

FY 2010 AND FY 2011 Choice Neighborhoods Implementation Grant Agreement

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**FY 2010 AND FY 2011 Choice Neighborhoods
IMPLEMENTATION GRANT AGREEMENT**

This grant agreement (“Grant Agreement”) is made by and between the United States Department of Housing and Urban Development (“HUD”) and the Lead and Co-Applicant(s) (“Grantee”). The Grantee received a Choice Neighborhoods Implementation Grant from fiscal year 2010 and fiscal year 2011 funds, for the implementation of a Transformation Plan (“Transformation Plan”) that is identified in this Grant Agreement below.

While the Implementation Grant is awarded to the Grantee, only the Lead Applicant identified in the Grantee’s Choice Neighborhoods Application (“Lead Grantee”) will have access to draw down funds in LOCCS. HUD agrees, subject to the terms of this Grant Agreement, to provide grant funds to the Lead Grantee, in the total amount listed on the form HUD-1044, for the activities described in the Transformation Plan as defined in Article III.

The assistance that is the subject of this Grant Agreement is authorized by, and required to be used in accordance with, Section 24 of the U.S. Housing Act of 1937 and Omnibus Appropriations Act, 2010 (Pub. L. 111-117), approved December 16, 2009 (2010 Consolidated Appropriations Act) and the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (Public Law 112-10, approved April 15, 2011) (2011 Continuing Appropriations Act), (collectively the “Choice Neighborhoods Authorization”). The 2010 Consolidated Appropriations Act and 2011 Continuing Appropriations Act permits HUD to use a portion of the HOPE VI appropriations for the Choice Neighborhoods program. Section 1101 of the 2011 Continuing Appropriations Act appropriated funds for the programs and activities that were authorized under the 2010 Consolidated Appropriations Act, including the Choice Neighborhoods program as a part of HOPE VI. Specifically, the HOPE VI program received funding under Section 2237 of the 2011 Continuing Appropriations Act.

The form HUD-1044 and the Exhibits are incorporated into and subject to the terms of this Grant Agreement.

HUD and the Grantee hereby agree to be bound by the following terms and conditions of this Grant Agreement:

ARTICLE I. Choice Neighborhoods Requirements

The Grantee agrees to conduct all activities to be assisted with funds provided under this Grant Agreement in accordance with the following requirements, as such requirements now exist or as they may hereafter be amended (hereafter collectively referred to as the “Choice Neighborhoods Requirements”):

(A) the U.S. Housing Act of 1937 (the “1937 Act”) as applicable, including the HOPE VI Authorization, and all implementing regulations;

(B) the HUD Appropriations Act, as part of the Consolidated Appropriations Act, 2010 (Pub. L. 111-117, approved December 16, 2009) and the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (Public Law 112-10, approved April 15, 2011);

(C) the FY 2010 Round 1 Notice of Funding Availability published via Grants.gov on August 26, 2010 with subsequent notice in the Federal Register on August 31, 2010 (75 FR 53324) and the FY 2010 Round 2 Notice of Funding Availability published via www.hud.gov/cn with subsequent notice in the Federal Register (FR-5473-N-01) (collectively, the “Choice Neighborhoods NOFA”) and Fiscal Year 2010 Notice of Funding Availability (NOFA) Policy Requirements and General Section (General Section) to HUD’s FY 2010 NOFAs for Discretionary Programs, published on June 7, 2010, incorporated therein.

(D) 31 U.S.C. § 1552. In accordance with this statute, all FY 2010 and FY 2011 Choice Neighborhoods funds must be expended by September 30, 2016 and September 30, 2017, respectively. Any funds that are not expended by that date will be cancelled and recaptured by the Treasury, and thereafter will not be available for obligation or expenditure for any purpose.

(E) In accordance with section 24(e)(2)(D) of the 1937 Act, Grantees must involve affected residents of the targeted public and/or assisted housing during the implementation process. Grantees are required to involve the affected public and/or assisted housing residents in the implementation of the Transformation Plan. This involvement must be continuous from the beginning of the planning process through the implementation and management of the grant. In addition to the statutory requirement, unless HUD indicates otherwise in writing, Grantees will be expected to undertake resident and community involvement in a manner and method at least as comprehensive as that described in your grant application.

(F) Delinquent Federal Debts. Consistent with the purposes and intent of 31 U.S.C. 3720B and 28 U.S.C. 3201(e), Grantees with an outstanding federal debt must provide to HUD a negotiated repayment schedule which is not delinquent or have made other arrangements satisfactory to HUD. If arrangements satisfactory to HUD cannot be completed within 90 days of notification of selection, HUD will not make an award of funds to the Grantee, but offer the award to the next eligible Grantee. Applicants selected for funding, or awarded funds, must report to HUD changes in status of current agreements covering federal debt. If a previously agreed-upon payment schedule has not been adhered to or a new agreement with the federal agency to which the debt is owed has not been signed, the Grantee will be considered to be in default under this Agreement.

- (G) all executive orders applicable to the activities being conducted with funds provided under this Grant Agreement;
- (H) the terms and requirements of this Grant Agreement, and any amendments or addenda thereto;
- (I) all other applicable Federal requirements, including, without limitation, those set forth in Appendix A; and
- (J) all regulations, handbooks, notices, and policies applicable to the activities being conducted with funds provided under this Grant Agreement;

ARTICLE II. Program Overview

(A) Goals of the Choice Neighborhoods Program. The purpose of Choice Neighborhoods grants is to:

(1) Transform neighborhoods of concentrated poverty into mixed-income neighborhoods of long-term viability by revitalizing severely distressed housing; improving access to economic opportunities; and investing and leveraging investments in well-functioning services, effective schools and education programs, public assets, public transportation, and improved access to jobs;

(2) Grow communities and metropolitan areas by concentrating, leveraging, and coordinating federal, state, regional, local and private funding for public transportation, education, housing, energy, health and mental health services, supportive services, public safety; and environmental programs and initiatives;

(3) Support positive outcomes for all residents, including improvements in educational achievements and economic self-sufficiency; and

(4) Ensure that current residents benefit from transformation by preserving affordable housing in the neighborhood or providing the choice to move to affordable housing in another neighborhood of opportunity.

(B) Expected Results of Coordinated Efforts.

(1) Developmental assets that allow residents to attain the skills needed to be successful in all aspects of daily life (educational institutions, early learning centers and health resources);

(2) Commercial assets associated with production, employment, transactions, and sales (e.g. labor force and retail establishments);

(3) Recreational assets that create value in a neighborhood beyond work and education (e.g. parks, open space, arts organizations, restaurants, movie theatres, and athletics);

(4) Physical assets that are associated with the built environment and physical infrastructure (e.g. housing, commercial buildings, roads, sidewalks and bike path); and

(5) Social assets that establish well-functioning social interactions (e.g. public safety and community engagement).

ARTICLE III. Choice Neighborhoods Transformation Plan

(A) General. The Choice Neighborhoods Transformation Plan (“Transformation Plan”) consists of a series of documents and submissions that are reviewed and approved by HUD to govern the implementation process under this Grant Agreement.

(B) Components of the Transformation Plan. The Grantee’s Transformation Plan includes each of the following components, as needed for the Transformation Plan and as approved by HUD. Because some of these documents may be submitted to HUD for approval throughout the implementation of the Grant Agreement, an approved Transformation Plan shall be deemed to mean the most recent set of documents that have been submitted to (as set forth in this Article) and approved by HUD:

(1) the Grantee’s Choice Neighborhoods Round 1 and Round 2 applications, submitted in response to the FY 2010 Choice Neighborhoods Round 1 and Round 2 NOFAs (the “Choice Neighborhoods Application”);

(2) requests for predevelopment costs, as described in Article VI.

(3) Post Application Submissions that HUD requires the Grantee to submit following HUD’s review of the Choice Neighborhoods application and as a result of a site visit to the housing which is the target of redevelopment under this grant (“Development”), including but not limited to:

(a) any waiver requests;

(b) any additional information required in order for HUD to approve demolition based on the Choice Neighborhoods application;

(c) certifications and assurances;

(d) a Program Schedule, in accordance with the timeframes established in this Article;

(e) a Choice Neighborhoods Budget (all phases) as described in Article VI; and

(f) any other information or documentation that is not otherwise required under any other component of the Transformation Plan that is requested by HUD to supplement or refine information provided in the Choice Neighborhoods Application or to meet any terms or conditions of the Grant Agreement.

(Subparagraphs (a) through (f) are hereafter collectively referred to as, “Post Application Submissions.”)

(4) The Grantee must plan for and provide current public and assisted housing residents, relocated public and assisted housing residents, and returning and new public and assisted housing residents with supportive services for the term of the Grant Agreement. Supportive Services programs and services must be carefully planned so that they will be sustainable after the Choice Neighborhoods grant period ends. The Grantee is responsible for tracking and providing Supportive Services programs and services to baseline and revitalization development residents. Baseline residents are those residents that lived in the targeted redevelopment site at the time of application for Choice Neighborhoods. The grantee and HUD will also work together to track the experiences and changing characteristics of revitalization development residents who live at the revitalized site. Supportive Services activities must be well integrated with the physical development process, both in terms of timing and the provision of facilities to house on-site service and educational activities. The Grantee should provide final outcomes and metrics on Supportive Services as identified in the Transformation Plan. The Grantee will report to HUD on those outcomes and measure progress using those metrics as discussed in Article XII. HUD will use these reports to determine if the Grantee has met their supportive service requirements as listed in their Transformation Plan.

