

**SUBMITTAL TO THE BOARD OF COMMISSIONERS
HOUSING AUTHORITY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

125
A



FROM: Housing Authority

SUBMITTAL DATE:
September 2, 2015

SUBJECT: Approve the Project Based Voucher Agreement to Enter into Housing Assistance Payments Contract, for March Veterans Village, Located on March Air Reserve Base, between the Housing Authority of the County of Riverside and March Veterans Village, L.P.; District 5, [\$0]

RECOMMENDED MOTION: That the Board of Commissioners:

1. Approve the attached Project Based Voucher Agreement to Enter into Housing Assistance Payments Contract (AHAP Contract) between the Housing Authority of the County of Riverside and March Veterans Village, L.P., a California limited partnership, relating to 75 U.S. Housing and Urban Development (HUD) Veterans Affairs Supportive Housing (VASH) project based vouchers;

(Continued)

Robert Field
Executive Director
By: Jeff Van Wagenen, Managing Director

| FINANCIAL DATA | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost: | POLICY/CONSENT (per Exec. Office) |
|-----------------|----------------------|-------------------|-------------|---------------|---|
| COST | \$ 0 | \$ 0 | \$ 0 | \$ 0 | Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/> |
| NET COUNTY COST | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |

SOURCE OF FUNDS: Budget Adjustment: No
For Fiscal Year: 2015/16

C.E.O. RECOMMENDATION:
APPROVE.
BY: Rohini Dasika
Rohini Dasika
County Executive Office Signature

MINUTES OF THE HOUSING AUTHORITY BOARD OF COMMISSIONERS

On motion of Commissioner Benoit, seconded by Commissioner Tavaglione and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley
Nays: None
Absent: None
Date: September 15, 2015
xc: Housing Authority

Kecia Harper-Ihem
Clerk of the Board
By: [Signature]
Deputy

Prev. Agn. Ref.: 10.2 of 6/30/2015 | District: 5 | Agenda Number: **10-3**

FORM APPROVED COUNTY COUNSEL
BY: GREGORY P. PRAMOS
DATE: 9/2/15

Departmental Concurrence

A-30
 4/5
 Vote

Positions Added
 Change Order

SUBMITTAL TO THE BOARD OF COMMISSIONERS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

Housing Authority

FORM 11: Approve the Project Based Voucher Agreement to Enter into Housing Assistance Payments Contract, for March Veterans Village, Located on March Air Reserve Base, between the Housing Authority of the County of Riverside and March Veterans Village, L.P.; District 5, [\$0]

DATE: September 2, 2015

PAGE: 2 of 3

RECOMMENDED MOTION:

(Continued)

2. Authorize the Chairman of the Board of Commissioners to sign the attached AHAP Contract; and
3. Authorize the Assistant County Executive Officer/EDA, or designee, to take all necessary steps to implement the attached AHAP Contract, including, but not limited to signing subsequent necessary and relevant documents, subject to approval by County Counsel.

BACKGROUND:

Summary

In October, 2014 the Housing Authority of the County of Riverside (HACR) received 75 U.S. Housing and Urban Development (HUD) Veterans Affairs and Supportive Housing (VASH) project based vouchers through a competitive grant, to subsidize 75 efficiency rental units to be constructed as part of the March Veterans Village development in Moreno Valley. The developer, March Veterans Village, L.P., a California limited partnership, (March Veterans Village) will begin constructing a 138 unit multi-family housing project, with associated infrastructure and tenant services, no later than October 1, 2015. The March Veterans Village development will be located on the March Air Reserve Base, specifically the southwest corner of N Street and 6th Street, Moreno Valley, CA 92551, identified as Assessor Parcel Numbers: 294-080-006, 007 and 008. The 75 HUD VASH project based vouchers will serve as a rental subsidy for veterans referred to the HACR by the Veterans Affairs Loma Linda.

Prior to the release of the HUD VASH project based vouchers, HUD requires HACR and March Veterans Village to enter into a PBV Agreement to Enter into Housing Assistance Payments Contract (AHAP Contract). Under the proposed AHAP Contract, March Veterans Village agrees to develop the 75 efficiency rental units in accordance with HUD requirements, and HACR agrees that, upon timely completion of such development in accordance with the terms of the AHAP Contract, the HACR will enter into a Housing Assistance Payments Contract with March Veterans Village. Under the proposed AHAP Contract construction is required to commence on October 1, 2015 and shall be completed no later than April 1, 2017. The Housing Assistance Payments Contract between HACR and March Veterans Village will be brought before the Board for review and approval/disapproval at a later date. A copy of the proposed AHAP Contract is attached.

