



**CITY OF KOTZEBUE
RESOLUTION NO. 24-32**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE
AUTHORIZING THE CITY MANAGER, OR HER DESIGNEE, TO FINALIZE A
GRANT AGREEMENT WITH THE ALASKA HOUSING FINANCE CORPORATION
FOR THE LAST FRONTIER HOUSING INITIATIVE.**

- WHEREAS,** the City Council in Resolution 23-56, as amended on the record, passed on December 14, 2023, a copy of which is attached hereto as Exhibit "A" and incorporated by reference herein, directed the City Manager, *inter alia*, on behalf of the City of Kotzebue to participate in the AHFC Last Frontier Housing Initiative;
- WHEREAS,** the City Administration have worked diligently with AHFC and potential local and regional government partners over the last five months to effectuate this AHFC Last Frontier Housing Initiative for the City of Kotzebue,
- WHEREAS,** AHFC has presented a draft grant agreement with attachments and exhibits as set forth in Exhibit "B" attached hereto and incorporated by reference herein;
- WHEREAS,** AHFC has informed the City of Kotzebue that there is "*a fair amount of flexibility on the structure of [the grant] agreement [and] [i]f anything seems like a problem for the City, [AHFC] can probably adjust to make it work for [the City]*"; and,
- WHEREAS,** the City of Kotzebue desires to make its best, good faith effort to make this Initiative work for residents of Kotzebue.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Kotzebue, authorizes the City Manager, or her Designee, to work with the City Attorney and Senior Administrative Staff to negotiate, finalize and execute a Grant Agreement with AHFC on such terms and conditions as are acceptable to AHFC and beneficial, appropriate and attainable for the City of Kotzebue.

PASSED AND APPROVED by a duly constituted quorum of the City Council of the City of Kotzebue, Alaska, this 24th day of May, 2024.

CITY OF KOTZEBUE

Saima Chase, Mayor

[SEAL]

ATTEST:

Rosie Hensley, City Clerk

Attachment:

Exhibit "A" -- Resolution 23-56 [9 pages]

Exhibit "B" -- AHFC draft Grant Agreement w/ attachments and exhibits [26 pages]



**CITY OF KOTZEBUE
RESOLUTION NO. 23-56
[AS AMENDED ON THE RECORD]**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE DIRECTING THE CITY MANAGER OR HER DESIGNEE TO PARTICIPATE IN THE ALASKA HOUSING FINANCE CORPORATION'S ("AHFC") LAST FRONTIERS HOUSING INITIATIVE AND AUTHORIZING THE CITY MANAGER OR HER DESIGNEE TO WORK WITH AHFC AND OTHER KOTZEBUE PARTNERS TO INVEST FIVE MILLION DOLLARS (\$5,000,000) TO SPUR NEW HOUSING IN KOTZEBUE.

WHEREAS, AHFC has proposed new housing development funds to local governments in Bethel, Kotzebue and Nome as set forth in Exhibit "A" attached hereto with AHFC's Planning & Program Development Department leading this effort and offering technical assistance to support this project;

WHEREAS, the funding for this Initiative comes from \$3,000,000 in State of Alaska General Funds through the Rural Professional Housing Program which must support the construction of no fewer than six housing units for state professionals and \$2,000,000 in federal funding expiring September 1, 2025 which must be used to construct three new units for families meeting the federal definition of low income;

WHEREAS, the City of Kotzebue will submit as required a signed, non-binding letter of intent to participate in this housing initiative with key contacts identified as set forth in Exhibit "B" attached hereto;

WHEREAS, since the AHFC Last Frontiers Housing Initiative requires a 15% community match to be spent over an aggressive timeline to spur new housing construction in the targeted communities and must be designed, developed and owned by the local government or its designee, this AHFC Initiative should involve other partners in Kotzebue; and,

WHEREAS, communities receiving these Last Frontiers Housing Initiative funds are encouraged to leverage these monies with local, philanthropic or other funds to the greatest maximum extent possible.

Resolution 23-56 [As Amended on the Record]
December 14, 2023 RCCM
AHFC Last Frontiers Housing Initiative
Page 2 of 2

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Kotzebue directs the City Manager or her designee to proceed as set forth herein regarding the AHFC Last Frontiers Housing Initiative.

PASSED AND APPROVED by a duly constituted quorum of the City Council of the City of Kotzebue, Alaska, this 14th day of December, 2023.

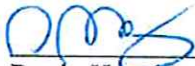
CITY OF KOTZEBUE



~~Saima Chase, Mayor~~

Derek Haviland-Lie Vice Mayor

ATTEST:



Rosie Hensley, City Clerk



Attachment: Exhibit "A" – AHFC Last Frontiers Housing Initiative [6 pages]
 Exhibit "B" – Mayor's letter to AHFC [1 page]

**INVESTING IN IN WESTERN ALASKA
FILLING CRITICAL STATE POSITIONS, BUILDING STRONGER COMMUNITIES**

New housing development funds to local governments in Bethel, Kotzebue and Nome

Commissioners from the State of Alaska identified hard-to-fill, critical positions in communities across the state. Western Alaska was identified as a region most in need and likely to benefit from state workers in hub communities.

With a minimum 15% match, AHFC is prepared to respond to this need with a capital investment up to \$5 million to be spent over an aggressive timeline to spur new housing construction in targeted communities. The housing project will be designed, developed and owned by the local government (or its designee).



15% community match

Funding comes from a combination of state and federal sources and targets two objectives: \$3 million in state General Funds made available through the Rural Professional Housing program to support construction of no fewer than six housing units for state professionals. \$2 million in expiring federal funds is targeted to support the affordable housing needs of each community by constructing three new units for families meeting the federal definition of low income.

\$5 million in AHFC grants



At least 9 new housing units

Communities are encouraged to leverage AHFC's contribution with local, philanthropic or other funds to the greatest maximum extent.

New construction must meet AHFC's minimum criteria for financing, including energy efficiency standards of 5-star-plus or greater.

TIMELINE:

- Week of Dec. 4, 2023: Stakeholder meetings
- 30-days from today: AHFC receives signed, non-binding letter of intent from local government to participate in this housing initiative with key contacts identified

Funds rejected by communities not interested/unable to participate will be re-allocated to communities able to advance these development resources.

- Jan. 1, 2024: AHFC publicly announces local government participation in this Last Frontiers Housing Initiative
- March 1, 2024: Local Government Team Identified; Materials Ordered
- September 1, 2025: Deadline for expenditure of use-it or lose-it federal funds

RESOURCES:

AHFC's Planning & Program Development Department is leading this effort and positioned to offer technical assistance to support an enhanced development project.

CONTACT: Daniel Delfino, Planning Director, ddelfino@ahfc.us

Rural Professional Housing
Last Frontier Initiative
Allocation Plan

Overview: Last Frontier Housing Initiative

The allocation plan summarizes and includes the following:

- Needs assessment: Public Safety and Commissioner survey
- Past allocations and gaps in housing coverage
- Allocation plan assumptions and implied investment limits

New Housing Developments in Focus Areas *

Community	Rural Professional Program	Affordable Housing Programs
Bethel	2015	2022
Kotzebue	2023, 2004	2001
Nome	2020, 2008	2022, 2008
Sitka **	N/A	2007
Ketchikan **	N/A	2022, 2009

Historically, these five communities have experienced challenges in utilizing development resources that serve “small communities” or urban hubs.

