2) With persons other than those to who the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the subcontractor’s obligations under 24 CFR Part 135.

Grievance and Compliance:

The contractor or subcontractor hereby acknowledges that they understand that any low-income and very low-income resident of the project area, for him/her or as representatives of persons similarly situated, seeking employment or job training opportunities in the project area, or any eligible business concerns seeking contract opportunities may file a grievance if a good faith effort was not followed. The grievance must be filed with HUD not later than one hundred eighty (180) calendar days from the date of the action (or omission) upon which the grievance is based.

I attest that the above information is true and correct.

Signature	Print Name	Title	Date
-----------	------------	-------	------

STATE OF _____)

_____ COUNTY)

I, the undersigned, a Notary Public in and for said county and in said state, hereby certify that, _____, whose name as _____ of _____ is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day, that, being informed of the contents of the foregoing conveyance, he/she, in his/her capability as _____, and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal, this the _____ day of _____, 20____.

Notary Public

My Commission Expires:

Appendix I8: Section 3 Resident Self Certification Form

SECTION 3 SELF-CERTIFICATION AND SKILLS DATA FORM

The purpose of this form is to comply with HUD Section 3 administration and certification regulations.

Certification for Public Housing Residents or Others Seeking Employment or Training

I, _____, am legal resident of the United States and meet the income eligibility and federal guidelines for a Section 3 Resident as defined on the next page.

My home address is:

Must be a Street address not a P O Box #		Apt Number
City	State	Zip
		Home #
		Cell #

Graduated High School or GED (month/year) _____ I Read and Speak English Fluently Yes or No

Attended College, Trade, or Technical School ___ Yes/No Graduated ___ Yes/No Year Graduated _____

Check the Skills, Trades, and/or Professions you have been employed in or contracted to do for others:

<input type="checkbox"/> Drywall Hanging	<input type="checkbox"/> Drywall Finishing	<input type="checkbox"/> Interior Painting	<input type="checkbox"/> Framing
<input type="checkbox"/> HVAC	<input type="checkbox"/> Electrical	<input type="checkbox"/> Interior Plumbing	<input type="checkbox"/> Exterior Plumbing
<input type="checkbox"/> Siding	<input type="checkbox"/> Cabinet Hanging	<input type="checkbox"/> Door Replacement	<input type="checkbox"/> Trim/Carpentry
<input type="checkbox"/> Stucco	<input type="checkbox"/> Window/Door Repl.	<input type="checkbox"/> Construction Cleaning	Exterior Framing
<input type="checkbox"/> Data Entry	<input type="checkbox"/> Receptionist	<input type="checkbox"/> Sales	<input type="checkbox"/> Telephone Customer Service
<input type="checkbox"/> Administrative	<input type="checkbox"/> Teaching/Training	<input type="checkbox"/> Personal Care Aide	<input type="checkbox"/> Landscaping
<input type="checkbox"/> CDL License	<input type="checkbox"/> Roofing	<input type="checkbox"/> Concrete/Asphalt Work	<input type="checkbox"/> Heavy Equipment Operator
<input type="checkbox"/> Fencing	<input type="checkbox"/> Metal/Steel Work	<input type="checkbox"/> Welding	<input type="checkbox"/> Other _____

I am certifying as a Section 3: **Person seeking Training** or **Person seeking employment**

(Check all that apply):

I am a public housing or section 8 Lease holder I live in the service area of the City

My total annual household income is \$ _____ There are a total of _____ people living in my household

I certify that all of the information given above is true and correct. If found to be inaccurate, I understand that I may be disqualified as an applicant and/or a certified Section 3 individual which may be grounds for termination of training, employment, or contracts that resulted from this certification. I attest under penalty of perjury that my total household income annually, based on my total household size as listed above is at or below the income amount for that specific size at the time of this document is being signed and notarized. I understand that proof of this statement may be requested in the future.

Signature _____
Date

Acknowledgement on next page

STATE OF _____)

_____ COUNTY)

I, the undersigned, a Notary Public in and for said county and in said state, hereby certify that, _____, whose name as _____ of _____ is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day, that, being informed of the contents of the foregoing conveyance, he/she, in his/her capability as _____, and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal, this the _____ day of _____, 20____.

Notary Public

My Commission Expires: _____

Purpose:

The purpose of Section 3 of the Housing and Urban Development of 1968 (12 U.S.C. 1701u) (Section 3) is to ensure that employment and other economic and business opportunities generated by HUD Financial Assistance shall be directed to the City Residents and other low- and very low-income persons, particularly those who are recipients of government housing assistance and to business concerns which provide economic opportunities to Residents and other low- and very low-income persons.

Section 3 resident means:

- (1) A public housing resident; or
- (2) An individual who resides in the metropolitan area or non-metropolitan county in which the section 3 covered assistance is expended, and who is:

I. A low-income person, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act defines this term to mean families (including single persons) whose incomes do not exceed 80% of the median family income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80% of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families; or

II. A very low-income person, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2) defines this term to mean families (including single persons) whose incomes do not exceed 50% of the median family income for the area, as determined by the Secretary with adjustments made for smaller or larger families, except that the Secretary may establish income ceilings higher or lower than 50% of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of unusually high or low family incomes.

- (3) A person seeking the training and employment preference provided by section 3 bears the responsibility of providing evidence (if requested) that the person is eligible for the preference.

Service area means the geographical area in which the persons benefiting from the section 3-covered project reside.

The figures below represent very low-income families; bottom figures represent low-income families.

FY 2019 Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
<u>Very Low (50%) Income Limits</u>	\$30,250	\$34,600	\$38,900	\$43,200	\$46,700	\$50,150	\$53,600	\$57,050
Low (80%) Income Limits	\$48,400	\$55,300	\$62,200	\$69,100	\$74,650	\$80,200	\$85,700	\$91,250

<https://www.huduser.gov/portal/datasets/il/il2019/2019summary.odn>

Part II: Contracts Awarded

1. Construction Contracts:	\$
A. Total dollar amount of all contracts awarded on the project	
B. Total dollar amount of contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving contracts	
2. Non-Construction Contracts:	\$
A. Total dollar amount of all non-construction contracts awarded on the project/activity	
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving non-construction contracts	

Part III: Summary

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

- Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contacts with community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.
- Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
- Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
- Other; describe below.

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u., mandates that the Department ensure that employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as a self-monitoring tool. The data is entered into a data base and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.