The entire March Veterans Village development which consists of 138 residential rental units, with associated infrastructure and tenant services, was already evaluated pursuant to the California Environmental Quality Act (CEQA) by the lead agency, the March Joint Powers Authority, on November 2, 2011 in the March LifeCare Campus Specific Plan Final Environmental Impact Report (SCH# 2008071021) (EIR) . The proposed AHAP Contract which is the subject of this Board action only relates to the subsidy of 75 of efficiency units to be developed as part of the 138 rental unit March Veterans Village development. The aforementioned EIR encompassed these 75 units in its evaluation, as such no further CEQA is required. In addition, pursuant to the National Environmental Policy Act (NEPA), on June 30, 2015, the Board of Commissioners adopted the Environmental Assessment prepared by the County of Riverside Economic Development Agency as the Responsible Entity, in connection with the 75 HUD VASH project based vouchers, which found that the proposed project would not have a significant effect on the environment.

(Continued)

SUBMITTAL TO THE BOARD OF COMMISSIONERS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

Housing Authority

FORM 11: Approve the Project Based Voucher Agreement to Enter into Housing Assistance Payments Contract, for March Veterans Village, Located on March Air Reserve Base, between the Housing Authority of the County of Riverside and March Veterans Village, L.P.; District 5, [\$0]

DATE: September 2, 2015

PAGE: 3 of 3

BACKGROUND:

Summary

(Continued)

The AHAP Contract has been approved as to form by County Counsel. Staff recommends approval of the proposed AHAP Contract.

Impact on Citizens and Businesses

The 75 HUD VASH project based vouchers will have a positive impact on citizens and businesses as they will provide much needed housing subsidies and supportive services for veterans as well as assist with the creation of jobs for local residents.

Attachments:

PBV Agreement to Enter into Housing Assistance Payments

**U.S. Department Of Housing And Urban Development
Office of Public and Indian Housing**

SECTION 8 PROJECT-BASED VOUCHER PROGRAM

**PBV AGREEMENT TO ENTER INTO
HOUSING ASSISTANCE PAYMENTS CONTRACT**

NEW CONSTRUCTION OR REHABILITATION

PART I

This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. Assurances of confidentiality are not provided under this collection.

1.1 Parties

This Agreement to Enter into Housing Assistance Payments Contract ("Agreement") is entered into between: Housing Authority of the County of Riverside ("PHA") and March Veterans Village, L.P. ("owner").

1.2 Purpose

The owner agrees to develop the Housing Assistance Payments Contract ("HAP contract") units to in accordance with Exhibit B to comply with Housing Quality Standards ("HQS"), and the PHA agrees that, upon timely completion of such development in accordance with the terms of the Agreement, the PHA will enter into a HAP contract with the owner of the contract units.

1.3 Contents of Agreement

This Agreement consists of Part I, Part II and the following Exhibits:

EXHIBIT A: The approved owner's PBV proposal. (Selection of proposals must be in accordance with 24 CFR 983.51.)

EXHIBIT B: Description of work to be performed under this Agreement, including:

- if the Agreement is for rehabilitation of units, this exhibit must include the rehabilitation work write-up and, where the PHA has determined necessary, specifications and plans.
- if the Agreement is for new construction of units, the work description must include the working drawings and specifications.
- any additional requirements beyond HQS relating to quality, design and architecture that the PHA requires.
- work items resulting from compliance with the design and construction requirements of the Fair Housing Act and implementing regulations at 24 CFR 100.205 and the accessibility requirements under section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR 8.22 and 8.23.

EXHIBIT C: Description of housing, including:

- project site.
- total number of units in project covered by this Agreement.
- location of contract units on site.
- number of contract units by area (size) and number of bedrooms and bathrooms.
- services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent to owner.
- utilities available to the contract units, including a specification of utility services to be paid by owner (without charges in addition to rent) and utility services to be paid by the tenant.
- estimated initial rent to owner for the contract units.

EXHIBIT D: The HAP contract.