*Notes the two most recent award cycles where AHFC funded new housing builds in the respective communities.

**Sitka and Ketchikan are the only two communities not connected by road to Anchorage with populations above the 6,500 threshold for “small communities.”

Allocation Plan: Summary

Allocate available funding through three channels:

- 1) Increase the funds available for the current Rural Professional Housing round to facilitate seven (7) statewide developments.

Awarded funding (11/21) to build / renovate 17 rural professional housing units in: Hoonah, Napakiak, Talkleetna, Thorne Bay, Togiak, Venetie, and Yakutat.

- 2) Announce targeted rural professional and affordable housing funds to governments in Bethel, Nome and Kotzebue.
- 3) Announce targeted affordable housing funds to governments in Ketchikan and Sitka.

Last Frontier Housing Initiative: West

Allocation Terms for \$5.0M (each) to Bethel, Kotzebue and Nome with local government* commitment for the following:

- Identifying / securing land
- Assembling / selecting development team (builder / architect)
- Identifying / recruiting property manager
- Securing at least 15% match to project cost
- Scope approval & vehicle to backstop cost overruns
- Delivering minimum of 6 new professional housing units and 3 new affordable housing units.

Regardless of the construction completion, all ERA funding must be paid out prior to 9/30/2025 to satisfy the Treasury program rules.

*Dedicated Alaska Housing staff will be available to provide technical assistance and support through the development process.



P.O. Box 46
Kotzebue, Alaska 99752

City Hall
(907) 442-3401

Police Dept.
(907) 442-3351

Fire Dept.
(907) 442-3404

Public Works
(907) 442-3401

December 11, 2023

Alaska Housing Finance Corporation
Daniel Delfino, Planning Director

Re: Rural Alaska Housing Grant

Dear Alaska Housing Finance Corporation,

I am writing on behalf of the City of Kotzebue's interest in the Rural Professional Housing- Last Frontier Initiative. We are grateful for this opportunity to provide much needed housing for our community as the need for more professional and low-income housing is a top priority.

As part of our strategy to maximize the impact of this grant, we are actively seeking collaboration with local partners. Currently, the Northwest Arctic Borough is working in conjunction with us, and we are reaching out to other groups as partners for these projects. By fostering strong partnerships, we aim to create a comprehensive approach that addresses various facets of housing challenges in Kotzebue. We plan to engage with local stakeholders, leverage the expertise of our partners, and ensure that the allocated funds are used efficiently to make a meaningful difference in our community.

Furthermore, we understand the importance of regular updates and reporting. The City is dedicated to transparent and effective project management. We look forward to working closely with your Planning & Program Development Department and other local entities to make a positive impact on housing in Kotzebue. Thank you for the opportunity to provide these resources to our community.

Sincerely,

Teressa "Tessa" Baldwin
City Manager
City of Kotzebue


Last Frontier Housing Initiative Draft Grant

Andy Petroni <apetroni@ahfc.us>

Thu 4/11/2024 5:10 PM

To:'TBaldwin@Kotzebue.org' <TBaldwin@Kotzebue.org>

Cc:Saima Chase <saimajohnson@gmail.com>;Joe Evans <Joe@jwevanslaw.com>;Daniel Delfino <ddelfino@ahfc.us>

 9 attachments (853 KB)

ATTACHMENT A Standard Provisions 012022.pdf; Attachment B reporting and provisions updated.docx; ATTACHMENT C Financial Provisions (Rev 1.22).docx; E2PstDevProv(Ver.1).doc; E3AffMrktPln(Ver.1).docx; E5Protects(Ver.1).doc; 1. Grant Agreement Draft.doc; E1PrptyLaws(Ver.1).doc; 1. Grant Agreement Draft.doc;

Hi Tessa,

The Draft grant agreement, attachments, and exhibits are attached. Many of the grant reporting and compliance requirements depend on the federal program choice selection for the low-income housing. Once that choice is made, we can remove any unnecessary provisions.

We have a fair amount of flexibility on the structure of this agreement. If anything seems like a problem for the City, we can probably adjust to make it work for you.

Please let me know if you have any questions.

v/r



Andy Petroni

Manager, Housing Development, Planning
4300 Boniface Parkway | Anchorage, Alaska 99504
Direct: 907-330-8275 | Fax: 907-338-2585 | ahfc.us

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GRANT AGREEMENT

State of Alaska

Alaska Housing Finance Corporation

Program: Last Frontier Housing Initiative (LFH)	Grant Agreement Number: LFH-24-KOZ-1	Project : LFH City of Kotzebue; Kotzebue, Alaska
Funding Sources: See detail in grant budget		Activity: Last Frontier Housing Initiative
GRANTEE DATA		AHFC DEPARTMENT DATA
<u>Address:</u> City of Kotzebue 100 Lincoln St. Sitka, AK 99835		<u>Address:</u> Alaska Housing Finance Corporation Planning and Program Development Department P.O. Box 101020 Anchorage, Alaska 99510-1020
<u>Contact Name:</u> Tessa Baldwin <u>Email Address:</u> TBaldwin@Kotzebue.org <u>Phone:</u> (907) <u>Fax:</u> (907)		<u>Program Manager:</u> [AHFC Contact] <u>Grants Administrator:</u> [AHFC Contact]
<u>Federal ID Number:</u> <u>UEI Number:</u>		<u>Program Administration:</u> Planning Department Alaska Housing Finance Corporation
<p>The Alaska Housing Finance Corporation (AHFC) and the City of Kotzebue (hereinafter referred to as the "Grantee") agree as set forth herein.</p> <p>Section I. AHFC shall provide grant funds to the Grantee in an amount not to exceed Five million dollars and zero cents (\$5,000,000.00) for the acceptable performance of the activities under the terms set forth in this Agreement. The amount of the payment is based upon project expenses incurred which are authorized under the Approved Budget by Line Item.</p> <p>Section II. The Grantee shall perform all of the work and comply with all of the terms required by this Agreement.</p> <p>Section III. The effective date of this Agreement is the date upon which it is executed by the AHFC Director of Administrative Services. The period of performance of this Agreement shall be from January 1, 2024 through December 31, 2026.</p> <p>Section IV. This Agreement consist of this page, the attached Signatory/Notary page, Approved Budget by Line Item, Statement of Special Terms and Conditions and the following attachments:</p>		
<p>ATTACHMENTS: All items as indicated on Attachment E and found in the online submission system. Any fully executed Amendments to this Agreement.</p>		
<p>ALASKA HOUSING FINANCE CORPORATION</p>		
_____ Daniel Delfino, Director Planning and Program Development		_____ Date

GRANTEE ACKNOWLEDGEMENT

IN WITNESS WHEREOF, the parties have executed this Grant Agreement on the dates set out below. This Grant Agreement takes effect on the date of its execution by AHFC.