(a) Outcomes for both the baseline residents and the residents of the revitalized developments are planned to be measured along the following dimensions, and as described in more detail in the Choice Neighborhoods NOFA:

1. Housing location, quality, and affordability;
2. Resident health;
3. Resident safety;
4. Employment and wage increases over time; and
5. Educational access, quality and attainment improvements.

(5) the Grantee’s submissions to HUD in connection with an Endowment Trust, if applicable, in accordance with Article IV(J) (including but not limited to submission of a Choice Neighborhoods Endowment Trust Addendum);

(6) for public housing only, a Demolition Application, if applicable, as described in Article IV;

(7) for public housing only, a Disposition Application relating to the Development, as described in Article IV, to the extent applicable;

(8) for public housing only, a Standard or Mixed Finance development proposal(s), as described in Article IV;

- (9) a Homeownership Proposal, as applicable, as described in Article IV; and
- (10) any amendment or modification of the foregoing, as approved in writing by HUD.
- (C) Incorporation into Grant Agreement. As each component of the Transformation Plan is approved in writing by HUD, it will be deemed to be incorporated into this Grant Agreement.
- (D) Time Periods for Implementation. The Grantee agrees to implement its Transformation Plan in accordance with the approved Program Schedule, including but not limited to the following time periods:
- (1) In accordance with the Choice Neighborhoods NOFA as incorporated by Article I(C) above.
- (2) Items identified in paragraph (B) of this Article must be submitted to HUD in accordance with the HUD-approved Program Schedule. The Program Schedule is due to HUD within 45 calendar days (weekends and holidays are not excluded) from the date of execution of this Grant Agreement. HUD reserves the right to require Grantee to make edits to these items to put them in a form and substance acceptable to HUD.
- (3) The Grantee must start service coordination and case management services as soon as possible, if they have not already. The Grantee must have started these services within 30 days of the date of the award letter (August 31, 2011). It is imperative that case management services begin immediately so that residents who will be relocated have time to participate in and benefit from Supportive Services activities before leaving the site; and that residents who have already been relocated are able to participate in and benefit from Supportive Services activities.
- (4) The closing of the first housing phase of development must take place within 15 months of the date the grant agreement is executed. For this purpose, “closing” means all financial and legal arrangements have been executed and actual activities (construction, etc.) are ready to commence. The construction Notice to Proceed or equivalent must be issued no later than 90 days after the closing date, unless otherwise approved by HUD.
- (5) Grantees must start housing rehabilitation/construction within 18 months of the date the grant agreement is executed.
- (6) Grantees must complete replacement housing rehabilitation/construction by obtaining a certificate of occupancy or equivalent for units funded with Choice Neighborhoods funds by September 30, 2017.
- (E) Time Extensions. All requests for extensions of the time periods for implementation listed in paragraph (D)(1)-(4) of this Article must be requested by the Grantee in advance of the deadline date. All requests for extensions must be made in writing and will be reviewed and approved or disapproved by the Deputy Assistant Secretary for the Office of Multifamily Housing Programs, the Assistant Secretary of Public and Indian Housing, and/or the Deputy Assistant Secretary for the Office of Public Housing Investments.

ARTICLE IV: Transformation Activities and Requirements

(A) Program Requirements. Grantees must comply with the Program Requirements stated in Section III.C.3 of the FY 2010 Choice Neighborhoods Round 1 and Round 2 NOFAs.

(B) Eligible Activities. Grantees may complete the eligible activities stated in Section III.C.1.b of the FY 2010 Choice Neighborhoods Round 1 NOFA as well as all activities listed in this Article

(C) Development Activities. If Grantee completes any Development Activities listed below, Grantee must comply with the requirements listed below for each activity.

(1) Standard Development Activity. For any standard (non-mixed finance) public housing development activity under the Transformation Plan (whether on-site reconstruction or off-site development), the Grantee must obtain HUD approval of a development proposal submitted under 24 CFR part 941 (or successor part), as this part may be amended from time to time (“Standard Development Proposal”).

(2) Mixed-Finance Housing Development. For mixed-finance housing development under the Transformation Plan, the Grantee must obtain HUD approval of a mixed finance proposal submitted under 24 CFR part 941, subpart F (or successor part and subpart), as may be amended from time to time (“Mixed Finance Development Proposal”).

(3) New construction of community facilities. For new construction of community facilities primarily intended to facilitate the delivery of community and supportive services for residents of the Development and residents of off-site replacement housing, the Grantee must comply with 24 CFR part 941 (or successor part) as this part may be amended from time to time. Information required for this activity may be included in either a Standard or Mixed Finance Development Proposal.

(D) Rehabilitation Activities. For rehabilitation and physical improvement of public housing and/or community facilities primarily intended to facilitate the delivery of community and supportive services for residents of the Development and residents of off-site replacement housing under the Transformation Plan, the Grantee will comply with 24 CFR § 968.112(b), (d), (e), and (g)-(o) and 24 CFR §§ 968.130 and 968.135(b) and (d) or successor part, as may be amended from time to time.

(E) Homeownership Activities. For homeownership replacement activities under a Transformation Plan, the Grantee is required to obtain HUD approval of a homeownership proposal (“Homeownership Proposal”). The Homeownership Proposal must serve low-income families consistent with the 80% Area Median Income (AMI) limitations and any other applicable provisions under the 1937 Act. The Homeownership Proposal must conform to either:

(1) section 24(d)(1)(J) of the 1937 Act; or

(2) section 32 of the 1937 Act (see 24 CFR part 906).

(F) Demolition. You cannot carry out nor permit others to carry out the demolition of the targeted public housing project or any portion of the project until HUD approves, in writing, one of the following (1 – 2 of this section), and until HUD has also: (i) approved a Request for Release of Funds submitted in accordance with 24 CFR part 58, or (ii) if HUD performs an environmental review under 24 CFR part 50, has approved the property for demolition, in writing, following its environmental review.

(1) Information regarding demolition in your Choice Neighborhoods Application, along with Post Application Submissions requested by HUD after the award of the grant. Section 24(g) of the 1937 Act provides that severely distressed public housing that is demolished pursuant to a revitalization plan is not required to be approved through a demolition application under section 18 of the 1937 Act or regulations at 24 CFR part 970.

(2) A demolition application under section 18 of the 1937 Act.

(G) Disposition. The following applies only to public housing.

(1) Disposition of a severely distressed public housing site, by sale or lease, in whole or in part, must be done in accordance with section 18 of the 1937 Act and implementing regulations at 24 CFR part 970.

(2) The Grantee will comply with the provisions of section 18 of the 1937 Act, 24 CFR part 970, as may be modified or amended from time to time, and the provisions of its approved disposition application (the approved “Disposition Application”), unless otherwise modified in writing by HUD. The Grantee will also comply with procedures for processing dispositions associated with mixed-finance projects as set forth by HUD.

(3) A lease of one year or more that is not incident to the normal operation of a development is considered to be a disposition that is subject to section 18 of the 1937 Act.

(H) Relocation. The following applies only to public housing.

(1) General. The Grantee will provide suitable, decent, safe, and sanitary housing for each family required to relocate as a result of transformation activities under the Transformation Plan.

(2) Relocation Plan. The Grantee must carry out its relocation activities in compliance with a relocation plan that conforms with the following statutory and regulatory requirements, as applicable (the “Relocation Plan”):

(a) Relocation or temporary relocation carried out as a result of **rehabilitation** under an approved Plan is subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601 *et seq*; 49 CFR part 24) (URA) and regulations at 24 CFR § 968.108 or successor part and meets the requirements of the Choice Neighborhoods NOFA.

(b) Relocation carried out as a result of **acquisition** under an approved Transformation Plan is subject to the URA and regulations at 24 CFR § 941.207 or successor part.

(c) Relocation carried out as a result of **disposition** under an approved Transformation Plan is subject to section 18 of the 1937 Act as amended.

(d) Relocation carried out as a result of **demolition** under an approved Transformation Plan is subject to the URA.

(I) Replacement of Multifamily Housing.

(1) HUD-assisted housing. For projects subject to a project-based section 8 Housing Assistance Payments (“HAP”) contract, the Grantee will not engage in or permit the partial or total demolition of the project, or any activities related thereto, including any activities in preparation for such demolition, without the prior written consent of HUD. Such consent will not be provided until HUD has first approved (i) a proposal for preserving the project-based section 8 HAP contract consistent with applicable statutory authority (e.g., section 212 of the Consolidated Appropriations Act, 2010, or successor legislation; or section 8(bb)(1) of 1937 Act) and all related Departmental policies, procedures, and requirements; (ii) a proposal for project rehabilitation; and (iii) a replacement housing plan that provides for the orderly, temporary relocation of displaced families (e.g., based on the requirements of Housing Handbook 4350.1 REV-1 CHG-2, Chapter 38 (Multifamily Emergency/Disaster Guidance), section 38-32C (Section 8 Pass Through)) that ensures decent, safe, and sanitary housing, consistent with 24 C.F.R. Part 5 Subpart G (Physical Condition Standards and Inspection Requirements) and 24 C.F.R. Part 200 Subpart P (Physical Condition of Multifamily Properties), at the beginning of and throughout the displacement period.