1.4 Significant Dates

- A. **Effective Date of the Agreement:** The Agreement must be executed promptly after PHA notice of proposal selection to the owner has been given. The PHA may not enter this Agreement with the owner until any required subsidy layering review has been performed and an environmental review has been satisfactorily completed in accordance with HUD requirements.
- B. A project may either be a single-stage or multi-stage project. A single-stage project will have the same Agreement effective date for all contract units. A multi-stage project will have separate effective dates for each stage.

**Single-stage project**

- i. Effective Date for all contract units: 9/15/15
- ii. Date of Commencement of the Work: The date for commencement of work is not later than 10/1/15 calendar days after the effective date of this Agreement.
- iii. Time for Completion of Work: The date for completion of the work is not later than 4/1/17 calendar days after the effective date of this Agreement.

**Multi-Stage Project**

Enter the information for each stage upon execution of the Agreement for the corresponding stage.

| STAGE | NUMBER OF UNITS | EFFECTIVE DATE | DATE OF COMMENCEMENT OF WORK | TIME FOR COMPLETION OF WORK |
|-------|-----------------|----------------|------------------------------|-----------------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

1.5 Nature of the Work

This Agreement is for **New Construction** of units to be assisted by the project-based voucher program.



This Agreement is for **Rehabilitation** of units to be assisted by the project-based voucher program.

1.6 Schedule of Completion

- A. **Timely Performance of Work:** The owner agrees to begin work no later than the date for commencement of work as stated in section 1.4. In the event the work is not commenced, diligently continued and completed as required under this Agreement, the PHA may terminate this Agreement or take other appropriate action. The owner agrees to report promptly to the PHA the date work is commenced and furnish the PHA with progress reports as required by the PHA.
- B. **Time for Completion:** All work must be completed no later than the end of the period stated in section 1.4. Where completion in stages is provided for, work related to units included in each stage shall be completed by the stage completion date and all work on all stages must be completed no later than the end of the period stated in section 1.4.
- C. **Delays:** If there is a delay in the completion due to unforeseen factors beyond the owner's control as determined by the PHA, the PHA agrees to extend the time for completion for an appropriate period as determined by the PHA in accordance with HUD requirements.

1.7 Changes in Work

- A. The owner must obtain prior PHA approval for any change from the work specified in Exhibit B which would alter the design or quality of the rehabilitation or construction. The PHA is not required to approve any changes requested by the owner. PHA approval of any change may be conditioned on establishment of a lower initial rent to owner as determined by PHA in accordance with HUD requirements.
- B. If the owner makes any changes in the work without prior PHA approval, the PHA may establish lower initial rents to owner as determined by the PHA in accordance with HUD requirements.
- C. The PHA may inspect the work during rehabilitation or construction to ensure that work is proceeding on schedule, is being accomplished in accordance with the terms of the Agreement, meets the level of material described in Exhibit B and meets typical levels of workmanship for the area.

1.8 Work Completion

- A. Conformance with Exhibit B: The work must be completed in accordance with Exhibit B. The owner is solely responsible for completion of the work.
- B. Evidence of Completion: When the work is completed, the owner must provide the PHA with the following:

1. A certification by the owner that the work has been completed in accordance with the HQS and all requirements of this Agreement.
2. A certification by the owner that the owner has complied with labor standards and equal opportunity requirements in the development of the housing. (See 24 CFR 983.155(b)(1)(ii).)
3. Additional Evidence of Completion: At the discretion of the PHA, or as required by HUD, the owner may be required to submit additional documentation as evidence of completion of the housing. Check the following that apply:

A certificate of occupancy or other evidence that the contract units comply with local requirements.

An architect or developer's certification that the housing complies with:

the HQS;

State, local or other building codes;

Zoning;

The rehabilitation work write-up for rehabilitated housing;

The work description for newly constructed housing; or

Any additional design or quality requirements pursuant to this Agreement.

1.9 Inspection and Acceptance by the PHA of Completed Contract Units

- A. Completion of Contract Units: Upon receipt of owner notice of completion of contract units, the PHA shall take the following steps:
 - 1. Review all evidence of completion submitted by owner.
 - 2. Inspect the units to determine if the housing has been completed in accordance with this Agreement, including compliance with the HQS and any additional requirements imposed by the PHA under this Agreement.
- B. Non-Acceptance: If the PHA determines the work has not been completed in accordance with this Agreement, including non-compliance with the HQS, the PHA shall promptly notify the owner of this decision and the reasons for the non-acceptance. The parties must not enter into the HAP contract at this point. However, work deficiencies may be corrected in accordance with Section 1.10 of this Agreement.
- C. Acceptance: If the PHA determines that the work has been completed in accordance with this Agreement, and that the owner has submitted all required evidence of completion, the PHA must submit the HAP contract for execution by the owner and must then execute the HAP contract.