Form HUD-60002, **Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons.**

Instructions: This form is to be used to report annual accomplishments regarding employment and other economic opportunities provided to low- and very low-income persons under Section 3 of the Housing and Urban Development Act of 1968. The Section 3 regulations apply to any **public and Indian Housing programs** that receive: (1) development assistance pursuant to Section 5 of the U.S. Housing Act of 1937; (2) operating assistance pursuant to Section 9 of the U.S. Housing Act of 1937; or (3) modernization grants pursuant to Section 14 of the U.S. Housing Act of 1937 and to **recipients of housing and community development assistance in excess of \$200,000** expended for: (1) housing rehabilitation (including reduction and abatement of lead-based paint hazards); (2) housing construction; or (3) other public construction projects; and to **contracts and subcontracts in excess of \$100,000** awarded in connection with the Section-3-covered activity.

Form HUD-60002 has three parts which are to be completed for all programs covered by Section 3. Part I relates to **employment and training**. The recipient has the option to determine numerical employment/training goals either on the basis of the number of hours worked by new hires (columns B, D, E and F) or the number of new hires utilized on the Section 3 covered project (columns B, C and F). Part II of the form relates to **contracting**, and Part III summarizes recipients' **efforts** to comply with Section 3.

Recipients or contractors subject to Section 3 requirements must maintain appropriate documentation to establish that HUD financial assistance for housing and community development programs were directed toward low- and very low-income persons.* A recipient of Section 3 covered assistance shall submit two copies of this report to the local HUD Field Office. Where the program providing assistance requires an annual performance report, this Section 3 report is to be submitted at the same time the program performance report is submitted. Where an annual performance report is not required, this Section 3 report is to be submitted by January 10 and, if the project ends before December 31, within 10 days of project completion. **Only Prime Recipients are required to report to HUD. The report must include accomplishments of all recipients and their Section 3 covered contractors and subcontractors.**

HUD Field Office: Enter the Field Office name forwarding the Section 3 report.

1. Recipient: Enter the name and address of the recipient submitting this report.
2. Federal Identification: Enter the number that appears on the award form (with dashes). The award may be a grant, cooperative agreement or contract.
3. Dollar Amount of Award: Enter the dollar amount, rounded to the nearest dollar, received by the recipient.
- 4 & 5. Contact Person/Phone: Enter the name and telephone number of the person with knowledge of the award and the recipient's implementation of Section 3.
6. Reporting Period: Indicate the time period (months and year) this report covers.
7. Date Report Submitted: Enter the appropriate date.
8. Program Code: Enter the appropriate program code as listed at the bottom of the page.
9. Program Name: Enter the name of the HUD Program corresponding with the "Program Code" in number 8.

Part I: Employment and Training Opportunities

Column A: Contains various job categories. Professionals are defined as people who have special knowledge of an occupation (i.e., supervisors, architects, surveyors, planners, and computer programmers). For construction positions, list each trade and provide data in columns B through F for each trade where persons were employed. The category of "Other" includes occupations such as service workers.

Column B: Enter the number of new hires for each category of workers identified in **Column A** in connection with this award. New Hire refers to a person who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.

Column C: Enter the number of Section 3 new hires for each category of workers identified in **Column A** in connection with this award. Section 3 new hire refers to a Section 3 resident who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.

Column D: Enter the percentage of all the staff hours of new hires (Section 3 residents) in connection with this award.

Column E: Enter the percentage of the total staff hours worked for Section 3 employees and trainees (including new hires) connected with this award. Include staff hours for part-time and full-time positions.

Column F: Enter the number of Section 3 residents that were employed and trained in connection with this award.

Part II: Contract Opportunities

Block 1: Construction Contracts Item A: Enter the total dollar amount of all contracts awarded on the project/program.

Item B: Enter the total dollar amount of contracts connected with this project/program that were awarded to Section 3 businesses.

Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving awards.

Block 2: Non-Construction Contracts

Item A: Enter the total dollar amount of all contracts awarded on the project/program.

Item B: Enter the total dollar amount of contracts connected with this project awarded to Section 3 businesses.

Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving awards.

Part III: Summary of Efforts - Self-explanatory

Submit two (2) copies of this report to the to the HUD Field Office of Fair Housing and Equal Opportunity, Program Operations and Compliance Center Director, at the same time the performance report is submitted to the program office. For those programs where such a report is not required, the Section 3 report is submitted by January 10. Include only contracts executed during the reporting period specified in item 8. PHAs/HAs are to report all contracts/subcontracts.

* The terms "low-income persons" and "very low-income persons" have the same meanings given the terms in section 3(b)(2) of the United States Housing Act of 1937. **Low-income persons** mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary's findings such that variations are necessary because of prevailing levels of construction costs or unusually high- or low-income families. **Very low-income persons** mean low-income families (including single persons) whose incomes do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

Appendix I12: Section 104d Plan

City of Richmond Section 104 (d) Council Adopted Plan – October 28, 1996

INTRODUCTION

The City of Richmond, through its CDBG, HOME, ESG, and Section 108 programs, funds a variety of activities that may displace low-income tenants and remove low-to-moderate income units. Section 104 (d) regulations focus on the relocation of these displaced persons and replacing these removed units. Specifically, the regulations stipulate that displaced persons must be offered an array of relocation services. Low-to-moderate income dwelling units removed through demolition or conversion must be replaced on a one-to-one basis.

The following is the City of Richmond's Plan to assure that compliance with Section 104 (d) occurs. The provisions of this plan shall conform with, and if necessary, be superseded by the provisions in the latest edition of the U. S. Department of Housing and Urban Development Handbook 1378 "Tenant Assistance, Relocation and Real Property Acquisition Policies Act (URA); 49 CFR 24.2. and Section 104 (d) Regulations: 24 CFR 570.00 – 507.613. The definitions and standards in those documents shall be the same as in this plan.

I. Relocation Assistance for Displaced Persons

A. Relocation Benefits (General)

A displaced person shall be provided with relocation assistance at the levels described in accordance with the requirements of 49 CFR part 24, that contains the government wide regulations of implementing the Uniform Relocation Assistance Act. Of 1970 (URA) (42 U.S.C. 4601-4655). Such assistance shall be undertaken by and paid for from the budget of affected subrecipients. All relocation activities will be coordinated with and approved by the Division of Neighborhood Revitalization and Housing.