(2) For projects subject to a project-based section 8 HAP contract, the Grantee will (i) secure or cause to be secured temporary replacement housing for displaced families; will ensure that (ii) the temporary housing is available for the entire duration of the displacement period; and (iii) the housing meets the requirements of 24 C.F.R. Part 5, Subpart G (“Physical Condition Standards and Inspection Requirements”) and 24 C.F.R. Part 200 Subpart P (“Physical Condition of Multifamily Properties”) at the beginning of and throughout the displacement period. To satisfy this requirement, the Grantee is encouraged to adopt the model and the related procedures in Housing Handbook 4350.1 REV-1 CHG-2, Chapter 38 (“Multifamily Emergency/Disaster Guidance”), section 38-32 C (“Section 8 Pass Through”) for the temporary relocation of section 8-assisted families necessitated by a natural disaster or other emergency. Based on this model and the related procedures, the Grantee is authorized to enter into a temporary lease for a unit in the same locale that meets the foregoing regulatory requirements on behalf of a displaced section 8-assisted family. During this period, the Owner of a property subject to a project-based section 8 HAP contract (“Owner”), whether the Owner is the Grantee or one of the Grantee’s partners, may voucher for the contract rent for that unit on a temporary basis. The Owner pays no more than the contract rent on the temporary dwelling until the resident’s permanent rental unit has been restored to habitable condition and the Owner notifies the resident that they may resume occupancy of their former unit. The resident is still responsible for the resident’s share of the rent. Should the displaced resident fail to return, the Owner may rent the repaired unit to an eligible section 8 applicant. Before doing so, however, the

Owner must inform the resident in writing that their assistance is terminated. In the event that the Owner rents the unit to an eligible section 8 applicant, the Owner must first terminate the “pass through” lease that the Owner executed on behalf of the displaced resident. In addition, should the temporarily displaced resident move from the temporarily leased unit before their permanent rental unit is repaired and made available for their return, the Owner can no longer voucher for the temporary unit and the resident is considered permanently housed. (See Housing Handbook 4350.1 REV-1 CHG-2, Chapter 38 (“Multifamily Emergency/Disaster Guidance”), section 38-32 C (“Section 8 Pass Through”)).

(J) Acquisition.

(1) Acquisition Proposal. Any acquisition activities you undertake with Choice Neighborhoods or other public housing funds must be done in accordance with an acquisition proposal that meets the requirements of 24 CFR 941.303.

(2) Rental Units. For acquisition of rental units in existing or new apartment buildings, single family subdivisions, etc., with or without rehabilitation, for use as public housing replacement units, you must obtain HUD approval of a Development Proposal in accordance with 24 CFR 941.304 (conventional development) or 24 CFR 941.606 (mixed-finance development).

(3) Land for Replacement Units outside the target neighborhood. For acquisition of land for replacement housing outside the target neighborhood, you must comply with 24 CFR part 941.202 (site and neighborhood standards) or successor part.

(4) Land for Critical Community Improvements. Acquisition of land for this purpose is eligible if the activities specifically promote upward mobility, self-sufficiency, or improved quality of life for residents of the neighborhood, such as construction or rehabilitation of parks and community gardens, or environmental improvements; or promote economic development, such as development or improvement of transit, retail, community financial institutions, public services, facilities, assets or other community resources. You may request an amount not to exceed 15 percent of the total Choice Neighborhoods grant to pay the costs of non-housing capital costs as described above for Critical Community Improvements.

(K) Supportive Services.

(1) Funding. Consistent with sections 24(d)(1)(L) and 24(j)(3) of the 1937 Act and the Choice Neighborhoods NOFA, the Grantee may use an amount up to 15 percent of the total Choice Neighborhoods Grant to pay the costs of community and supportive service programs. The Grantee may spend additional sums on community and supportive services programs using donations, HUD funds made available for that purpose, or other Grantee funds.

(2) Supportive Services Endowment Trust. The Grantee may deposit up to 15 percent of the Choice Neighborhoods Grant amount (the maximum amount of the grant allowable for Supportive Services programs) into an endowment trust to provide Supportive Services activities (the “Endowment Trust”).

(a) The Grantee may not draw down funds provided under this Grant Agreement for deposit into an Endowment Trust until it has a HUD-approved Endowment Trust plan and has executed with HUD an addendum to this Grant Agreement (the “Choice Neighborhoods Endowment Trust Addendum”), as directed by HUD. The Choice Neighborhoods Endowment Trust Addendum establishes the requirements governing the establishment, operation, and management of an Endowment Trust.

(b) In reviewing the amount of the Grantee’s proposed allocation of Choice Neighborhoods Grant funds to an Endowment Trust, HUD will take into account the Grantee’s demonstrated ability to pay for current Supportive Services activities with Choice Neighborhoods or other funds, and the projected long-term sustainability of the Endowment Trust to carry out such activities.

(c) Endowment Trust funds (including any non-Choice Neighborhoods funds donated or otherwise made available to the Endowment Trust, and any interest earned on Choice Neighborhoods and non-Choice Neighborhoods funds) may only be used for eligible and necessary Supportive Services activities.

(L) Administration, Fees and Costs. Reasonable costs for administration, planning, technical assistance, and fees and costs, as established by the Cost Control and Safe Harbor Standards guidance dated April 9, 2003. These costs are limited to the costs of implementing the Transformation Plan, as specifically approved by HUD, such as fees for architectural and engineering work, program management (if any), and reasonable legal fees. You may not use Choice Neighborhoods Implementation Grant funds to pay for any implementation activities carried out on or before the date of the letter announcing the award of the Choice Neighborhoods Grant (August 31, 2011).

(M) Lobbying. The Grantee hereby certifies that no funds provided under this Grant Agreement will be expended for lobbying activities, as prohibited by Section 319 of Public Law 101-121 (which prohibits recipients of Federal contracts, grants, and loans from using appropriated funds for lobbying the Executive or Legislative Branches of the Federal Government), and implemented for HUD at 24 CFR part 87, as the same may be amended from time to time. The Grantee will disclose promptly any commitment or expenditure of non-appropriated funds for lobbying activities if those activities would be prohibited if paid with appropriated funds.

(N) Eminent Domain and Public Use. Pursuant to Division I, Title IV, Section 409 of the 2010 Consolidated Appropriations Act, 2010 (Pub. L. No. 111–117, 123 Stat. 3034, 3111), under which this Choice Neighborhoods Implementation Grant is funded, no funding made available under that Act shall be used for purposes specifically excluded by the 2010 Appropriations Act. Title IV, Section 409 of the 2010 Appropriations Act prohibits any use of these funds “to support any Federal, State, or local projects that seek to use the power of eminent domain, unless eminent domain is used only for a public use.” The term “public use” is expressly stated not “to include economic development that primarily benefits private entities.” Accordingly, grantees may not propose mixed-use projects in which housing is complemented appreciably with commercial facilities (i.e., economic development) if eminent domain is used for the site.

(O) Right of Return. Each tenant who wishes to return to the on-site or off-site replacement housing may return if the tenant was lease-compliant at the time of departure from the housing prior to relocation and continued to remain lease-compliant during the relocation period. A returning tenant shall be provided a preference for occupancy of on-site or off-site replacement units before such units are made available to any other eligible households, or the tenant may choose to retain tenant-based voucher assistance provided under section 8(o) of the United States Housing Act of 1937 for relocation from the properties revitalized under this Grant Agreement. These preferences are retained even if the resident has already received permanent relocation benefits. This preference remains available until the initial lease-up of the new units.

(P) Site and Neighborhood Standards for Replacement Housing.

(1) Grantee's Election of Requirements. A Grantee, at its election, separately with regard to each site it proposes, will comply with the development regulations regarding Site and Neighborhood Standards (24 CFR § 941.202), or with the Site and Neighborhood Standards contained in this Article.

(2) Replacement Housing Located on Site or in the Target Neighborhood. Because the objective of the Choice Neighborhoods program is to alleviate distressed conditions at the targeted development and in the target neighborhood, replacement housing under Choice Neighborhoods that is located within the target neighborhood will not require independent approval by HUD under Site and Neighborhood Standards.

(3) Replacement Housing Located Outside of the Neighborhood.

(a) Replacement housing outside the target neighborhood must offer access to economic opportunities and public transportation and be accessible to social, recreational, educational, commercial, health facilities and services, and other municipal services and facilities that are comparable to those that will be provided in the target neighborhood.

(b) Replacement housing outside the target neighborhood shall be located neither in areas of minority concentration (defined as areas where the neighborhood's total percentage of minority persons is at least 20 percentage points higher than the total percentage of all minorities for the MSA as a whole) nor in areas with a poverty rate above 40 percent. The term "area of minority concentration" is any neighborhood in which:

1. The percentage of households in a particular racial or ethnic minority group is at least 20 points higher than the percentage of that particular minority group for the housing market area; i.e., the Metropolitan Statistical Area (MSA) in which the proposed housing is to be located; or

2. The neighborhood's total minority percentage is at least 20 points higher than the total percentage of all minorities for the MSA as a whole; or

3. In the case of a metropolitan area, the neighborhood's total percentage of minority persons exceeds 50 percent of its population.