1.10 Acceptance Where Work Deficiencies Exist

- A. If the PHA determines that work deficiencies exist, the PHA shall determine whether and to what extent the deficiencies are correctable, whether the units will be accepted after correction of the deficiencies, and the requirements and procedures (consistent with HUD requirements) for such correction and acceptance of contract units. The PHA shall notify the owner of the PHA's decision.
- B. Completion in Stages: When the units will be completed in stages, the procedures of this section shall apply to each stage.

1.11 Execution of HAP Contract

- A. Time and Execution: Upon acceptance of the units by the PHA, the owner and the PHA execute the HAP contract.

- B. **Completion in Stages:** When the units will be completed in stages, the number and types of units in each stage, and the initial rents to owner for such units, shall be separately shown in the HAP contract for each stage. Upon acceptance of the first stage, the owner shall execute the HAP contract and the signature block provided in the HAP contract for that stage. Upon acceptance of each subsequent stage, the owner shall execute the signature block provided in the HAP contract for such stage.
- C. **Form of HAP contract:** The terms of the HAP contract shall be provided in Exhibit D of this Agreement. There shall be no change in the terms of the HAP contract unless such change is approved by HUD headquarters. Prior to execution by the owner, all blank spaces in the HAP contract shall be completed by the PHA.
- D. **Survival of Owner Obligations:** Even after execution of the HAP contract, the owner shall continue to be bound by all owner obligations under the Agreement.

1.12 Initial Determination of Rents

- A. The estimated initial rent to owner shall be established in Exhibit C of this Agreement.
- B. The initial rent to owner is established at the beginning of the HAP contract term.
- C. The estimated and initial contract rents for each unit may in no event exceed the amount authorized in accordance with HUD requirements. Where the estimated or the initial rent to owner exceeds the amount authorized under HUD requirements, the PHA shall establish a lower estimated or initial rent to owner (as applicable), in accordance with HUD requirements.

1.13 Uniform Relocation Act

- A. A displaced person must be provided relocation assistance at the levels described in and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655) and implementing regulations at 49 CFR part 24.
- B. The cost of required relocation assistance may be paid with funds provided by the owner, or with local public funds, or with funds available from other sources. Payment of relocation assistance must be in accordance with HUD requirements.

- C The acquisition of real property for a project to be assisted under the project-based voucher program is subject to the URA and 49 CFR part 24, subpart B.
- D The PHA must require the owner to comply with the URA and 49 CFR part 24.
- E In computing a replacement housing payment to a residential tenant displaced as a direct result of privately undertaken rehabilitation or demolition of the real property, the term "initiation of negotiations" means the execution of the Agreement between the owner and the PHA.

1.14 Protection of In-Place Families

- A In order to minimize displacement of in-place families, if a unit to be placed under HAP contract is occupied by an eligible family on the proposal selection date, the in-place family must be placed on the PHA's waiting list (if it is not already on the list) and, once its continued eligibility is determined, given an absolute selection preference and referred to the project owner for an appropriately sized unit in the project.
- B This protection does not apply to families that are not eligible to participate in the program on the proposal selection date.
- C The term "in-place family" means an eligible family residing in a proposed contract unit on the proposal selection date.
- D Assistance to in-place families may only be provided in accordance with HUD requirements.

1.15 Termination of Agreement and HAP Contract

The Agreement or HAP contract may be terminated upon at least 30 days notice to the owner by the PHA or HUD if the PHA or HUD determines that the contract units were not eligible for selection in conformity with HUD requirements.

1.16 Rights of HUD if PHA Defaults Under Agreement

If HUD determines that the PHA has failed to comply with this Agreement, or has failed to take appropriate action, to HUD's satisfaction or as directed by HUD, for enforcement of the PHA's rights under this Agreement, HUD may assume the PHA's rights and obligations under the Agreement, and may perform the obligations and enforce the rights of the PHA under the Agreement. HUD will, if it determines that the owner is not in

default, pay annual contributions for the purpose of providing housing assistance payments with respect to the dwelling unit(s) under this Agreement for the duration of the HAP contract.