B. Relocation Eligibility

1. To qualify as displaced person, a person (family, individual, business, non-profit origination) must first qualify as low-income and must also move his or her personal property from real property as a result of:
 - The acquisition of written notice of intent to acquire or initiation of negotiations to acquire such real property in whole or in part for a federally funded project, or
 - The rehabilitation or demolition of a property with federal funds, or
 - A conversion funded with federal funds. A conversion includes: changing the use of property from residential to non-residential or from a low/mod housing unit to a unit at or above the Fair Market Rent (FMR). The HUD Virginia Field Office shall determine the FMR.
2. A person can be deemed economically displaced if they remain in a unit that is converted with federal funds and the rents are raised to or above the FMR.
3. A displaced person does not include:
 - A tenant who is evicted for cause based upon serious or repeated violations of material terms of the lease or occupancy agreement. The City of Richmond is obliged to determine that this is not used as an excuse to avoid relocation payments,
 - A person who moved into a property after the notice of displacement was given but who was given a notice of pending displacement when they moved into the property,
 - A person who is not displaced by a permanent involuntary move,
 - A person who the City, with HUD concurrence, was not displaced as a direct result of acquisition, rehabilitation, demolition, or rehabilitation funded with federal dollars, and
 - A person who does not qualify as low income.
4. A permanent involuntary move is one caused by federal funding and is a permanent move from real property that is made:

- After notice is given by the City or subrecipient to a property owner to move permanently from the property, or if the move occurs after the request of funds to HUD is made by the City of Richmond for grant, loan, or guarantee funds and they are eventually granted,
- After notice has been given by property owner to tenants to move permanently from the property and the move occurs after the date of submission request for financial assistance by the property owner, or person in control of the site and that assistance is later approved, and
- Before the awarding of funds, if HUD or the City determines the displacement acquisition, rehabilitation, or demolition was directly related to fund activities.

C. Notices

As soon as possible, all tenants who will be affected by the federally funded activity will receive a notice from the subrecipient. A notice is sent using the proper HUD forms (see attachments I A & B). Such notices must include notices to:

- Persons who will not be displaced, and should state that the project is planned and that the person should not move. Such notice will explain that displacement will not occur and also state that additional notices will be provided if displacements were to occur, and
- The persons to be displaced. This notice must explain that the project has been planned and caution them not to move before relocation assistance and advisory services are provided. The notice should explain the financial and relocation assistance and relocation advisory services that are available, that moving will not be necessary until 90 days advance notice is provided, and that they will be located to a comparable replacement dwelling unit. The notice will also include their right to appeal the relocation benefits offered.

D. Forms of General Relocation Assistance

Any displaced person will have the following types of general assistance available to them as provided in Uniform Relocation Act (URA) and in Section 104 (d):

- Advisory Services, including notices, information booklets, explanations of assistance, referrals to comparable housing, and housing counseling,
- Payment for actual reasonable moving and related expenses or a moving expense based on a schedule provided by the HUD Virginia field office,
- Payment of reasonable and necessary cost of any security deposit required to rent a replacement dwelling unit,
- Payment of any credit checks required to rent or purchase the replacement of dwelling units, and
- Reasonable out of pocket costs incurred in conjunction with temporary relocation including moving expenses and increased housing costs if a permanent comparable replacement unit is not available or a person that may not remain in a unit because of a health or safety problem.

E. Comparable Replacement Dwelling

The following rules shall apply to a Comparable Replacement Dwelling to which the tenant must be relocated:

- Any unit must meet all of the criteria of a decent, safe, and sanitary dwelling specified in 49 CFR 24.2 (f),
- To the extent possible, the unit will be inspected by the subrecipient prior to the replacement of a displaced person,
- The unit must be in the same Planning Area of the City, in a location comparable to the unit it is replacing, be free of unreasonable environmental hazards, and possess reasonable site improvements to its size as specified in the Section 104 (d) regulations, and
- The unit must meet the criteria for current availability in Section 104 (d) regulations. To be available, the replacement unit may either be a market rate structure comparable to the unit the tenant vacated, a project-based subsidy unit comparable to the unit the tenant vacated, or an affordable unit with a tenant-based subsidy held by the tenant, and
- The replacement unit must be within the financial means of the displaced person as defined in the Section 104 (3) regulations.

F. Rental Assistance

- The following forms of assistance are available to those displaced persons who wish to continue to rent.
- A displaced person must be offered rental assistance equal to 42 times the amount obtained by subtracting the total tenant payment from the lesser of:
 - The monthly rent and estimated average monthly cost of utilities for a comparable replacement dwelling; or
 - The monthly rents and estimated average monthly cost of tenant rent and utilities for the decent, save, and sanitary replacement dwelling to which the person relocates

II. ONE-FOR-ONE REPLACEMENT

A. Criteria for the Units to be replaced

Units that meet all of the following criteria must be replace:

- The rent of the unit was at or below Fair Market Rent. Before demolition or conversion, the market rent including utilities did not exceed for fair market rents established by HUD for the Section 8 Housing Program. It will be assumed that the unit is below FMR, if no documentation on rents is available.
- The unit is either occupied or is a vacant occupiable unit. To qualify as a vacant occupiable unit, it must simply have been occupied within the previous three months.
- The unit will be demolished, rehabilitated and converted to a rental unit at or above the FMR, or converted to non-residential use.

B. Qualifying Replacement Units

Qualifying low to moderate income replacement units must meet all of the following criteria:

- Replacement units must be located within the City of Richmond and shall be in the same Planning Area of the City as converted or demolished units.
- The number of replacement bedrooms must at least equal the number removed. The units must be sufficient in number and sizes to house no fewer than the number of those who could have been housed in those units, which were demolished or converted. The number of occupants in each unit shall be determined by the housing occupancy codes of the City of Richmond.
- The grantee may not replace those units with smaller units, unless the grantee (before committing funds) has provided information to citizens and HUD demonstrating that the proposed replacement is consistent with the housing needs of lower income household in the City as determined in the priorities in the Consolidated Plan.
- Replacement units must be in standard condition. Replacement units may include inputs that have been raised from substandard to standard condition, if one was displaced because of a federally funded activity and the building was vacant for at least three months before the an agreement between the subrecipient and the owner. The rehabilitation of occupied units will not be counted towards replacement.
- Rental Assistance shall not exceed \$5,250 unless the rental assistance amount (as determined in the previous section) exceeds that amount.
- A lower income tenant that intends to remain in a project must receive the offer of a suitable unit, which can be rented at an affordable price. Receiving the same unit at the same rent shall be deemed to be providing a suitable unit at an affordable price even if the percentage income going towards rent is high. Failure to provide an offer of a suitable unit at an affordable price will result in the economic displacement and the availability of full tenant benefits.
- The City of Richmond or its subrecipient has the option to offer all or a portion of this rental assistance through Section 8 Certificate or housing voucher, if it is available under the Section 8 preference requirements and the City provides referral to comparable replacement dwelling units where the owner is willing to participate in the Section 8 Existing Housing Program. If a person then refuses Section 8 assistance, the City of Richmond has satisfied the Section 104 (d) replacement housing assistance requirements. In such a case, the dispelled person may seek Uniform Relocation housing assistance.
- If a tenant provided a housing voucher and rent utility cost for the replacement dwelling (actual or comparable, whichever is less costly) exceeds the payment standard, the tenant will qualify for cash rental assistance in addition to the Section 8 assistance to cover the gap.
- Cash rental assistance (at the discretion of the City of Richmond) may be provided in either a lump or in installments. The amount of cash rental assistance to be provided is based on a one-time calculation. The payment is not adjusted to reflect subsequent changes in a person income, rent utility cost, family size or place of residence.
- A comparable replacement dwelling unit must be provided.