(Q) Research and Evaluation Cooperation.

HUD and its contractors shall perform research and evaluation activities on the Choice Neighborhoods program, including interviews with the Grantee and community, review of grantee documents and data, surveys of assisted households and neighborhood residents, and documentation of changing physical conditions in the buildings and neighborhood. The Grantee shall make all reasonable efforts to cooperate with HUD and its contractors in carrying out these activities, including but not limited to facilitating interviews of Grantee's staff and partners, providing HUD's contractor with access to observe community meetings; to data systems, documents, and assisted and public housing residents; and to buildings for conducting physical inspections.

ARTICLE V. Changes to the Transformation Plan

(A) Changes Requiring Prior HUD Approval. If the following activities in the application are to be modified or amended, the Grantee must request and obtain prior written HUD approval:

- (1) the Program Schedule. The Grantee must inform HUD immediately, in writing, of any problems, delays or adverse conditions that will impair materially the Grantee's ability to comply with the Program Schedule, and include a statement of action taken, or proposed to be taken, and any assistance needed to resolve the situation. HUD must approve any proposed changes to the Program Schedule that would modify any date or time period.
- (2) the form of program oversight or governance;
- (3) the procedures for community involvement;
- (4) the approved disposition;
- (5) the approved demolition;
- (6) the total number of housing units to be developed or rehabilitated, whether or not there is an associated budgetary revision requiring prior approval;
- (7) changes in any Choice Neighborhoods Budget or phase budget that propose an increase or decrease in any line item, except as permitted by Article VI;
- (8) an extension of the period of availability of the Choice Neighborhoods Grant funds provided under this Grant Agreement, not to go beyond the statutory timeframes;
- (9) changes in the entities or individuals, including any key partners specified in the Transformation Plan as having key responsibilities for carrying out the Transformation Plan (or any component(s) of the Transformation Plan). Subgranting, subcontracting or otherwise

obtaining the services of a third party to perform activities that are central to the purposes of the Transformation Plan will constitute such a change in entities or individuals; and

(10) changes requested by a subgrantee that relate to any of the itemized categories listed in paragraph (A) of this Article.

(B) Changes Requiring Grant Agreement Amendment. For the following types of revisions to the Transformation Plan, the Grantee must submit a written request to HUD and must receive HUD's written authorization prior to making any such changes:

(1) change in the total dollar amount of the grant; and/or

(2) change in the Development for which funds provided under this Grant Agreement are made available.

Upon HUD's written approval, the change will be implemented by the execution of an amendment to this Grant Agreement, and shall consist of a revised Form HUD-1044 if there is a change in the dollar amount of the grant.

(C) Waiver Requests.

(1) Standard for Approval. The activities to be conducted under this Grant Agreement are subject to the terms of this Grant Agreement and the Choice Neighborhoods Requirements. Nevertheless, HUD seeks innovative solutions under the Choice Neighborhoods Program to the long-standing problems of severely distressed public and assisted housing developments located in neighborhoods of concentrated poverty, and will consider granting a waiver of specific regulatory requirements, provided that:

(a) such a waiver would be consistent with applicable statutory requirements; and

(b) the Grantee is able to demonstrate good cause to support HUD's granting of such a waiver.

(2) Waiver Request Procedure. If the Grantee wants HUD to approve a waiver of a regulatory requirement, it must submit a request with sufficient information and justification to enable HUD to make a determination of good cause for granting any such request to deviate from existing regulations. Until such time as the Grantee requests and HUD, in its discretion, approves any such requests in writing, the Grantee does not have authority to implement the activities described in the Choice Neighborhoods Application to which the request for approval applies (or for which a request for approval is needed).

ARTICLE VI. Choice Neighborhoods Budget and Funding Requests

(A) Budget. The Grantee must ensure that funds provided under this Grant Agreement are expended in accordance with the Choice Neighborhoods Requirements and a Choice Neighborhoods Budget. Each Grantee must submit to HUD for approval a Choice

Neighborhoods Budget as part of the Post Application Submissions. The Choice Neighborhoods Budget allocates ALL Choice Neighborhoods Grant funds into Budget Line Items. The Choice Neighborhoods Budget will serve as the primary budget and may be subject to revision.

(B) Budget Form. Each budget submitted in accordance with paragraph (A) of this Article must be submitted on the Choice Neighborhoods Budget Form (Paperwork Reduction Act approval pending). Part I must be signed and dated by the Lead Grantee, and Part II must include a detailed description of the uses of the funds. Grantees should also track their leveraged fund expenditures and maintain this information on file should HUD request it.

(C) Pre-Grant Agreement Execution Costs. After the execution of this Grant Agreement, the Grantee may include in its Choice Neighborhoods Budget, and the Lead Grantee may draw down funds for, costs that were incurred prior to execution of this Grant Agreement, provided that such costs:

(1) were incurred after the date of HUD's notification letter awarding this Choice Neighborhoods Implementation Grant to the Grantee (August 31, 2011);

(2) are directly associated with the activities to be funded under this Choice Neighborhoods Grant; and

(3) are approved as reasonable and eligible by HUD.

(D) Predevelopment Costs.

(1) Funding Requests. The Grantee may request a Choice Neighborhoods Grant funds for predevelopment costs by submitting the Choice Neighborhoods Budget to HUD. Funds may be drawn down for eligible Predevelopment Costs (as defined in subparagraph (2) below), subject to receiving HUD approval and the requirement for an environmental review under Article VII(B), in accordance with the provisions of this Grant Agreement.

(2) Eligible Predevelopment Costs. Eligible predevelopment costs ("Predevelopment Costs") may include funds for:

(a) administration costs related to having additional and/or existing staff work on the Choice Neighborhoods Grant;

(b) fees and costs related to procuring goods and services from third parties in connection with eligible predevelopment activities such as architectural and engineering (A&E) fees;

(c) resident relocation;

(d) supportive services costs, including costs dedicated to case management and services;

(e) costs associated with carrying out environmental reviews, in accordance with 24 CFR § 58.23; and

(f) site remediation and demolition costs, provided that HUD has notified the Grantee in writing of the approval.

(3) Predevelopment Funds. Upon review and approval of the Choice Neighborhoods Budget as described in Article VI, HUD will make the approved predevelopment funds available to the Grantee for drawdown in LOCCS. The Grantee will ensure that the funds are expended in conformance with the HUD-approved Predevelopment Budget.

(E) Holdback. HUD will hold back 10 percent of administrative funding until the Grantee's Transformation Plan has been implemented and accepted by HUD under the terms of this Grant Agreement. HUD's approval of the Transformation Plan implementation will be limited to a determination of whether or not the Grantee's Transformation Plan has been implemented in accordance with representations made in its applications and as subsequently amended through program revisions as approved by HUD. In no event will a holdback be released if the Grantee is not in good standing under the terms of this Grant Agreement. All Implementation Grant funds should be expended within 30 days of the release of the holdback funds.

(F) Program Income. Unless otherwise approved by HUD in accordance with 24 CFR § 85.25, if the Grantee receives program income prior to grant closeout (e.g., from repayment of loans or sale of homeownership replacement units) the program income:

(1) must be reinvested in the Development and used for Choice Neighborhoods eligible purposes, unless otherwise approved by HUD; and

(2) must be used for eligible activities authorized under this Grant Agreement before the Grantee may draw down additional cash payments from the Choice Neighborhoods Grant.

ARTICLE VII. Project Drawdowns

(A) LOCCS Payment System. Notwithstanding any contrary provisions of 24 CFR § 85.21, the Lead Grantee will request all drawdowns of Choice Neighborhoods Grant funds under the Line of Credit Control System (e-LOCCS), unless and until another payment system is designated by HUD. The Lead Grantee will comply with all rules, guidelines, and notices established for Choice Neighborhoods under LOCCS, or any substitute system, in connection with any drawdown of Choice Neighborhoods Grant funds. If HUD designates a different payment system, it will be based upon the provisions of section 85.21 (subject to the provisions of Article XVI (D)).

(B) Drawdowns.

(1) The Lead Grantee may draw down Choice Neighborhoods Grant funds for a Budget Line Item (BLI) in an amount up to 100 percent of the amount of that BLI that HUD has approved and made available for drawdown.

(2) Any request for funds in excess of ten (10) percent of the entire grant amount in any month must be approved by HUD.

(3) The final 10 percent of the budgeted administrative grant funds will be held back in LOCCS until HUD approves the completion of the Transformation Plan as described in Article III.

(C) Drawdown Consequences of Default.

(1) Withholding of Payments. HUD may withhold payments in accordance with 24 CFR § 85.21(g).

(2) Grantee Representations. Each drawdown request by the Lead Grantee will constitute, and be deemed to be, a representation that the Grantee is not in default under this Grant Agreement (except as the Grantee previously may have disclosed to HUD in writing).