GRANTEE AUTHORIZED SIGNATURE: _____

GRANTEE PRINTED NAME AND TITLE: Saima Chase, Mayor

FIRM NAME: City of Kotzebue

258A Third Avenue

Kotzebue, AK 99752

GRANTOR (AHFC) ACKNOWLEDGEMENT

GRANTOR AUTHORIZED SIGNATURE: _____

GRANTOR PRINTED NAME AND TITLE: Gregory Rochon, Director, Administrative Services

FIRM NAME: Alaska Housing Finance Corporation

P.O. Box 101020

Anchorage, AK 99510-1020

APPROVED BUDGET BY LINE ITEM

Cost Category	ERA2 Funding (Federal)	Rural Professional Housing Funding (State)	Other Funding	Total Project Cost
Acquisition				
Construction	\$2,000,000.00	\$3,000,000.00	\$750,000.00	\$5,750,000.00
General Requirements				
Contractor Profit / Overhead				
Soft Costs				
Developer Overhead/Fees				
Total Costs	\$2,000,000.00	\$3,000,000.00	\$750,000.00	\$5,750,000.00

Budget Funding Sources:

US DOT Emergency Rental Assistance 2 (ERA2); 5/10/2021

ERA2 – 0072

THHP – General Fund, Last Frontier Housing, SFY 2023

Request for Budget Revisions:

Any changes to the above Budget must be requested using the Budget Revision Request (BRR) form listed in Attachment E. An executed formal grant agreement will be required if there is an approved change by the Corporation in the scope of work (i.e., activities), the beginning or ending date of the period of performance is adjusted, or a new funding award will increase the grant agreement/amendment.

Audit Requirement:

Figures reflected in the Total Project Cost column of the Budget, above, may include Federal and State Funds appropriated by the State Legislature or granted directly to the agency or in-kind funds provided by the Grantee. If Grantee expended \$750,000 or more of Federal, or \$750,000 or more of State Financial Assistance in a fiscal year, Grantee shall be required to comply with the Federal and State Single Audit Act. Refer to Attachment B Article 5.c. Audit Report Requirement.

Federal and State award funds may be disbursed at different rates within the award budget. Awardees must contact AHFC at the end of their fiscal year to verify the exact split of Federal and State funds disbursed. The Awardee will need this information to comply with the Federal and State Single Audit Act.

STATEMENT OF SPECIAL TERMS AND CONDITIONS

Activity #1: Affordable Housing Units

The following scope applies to projects developed using ERA2 funding (“Federal Rent Relief Program”) in accordance with the requirements of Section 501(a) of Division N of the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260 (Dec. 27, 2020), and Section 3201(a) of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (March 11, 2021), and any regulations, guidance or other program rules issued or hereinafter issued thereunder.

1. Grantee must newly construct no fewer than three (3) rental housing units. Any units beyond the three (3) rental units funded with ERA-2 funds will not require income or rent restrictions.
2. These units may be constructed by the Grantee or through an entity (or entities) procured by the Grantee.
3. The units may be owned and / or operated by the Grantee or through an entity (or entities) procured by the Grantee.
4. ERA2 assisted units are to be rented to very low-income households. (those with income at or below 50% of the area median income adjusted for household size).
5. Rent and income restrictions will be secured by a land use restriction agreement (LURA) for no less than twenty (20) years.
6. All ERA2 funds must be expended no later than September 30, 2025.
7. A project funded, in whole or in part, with ERA2 funds must conform to and meet the program regulations and other requirements of at least one of the types of assistance listed below. The program(s) under which the ERA2 funded project will comply must be determined before any site work begins.
 - a. Low-Income Housing Tax Credit (Treasury);
 - b. HOME Investment Partnerships Program (U.S. Department of Housing and Urban Development (HUD));
 - c. HOME-ARP Program (HUD);
 - d. Housing Trust Fund Program (HUD);
 - e. Public Housing Capital Fund (HUD);
 - f. Indian Housing Block Grant Program (HUD);
 - g. Section 202 Supportive Housing for the Elderly (HUD);
 - h. Section 811 Supportive Housing for Persons with Disabilities (HUD);
 - i. Farm Labor Housing Direct Loans and Grants (U.S. Department of Agriculture (USDA));
 - j. Multifamily Preservation and Revitalization Program (USDA).
8. The ERA2 subsidy limit is \$666,667 per unit.
9. Grantee may sub-grant this award to a development team.
10. Project Timeline (estimated):

[TBD]:	Execute Grant Agreement
[TBD]:	Issue RFP

[TBD]: Close RFP
 [TBD]: Issue Notice to Proceed with contract
 [TBD]: Final completion deadline
 9/30/2025: 100% of grant funds expended
 12/31/2025: Grant closeout

Activity #2: State Employee Housing Units

The following scope applies to projects developed using Rural Professional Housing funding in accordance with the requirements of 15 AAC 154.700 and any regulations, guidance or other program rules issued or hereinafter issued thereunder.

1. Grantee must newly construct no fewer than six (6) rental housing units for State of Alaska Employees. Any units beyond the six (6) rental units funded with RPH funds will not require occupancy restrictions.
2. The State of Alaska will identify professionals to be housed. If no State workers are available for occupancy after an agreed upon notice period, local government professionals may occupy the units.
3. These units may be constructed by the Grantee or through an entity (or entities) procured by the Grantee.
4. The units may be owned and / or operated by the Grantee or through an entity (or entities) procured by the Grantee.
5. Occupancy restrictions will be secured by a land use restriction agreement (LURA) for no less than ten (10) years.
6. Grantee may sub-grant this award to a development team.
7. Project Timeline (estimated):

[TBD]: Execute Grant Agreement
 [TBD]: Issue RFP
 [TBD]: Close RFP
 [TBD]: Issue Notice to Proceed with contract
 [TBD]: Final completion deadline
 [TBD]: Grant closeout

ATTACHMENT E

FORMS, REPORTS, REGULATIONS AND EXHIBITS

Applicability ERA, RPH, or Both	Please return this document to AHFC with the signed/initialed Award Agreement, Budget, and Exhibits (if any).
	Checklists