C. Purchase Assistance

- If a qualifying displaced low-to-moderate income person purchases an interest in a housing cooperative or mutual housing association, and occupies a decent, safe, and sanitary dwelling in a cooperative or association, the person may elect to receive a lump sum payment. The lump sum payment shall be equal to be capitalized value of 42 monthly installments of the amount that is obtained by subtracting the Total Tenant Payment from the monthly rent and estimated average monthly cost of utilities for a comparable replacement dwelling unit.
- Replacement units must be completed within a four-year time period of the demolition on conversion. Units must be available for occupancy one year prior to conversion or demolition and ending three years afterwards.
- The units must remain affordable to low-to-moderate income households for period of ten years after the agreement between the subrecipient and property owners. Replacement units may include substantially rehabilitated units, new units, existing housing which is granted Section 8 vouchers, and public housing.

D. Initial Reporting on Demolition or Conversion

- Information on all units removed through demolition or conversion will be submitted to the Division of Neighborhood Revitalization at the beginning of the development process.
- After receiving the information, the division will determine those properties that meet the criteria for replacement.
- The division will prepare a report on the loss of units and submit it to HUD. In the report, they will identify the demolished units that require replacement and the number of bedrooms per unit. The report will include a map(s) of the properties to be demolished or converted and a time schedule for completion.
- A list of properties requiring replacement will be published in a newspaper of general circulation. The information will be made available for public inspection in room 501 of City Hall.
- After completion of the list of properties, the demolition documentation requirements of the demolition may proceed. None of the subrecipients will permit a contract for conversion or demolition to proceed until the notification procedures have been completed.

E. Reporting on Replacement

As soon as information is available on units that are being demolished or converted, it will be forwarded to the Virginia HUD office and advertised in a newspaper of general circulation. The City will compile a report of all completed removals and replacements on a quarterly basis for the entire year the report will include:

- Maps of each planning area of the City showing units to be replaced,
- A list of the addresses of each unit that meet the criteria for replacement and the number of units and bedrooms at each address by planning area,
- A list of the addresses, unit number, and of bedrooms of the replacement unit in each planning area, and
- A total of the number of units lost and replaced and organized by the planning area and unit size.

In the quarterly and annual reports, the City will conduct an analysis of removed and replaced units that include the following:

- A description of each project that removes or replaces buildings
- Evidence that replacement projects will be used for low-to-moderate income persons for a period of ten years
- Justification of larger units that are being replaced with smaller units (or vice versa) if this is consistent with the Consolidated Plan
- A matching of lost units with replacement units or replacement units (quarterly and annually) for each of the planning districts. To the extent possible, this analysis will match like units with like units

Appendix I13: Emergency Solutions Grant - Affirmative Outreach and Referrals

Nondiscrimination and Equal Opportunity Requirements - 24 CFR §576.407(b)

Subrecipients must make known that ESG rental assistance and services are available to all on a non-discriminatory basis. They must ensure that all citizens have equal access to information about ESG, and equal access to the financial assistance and services provided under this program. Among other things, this means that each subrecipient must take reasonable steps to ensure meaningful program access to persons with limited English proficiency (LEP), pursuant to Title VI of the Civil Rights Act of 1964.

This may require providing language assistance, or ensuring that program information is available in the appropriate languages for the geographic area served by the jurisdiction, so that persons with limited English proficiency have meaningful access to ESG assistance.

System and Program Coordination with Mainstream Resources - 24 CFR §576.400(c)

The recipient and its subrecipients must coordinate and integrate, to the maximum extent practicable, ESG-funded activities with mainstream housing, health, social services, employment, education, and youth programs for which families and individuals at risk of homelessness and homeless individuals and families may be eligible. Examples of these programs include:

- (1) Public housing programs assisted under section 9 of the U.S. Housing Act of 1937 (42 U.S.C. 1437g) (24 CFR parts 905, 968, and 990);
- (2) Housing programs receiving tenant-based or project-based assistance under section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f) (respectively 24 CFR parts 982 and 983);
- (3) Supportive Housing for Persons with Disabilities (Section 811) (24 CFR part 891);
- (4) HOME Investment Partnerships Program (24 CFR part 92);
- (5) Temporary Assistance for Needy Families (TANF) (45 CFR parts 260-265);
- (6) Health Center Program (42 CFR part 51c);
- (7) State Children's Health Insurance Program (42 CFR part 457);
- (8) Head Start (45 CFR chapter XIII, subchapter B);
- (9) Mental Health and Substance Abuse Block Grants (45 CFR part 96); and
- (10) Services funded under the Workforce Investment Act (29 U.S.C. 2801 et seq.).

Connecting program participants to mainstream and other resources - 24 CFR §576.401(d)

The recipient and its subrecipients must assist each program participant, as needed, to obtain:

(1) Appropriate supportive services, including assistance in obtaining permanent housing, medical health treatment, mental health treatment, counseling, supervision, and other services essential for achieving independent living; and

(2) Other Federal, State, local, and private assistance available to assist the program participant in obtaining housing stability, including:

(i) Medicaid (42 CFR chapter IV, subchapter C);

(ii) Supplemental Nutrition Assistance Program (7 CFR parts 271-283);

(iii) Women, Infants and Children (WIC) (7 CFR part 246);

(iv) Federal-State Unemployment Insurance Program (20 CFR parts 601-603, 606, 609, 614-617, 625, 640, 650);

(v) Social Security Disability Insurance (SSDI) (20 CFR part 404);

(vi) Supplemental Security Income (SSI) (20 CFR part 416);

(vii) Child and Adult Care Food Program (42 U.S.C. 1766(t) (7 CFR part 226));

(viii) Other assistance available under the programs listed in §576.400(c).

Appendix K-1
Section 106 Review

Not started _____ In progress _____ Completed _____ (date)

Section II: Household Information (if known)

Fill out the applicable section. For items marked with an asterisk (*), please use the applicable code given below.