(3) Overdue Reports. HUD may elect to suspend draws under this Grant Agreement during any period in which the Grantee has failed to file with HUD any quarterly report.

ARTICLE VIII. Matching and Leveraged Funds

(A) Match Requirements.

(1) Grantee must have secured a match in the amount of 5 percent of the grant amount in cash or in-kind donations.

(2) Additional Supportive Services Match. The lesser of that provided for in your Transformation Plan or up to 15 percent of the Choice Neighborhoods grant may be used for supportive services activities. However, if the Grantee is using more than 5 percent of the grant funds for supportive services activities, funds (cash or in-kind donations) from sources other than Choice Neighborhoods must be secured for the amount between 5 and 15 percent of the grant that Grantee will use for supportive services activities. These resources must be NEW commitments in order to be counted for match.

(B) Match Donations and Leverage Resources. Grantee shall keep documentation on matching and leveraged funds during the term of this Grant Agreement and shall provide this documentation in a format acceptable to HUD upon request by HUD, until the closeout of this grant. The documentation should show that the funds are secured and the Grantee should keep records showing how those funds have been expended over time.

ARTICLE IX. Subgrantees and Contractors

(A) General Grantee Responsibilities.

- (1) Implementation Team. The Grantee agrees to promptly assemble a competent implementation team, if you have not already, to assist in working with the Grantee's partners and coordinating all phases of the implementation process.
- (2) Choice Neighborhoods Requirements. The Grantee shall ensure that any entity to which it makes grant funds available will comply with the Choice Neighborhoods Requirements.
- (3) Required Certifications.
 - (a) The Grantee must ensure that all subgrantees and contractors execute an original document in the form of Exhibit A or B, as appropriate, to this Grant Agreement at the time the Grantee executes any contract with any subgrantee or contractor to provide goods or services under this Grant Agreement. The Grantee will retain the executed original certificate together with the executed contract documents.
 - (b) The Grantee must ensure that the requirements contained in the General Conditions for Non-Construction Form (Form 5370-C) are included in any solicitation in connection with non-construction contracts that will be made by the Grantee and paid for with assistance under this Grant Agreement. Such conditions must also be included in any non-construction contract entered into by the Grantee.
- (B) Administrative Requirements for Non-profit and Government Grantees.
 - (1) Administrative requirements applicable to all Grantees except those that are for-profit entities are:
 - (a) 24 CFR part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments), as modified by 24 CFR part 941 or successor part, relating to the procurement of partners in mixed finance developments; and
 - (b) 2 CFR 225 (Cost Principles for State, Local and Indian Tribal Governments).
 - (2) Subgrant Agreements
 - (a) Grantee Responsibilities Regarding Subgrantees. Grantees will be responsible for:
 - (i) ensuring that subgrantees are aware of the requirements imposed upon them by Federal statutes, regulations, and this Grant Agreement;
 - (ii) ensuring that all subgrant agreements between Choice Neighborhoods Grantees and non-profit subgrantees contain all the provisions required by 24 CFR § 84.48 and Appendix A to Part 84;
 - (iii) ensuring that subgrant agreements include any clauses required by Federal statutes and executive orders, and their implementing regulations; and

(iv) monitoring subgrantees' performance to ensure compliance with the Choice Neighborhoods Requirements.

(b) State or Local Subgrantee Requirements. State or local government subgrantees are subject to, and required to comply with, the Administrative requirements at 24 CFR part 85 ("Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments") and the cost principles of 2 CFR 225 ("Cost Principles for State, Local and Indian Tribal Governments").

(c) Nonprofit Subgrantee Requirements. Nonprofit subgrantees are subject to, and required to comply with, the provisions and standards set forth in the regulations at 24 CFR part 84 ("Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations" or the "Nonprofit Administrative Requirements") and OMB Circular A-122 ("Cost Principles for Nonprofit Organizations" or the "Nonprofit Cost Principles").

(3) Contractors and Subcontractors

(a) Grantee Responsibilities Regarding Contractors and Subcontractors. Grantees that are subject to 24 CFR part 85 as described in (B)(1) of this Article will be responsible for the following:

(i) For-Profit Entities. Obtain the services of a for-profit entity through a competitive procurement under 24 CFR part 85. However, if the Grantee can demonstrate to HUD that the services to be provided by the for-profit entity can be obtained only from that one source, the Grantee may request HUD approval to select the entity under a sole-source procurement in accordance with 24 CFR § 85.36(d)(4).

(ii) Consultant Services. Obtain consultant services provided under an independent contractor relationship according to the procurement requirements in 24 CFR § 85.36 and the principles of cost reasonableness contained in 2 CFR 225.

(b) Trigger for the Submission of Contracts. Contract documents must be submitted to HUD for prior approval if required or requested by HUD under 24 CFR § 85.36. Any modification of such contracts is also subject to HUD's written approval before execution.

(c) Debarred or Suspended Parties. Prior to executing any contract, the Grantee will comply with, and ensure compliance with, 24 CFR § 85.35 and 24 CFR part 24, which prohibit the employment, engagement of services, awarding of contracts, subgrants, or funding of any recipients, or contractors or subcontractors, during any period of debarment, suspension, or placement in ineligibility status.

(d) Minority, Women's, and Resident-Controlled Business Enterprises. In accordance with Executive Orders 11246, 11625, 12432, and 12138, the Grantee will adopt the goal of awarding a specified percentage of the dollar value of the total of the Choice Neighborhoods contracts to

be awarded as a result of this grant to minority business enterprises and take appropriate affirmative action to assist resident-controlled and women's business enterprises.

(4) **Administrative Requirements.** Administrative requirements applicable to for-profit organizations under contract with a Grantee subject to 24 CFR part 85 as described in (B)(1) of this Article are the same as the Grantee's per 24 CFR 85.37(b).

(C) **Administrative Requirements for For-profit Grantees.** Pursuant to 24 CFR 85.22(b), For-profit Grantees shall comply with 48 CFR part 31, Contract Cost Principles and Procedures.

ARTICLE X. No Third Party Rights

The Grantee and HUD are the sole parties to this Grant Agreement and do not intend to create any third party beneficiaries to this Grant Agreement. Nothing in this Grant Agreement may be construed as conferring the status of third party beneficiary upon the residents; and in no event shall any entity other than the Grantee have direct rights to the Choice Neighborhoods funds provided for under this Grant Agreement.

ARTICLE XI. Conflict of Interest

(A) **Prohibition.** The Grantee shall comply with the conflict of interest requirements in 24 CFR part 85 as applicable. No person who is an employee, agent, officer, or elected or appointed official of the Grantee or member of his immediate family and who exercises any functions or responsibilities with respect to activities assisted under this Choice Neighborhoods Grant may have a direct interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder.

(B) **HUD-Approved Exception.**

(1) **Standard.** HUD may grant an exception to the prohibition in paragraph (A) of this Article on a case-by-case basis when it determines that such an exception will serve to further the purposes of Choice Neighborhoods and its effective and efficient administration.

(2) **Procedure.** HUD will consider granting a regulatory waiver only after the Grantee has provided a written request which provides a disclosure of the nature of the conflict, accompanied by:

(a) an assurance that there has been public disclosure of the conflict;

(b) a description of how the public disclosure was made; and

(c) an opinion of the Grantee's attorney that the interest for which the exception is sought does not violate State or local laws.

(3) Consideration of Relevant Factors. In determining whether to grant a requested exception under paragraph (B) of this Article, HUD will consider the cumulative effect of the following factors, where applicable:

- (a) whether the exception would provide a significant cost benefit or an essential degree of expertise to the Transformation Plan that would otherwise not be available;
- (b) whether an opportunity was provided for open competitive bidding or negotiation;
- (c) whether the person affected is a member of a group or class intended to be the beneficiaries of the Transformation Plan and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
- (d) whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process, with respect to the specific activity in question;
- (e) whether the interest or benefit was present before the affected person was in a position as described in paragraph (A) of this Article;
- (f) whether undue hardship will result either to the Grantee or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and
- (g) any other relevant considerations.

ARTICLE XII. Reporting Requirements

(A) Quarterly Report.

(1) The Grantee will submit to HUD a Quarterly Report as prescribed by HUD 15 calendar days after the end of each quarter, with the first report due January 15, 2012. In the Quarterly Report the Grantee will report at a minimum the progress of their grant, including but not limited to progress against their schedule and budget, expenditures to date, a narrative statement on their progress, a description of progress against metrics, and description of financing secured to date for implementation. The Grantee should also include, as appropriate, best practices and lessons learned from the date of the prior Quarterly Report. The Quarterly Reports must be submitted until the Transformation Plan is complete.

(2) Failure to submit to HUD a timely Quarterly Report will result in a suspension of Choice Neighborhoods Grant funds in LOCCS until such time as the report is received and approved by HUD, and/or any other default remedy authorized by Article XIV.

(B) Obligations and Expenditures. The Grantee must enter cumulative obligation and expenditure data into LOCCS by the due dates established by HUD, whether or not there has been any change in the cumulative amounts since the end of the last quarter.