1.17 Owner Default and PHA Remedies

A. Owner Default

Any of the following is a default by the owner under the Agreement:

1. The owner has failed to comply with any obligation under the Agreement.
2. The owner has violated any obligation under any other housing assistance payments contract under Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).
3. The owner has committed any fraud or made any false statement to the PHA or HUD in connection with the Agreement.
4. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any Federal housing assistance program.
5. If the property where the contract units are located is subject to a lien or security interest securing a HUD loan or a mortgage insured by HUD and:
 - A. The owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement; or
 - B. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with the HUD loan or HUD-insured mortgage.
6. The owner has engaged in any drug-related criminal activity or any violent criminal activity.

B. PHA Remedies

1. If the PHA determines that a breach has occurred, the PHA may exercise any of its rights or remedies under the Agreement.

2. The PHA must notify the owner in writing of such determination. The notice by the PHA to the owner may require the owner to take corrective action (as verified by the PHA) by a time prescribed in the notice.
3. The PHA's rights and remedies under the Agreement include, but are not limited to: (i) terminating the Agreement; and (ii) declining to execute the HAP contract for some or all of the units.

C. PHA Remedy is not Waived

The PHA's exercise or non-exercise of any remedy for owner breach of the Agreement is not a waiver of the right to exercise that remedy or any other right or remedy at any time.

1.18 PHA and Owner Relation to Third Parties

A. Selection and Performance of Contractor

1. The PHA has not assumed any responsibility or liability to the owner, or any other party for performance of any contractor, subcontractor or supplier, whether or not listed by the PHA as a qualified contractor or supplier under the program. The selection of a contractor, subcontractor or supplier is the sole responsibility of the owner and the PHA is not involved in any relationship between the owner and any contractor, subcontractor or supplier.
2. The owner must select a competent contractor to undertake rehabilitation or construction. The owner agrees to require from each prospective contractor a certification that neither the contractor nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or otherwise excluded from participation in contracts by any Federal department or agency or the Comptroller General. The owner agrees not to award contracts to, otherwise engage in the service of, or fund any contractor that does not provide this certification.

- B. Injury Resulting from Work under the Agreement: The PHA has not assumed any responsibility for or liability to any person, including a worker or a resident of the unit undergoing work pursuant to this Agreement, injured as a result of the work or as a result of any other action or failure to act by the owner, or any contractor, subcontractor or supplier.

- C. **Legal Relationship:** The owner is not the agent of the PHA and this Agreement does not create or affect any relationship between the PHA and any lender to the owner or any suppliers, employees, contractor or subcontractors used by the owner in the implementation of the Agreement.
- D. **Exclusion of Third Party Claims:** Nothing in this Agreement shall be construed as creating any right of any third party (other than HUD) to enforce any provision of this Agreement or the HAP contract, or to assert any claim against HUD, the PHA or the owner under the Agreement or the HAP contract.
- E. **Exclusion of Owner Claims against HUD:** Nothing in this Agreement shall be construed as creating any right of the owner to assert any claim against HUD.

1.19 PHA-Owned Units

Notwithstanding Section 1.18 of this Agreement, a PHA may own units assisted under the project-based voucher program, subject to the special requirements in 24 CFR 983.59 regarding PHA-owned units.

1.20 Conflict of Interest

- A. **Interest of Members, Officers, or Employees of PHA, Members of Local Governing Body, or Other Public Officials**
 - 1. No present or former member or officer of the PHA (except tenant-commissioners), no employee of the PHA who formulates policy or influences decisions with respect to the housing choice voucher program or project-based voucher program, and no public official or member of a governing body or State or local legislator who exercises functions or responsibilities with respect to these programs, shall have any direct or indirect interest, during his or her tenure or for one year thereafter, in the Agreement or HAP contract.
 - 2. HUD may waive this provision for good cause.
- B. **Disclosure**

The owner has disclosed to the PHA any interest that would be a violation of the Agreement or HAP contract. The owner must fully and promptly update such disclosures.

1.21 Interest of Member or Delegate to Congress

No member of or delegate to the Congress of the United States of America or resident-commissioner shall be admitted to any share or part of the Agreement or HAP contract or to any benefits arising from the Agreement or HAP contract.

1.22 Transfer of the Agreement, HAP Contract or Property

A. PHA Consent to Transfer

The owner agrees that the owner has not made and will not make any transfer in any form, including any sale or assignment, of the Agreement, HAP contract or the property without the prior written consent of the PHA. A change in ownership in the owner, such as a stock transfer or transfer of the interest of a limited partner, is not subject to the provisions of this section. Transfer of the interest of a general partner is subject to the provisions of this section.