	Download and retain for use.
Both	<u>Pre-Disbursement-Pre-Execution Checklist</u> <i>Pre-Disbursement Checklist (GOAL Ver.1)</i>
Both	<u>Project Close-Out Checklists</u> <i>Form #: Close-Checklist(Ver.5)</i>
	Deed Restrictions
Both	<u>Declaration of Conditions, Covenants, and Restrictions</u> <i>Form #:</i>
Both	<u>Deed of Trust, and Deed of Trust Note</u> <i>Form #:</i>
	LFHI Project Reporting
Both	<u>Project Reporting Workbook</u> <i>Form #: QRprt(Ver.1)</i>
ERA	<u>Sect 3 and MBE-WBE Reporting Forms</u> <i>Form #: REVISED 10-27-2021</i>
	Exhibits
Both	<u>Exhibit 1 Property Standards and Federal Laws</u> <i>Form #: E1PropStndrds-Laws(GOLVer1)</i>
ERA	<u>Exhibit 2 HOME Post-Development Provisions</u> <i>Form #: E2PstDevProv(GOLVer1)</i>
ERA	<u>Exhibit 3 Affirmative Marketing Plan</u> <i>Form #: E3AffMrktPln(GOLVer1)</i>
ERA	<u>Exhibit 5 Tenant and Participant Protections</u> <i>Form #: E5Protects(GOLVer1)</i>
	Financial Forms
Both	<u>AHFC Cost Allocation Plan</u> <i>Form #: CostAllocPln(Ver3)</i>
Both	<u>Authorized Signatories Form</u> <i>Form #: SignAuth(S-PVer.2)</i>
Both	<u>Budget Request Revision Form</u> <i>Form #: BudgRevisReq(Ver.1)</i>
Both	<u>Funds Disbursement Request</u>
Both	<u>Quarterly Financial Report</u>
	General Regulations
Both	<u>15 AAC 154.010 - 15 AAC 154.090 Grant Programs</u> <i>(Rev. 6/18/08)</i>
Both	<u>Article 7. Grant Management: 15 AAC 154.700 – 15 AAC 154.835</u> <i>(Rev. 6/18/08)</i>
Both	<u>Chapter 36.25 Contractors' Bonds</u> <i>(Rev. 1/11/11)</i>
Both	<u>Chapter 45. Grant Administration: Audit Requirements: 2AAC 45.010</u> <i>(Rev. 1/11/11)</i>
	Grant Attachments
Both	A. <u>Standard Provisions</u> <i>Form #: Attachment A Awards – Planning 01-2022</i>
Both	B. <u>Reporting and General Provisions</u> <i>Form #: Attachment B Reporting</i>
Both	C. <u>Financial Provisions</u> <i>Form #: Attachment C Financial Provisions (rev 01-2022)</i>
	LFHI Program Forms and Reference Materials
Both	<u>Purchasing Checklist</u> <i>Form #: PurchCheck(Ver.1)</i>
Both	<u>Summary of Building Inspections Requirements</u> <i>Form #: BldgInsp(Ver.1)</i>
Both	<u>Project Cost Certification Requirements</u> <i>Form #: CostCert(Ver.1)</i>
Both	<u>Sample Management Plan Guidelines</u> <i>Form #: MgmtPlan(Ver.1)</i>

ATTACHMENT E

CERTIFICATION OF UNDERSTANDING AND COMPLIANCE

The Grantee certifies that the person signing and submitting this Certification of Understanding and Compliance for Attachment E has the full and unencumbered authority to bind the Grantee, has read each and every provision of the Attachment, has a complete understanding of all requirements of the Attachment and the provisions of any Agreement that may be formed as a result of the Attachment.

AUTHORIZED SIGNATURE: _____

NAME AND TITLE: _____

DATE: _____

ATTACHMENT A Standard Provisions

ARTICLE 1. GRANT MANAGEMENT REGULATIONS

AHFC's Grant Management Regulations, 15 AAC 154.700 – 154.835, as amended from time to time, are incorporated by reference, and made part of this grant agreement. These regulations provide rules for the administration and management of all AHFC grants.

ARTICLE 2. GOVERNING LAW

This Grant Agreement is made and entered into in the State of Alaska and shall be governed by the laws of the State of Alaska and any Federal laws and regulations pertaining to this grant program. Any action relating to this Agreement shall be brought in the courts of the State of Alaska, Third Judicial District, at Anchorage, Alaska.

ARTICLE 3. SEVERABILITY

If any provision under this Grant Agreement or its application to any person or circumstance is held invalid by any court of rightful jurisdiction, this invalidity does not affect other provisions of the Agreement which can be given effect without the invalid provision.

ARTICLE 4. AMENDMENTS AND MODIFICATIONS

This Agreement, including all attachments and documents which by reference are incorporated herein, contains the entire Agreement between AHFC and the Grantee. Except as provided in 15 AAC 154.770, this Agreement may not be modified or amended except in writing signed by both parties and any purported amendment or modification shall be without legal effect until reduced to writing and signed by both parties.

ARTICLE 5. INDEMNIFICATION

The Grantee shall indemnify, hold harmless and defend AHFC and the State of Alaska, their officers, agents, and employees from all liability, including costs and expenses, for all actions or claims resulting from injuries or damages sustained by any person or property arising directly or indirectly as a result of any error, omission, or negligent act of the Grantee, its contractors, or anyone directly or indirectly employed by Grantee in the performance of this Agreement.

All actions or claims, including costs and expenses, resulting from injuries or damage sustained by any person or property arising directly or indirectly from Grantee's performance under this Agreement which is caused by the joint negligence of AHFC, or the State, and the Grantee shall be apportioned on a comparative-fault basis. Any such joint negligence on the part of AHFC or the State must be a direct result of active involvement by AHFC or the State.

ARTICLE 6. WAIVER

No provision of this Grant Agreement may be waived unless agreed to in advance by AHFC in writing. AHFC's failure to insist upon strict performance of any provision of the Grant Agreement or to exercise any right based upon a breach thereof, or the acceptance of any performance during such a breach, shall not constitute a waiver of any right under this Grant Agreement.

ATTACHMENT A Standard Provisions

ARTICLE 7. INSURANCE

The apparently successful Grantee must provide the required insurance certificates as described below within ten (10) working days of Notice of Intent to Award. AHFC will not sign a grant agreement or contract, issue a notice to proceed, or make any payment absent the required insurance certificates.

Without limiting Grantee's indemnification, it is agreed that Grantee will purchase at its own expense and maintain in force at all times during the performance of services under this Grant, the following policies of insurance.

AHFC Risk Management reserves the right, but not the obligation, to review and revise any of the following insurance requirements, based on insurance market conditions which may affect the availability or affordability of coverage; or based on changes in the scope of work or specifications that apply to this Grant. In addition, AHFC Risk Management reserves the right, but not the obligation, to review and reject any insurance policies failing to either meet the necessary criteria or that have been provided by an insurer in poor financial condition or legal status.

The requirements contained herein, as well as AHFC Risk Management review or acceptance of insurance maintained by Grantee is not intended to, and shall not in any manner, limit or qualify the liabilities or obligations assumed by Grantee under this Grant.

Insurance policies required to be maintained by Grantee will name AHFC as additional insured for all coverage where applicable.

Grantee and its subcontractors/subgrantees agree to obtain a waiver, where applicable, of all subrogation rights against AHFC, its officers, officials, employees and volunteers for losses arising from work performed by the Grantee and its subcontractors/subgrantees for AHFC. However, this waiver shall be inoperative if its effect is to invalidate in any way the insurance coverage of either party.

Where specific limits are shown, it is understood that they will be the minimum acceptable limits. If the Grantee's policy contains higher limits, AHFC will be entitled to coverage to the extent of such higher limits. The coverages and/or limits required are intended to protect the primary interests of AHFC, and the Grantee agrees that in no way will the required coverages and/or limits be relied upon as a reflection of the appropriate types and limits of coverage to protect Grantee against any loss exposure whether a result of this Grant or otherwise.

Grantee is to provide AHFC notice of cancellation or non-renewal of any insurance policy required under this grant. Grantee's insurance agent/broker shall provide certificate holder notice of cancellation/non-renewal in accordance with the laws of the State of Alaska.

Failure to furnish satisfactory evidence of insurance or lapse of any required insurance policy is a material breach and grounds for termination of the Grant.