	Owner Occupied	Rental			
		Unit 1	Unit2	Unit 3	Unit4
# of Bedrooms					
Size of household					
Gross Annual Income					
% of Area Median Income*					
Race**					
Hispanic –yes or no					
Head of household***					
Mortgage					
Previous tenant-yes or no					
Monthly rent					
Tenant Contribution					
Subsidy amount					
Total rent					
Rental assistance****					

Percent Area Median Income

2. 0-30%. 2. 30-50%. 3. 50-60% 4. 60-80% 5. Above 80%

**Racial Categories. For each residential unit, enter one code.

1. White.
2. Black/African American
3. Asian
4. American Indian or Alaska Native
6. Native Hawaiian/Other Pacific Islander
6. American Indian/Alaska Native & White.
8. Asian and White
8. Black/ African American & White.
9. American India/Alaska Native & Black/African American.
10. Other/Multi Racial.

***Head of Household. For each residential unit, enter one code only based on the following definitions:

6. **Single/Non-Elderly.** One-person household in which the person is not elderly.
7. **Elderly.** One or two person household with a person at least 62 years of age.
8. **Related/Single Parent.** A single parent household with a dependent child or children (18 years old or younger).
9. **Related/Two Parent.** A two-parent household with a dependent child or children (18 years old or younger).
10. **Other.** Any household not included in the above 4 definitions, including two or more unrelated individuals.

**** Rental Assistance. For each residential unit, enter one code only based on the following definitions

5. **Section 8.** Tenants receiving Section 8 assistance through the Section 8 Certificate Program or the Section 8 Housing Voucher Program.
6. **HOME Tenant Based Rental Assistance.** Tenants receiving HOME tenant-based assistance.
7. **Other Assistance.** Tenants receiving rental assistance through other Federal, State or local rental assistance programs.
8. **No Assistance.**

Required Attachments

- Copy of standardized electronic pro forma
- Copy of Lead Based Paint Form, risk assessment and work right up
- Relocation Plan, if household relocation is proposed, to include statement of qualifications to undertake relocation

Appendix K-2

PROJECT CHECKLIST AND QUESTIONS

ORGANIZATIONAL INFORMATION/ EXPERIENCE	<input type="checkbox"/> YES <input type="checkbox"/> NO
Background on Organization (If Non-Profit include Bylaws and Articles of incorporation) (if For-Profit include operating agreement and list of principals)	<input type="checkbox"/> YES <input type="checkbox"/> NO
List of current staff members	<input type="checkbox"/> YES <input type="checkbox"/> NO
Project Manager Resume (person who will be assigned to project) (do they have similar experience)	<input type="checkbox"/> YES <input type="checkbox"/> NO
List of similar projects developed (should explain their role in project)	<input type="checkbox"/> YES <input type="checkbox"/> NO
Most recent Financial statements (past three years)	<input type="checkbox"/> YES <input type="checkbox"/> NO
Has the organization ever received City Funding?	<input type="checkbox"/> YES <input type="checkbox"/> NO
PROJECT INFORMATION	<input type="checkbox"/> YES <input type="checkbox"/> NO
Please provide detail description of the project (include: location, #of units, #of buildings, S.F, MF. Sub-division, LIHTC, unit mix, etc	
Has the organization ever received HOME funds, LIHTC award, CDBG or other federal subsidies? Please explain	<input type="checkbox"/> YES <input type="checkbox"/> NO
Provide a list of all development team members	
Do you have Site Control? (Option, purchase contract, lease) (must show proof with application)	<input type="checkbox"/> YES <input type="checkbox"/> NO
Has Zoning been approved?	<input type="checkbox"/> YES <input type="checkbox"/> NO
Has Site and Neighborhood Standards been approved?	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A
Has Environmental Reviews been completed (Phase I)	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A
Has an Appraisal been completed?	<input type="checkbox"/> YES <input type="checkbox"/> NO
Has a Market Study been completed? (required for multi-family and sub-division projects)	<input type="checkbox"/> YES <input type="checkbox"/> NO
Please provide a detailed project budget showing sources and uses (if LIHTC deal please provide copy of project and operating budget submitted with application)	<input type="checkbox"/> YES <input type="checkbox"/> NO
PROJECT FINANCING	<input type="checkbox"/> YES <input type="checkbox"/> NO
What percentage of funds for the project has been secured to date? (commitments in hand)	<input type="checkbox"/> less than 50% <input type="checkbox"/> more than 50%
Please submit Letters of Interest or commitments for all funding sources received or being requested (letters should state amount, rates, terms)	<input type="checkbox"/> YES <input type="checkbox"/> NO
Has the project secured a reservation of LIHTC? (multi-family projects only) If no when do you anticipate receiving reservation?	<input type="checkbox"/> YES <input type="checkbox"/> NO
PROJECT TIMELINE	
Please provide a detail timeline (see attached)	<input type="checkbox"/> YES <input type="checkbox"/> NO

Appendix K-3

CITY OF RICHMOND POLICIES, UNDERWRITING GUIDELINES AND FORMS TO BE USED IN CONJUNCTION WITH CDBG AND HOME FUNDING FOR VARIOUS DEVELOPMENT PROJECTS:

- Single-Family For Sale Homeownership;
- Owner Occupied Rehabilitation;
- Single-Family Subdivisions;
- Multi-Family Rental LIHTC Developments;

Underwriting Guidelines for Single-Family For-Sale Homeownership development projects utilizing HOME and CDBG Funds:

The City of Richmond has instituted certain policies that must be adhered to for all **Single-Family For-Sale Homeownership developments** receiving CDBG and HOME Funds. These are general policies adopted by the City of Richmond Economic and Community Development Department **for all** Single-Family For-Sale Homeownership Developments seeking CDBG funds **and HOME Funds (Federal and State Policies must be adhered to as well).**

Financial Support Policy:

- The City of Richmond shall provide financial support for the development of Single-Family For-Sale Homeownership projects by providing the minimum subsidy necessary to make the project feasible;
- A reasonable developer fee will generally range from 8-12% of project construction cost;
- No additional administrative or personnel cost associated with Single-Family For-Sale Homeownership development will be funded (The City reserves the right to further limit developer's fees);
- Documentation (Commitments, LOI's, Award letters, etc.) for all other funding sources **must be** provided with the CDBG/HOME funding application;
- A project proforma must be submitted for all Single-Family For-Sale Homeownership funding request **(see attachment A4-Pro-Forma);**
- The City of Richmond will conduct a thorough underwriting review prior to making any commitments **(see underwriting guidelines below for Single-Family For-Sale Homeownership development projects)** to determine project feasibility and necessary funding amounts (if any);
- A City letter of commitment will be issued to the agency contingent upon verification that all necessary funding has been secured for the proposed project;
- The inclusion of luxury or upgrade items is not appropriate for inclusion in homes where the development is subsidized with federal funds;
- **All** Single-Family For-Sale Homeownership development projects seeking financial assistance **must submit** all necessary required forms (See Required Forms below for Single-Family For-Sale Homeownership development projects). **Failure to do so will result in funding being reduced.**
- **For HOME Only funded Projects**-All new home construction and rehabilitation projects must be sold/lease to own to an eligible homebuyer(s) within nine months of the date of completion of construction or rehabilitation. If there is no ratified sales contract on a home within nine months of the

date of completion, the unit must be rented to an eligible tenant in accordance with the home rental requirements (92.252) or the HOME funds must be repaid.