(C) Additional Information Requests. Subject to paragraph (D) of this Article, the Grantee will comply with all other reporting requirements from time to time established by HUD, in its sole discretion, in connection with the Choice Neighborhoods Program. The Grantee will:

- (1) fully cooperate with all reasonable information gathering requests made by HUD or contractors of HUD in the course of authorized evaluations of the Choice Neighborhoods Program; and
- (2) submit a final report on grant funds by 90 days after the last funded activity, in the form prescribed by HUD.
- (3) submit a final Transformation Plan report when the Transformation Plan has been completed that details the number of units produced, the status of people outcomes, and any other metrics that HUD prescribes.

(D) Additional Requirements. The Grantee agrees to comply with all other terms and conditions HUD may establish to administer, monitor, or evaluate the Choice Neighborhoods Program in an effective and efficient manner. Notwithstanding the foregoing, however, except as provided in Article XIV, HUD hereafter will not establish any additional terms and conditions without:

- (1) consideration of the burden imposed on the Grantee by such conditions or requirements;
- (2) consideration of the availability of less burdensome conditions or requirements; and
- (3) in the case of a term or condition applicable solely to the Grantee, consulting in advance with the Grantee.

ARTICLE XIII. Technical Assistance

(A) Site Visits. The Grantee acknowledges and agrees that HUD, or its designees, may conduct site visits and inspections as deemed necessary by HUD based upon the Grantee's needs in implementing the Transformation Plan or the needs of the Choice Neighborhoods Program. Technical assistance site visits may be provided by HUD or its designees:

- (1) in response to requests from the Grantee; or
- (2) based upon demonstrated needs of the Choice Neighborhoods Program; or
- (3) as provided in paragraph (B) of this Article.

(B) HUD Assessment. HUD representatives will visit the site and make an assessment of any technical assistance and/or training that the Grantee may require for the implementation of the Transformation Plan. HUD will consult with the Grantee in determining the Grantee's specific technical assistance and training needs and will carry out subsequent on-site assessments as necessary.

(C) Technical Assistance Provider. If HUD determines, in its discretion, that technical assistance and/or training is necessary for the implementation of the Transformation Plan, it will assign a technical assistance provider to work with the Grantee for this purpose.

(D) Grantee Training/Technical Assistance. The Grantee agrees to use its best efforts to attend any training and to accept any technical assistance provided or sponsored by HUD.

ARTICLE XIV. Unsatisfactory Performance/Default

(A) In accordance with Section 24(i) of the 1937 Act, if the Grantee defaults under this grant agreement, HUD may withdraw any unobligated grant amounts and may pursue other actions as described in this Article. HUD shall redistribute any withdrawn amounts to one or more other applicants eligible for Choice Neighborhoods assistance or to one or more other entities capable of proceeding expeditiously in the same locality in carrying out the Transformation Plan of the original Grantee. This section applies to all Grantees regardless of their status as a government, PHA, for-profit, or other entity.

(B) Default. Each of the following events or occurrences, to the extent it constitutes a material breach or occurrence, may constitute a default by the Grantee under this Grant Agreement, as determined by HUD in its sole discretion:

(1) use of funds provided under this Grant Agreement for any purpose, in any manner or at any time, other than as authorized by this Grant Agreement;

(2) failure to comply with the Choice Neighborhoods Requirements or any other Federal, State, or local laws, regulations or requirements applicable in implementing the Transformation Plan;

(3) failure to make any submission under Article III, perform any obligation, or otherwise fail to proceed in a manner consistent with the Transformation Plan, (including, without limitation, failure to accomplish an activity by the date specified in the Program Schedule);

(4) any material misrepresentation in any of the required submissions, including, without limit, any misrepresentations in any of the submissions required by Article III(B); or

(5) failure to comply with, or any material breach of, any other requirements, conditions or terms of this Grant Agreement.

(C) Notice of Default and Action(s) to Cure.

(1) General. HUD will give the Grantee written notice of any default. The notice will give the Grantee the opportunity to cure such default within 30 days of the date of the notice, or to demonstrate within this time period, by submitting substantial evidence satisfactory to HUD, that it is not in default. If the default is not able to be cured within the 30-day period, the Grantee will demonstrate, to HUD's satisfaction, that the Grantee has taken actions necessary to cure the default and that the default is curable within 90 days from the date of the default notice.

Additionally, the Grantee must agree to carry out such cure diligently and to complete the cure within the 90-day period.

(2) Immediate Default. Notwithstanding the provisions of paragraph (C)(1) of this Article, HUD in its sole discretion may place the Grantee into immediate default for not being in compliance with its Program Schedule or for non-compliance with Choice Neighborhoods requirements once written notification of default has been provided to the Grantee. At that time, HUD may immediately begin imposing consequences of default, including specifically the suspension of draws of the Choice Neighborhoods grant.

(3) Imminent Threat. Notwithstanding the provisions of subparagraph (C)(1) of this Article concerning the opportunity to cure defaults, if HUD reasonably determines that there is an imminent threat that the Grantee will expend additional Choice Neighborhoods Grant funds in violation of the provisions of this Grant Agreement, HUD may implement the remedial action provided for under subparagraph (C)(4)(d) of this Article to prevent any such unauthorized expenditure until such time as the Grantee has complied with the cure provisions set forth above. HUD will implement such remedial action by written notice set forth either in the notice of default given under paragraph (C)(1) of this Article or by subsequent written notice to the Grantee. An imminent threat is not an immediate default.

(4) Consequences of Default. If the Grantee fails to cure all defaults specified in the notice of default within the time periods set forth in paragraph (C)(1) of this Article, or fails to diligently pursue or complete any cure as provided in paragraph (C)(1), HUD may take any of the following remedial actions, upon written notice to the Grantee:

- (a) requiring a Grantee in default to provide evidence to HUD of acceptable performance over such period of time as specified by HUD and to obtain written approval from HUD to proceed to the next phase of activities;
- (b) requiring additional, more detailed financial reports;
- (c) requiring additional project monitoring;
- (d) requiring the Grantee (or subgrantee) to obtain technical or management assistance;
- (e) establishing additional prior approvals; and
- (f) require the Grantee, within a time period established by HUD, to prepare a revised Program Schedule, obtain HUD's approval thereto, and follow such revised Program Schedule to complete the activities under the Grant Agreement;
- (g) require the Grantee, within a time period established by HUD, to revise any activity under the Grant Agreement in order to successfully complete the activities under the Grant Agreement in a manner satisfactory to HUD, including, without limitation, exclusion or revision of affected activities, revision of the Choice Neighborhoods Budget as necessary, and substitution of other eligible activities;

- (h) require submission of additional documentation before any additional request for funds will be approved;
 - (i) temporarily suspend the Grantee's authority to draw down Choice Neighborhoods Grant funds for affected activities, or at HUD's sole discretion for all activities, pending action to cure the defaults;
 - (j) disallow use of Choice Neighborhoods Grant funds for all or part of the cost of the activity or action not in compliance;
 - (k) recover amounts determined by HUD to have been improperly expended, including any property obtained by the Grantee with such grant funds;
 - (l) require reimbursement by the Grantee for Choice Neighborhoods Grant funds determined by HUD to have been improperly expended;
 - (m) make arrangements satisfactory to HUD, in its sole discretion, for use of an entity other than the Grantee to carry out activities assisted under the Grant Agreement, including requiring the Grantee to assign any outstanding contracts obligating grant funds to another entity.
- (5) Additional Enforcement Actions. If HUD determines that the remedial actions taken by HUD under paragraph (C)(4) of this Article have not been effective in curing the default, or if the Grantee has not complied with the requirements imposed by HUD under paragraph (C)(4) and has not otherwise cured the default, or if HUD exercises its discretion under subparagraph (C)(2) of this Article to institute any of the following actions, HUD may take any of the following remedial or enforcement actions (in addition to any of the remedies permitted under paragraph (C) of this Article upon written notice to the Grantee):
- (a) reduce the Choice Neighborhoods Grant in the amount affected by the default;
 - (b) terminate the Choice Neighborhoods Grant as to all further activities and initiate closeout procedures;
 - (c) recapture any Choice Neighborhoods Grant funds not obligated by the Grantee.
 - (i) If the basis for the Grantee's default is its failure to comply with the reasonable time periods established by HUD under Article III(C), HUD shall, in accordance with section 24(i) of the 1937 Act, and unless otherwise approved by HUD under paragraph (C)(3) of this Article, recapture any Choice Neighborhoods Grant funds not obligated by the Grantee.
 - (ii) If the Grantee fails to comply with the reasonable time periods established in Article III(C), HUD may take into account whether factors beyond the Grantee's control are the cause of the delay.

- (d) take action against the Grantee under 24 CFR part 24 and Executive Order 12549 with respect to future HUD or Federal grant awards; and
- (e) take any other available legal or equitable remedial action, including, but not limited to, any remedial actions available under a PHA's ACC and/or premised on HUD's interest in the housing development established in the relevant Declaration of Trust or Declaration of Restrictive Covenants or housing assistance contract, as applicable.