ATTACHMENT A Standard Provisions

- A. **Workers' Compensation Insurance:** The Grantee will provide and maintain, for all employees of the Grantee engaged in work under the Grant, Workers' Compensation Insurance as required by AS 23.30.045. The Grantee shall be responsible for ensuring that any subcontractor/subgrantee that directly or indirectly provides services under this Grant has Workers' Compensation Insurance for its employees. This coverage must include statutory coverage for all States in which employees are engaging in work and employer's liability protection for not less than \$100,000 per occurrence. Where applicable, coverage for all federal acts (i.e., USL & H and Jones Acts) must also be included.
- B. **Commercial General Liability Insurance:** The Grantee will provide and maintain Commercial General Liability Insurance with not less than \$1,000,000 per occurrence limit, and will include premises-operation, products/completed operation, broad form property damage, blanket contractual and personal injury coverage. Coverage shall not contain any endorsement(s) excluding or limiting contractual liability nor providing for cross liability.
- C. **Automobile Liability Insurance:** The Grantee will provide and maintain Automobile Liability Insurance covering all owned, hired and non-owned vehicles with coverage limits not less than \$1,000,000 per occurrence bodily injury and property damages. In the event Grantee does not own automobiles, Grantee agrees to maintain coverage for hired and non-owned liability which may be satisfied by endorsement to the CGL policy or by separate Business Auto Liability policy.
- D. **Umbrella or Excess Liability:** Grantee may satisfy the minimum liability limits required above for CGL and Business Auto under an umbrella or excess Liability policy. There is no minimum per occurrence limit under the umbrella or excess policy; however the annual aggregate limit shall not be less than the highest per occurrence limit stated above. Grantee agrees to endorse AHFC as an additional insured on the umbrella or excess policy unless the certificate of insurance states that the umbrella or excess policy provides coverage on a pure "true follow form" basis above the CGL and Business Auto policy.
- E. **Professional Liability Insurance:** The Grantee will provide and maintain Professional Liability Insurance covering all errors, omissions or negligent acts of the Grantee, its subcontractors/sub grantees, or anyone directly or indirectly employed by them, made in the performance of this Grant which results in financial loss to the State. Limits required are not less than \$1,000,000 per each wrongful act.
- F. **Contractors' Pollution Liability (or equivalent) Insurance:** The Grantee will provide and maintain Contractors' Pollution Liability Insurance covering all (sudden/accidental or gradual) pollution conditions arising from contracting operations performed by or on behalf of the Grantee, its contractors, or anyone directly or indirectly employed by them, made in the performance of this Agreement. Limits required are not less than \$1,000,000 per each pollution condition.
- G. **Certificates of Insurance:** Grantee agrees to provide AHFC with certificates of insurance evidencing that all coverages, limits and endorsements as described above are in full force and effect and will remain in full force and effect as required by this Grant. Certificates shall include a minimum thirty (30) day notice to AHFC of cancellation or non-renewal. The Certificate Holder address shall read:

ATTACHMENT A Standard Provisions

Alaska Housing Finance Corporation
Risk Management Department
4300 Boniface Parkway
Anchorage, Alaska 99504
Fax (907) 338-9517
risk@ahfc.us

H. Information for Insurance Agents/Brokers. The Grantee is strongly encouraged to provide its insurance agent/broker with a copy of the insurance provisions of this Grant in order that the Grantee may timely obtain and maintain the required insurance and/or bonding.

ARTICLE 8. OWNERSHIP OF MATERIALS

All designs, drawings, specification, notes, artwork, manuals, software, copyrightable works, patentable works, and all other works developed in the performance of this Agreement are produced for and remain the property of AHFC and may be used by AHFC for any other purpose without additional compensation to the Grantee. All designs, drawings, specification, notes, artwork, manuals, software, copyrightable works, patentable works, and all other works developed by Grantee prior to the performance of this Agreement shall remain the property of Grantee. The Grantee and AHFC shall retain the right to use any and all materials produced or developed under this Agreement for the purposes of internal research and development and/or education. Grantee agrees not to assert any rights and not to establish any claim under the design, patent, trademark, or copyright laws of the United States of America or the State of Alaska for works developed in the performance of this Agreement. The Grantee, for a period of three (3) years after the final payment under this Agreement, agrees to furnish and provide access to all retained materials at the request of AHFC.

ARTICLE 9. EXAMINATION OF RECORDS

Grantee shall permit any person designated by AHFC, at any reasonable time during regular business hours, and upon twenty four (24) hours' notice, to examine and make audits of any and all of the records related to this Agreement.

ATTACHMENT B

REPORTING AND GENERAL PROVISIONS

ARTICLE 1. REPORT REQUIREMENTS

The Grantee shall establish and maintain a separate record of all financial transactions associated with AHFC grant activities. In addition to any reports and data required under other parts of this Grant Agreement, the Grantee shall submit the following reports described below to AHFC. In addition to instructions contained in the body of this Grant Agreement, Grantee must follow instructions on the pertinent forms.

- A. Quarterly Report of Grant Progress.** Progress reports are required to be submitted to AHFC based on calendar quarters. Beginning with the first calendar quarter that ends during the performance period of the grant and after the notice to proceed, quarterly reports are due by the last day of the month following the end of each calendar quarter. If the grant performance period commences mid quarter, Grantee is required to report the partial quarter at quarter end as described above, unless directed otherwise in writing by AHFC. When the due date for reports falls on a weekend or federal or state holiday, reports are due on the next business day immediately following the non- working day.

Quarterly reports must be submitted **using the forms provided under Attachment E to this Grant Agreement** and contain the following:

- (i) The disposition of the subject grant funds by budget category (Quarterly Financial Report form, attached);
 - (ii) Total interest earned, if any, on the subject grant funds provided during the reporting period (Quarterly Financial Report form, attached);
- B. Final Grant Reports.** Within ninety (90) days of project completion or the end of the grant performance period, whichever occurs first, the Grantee shall provide to AHFC a final report containing:
- (i) A report of all expenditures, costs and disposition of all grant funds (Quarterly Financial Report form marked as "Final," attached);
 - (ii) A statement of all interest earned on grant funds received (Quarterly Financial Report form marked as "Final," attached);
 - (iii) Unless otherwise specified in the Statement of Special Terms and Conditions, information provided on the last Quarterly Narrative Report will be considered a final report of all grant-funded activities and program accomplishments; and,
 - (iv) The signature of the Grantee's Executive Director or designated representative certifying that Grant funds provided by AHFC were used in accordance with the Grant Agreement and that the information provided in the Final Grant Report is a true and accurate statement of Total Project Costs and expenditures of grant funds. Use the narrative report form listed on Attachment E marked as "Final."

The last Quarterly Financial Report may also satisfy the final report requirements, provided it is marked as "Final" and completed with all final project information. The deadline for submittal of the last Quarterly Financial Report remains the last day of the month following the end of the quarter regardless of whether it is submitted as the final report. If the last quarterly and final reports are submitted separately, the submittal deadline for the last quarterly report shall remain the last day of the month following the end of the quarter and the final report form will be due within 90 days after project completion or the end of the performance period, whichever occurs first.

ARTICLE 2. PENALTIES FOR FAILURE TO SUBMIT TIMELY REPORTS

Failure to submit two (2) or more quarterly reports according to Article 1, above, will constitute a performance finding that may result in suspension or termination of the grant or point deductions in future grant competitions.

ARTICLE 3. OPERATION, MAINTENANCE AND SECURITY OF PROJECT

The Grantee acknowledges that this award is a contribution to the Grantee's project and that AHFC is not responsible for the operation, maintenance and/or security of this grant site during or after project completion.