- If the property is converted to rental housing, the developer of a homebuyer property becomes the owner and property manager of a HOME-assisted rental project with HOME rental housing requirements (related to leases, rents, income targeting);
- **Grant Recapture Provisions for Down Payment and Closing Cost Assistance Only:**
- **If up to \$14,999 of CDBG and HOME funds are provided a five (5) year affordability period is required. In the event the maker owns and occupies the said real property as his primary place of residence for a period of time less than the affordability period, then one-fifth of the principal payment will be waived for each full year that maker so owns and occupies the real property.**
- **If \$15,000 to \$39,999 of CDBG or HOME funds are provided a ten (10) year affordability period is required. In the event the maker owns and occupies the said real property as his primary place of residence for a period of time less than the affordability period, then one-tenth of the principal payment will be waived for each full year that maker so owns and occupies the real property.**
- **If \$40,000 or above of CDBG or HOME funds are provided a fifteen (15) year affordability period is required. In the event the maker owns and occupies the said real property as his primary place of residence for a period of time less than the affordability period, then one-fifteenth of the principal payment will be waived for each full year that maker so owns and occupies the real property.**

NOTE: NEED TO TAKE OUT INTEREST RATE IN NOTE AND DEED

- **DEED OF TRUST AND NOTE FORM TO BE USED: REVISED G1 AND G2**
- **Grant Recapture Provisions for deferred Second Mortgages:**
- ❖ CDBG and HOME funds that are being used for a deferred second mortgage will be subject to an affordability period of **5, 10 or 15 years** depending upon the amount of CDBG or HOME funds provided (see below). Recapture of the full repayment will be required if the affordability period is not met which is outlined in the attached City’s Neighborhoods in Bloom Deferred Loan Deed of Trust (**Appendix G3**) and the City’s Deed of Trust Note (**Appendix G2**)

HOME/CDBG AMOUNT	AFFORDABILITY PERIOD
Less than \$15,000	Five Year Affordability Period
\$15,000 to \$40,000	Ten Year Affordability Period
Over \$40,000	Fifteen Year Affordability Period

DOCUMENTATION NEEDED FOR UNDERWRITING:

- Signature requirements for application forms;
- Borrower authorization for verification of information;
- The property cannot be used in a trade or business and the applicants must intend to occupy the property as their primary residence;
- Borrowers must provide copies of the previous two years tax returns;
- Applicant must show a good credit history;
- Bankruptcy must be discharged for 3 years from the discharge date;

- Two years of W-2, 1099's, or Prior Year's Federal and State tax forms with all attachments;
- Most recent month of pay stubs;
- Self-employed individuals will need three years of tax returns and a year-to-date profit/loss statement
- Most recent three months of bank, retirement, stocks, and/or mutual fund statements (all accounts and all pages)
- Credit information (most recent statements)
- Individuals without credit will need recent copies of utility bills
- Contact information of your landlord;
- Bankruptcy and discharge papers (if applicable)
- Driver's license or Proof of State issued identity
- Social security card

- **GENERAL UNDERWRITING GUIDELINES**

- Signed loan Application;
- Signed purchase offer for a property;
- Annual Household income may not exceed 80% of Area Median Income level based on family composition;
- Total Monthly household payment (principal, interest, taxes and insurance) should not exceed 32% of your gross monthly income. In addition, the total monthly house payment plus any additional monthly debt owed (car payments, charge cards, child support payments) should not exceed 40% of your gross monthly income;
- Combined Loans may not exceed 105% of property value;
- Total Project Subsidy should not exceed \$35,000 for new construction and \$55,000 for rehabilitation (under special circumstances the City can increase maximum subsidy amounts)
- Maximum developer fee allowed will range between 8-12% of project construction cost;
- Sales prices of homes may not exceed HUD limits for area;
- MAI or FHA Appraisal;
- Contractor cost estimates;
- Proof of Homeownership Counseling;
-
- Complete a HUD-certified Homebuyer Education course through VHDA, Neighbor works, HOME Inc or an approved certified entity;
- Title Report
-
- **The following attached forms must be filled-out and submitted with the application for all Single-Family For-Sale Homeownership development projects requesting CDBG or HOME Funds:**
-
- **HOME Project Evaluation Report (Mandatory)**
- **HOME Subsidy Layering Analysis Worksheet (Mandatory)**
- **HUD Assistance Certification Form (Mandatory)**
- **Project Initiation Form (Mandatory-See Appendix A2)**
- **Development Proforma (Mandatory-See Appendix A4)**
- **Project Completion Form (See Appendix A3) (not required with submission of application)**

Appendix K-4

OWNER OCCUPIED REHABILITATION

The City of Richmond has instituted certain policies that must be adhered to for all Owner-Occupied Rehabilitation projects receiving CDBG and HOME Funds. These are general policies adopted by the City of Richmond Economic and Community Development Department **for all** Owner-Occupied Rehabilitation projects seeking CDBG funds and HOME Funds (**Federal and State Policies must be adhered to as well**). The Owner-Occupied Rehabilitation (OOR) program offers affordable financing to qualified homeowners within the City of Richmond to make property improvements.

The program offers CDBG grants up to **\$14,999**. **Development projects with cost above \$15,000 will require a forgivable loan for 10 or 15 years**. The funds can be used to replace an aged roof, improve the foundation, put in a new energy efficient furnace, update a kitchen or bath, replace flooring, or any number of other items'

The loan covers all costs associated with the project (labor, supplies, and materials).