ARTICLE XV. Project Close-Out

(A) Termination of Disbursements Letter. Within 90 days after completion of all grant funded activities, the Grantee will initiate close-out, in accordance with procedures established by HUD, by submitting a Termination of Disbursements letter, which states that:

- (1) The Grantee has completed all activities to be performed using Choice Neighborhoods Implementation Grant funds.
- (2) All requirements of the Grant Agreement have been met.
- (3) All obligated Choice Neighborhoods grant funds have been disbursed; and
- (4) The Grantee will abide by any continuing Federal requirements;

At HUD's option, the Grantee may delay initiation of close-out until the resolution of any HUD monitoring findings. If HUD exercises this option, the Grantee must promptly resolve the findings.

(B) Preliminary Closeout Materials. The Grantee must submit the following Preliminary Close-Out Materials along with the Termination of Disbursements Letter:

- (1) Final Choice Neighborhoods Budget;
- (2) Final Financial Status Report (Form SF-269-A), which contains a cumulative summary of all expenditures and indicates the balance of unexpended funds.
- (2) Actual HOPE VI Cost Certificate (Cost Certificate) (Form HUD-53001-A), or a Choice Neighborhoods successor form if created, which summarizes the information on the Financial Status Report and serves as the document that officially closes out the grant.

(C) HUD Review of Preliminary Close-Out Materials. HUD will review Preliminary Close-Out Materials to confirm that:

- (1) The amounts on the final Choice Neighborhoods Budget and Cost Certificate agree as to funds approved, obligated and expended.

- (2) The amount of funds approved and disbursed on the Cost Certificate agrees with HUD records in LOCCS.
- (3) If HUD disbursed more funds than the Grantee expended, the Grantee will immediately remit to HUD the excess funds, without waiting for completion of the final audit.
- (D) Final Audit. Following HUD approval of the Preliminary Close-Out Materials, the Grantee must conduct a final audit of the Implementation Grant in accordance with the requirements of 24 CFR 85.26 and forward the audit to HUD for approval.
- (E) Cost Certificate. Upon receipt of the final audit, the designated HUD official will execute the Cost Certificate once HUD determines to its satisfaction that:
- (1) the expenditure of funds provided under this Grant Agreement was allowable and reasonable, as determined by the final audit;
 - (2) the activities to be completed using Choice Neighborhoods Grant funds were completed, as required by the Grant Agreement; and
 - (3) all Federal requirements, were satisfied.
- (F) Final Close-Out. Following execution of the Cost Certificate, any funds remaining in the Implementation Grant will be recaptured by HUD. A Post-Audit Date will be entered into LOCCS and the grant will be closed.

ARTICLE XVI. Effective Date

The effective date of this Grant Agreement is the date that HUD executes it.

ARTICLE XVII. Points of Contact

Any correspondence related to this Grant Agreement should be directed to the following points of contact for HUD, the Lead Grantee, and any other Grantees:

For the U.S. Department of Housing and Urban Development:

Dominique Blom
Deputy Assistant Secretary, Office of Public Housing Investments
U.S. Department of Housing and Urban Development
451 7th Street, SW Room 4130
Washington, D.C. 20410

For the Lead Grantee:

For the co-Grantee(s):

Signatures:

[name]
[title]
[Grantee organization]

[name]
[title]
[co-Grantee organization]

Sandra B. Henriquez
Assistant Secretary, Public and Indian Housing
U.S. Department of Housing and Urban Development

Date

Appendix A

Additional statutory, regulatory, and other requirements with which Grantee must comply as applicable include:

1. OMB Circulars A-102, A-110, A-87, A-122 are applicable to the availability of using federal funds for matching.
2. Fair Housing Certifications, as the same maybe amended from time to time, and any additional Fair Housing requirements that may become applicable:
 - (A) the Fair Housing Act (42 U.S.C. §§ 3601-19) and regulations pursuant thereto 24 CFR part 100;
 - (B) Executive Order 11063 (Equal Opportunity in Housing) and regulations pursuant thereto (24 CFR part 107);
 - (C) the fair housing poster regulations (24 CFR part 110) and advertising guidelines (24 CFR part 108);
 - (D) Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d) and regulations pursuant thereto (24 CFR part 1) relating to nondiscrimination in housing;
 - (E) the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. §§ 6101-07) and regulations issued pursuant thereto (24 CFR part 146);
 - (F) the prohibitions against discrimination on the basis of disability, including requirements that the Grantee make reasonable modifications and accommodations and make units accessible, under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) and regulations issued pursuant thereto (24 CFR part 8);
 - (G) the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) and its implementing regulation at 28 CFR part 36; and
 - (H) the Architectural Barriers Act of 1968, as amended (42 U.S.C. § 4151) and regulations issued pursuant thereto (24 CFR part 40).
 - (I) Phase I and Phase II Environmental Site Assessments. You must have a Phase I environmental site assessment completed in accordance with the ASTM Standards E 1527-05, as amended, for each affected site. A Phase I assessment is required whether the environmental review is completed under 24 CFR part 50 or 24 CFR part 58
 - (J) Accessible Technology. The Rehabilitation Act Amendments of 1998 apply to all electronic information technology (EIT) used by a Grantee for transmitting, receiving, using, or storing information to carry out the responsibilities of any Federal grant awarded. It includes, but is not limited to, computers (hardware, software, word processing, email and web pages)

facsimile machines, copiers and telephones. When developing, procuring, maintaining or using EIT, grantees must ensure that the EIT allows:

- (1) Employees with disabilities to have access to and use information and data that is comparable to the access and use of data by employees who do not have disabilities; and
- (2) Members of the public with disabilities seeking information or service from a grantee must have access to and use of information and data and comparable to the access and use of data by members of the public who do not have disabilities. If these standards impose on a grantee, they may provide an alternative means to allow the individual to use the information and data. No grantee will be required to provide information services to a person with disabilities at any location other than the location at which the information services are generally provided.

4. Finance and Accounting

(A) **Commingling of Grant Funds.** The Grantee agrees that, in its recordkeeping, it will not commingle Choice Neighborhoods Grant funds with funds from any other sources including, but not limited to, other HUD program funds or funds from other Federal, State or local government agencies. (Such other funds may be used to carry out the Transformation Plan, so long as they are not commingled in the Grantee's recordkeeping.)

(B) **Duplication of Funding.** The Grantee will ensure that Choice Neighborhoods Grant funds are not used to duplicate work that is funded with any other HUD funds, funds from any other Federal program or from any other funding source identified under the Transformation Plan, and will establish controls to assure non-duplication of funding.

(C) **Cost Limitations.**

(1) Choice Neighborhoods Grant funds may be used for eligible expenditures, as authorized under this Grant Agreement and the Choice Neighborhoods Requirements. HUD's TDC Limits and HCC Limits apply to the expenditure of public housing funds (including funds provided under this Grant Agreement) for the development of replacement housing units under this Grant Agreement.

(2) If funds provided under this Grant Agreement are used in combination with other public housing funds (including, Choice Neighborhoods funds and Capital Funds) to carry out the Transformation Plan, the TDC limits and the HCC Limits that apply to this Grant Agreement will apply to the expenditure of all such funds.

(D) **HUD Reform Act.** The Grantee will comply with Section 102 of the Department of Housing and Urban Development Reform Act of 1989, as implemented at 24 CFR part 4, subpart A, which contains provisions regarding documentation of funding decisions to subgrantees, the disclosure of any pecuniary interest of any interested party, and the amount of government assistance made available to the Grantee. A subsidy layering review will be performed to ensure that the Grantee will not provide to the development or any off-site replacement housing more assistance under this Program than is necessary to provide affordable housing after taking into account other governmental assistance provided.

5. Recordkeeping

(A) Recordkeeping Authorities. The Grantee will comply with and be subject to all Federal recordkeeping requirements, including, but not limited to:

- (1) the retention and access requirements for records under 24 CFR § 85.41;
- (2) the non-Federal audit requirements under 24 CFR § 85.26; and
- (3) the requirements of 24 CFR § 85.20 that facilitate an effective audit to determine compliance with program requirements.

(B) Recordkeeping Requirements. Grantees must retain records in accordance with the requirements of paragraph (A) above, including, but not limited to:

- (1) the amount and disbursement of funds received under this Choice Neighborhoods Grant, including sufficient records that document the reasonableness and necessity of each expenditure;
- (2) the amount and nature of any other assistance, including cash, services, or other items contributed to assist in the development of the Transformation Plan or contributed as a condition of receiving this Choice Neighborhoods Grant;
- (3) any other proceeds received for, or otherwise used in connection with, the Transformation Plan; and

(C) Access to Records. For the purpose of audit, examination, monitoring, and evaluation, the Grantee will give HUD (including any duly authorized representatives and the Inspector General) access, and will ensure that any participating party will give HUD such access, to any books, documents, papers, and records of the Grantee, or such participating party, that are pertinent to assistance received under this Choice Neighborhoods Grant or under the Transformation Plan, including all records required to be kept by paragraph (B) above.

6. Labor Standards

(A) The Grantee will comply with the following labor standards:

- (1) Davis-Bacon wage rates, which apply to demolition followed by construction on the site (including any public housing rental units or homeownership units developed with assistance under this Grant agreement);
- (2) HUD-determined wage rates, which apply to:
 - (a) the development or operation of revitalized housing to the extent required under Section 12(a) of the 1937 Act, and

(b) demolition followed only by filling in the site and establishing a lawn.