ARTICLE 4. ENERGY STAR PROGRAM PARTICIPATION

Should the replacement of appliances or equipment be necessary during the program period, the Grantee agrees to acquire products that meet Energy Star standards to the greatest extent practicable. The Grantee will report those acquisitions in the AHFC narrative report form, regardless of the funding source used to acquire those products.

ARTICLE 5. AUDIT REPORT REQUIREMENT

If Grantee expends financial assistance with a cumulative total of \$750,000 or more of State funds during Grantee's fiscal year, Grantee is required to comply with the State Single Audit Act. The latest version of 2 AAC 45.010 is located at the following link:

<http://www.legis.state.ak.us/basis/aac.asp#2.45>. For your reference, the State of Alaska's Single Audit webpage with additional resources including the State Single Audit Guide is located at the following link: <http://doa.alaska.gov/dof/ssa/index.html>.

If Grantee expends financial assistance with a cumulative total of \$750,000 or more of Federal funds during Grantee's fiscal year, Grantee is required to comply with the Federal Single Audit Act. (OMB 2 CFR 200.501)

Grantee shall provide AHFC with a copy of any audit report conducted of Grantee's expenditure of funds provided under this Grant Agreement by the earlier of (A) thirty (30) days after receipt of the report or (B) nine (9) months after the end of the audit period.

The Grantee shall also provide AHFC with a copy of any audit report conducted of Grantee's expenditure of grant funds from other sources.

ARTICLE 6. COMPLIANCE WITH FUNDING SOURCE AND PROGRAM REQUIREMENTS

As a recipient of this grant, Grantee agrees to comply with all terms, conditions, and requirements of the funding source(s) and program(s) under which it is funded as reflected on the Cover Page of this Grant Agreement.

ARTICLE 7. COMPLIANCE WITH FAIR HOUSING LAWS

The Grantee agrees to comply with The Fair Housing Amendments Act of 1988, as applicable to emergency shelters and/or transitional housing programs.

ARTICLE 8. COST ALLOCATION PLAN / INDIRECT COSTS

A cost allocation plan or an indirect cost rate must be submitted to AHFC for written approval prior to any payments to the Grantee, in accordance with the Grants Management Regulations 15 AAC 154.776 Cost Allocation and with the OMB Uniform Administrative Guidance 2 CFR 200.414 Indirect Costs. The Federal indirect cost options include a cost allocation plan, a de minimis indirect rate, and a negotiated indirect rate.

ATTACHMENT C FINANCIAL PROVISIONS

ARTICLE 1. TASKS REQUIRED PRIOR TO EXECUTION BY AHFC

Execution of this Grant Agreement by AHFC will not occur until Grantee has accomplished all applicable insurance and bonding requirements indicated in Attachment A, Standard Provisions.

ARTICLE 2. TASKS REQUIRED PRIOR TO INITIAL DISBURSEMENT

- A. Submittal of a completed Authorized Signatories Form as provided in Attachment E;
- B. Submittal of a Cost Allocation Plan or an Indirect Rate (de minimis indirect rate or a negotiated indirect rate) in according to instructions on the form provided in Attachment E (15 AAC 154.776 and 2 CFR 200.414); and
- C. Submittal of all documents necessary to close out any preceding grant agreement for this project funded under the program indicated on the Cover Page to this Grant Agreement.

ARTICLE 3. FUNDING SOURCE RESTRICTION

Funds provided to the Grantee by AHFC under this Grant Agreement may only be used for eligible activities as identified in the Approved Budget and Statement of Special Terms and Conditions or as approved **in writing** by AHFC.

ARTICLE 4. PAYMENTS

Grant funds shall be released to the Grantee on a cost reimbursable basis. Payment requests should be sent to the attention of the AHFC contact person identified in the Grant Agreement, using the Funds Disbursement Request Form provided by AHFC. The Grantee should allow at least 30 days to receive the requested payment. In no case shall the total amount of payments exceed the total amount of this Grant Agreement. Under no circumstances shall AHFC release funds to the Grantee unless this Grant Agreement is fully executed and all required progress reports are current.

ARTICLE 5. SEPARATE ACCOUNTING RECORDS

The Grantee shall maintain a separate general ledger for all AHFC grant funds received and expended on this project. Grantee shall maintain financial records and accounts in a manner that permits them to be audited in accordance with 15 AAC 154.720.

ARTICLE 6. GRANT INCOME

Any revenues, cost reimbursements, interest income, or other form of income received from a source other than this grant and derived from the delivery of goods and/or services, within this grant's scope of services, will be considered grant income, in accordance with 15 AAC 154.795. **Program income is reported quarterly. Failure to do so could result in funds being recaptured by AHFC. Funds can be rolled over, upon written approval by AHFC – provided the funding is tracked by line**

item and earmarked for direct program costs or deferred maintenance.

ARTICLE 7. RETAINAGE

Zero percent (0%) of the total grant amount will be retained until AHFC has received and approved all documents required for grant close out as indicated in Attachment B and the Statement of Special Terms and Conditions. Grantees will have a period of ninety (90) days within which to submit close out documents. The close out period will begin when all grant activities are complete or at the end of the grant performance period, whichever occurs first.

ARTICLE 8. INTERNAL CONTROLS

Grantee must establish and maintain effective internal controls that are in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States (Green Book) or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

ARTICLE 9. PROCUREMENT

A grantee shall establish written uniform purchasing practices and procedures for the procurement of goods and services. The practices and procedures must be acceptable to the Corporation. Unless other purchasing requirements are made applicable by 15 AAC 154.705, the practices and procedures shall provide that:

- (1) for purchases of non-expendable personal property with a value of \$5,000 or more or for the award of a contract of \$5,000 or more, the grantee will require three competitive price quotations from potential suppliers and complete a cost price analysis if practicable under the circumstances;
- (2) awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to the grantee, price, quality and other relevant factors considered;
- (3) the grantee will retain written records of price quotations and cost price analysis in accordance with 15 AAC 154.730 and will include in the written records:
 - (A) specifications;
 - (B) suppliers' names and addresses and a statement of the reason for soliciting less than three quotations if applicable;
 - (C) the prices quoted; and
 - (D) the basis for the award if other than price; and
- (4) the grantee will retain written justification and executive management approval for sole source purchases from supplier or contractor with a value of \$5,000 or more.

ARTICLE 10. COST PRINCIPLES COMPENSATION

Wages and Fringe Benefits must be in compliance with Alaska Labor Statutes (Title 23 and related), Alaska Family Leave Act (AFLA), The Alaska Administrative Code and related labor regulations pertaining to Employment Practices and Working Conditions as required by the Alaska Department of Labor and Workforce Development.

EXHIBIT 1: Property Standards and Federal Laws Last Frontier Housing Initiative

PROPERTY STANDARDS: The project must meet the following property standards:

1. National Standards for the Physical Inspection of Real Estate (NSPIRE) established at 24 CFR 5.701. (Federal Programs only)
2. All applicable local building codes, the State's Building Standard (AS.56.300) as implemented by 15 AAC 150.030 and Building Energy Efficiency Standard (BEES) (AS 46.11.040) as implemented by 15 AAC 155.010.
3. All applicable local codes, rehabilitation standards, ordinances, and zoning ordinances.
4. Accessibility requirements at 24 CFR part 8 which implements Section 504 of the Rehabilitation Act of 1973 (29 USC 794) and covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 USC 3601-3619).