Financial Support Policy:

- The City of Richmond shall provide financial support for Owner-Occupied Rehabilitation projects by providing a Maximum CDBG grant of up to **\$15,000** to cover necessary repairs to the home (City may approve additional funding). **Development projects with cost above \$15,000 will require a forgivable loan for 10 or 15 years;**
- The total fee amount is based upon a fee (per project) agreed upon between the City of Richmond and the Subrecipient, plus hard cost of the rehab (as shown in the project initiation form)
- Documentation (project initiation form and required documents) **must be** provided with the CDBG/HOME funding application;
- A project proforma must be submitted for all Owner-Occupied Rehabilitation project funding request (**see attachment A4-Pro-Forma**);

DOCUMENTATION NEEDED FOR UNDERWRITING:

- Attached Authority to Verify Credit information form with signature(s) and date(s);
- Verification Forms (deposits, employment, mortgage);
- Proof of Homeownership (tax assessors record);
- Most recent mortgage statement;
- Proof of Residency (copy of a current utility bill, water, gas, telephone, or electricity bill);
- Proof of Insurance (copy of the homeowner's insurance policy)
- Proof of income eligibility for all household members 18+;
- Last two months of paycheck stubs;
- If self-employed, copy of year to date profit & loss statement;
- Benefit or entitlement letter for Social Security, annuities, insurance policy benefits, retirement funds, pensions, unemployment, disability or death benefits, worker's compensation, severance pay, alimony, child support, or Armed Forces income. (direct deposit bank statements cannot be accepted);
- Prior year's Federal and State tax forms with all attachments or written statement that applicant does not file taxes;

- Most recent monthly bank statement(s);
- If a household member does not have any source of income, provide a signed written statement of the fact;

GENERAL GUIDELINES INCLUDE:

- Applicant's home must be located within the City of Richmond city limits;
- The home must be owner-occupied;
- Applicant must satisfy the department's finance agreement standards;
- Applicant's income must be 60% to 80% or less of the Area Median Income (AMI), adjusted by household size (income limits are subject to change);
- Have a valid Homeowner's Insurance Policy in place;
- Be current on your property taxes or on an approved payment plan via City of Richmond Finance Department;
- Meet underwriting guidelines for the Owner-Occupied Rehabilitation program;

GENERAL UNDERWRITING GUIDELINES

- Signed Grant Application;
- Copy of Deed;
- Combined Loans may not exceed 105% of property value;
- Minor or Critical repairs should not exceed \$14,999 and Moderate Rehabilitations should not exceed \$30,000;
- The total fee amount is based upon a fee (per project) agreed upon between the City of Richmond and the Subrecipient, plus hard cost of the rehab (as shown in the project initiation form);

Appendix K-5

SINGLE-FAMILY SUB-DIVISIONS

The City of Richmond has instituted certain policies that must be adhered to for all Single-family Subdivisions projects receiving CDBG and HOME Funds. These are general policies adopted by the City of Richmond Economic and Community Development Department **for all** Single-family Subdivisions projects seeking CDBG funds and HOME Funds (**Federal and State Policies must be adhered to as well**). **These policies apply to any project within a development with more than ten homes being constructed.**

Financial Support Policy: (Applies Only TO PROJECTS RECEIVING HOME FUNDS)

- Maximum Subsidy may not exceed the HOME Subsidy limits;
- A market Study will be required;
- MIA Appraisal is Required;
- All other financing commitments must be in place prior to City approval;
- Proof of site control must be provided;
- The City of Richmond shall provide financial support for the development of Single-Family subdivision projects by providing the minimum subsidy necessary to make the project feasible;
- A reasonable developer fee will generally range from 8-12% of project construction cost;
- No additional administrative or personnel cost associated with Single-Family subdivision projects will be funded (The City reserves the right to further limit developer's fees);
- Documentation (Commitments, LOI's, Award letters, etc.) for all other funding sources **must be** provided with the HOME funding application;
- A project proforma must be submitted for all funding request (**see attachment A4-Pro-Forma**);
- The City of Richmond will conduct a thorough Single-Family subdivision projects underwriting review prior to making any commitments (**see underwriting guidelines below for Single-Family subdivision projects**) to determine project feasibility and necessary funding amounts (if any);
- A City letter of commitment will be issued to the agency contingent upon verification that all necessary funding has been secured for the proposed project;
- The inclusion of luxury or upgrade items is not appropriate for inclusion in homes where the development is subsidized with federal funds;
- **All** Single-Family subdivision projects seeking financial assistance **must submit** all necessary required forms (See Required Forms below for Single-Family subdivision projects projects). **Failure to do so will result in funding being denied.**
- All new home construction and rehabilitation projects must be sold/lease to own to an eligible homebuyer(s) within nine months of the date of completion of construction or rehabilitation. If there is no ratified sales contract on a home within nine months of the date of completion, the unit must be rented to an eligible tenant in accordance with the home rental requirements (92.252) or the HOME funds must be repaid.
- If the property is converted to rental housing, the developer of a homebuyer property becomes the owner and property manager of a HOME-assisted rental project with HOME rental housing requirements (related to leases, rents, income targeting);

DOCUMENTATION NEEDED FOR UNDERWRITING:

- Signature requirements for application forms;
- Borrower authorization for verification of information;
- Subdivision Plat;
- Proof of zoning;
- Phase I Environmental;
- The property cannot be used in a trade or business and the applicants must intend to occupy the property as their primary residence;
- Borrowers must provide copies of the previous three years tax returns;
- Applicant must show a good credit history;
- Bankruptcy must be discharged for 3 years from the discharge date;
- Two years of complete tax returns;
- Two years of W-2, 1099's, or other income statements;
- Prior year's Federal and State tax forms with all attachments;
- Most recent month of pay stubs;
- Self-employed individuals will need three years of tax returns and a year-to-date profit/loss statement
- Most recent three months of bank, retirement, stocks, and/or mutual fund statements (all accounts and all pages)
- Credit information (most recent statements)
- Individuals without credit will need recent copies of utility bills
- Contact information of your landlord;
- Bankruptcy and discharge papers (if applicable)
- Cosign information (proof that you are not responsible for payments on a loan you cosigned)
- Driver's license
- Social security card
- Green card or work permit (if applicable)

GENERAL UNDERWRITING GUIDELINES

- Signed loan Application;
- Signed purchase offer for a property;
- Annual Household income may not exceed 80% of Area Median Income level based on family composition;
- Total Monthly household payment (principal, interest, taxes and insurance) should not exceed 32% of your gross monthly income. In addition, the total monthly house payment plus any additional monthly debt owed (car payments, charge cards, child support payments) should not exceed 40% of your gross monthly income;

- Combined Loans may not exceed 105% of property value;