(B) Exclusions. Under Section 12(b) of the 1937 Act, the wage rate requirements do not apply to individuals who:

(1) perform services for which they volunteered;

(2) do not receive compensation for those services or are paid expenses, reasonable benefits, or a nominal fee for the services; and

(3) are not otherwise employed in the work involved (24 CFR part 70).

(C) Other Program Requirements. If other Federal programs are used in connection with the Grantee's Choice Neighborhoods Program, such labor standards shall also apply to the extent required by the other Federal programs. In addition, if Choice Neighborhoods Grant funds will be used to develop a mixed finance Development in which public housing units are not included but not specifically-designated units, the Grantee shall ensure that applicable labor wage rates are met with respect to the development of all units in the Development that may, at any time, be used as the public housing units in accordance with 24 CFR § 941.610(a)(8)(vi).

(D) Section 3. The Grantee will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. § 1701u) (Employment Opportunities for Lower Income Persons in Connection with Assisted Projects) and its implementing regulation at 24 CFR part 135 as applicable.

For-Profit Subgrantee and Contractor Certifications and Assurances

The Department of Housing and Urban Development (HUD) requires that all for-profit Subgrantees and Contractors on HOPE VI projects sign this “Certifications and Assurances” form certifying that they will comply with the specific federal requirements described below.

The parties who must sign a “Certifications and Assurances” form are defined below:

- **Subgrantees:** These are for-profit organizations to which the Housing Authority (Housing Authority or Grantee) has awarded a grant from the HOPE VI grant that the Housing Authority received from HUD. The subgrantee is accountable to the Housing Authority for the use of the funds provided, but the Housing Authority is ultimately accountable to HUD.
- **Contractors:** This includes any for-profit contractor, consultant, service provider, or supplier that the Housing Authority contracts with for goods or services on any HOPE VI project.

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Certification and Assurance: The subgrantee or contractor executing this certification hereby assures and certifies that it will comply with all of the applicable requirements of the following, as the same may be amended from time to time, including adding appropriate provisions to all contracts between Grantee and for-profit Subgrantees or Contractors:

- (1) Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate. (Contracts more than the simplified acquisition threshold)
- (2) Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of \$10,000)
- (3) Compliance with Executive Order 11246 of September 24, 1965, entitled “Equal Employment Opportunity,” as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of \$10,000 by grantees and their contractors or subgrantees)
- (4) Compliance with the Copeland “Anti-Kickback” Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3). (All contracts and subgrants for construction or repair)
- (5) Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts in excess of \$2000 awarded by grantees and subgrantees when required by Federal grant program legislation)
- (6) Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts awarded by grantees and subgrantees in excess of \$2000, and in excess of \$2500 for other contracts which involve the employment of mechanics or laborers)

- (7) Notice of awarding agency requirements and regulations pertaining to reporting.
- (8) Notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract.
- (9) Awarding agency requirements and regulations pertaining to copyrights and rights in data.
- (10) Access by the grantee, the subgrantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.
- (11) Retention of all required records for three years after grantees or subgrantees make final payments and all other pending matters are closed.
- (12) Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (Contracts, subcontracts, and subgrants of amounts in excess of \$100,000).
- (13) Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

The information contained in this certification is true and accurate, to the best of my knowledge.

Name of Subgrantee or Contractor	Name and Contract Number:	
Signature of Authorized Certifying Official:	Title:	Date:

WARNING: Section 1001 of the Title 18 of the United States Code (Criminal Code and Criminal Procedure, 72 Stat.967) applies to this certification. 18 U.S.C. 1001, among other things, provides that whoever knowingly and willfully makes or uses a document or writing knowing the same to contain any false, fictitious or fraudulent statement or entry, in any matter within jurisdiction of any department or agency of the United States, shall be fined no more than \$10,000 or imprisoned for not more than five years, or both.

Return this form to:

Housing Authority Name _____

Address _____

City, State, Zip Code _____

Non-Profit Subgrantee Certifications and Assurances

The Department of Housing and Urban Development (HUD) requires that all non-profit Subgrantees on HOPE VI projects sign this “Certifications and Assurances” form certifying that they will comply with the specific federal requirements described below. The parties who must sign a “Certifications and Assurances” form are defined below:

- **Subgrantees:** These are non-profit organizations to which the Housing Authority (Housing Authority or Grantee) has awarded a grant from the HOPE VI grant that the Housing Authority received from HUD. The subgrantee is accountable to the Housing Authority for the use of the funds provided, but the Housing Authority is ultimately accountable to HUD.

Certification and Assurance: The subgrantee executing this certification hereby assures and certifies that it will comply with all of the applicable requirements of the following, as the same may be amended from time to time, including adding appropriate provisions to all contracts between Grantee and Subgrantees in accordance with 24CFR Part 84 and Appendix A to Part 84.

- 1) Contracts in excess of the small purchase threshold shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms, and provide for such remedial actions as may be appropriate.
- 2) All contracts in excess of the small purchase threshold shall contain suitable provisions for termination by the recipient, including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.
- 3) Except as otherwise required by statute, an award that requires the contracting (or subcontracting) for construction or facility improvements shall provide for the recipient to follow its own requirements relating to bid guarantees, performance bonds, and payment bonds unless the construction contract or subcontract exceeds \$100,000. For those contracts or subcontracts exceeding \$100,000, HUD may accept the bonding policy and requirements of the recipient, provided HUD has made a determination that the Federal Government’s interest is adequately protected. If such a determination has not been made, the minimum requirements shall be as follows:
 - i) A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder shall, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

- ii) A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor’s obligations under such contract.
 - iii) A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by statute of all persons supplying labor and material in the execution of the work provided for in the contract.
 - iv) Where bonds are required in the situations described herein, the bonds shall be obtained from companies holding certificates of authority as acceptable sureties pursuant to 31 CFR part 223, “Surety Companies Doing Business with the United States.”
- 4) All negotiated contracts (except those for less than the small purchase threshold) awarded by recipients shall include a provision to the effect that the recipient, HUD, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts and transcriptions.
 - 5) All contracts, including small purchases, awarded by recipients and their contractors shall contain the procurement provisions of Appendix A, as follows:
 - 6) Equal Employment Opportunity-All contracts shall contain a provision requiring compliance with E.O. 11246, “Equal Employment Opportunity,” as amended by E.O. 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and as supplemented by regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”
 - 7) Copeland “Anti-Kickback” Act (18 U.S.C. 874 and 40 U.S.C. 276c)-All contracts and subgrants in excess of \$2000 for construction or repair awarded by recipients and subrecipients shall include a provision for compliance with the Copeland “Anti-Kickback” Act (18 U.S.C. 874), as supplemented by Department of Labor regulations (29 CFR part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The recipient shall report all suspected or reported violations to HUD.
 - 8) Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7)-When required by Federal program legislation, all construction contracts awarded by the recipients and subrecipients of more than \$2000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5, “Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction”). Under this Act, contractors shall be required to pay wages to

laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The recipient shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The recipient shall report all suspected or reported violations to HUD.

- 9) Contract Work Hours and Safety Standards Act (40 U.S.C. 327 through 333)-Where applicable, all contracts awarded by recipients in excess of \$2000 for construction contracts and in excess of \$2500 for other contracts that involve the employment of mechanics or laborers shall include a provision for compliance with Sections 102 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5). Under Section 102 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard workweek of 40 hours. Work in excess of the standard workweek is permissible provided that the worker is compensated at a rate of not less than 1 1/2 times the basic rate of pay for all hours worked in excess of 40 hours in the workweek. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
- 10) Rights to Inventions Made Under a Contract or Agreement- Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by HUD.
- 11) Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended-Contracts and subgrants of amounts in excess of \$100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to HUD and the Regional Office of the Environmental Protection Agency (EPA).
- 12) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)- Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient.

- 13) Debarment and Suspension (E.O.s 12549 and 12689)-No contract shall be made to parties listed on the General Services Administration’s List of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with E.O.s 12549 and 12689, “Debarment and Suspension,” as set forth at 24 CFR part 24. This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than E.O. 12549. Contractors with awards that exceed the small purchase threshold shall provide the required certification regarding its exclusion status and that of its principal employees.
- 14) Drug-Free Workplace Requirements-The Drug-Free Workplace Act of 1988 (42 U.S.C. 701) requires grantees (including individuals) of federal agencies, as a prior condition of being awarded a grant, to certify that they will provide drug-free workplaces. Each potential recipient must certify that it will comply with drug-free workplace requirements in accordance with the Act and with HUD’s rules at 24 CFR part 24, subpart F.

The information contained in this certification is true and accurate, to the best of my knowledge.

Name of Subgrantee	Name and Contract Number:	
Signature of Authorized Certifying Official:	Title:	Date:

WARNING: Section 1001 of the Title 18 of the United States Code (Criminal Code and Criminal Procedure, 72 Stat.967) applies to this certification. 18 U.S.C. 1001, among other things, provides that whoever knowingly and willfully makes or uses a document or writing knowing the same to contain any false, fictitious or fraudulent statement or entry, in any matter within jurisdiction of any department or agency of the United States, shall be fined no more than \$10,000 or imprisoned for not more than five years, or both.

Return this form to:

Housing Authority Name_____

Address_____

City, State, Zip Code_____