APPLICABLE FEDERAL LAWS

1. **Fair Housing Act** (42 U.S.C. 3601-20) and implementing regulations 24 CFR part 100.
2. **Title VI of the Civil Rights Act of 1964** (42 U.S.C. 2000d) (Nondiscrimination in Federally Assisted Programs) and implementing regulations issued at 24 CFR part 1; Executive Order 11246 (3 CFR 1964-65, Comp., page 339)(Equal Employment Opportunity), as amended by Executive Orders 11375 and 12086, and the implementing regulations issued at 41 CFR chapter 60.
3. **Age Discrimination Act of 1975** (42 U.S.C. 6101-07) and implementing regulations at 24 CFR part 146.
4. **HOME Investment Partnerships Program Final Rule** (24 CFR part 92) and any subsequent amendments thereto.
5. **Executive Order 11063, as amended by Executive Order 12259** (3 CFR, 1958-1963 Comp., page 652 and 3 CFR, 1980 Comp., page 307) (Equal Opportunity in Housing), and implementing regulations at 24 CFR part 107.
6. **Section 504 of the Rehabilitation Act of 1973** (29 U.S.C. 794), as amended, and with implementing regulations at 24 CFR part 8.
7. **Section 3 of the Housing and Urban Development Act of 1968** (12 U.S.C. 1701u).
8. **Executive Orders 11625 and 12432** (concerning Minority Business Enterprise), and **12138** (concerning Women Business Enterprise).
9. **Drug Free Workplace Act of 1988** (41 U.S.C. 701).
10. **The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970**, as amended, and implementing regulations at 49 CFR Part 24; HOME policies for relocation assistance

(24 CFR part 92.353). SRO projects: 24 CFR 882.803(d).

11. **Davis-Bacon Act (40 U.S.C. 276a - 276a-5) and Contract Work Hours and Safety Standards Act (40 U.S.C. 327 -332).** Projects with 12 or more HOME-Assisted units.
12. **The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821, et seq.)** and the implementing regulations at 24 CFR part 35.
13. **Uniform Administrative Requirements (24 CFR 92.205):** Non-profit organizations must meet requirements of OMB Circular No. A-122 and A-110.
14. **Debarment and Suspension (24 CFR 92.357).**
15. **Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128).**
16. **Environmental Review (25 CFR Part 58).** The Recipient will not enter into a contract for, or otherwise commit HOME funds for, acquisition, rehabilitation, conversion, lease, repair, or construction of property to provide housing under this Agreement, prior to AHFC's completion of an environmental review in accordance with 25 CFR Part 58.
17. **Site and Neighborhood Standards.** Housing opportunities provided as a result, in whole, or in part, of the HOME assistance provided through this Agreement must promote "greater choice" housing opportunities. HOME funds may not be used to construct or rehabilitate housing which would promote an undue concentration of poverty in any given area.
18. **National Housing Trust Fund (24 CFR part 93)** and any subsequent amendments thereto. (if applicable)

**EXHIBIT 2: Post-Development and Affordability Provisions
Last Frontier Housing Initiative**

1. **Period of Occupancy:** Provisions in this Exhibit shall be maintained for a minimum of twenty (20) years.

2. **Repair and Replacement Fund (RRF):** The RRF must be established and maintained as part of the Grantee's ongoing project operations. The RRF must be funded on a routine basis from project cash flow, and deposits must be placed in a specific general ledger account identified as such. The RRF must be used for the repair and replacement of the project's major structural components. Unless otherwise approved by AHFC in writing, the sum of routine periodic RRF deposits must equal a minimum of \$400 per unit annually or the amount specified in writing by the project's primary lender. The RRF will be capped at an amount equal to five years of RRF payments. If the RRF balance reaches or exceeds the equivalent of five annual payments additional payments will not be required until such time that the balance decreases below that amount.

3. **Operating Reserve Fund (ORF):** In accordance with 24 CFR Part 92 operating reserves may be used to meet any shortfall in income during the period of project rent-up (not to exceed 18 months) and may only be used to pay project operating expenses, scheduled payments to replacement reserve, and debt service. Any HOME funds placed in an operating deficit reserve that remain unexpended after the period of project rent-up may be retained in the reserve fund to be used for activities in accordance with 24 CFR Part 92. The Grantee must retain a separate account for this fund. There is not a minimum or maximum balance that must be kept in this fund; however, the maximum amount of HOME funds that can be placed in an operating reserve fund are determined by the following formula:

Number of HOME Units (Federal Set-aside) x Current HOME Program Rents x 18 months =
Maximum Operating Reserve

4. **Unit Set-Asides:**

A. **Set-Aside Definitions:**

30% Units: Occupancy is restricted to households whose annual income does not exceed 30% of the area median income, as determined by HUD annually, adjusted for family size. Rents + utilities in these units are restricted to 30% of the gross income of a family whose income equals the 30% income limit, using the average occupancy per unit assumptions provided by HUD (1.5 persons per bedroom; 1 person per efficiency unit).

50% Units: Occupancy is restricted to households whose annual income does not exceed 50% of the area median income, as determined by HUD annually, adjusted for family size. Rents + utilities in these units are restricted to 30% of the gross income of a family whose income equals the 50% income limit, using the average occupancy per unit assumptions provided by HUD (1.5 persons per bedroom; 1 person per efficiency unit).

60% Units: Occupancy is restricted to households whose annual income does not exceed 60% of the area median income, as determined by HUD annually, adjusted for family size. Rents + utilities in these units are restricted to 30% of the gross income of a family whose income equals

the 65% income limit, using the average occupancy per unit assumptions provided by HUD, as calculated and published annually by HUD.

B. Project-Specific Income Set-Aside:

Project specific unit set-asides are detailed in the Statement of Special Terms and Conditions portion of the Grant Agreement.

5. Additional Project Use and Compliance Requirements:

- A. **Determine Tenant Eligibility:** Prior to move-in, determine eligibility of all families considered for occupancy.
- B. **Leases:** Must be in accordance with Federal, State and local law, and incorporate provisions set forth in Exhibit 5.
- C. **Property Standards:** The project must continue to meet all applicable local and State property standards. See Exhibit 1.
- D. **Management:** Project operations must comply with Equal Opportunity and Fair Housing Acts, including provisions identified in Exhibit 3 of this Attachment. Project operations must further be governed by a Management Plan consistent with the provisions identified in Exhibit 4 of the Attachment. For projects which were allocated Low Income Housing Tax Credits (LIHTC), the Property Manager must be certified through a qualified LIHTC compliance certification program.
- E. **Housing Waiting Lists:** In accordance with the application commitment, a priority to persons on waiting lists for subsidized housing will be given, and a referral relationship will be established with local affordable housing providers (not in the affirmative marketing plan).
- F. **Compliance and AHFC Monitoring:** Compliance documentation specified by AHFC must be submitted to AHFC annually. AHFC will monitor the subject project to ensure compliance with applicable program requirements, including, but not limited to, affordability compliance, property standards, and Fair Housing and Affirmative Marketing compliance.