- Total Project Subsidy should not exceed \$35,000 for new construction and \$55,000 for rehabilitation (under special circumstances the City can increase maximum subsidy amounts)

- Maximum developer fee allowed will range between 8-12% of project construction cost;

- Sales prices of homes may not exceed HUD limits for area;
- MAI or FHA Appraisal;
- Contractor cost estimates;
- Proof of Homeownership Counseling;
- Complete a HUD-certified Homebuyer Education course through VHDA or Neighbor works certified course;
- Title Report

The following attached forms must be filled-out and submitted with the application for all Single-Family Subdivision projects requesting CDBG or HOME Funds:

- Home Project Evaluation Report (Mandatory)
- HOME Subsidy Layering Analysis Worksheet (Mandatory)
- HUD Assistance Certification Form (Mandatory)
- Project Initiation Form (Mandatory-See Appendix A2)
- Development Proforma (Mandatory-See Appendix A4)
- Project Completion Form (See Appendix A3) (not required with submission of application)

MULTI-FAMILY RENTAL LIHTC DEVELOPMENTS

The City of Richmond has instituted certain policies that must be adhered to for all **Multi-Family Developments** receiving CDBG and or HOME Funds. These are general policies adopted by the City of Richmond Economic and Community Development Department **for all Multi-Family Developments** seeking CDBG funds **and HOME Funds (Federal and State Policies must be adhered to as well).**

Financial Support Policy:

- The City of Richmond shall provide financial support for the development of **Multi-Family Development** projects by providing the minimum subsidy necessary to make the project feasible;
- **A maximum developer fee will be the lesser of the following calculations:**
- ❖ Acquisition: Less than or equal to 10% of the building's acquisition cost, excluding the developer's fee. No developer's fee will be allowed on the acquisition basis in cases where there is an identity of interest between the purchaser and seller;
- ❖ Less than or equal to 15% of the total development costs;
- ❖ For developers with a related entity contractor, the maximum developer's fee shall not exceed the total development costs, less the contractor's overhead, profit and any incentive payments;
- ❖ For developers with a related architectural entity, the maximum developer's fee shall not exceed the total development costs, less the architectural and engineering fees.
- ❖ For developers with both a related architectural entity and a related contractor entity, the maximum developer's fee shall not exceed the total development costs, less the total development costs exclusive of the developer fee, less the contractor's overhead, profit, any incentive payments and all architectural and engineering fees.
- No additional administrative or personnel cost associated with **Multi-Family Development** projects will be funded (The City reserves the right to further limit developer's fees);
- Documentation (Commitments, LIHTC reservation letter, LOI's, Award letters, etc.) for all other funding sources **must be** provided with the CDBG/HOME funding application;
- The Tax Credit application must be submitted with the CDBG/HOME application (**if seeking Tax Credits Only**)
- A project development budget along with 15-year proforma projections, operating expenses and sources and uses, must be included with tax credit application for all **Multi-Family Development** CDBG/HOME funding request (**should submit forms from VHDA tax credit excel workbook**) (**Please only submit LIHTC attachments that are required below**);
- The City of Richmond will conduct a thorough underwriting review prior to making any commitments (**see underwriting guidelines below for Multi-Family Development**) to determine project feasibility and necessary funding amounts (if any);
- A City letter of commitment will be issued to the agency contingent upon verification that all necessary funding has been secured for the proposed project;
- The inclusion of luxury or upgrade items is not appropriate for inclusion in **Multi-Family Developments** where the development is subsidized with federal funds;
- **All** development projects seeking financial assistance **must submit** all necessary required forms (See Required Forms below for **Multi-Family Development** projects). **Failure to do so will result in funding being reduced.**

- The City will **immediately reallocate** CDBG/HOME funds if any **Multi-Family Development** project in which the City has set-aside funding is **denied** a reservation of tax credits in the year in which they applied.

DOCUMENTATION NEEDED FOR UNDERWRITING:

- Copy of LIHTC Application- Mandatory for tax credit projects;
- Site Control Documentation; Mandatory
- Proof of Zoning;
- Commitments, LIHTC reservation letter, LOI's, Award letters (Mandatory);
- Letter from Syndicator or Investor (Mandatory);
- Operating Budget;
- Project Budget;
- Development Proforma;
- Sources and Uses Statement;
- Virginia State Corporation Commission Certification,
- Operating Agreement;
- Site Map;
- Organizational Chart
- Relocation Plan;

GENERAL UNDERWRITING GUIDELINES FOR MULTI-FAMILY RENTAL DEVELOPMENTS

A. Income and Expense Projections

- All income should be included in the proforma (commercial, residential, laundry, etc.);
- Income trending should be trending at 2% per year for purposes of calculating Projections for Financial Feasibility;

B. Operating Expenses

- Operating Expenses must be \$4,000 or more per unit excluding replacement reserves and assuming tenants pay their own utilities;
- Operating Expenses should be trending at 2% per year;

C. Vacancy Rate

- Use the greater of 7% of Gross Potential Income or market vacancy;

D. Replacement Reserves

- Minimum replacement reserves should equal \$250 per unit for new construction and elderly developments and \$300 per unit for all other developments;

E. Debt Coverage Ratio

- A minimum of 1.15 in year one is preferred;

F. Cost Limits

- Total development costs per unit will be compared to the applicable cost limits for the allocation year:

G. Contractor Cost

- Applications relating to rehab of existing residential units must propose hard construction costs of at least \$10,000 per unit (if financed with tax-exempt bonds) or \$15,000 per unit (for all other developments);

H. Builder’s Overhead, Profit and General Requirements

- In total, these must not exceed 14% of the construction cost excluding bonds and building permits;

I. Operating Reserve

- Use a minimum of 6 months of operating expenses and debt service;

J. Tax Credit Equity Factor

- This generally does not include syndication, legal, accounting, overhead, sales commissions and/or required reserves. The Applicant will determine the amount appropriate for the development;

The following attached forms must be filled-out and submitted with the application for all Multi-Family Rental Development projects requesting CDBG or HOME Funds:

- Home Project Evaluation Report (Mandatory)
- HOME Subsidy Layering Analysis Worksheet (Mandatory)
- HUD Assistance Certification Form (Mandatory)
- Project Initiation Form (Mandatory-See Appendix A2)
- Project Completion Form (See Appendix A3) (not required with submission of application)
- Tax Credit Application (Mandatory)
- Operating Budget (Mandatory)
- Development Proforma (Mandatory)
- Project Budget (Mandatory)
- Sources and Uses Statement (Mandatory)
- Financial Commitments (Mandatory)