EXHIBIT 3: Affirmative Marketing Plan Greater Opportunities for Affordable Living (GOAL)

Each Grantee receiving funding under HOME and/or NHTF is required by AHFC to detail methods of assuring that an Affirmative Fair Housing Marketing Plan will solicit eligible persons from all racial, ethnic and gender groups in the community.

I. Affirmative Marketing Plan

HUD form 935.2; Affirmative Fair Housing Marketing Plan is to be used by all housing project owners. Additional information may be included by attachment. The Grantee's Affirmative Marketing Plan must identify:

A. Affirmative marketing requirements and procedures adopted by the Grantee detailing methods for informing the public, owners, and potential home owners about Federal fair housing laws and the affirmative marketing policy. This must include at a minimum:

1. Affirmative fair housing marketing practices in soliciting home owners, determining eligibility, and concluding all transactions, including that all homes are made available to the "general public" and are not restricted to a particular class of people.
2. Identification of site(s) for fair housing posters display (at a minimum in the Grantee's office and/or application submission location).

All advertising should contain an equal housing opportunity logotype, statement, and slogan as means of educating the home seeking public that the property is available to all persons regardless of race, color, religion, sex, handicap, familial status, or national origin. It should be printed on all applicable correspondence, notices and advertising, press releases and solicitations for home owners, and written communication to fair housing and other groups. The choice of logotype, statement or slogan will depend on the type of media used. See the table below for suggested guidelines:

Size of Advertisement	Size of Logo Type in Inches
½ page or larger	2X2
1/8 page up to ½ page	1X1
4 column inches to 1/8 page	½ x ½
Less than 4 column inches	Do not use

Slogan: "Equal Housing Opportunity" (usually placed under the logo)

Logos and slogans can be downloaded at:

<http://www.hud.gov/library/bookshelf15/hudgraphics/fheologo.cfm>

Equal Housing Opportunity Statement: “We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status, or national origin.”

3. Identification of proposed types of commercial media and community contacts to be used in affirmative marketing efforts.
 4. Identification of good faith efforts to solicit eligible persons who are not likely to apply for housing assistance, through special outreach efforts, including but not limited to, community organizations, places of worship, employment centers, fair housing groups, housing counseling agencies, social service agencies, medical service centers, homeless shelters, and the use of minority specific media. Special outreach efforts should also consider language barriers when advertising the units. If there are groups in the communities who have Limited-English Proficiency (LEP), efforts should be made to inform these groups of the available housing options and housing materials and advertisements should be translated.
- B. A description of how the Grantee will annually assess the success of affirmative marketing actions (see II below) and what corrective actions will be taken where affirmative marketing requirements are not met.

II. Annual Requirements

Annually, the owner/property manager is required to:

- A. Compile and analyze data showing the race/ethnicity, gender, and household type of each applicant, and the application status, including if the applicant is currently housed, on the wait list, was offered but did not accept housing, or if the application was withdrawn or rejected.
- B. Assess the success of affirmative marketing efforts in light of the data in (II.A.) above.
- C. Identify any changes or corrective actions to be taken where affirmative marketing requirements have not been met or affirmative marketing efforts have not been successful.
- D. Complete a new Affirmative Fair Housing Marketing Plan (HUD Form 935.2 and any attachments) which reflects any plan adjustments necessary to more effectively affirmatively market the project’s units.
- E. Report annually to the AHFC Internal Audit Department (no later than the anniversary date of the project completion) the results of the previous year’s affirmative marketing efforts (including results of A-C above).
- F. Provide AHFC Internal Auditors with the revised plan in D above.

III. Plan Availability

Upon request, the Affirmative Marketing Plan and any records documenting its implementation must be made available to AHFC for monitoring and results assessment purposes. This plan should be retained on-site. AHFC Internal Auditors will request a copy of this form during the annual compliance monitoring.

EXHIBIT 5: Tenant and Participant Protections Greater Opportunities for Affordable Living (GOAL) Program

AHFC does not provide a model Lease Agreement. However, owners of projects receiving HOME and/or NHTF funds must execute Lease Agreements with residents that incorporate the specific provisions identified below. These provisions establish resident responsibilities and avoid certain prohibited provisions. AHFC Internal Auditors (IAs) will examine leases during annual monitoring reviews for compliance with the following requirements:

I. Required Lease Terms

- A. Lease period: at least one year, unless documented by a mutual agreement between the resident and the owner.
- B. Upon a twenty-four (24) hour written notice to the resident, AHFC IAs, accompanied by the owner or agent, shall be permitted to enter the dwelling unit during reasonable hours to perform a property standards inspection.
- C. Include a mechanism for termination of the agreement and eviction for violation.
- D. Contain a provision for the resident to provide accurate information to determine eligibility prior to move-in and at each annual recertification. This provision must state that on commencement of the lease, and every year thereafter, the resident shall provide the owner with such certifications, verifications, and information as owners may require in order to perform an examination, re-examination or determination of the family's income and eligibility as provided in the Rental Development Compliance Manual - Post Development Completion, as well as other applicable Federal or State programs.

The provision must also state that failure to provide such certification, verifications and information, or any falsification or willful misrepresentation of such shall be deemed to be a violation of the Lease Agreement, and the owner/property manager will terminate the Lease Agreement and begin the eviction process in such cases.

At recertification, for units that are not Low Income Housing Tax Credit set-aside units, if the family income exceeds the maximum limit, the tenant shall be permitted to continue to occupy such dwelling unit, provided that the tenant pay as rent the lesser of:

- 1. The amount payable under State or local law;
 - 2. 30% of the family's "adjusted monthly income," as recertified annually; or
 - 3. The market rent for comparable, unassisted units in the neighborhood.
- E. The lease must include the following:
- 1. Security deposit amount and utility information;
 - 2. Monthly rental amount;
 - 3. Signatures of all parties; and
 - 4. A statement that the lease complies with all State and local laws.
- F. The lease must agree to give the resident a 30-day advance written notice of any increase in the monthly rents.

II. Prohibited Lease Terms

The lease may not contain any of the following provisions:

- A. Agreement by the tenant to be sued, to admit guilt or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
- B. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;
- C. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
- D. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
- E. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense or before a court decision on the rights of the parties;
- F. Agreement by the tenant to waive any right to a trial by jury;
- G. Agreement by the tenant to waive the tenant's right to appeal or to otherwise challenge in court, a court decision in connection with the lease;
- H. Agreement by the tenant to pay attorneys fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses; and,
- I. The lease can not be conditional on participation in any service programs. In addition, the lease can not include mandatory service charges for items such as food, medical care etc.

III. Termination of Tenancy

An owner/property manager may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME funds except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local law; for completion of the tenancy period for transitional housing; or for other good cause. To terminate or refuse tenancy, the owner must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination of tenancy.

IV. Recommended Lease Terms

An owner/property manager is encouraged, but not required, to include a lease provision that requires a non-disabled family occupying an accessible unit to move if a family with a disability needing that size unit applies and there is an appropriately sized non-accessible unit available for the relocating family.

An owner/property manager is encouraged, but not required, to include a lease provision that allows regular "housekeeping" or "safety" inspections of units at least twice a year.