B. Procedure for PHA Acceptance of Transferee

Where the owner requests the consent of the PHA for a transfer in any form, including any sale or assignment, of the Agreement, the HAP contract or the property, the PHA must consent to a transfer of the Agreement or HAP contract if the transferee agrees in writing (in a form acceptable to the PHA) to comply with all the terms of the Agreement and HAP contract, and if the transferee is acceptable to the PHA. The PHA's criteria for acceptance of the transferee must be in accordance with HUD requirements.

C. When Transfer is Prohibited

The PHA will not consent to the transfer if any transferee, or any principal or interested party is debarred, suspended subject to a limited denial of participation, or otherwise excluded under 2 CFR part 2424, or is listed on the U.S. General Services Administration list of parties excluded from Federal procurement or nonprocurement programs.

1.23 Exclusion from Federal Programs

A. Federal Requirements

The owner must comply with and is subject to requirements of 2 CFR part 2424.

B. Disclosure

The owner certifies that:

1. The owner has disclosed to the PHA the identity of the owner and any principal or interested party.
2. Neither the owner nor any principal or interested party is listed on the U.S. General Services Administration list of parties excluded from Federal procurement and nonprocurement programs; and none of such parties are debarred, suspended, subject to a limited denial of participation or otherwise excluded under 2 CFR part 2424.

1.24 Lobbying Certifications

A. The owner certifies, to the best of owner's knowledge and belief, that:

1. No Federally appropriated funds have been paid or will be paid, by or on behalf of the owner, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of the Agreement or HAP contract, or the extension, continuation, renewal, amendment, or modification of the HAP contract.
2. If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the Agreement or HAP contract, the owner must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

B. This certification by the owner is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352.

1.25 Subsidy Layering

A. Owner Disclosure

The owner must disclose to the PHA, in accordance with HUD requirements, information regarding any related assistance from the Federal Government, a State, or a unit of general local government, or any agency or instrumentality thereof, that is made available or is expected to be made available with respect to the contract units. Such related assistance includes, but is not limited to, any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance.

B. Limit of Payments

Housing assistance payments under the HAP contract must not be more than is necessary, as determined in accordance with HUD requirements, to provide affordable housing after taking account of such related assistance. The PHA will adjust in accordance with HUD requirements the amount of the housing assistance payments to the owner to compensate in whole or in part for such related assistance.

1.26 Prohibition of Discrimination

A. The owner may not refuse to lease contract units to, or otherwise discriminate against, any person or family in leasing of a contract unit, because of race, color, religion, sex, national origin, disability, age or familial status.

B. The owner must comply with the following requirements: The Fair Housing Act (42 U.S.C. 3601–19) and implementing regulations at 24 CFR part 100 *et seq.* ; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959–1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1; the Age Discrimination Act of 1975 (42 U.S.C. 6101–6107) and implementing regulations at 24 CFR part 146; section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at part 8 of this title; title II of the Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.* ; 24 CFR part 8; section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135; Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964–

1965 Comp., p. 339; 3 CFR, 1966–1970 Comp., p. 684; 3 CFR, 1966–1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60; Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971–1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) (Women's Business Enterprise).

- C. The PHA and the owner must cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and all related rules and regulations.

1.27 PHA and HUD Access to Premises and Owner Records

- A. The owner must furnish any information pertinent to this Agreement as may be reasonably required from time to time by the PHA or HUD. The owner shall furnish such information in the form and manner required by the PHA or HUD.
- B. The owner must permit the PHA or HUD or any of their authorized representatives to have access to the premises during normal business hours and, for the purpose of audit and examination, to have access to any books, documents, papers and records of the owner to the extent necessary to determine compliance with the Agreement.

1.28 Notices and Owner Certifications

- A. Where the owner is required to give any notice to the PHA pursuant to this Agreement, such notice shall be in writing and shall be given in the manner designated by the PHA.
- B. Any certification or warranty by the owner pursuant to the Agreement shall be deemed a material representation of fact upon which reliance was placed when this transaction was entered into.

1.29 HUD Requirements

- A. The Agreement and the HAP contract shall be interpreted and implemented in accordance with all statutory requirements, and with all HUD requirements, including amendments or changes in HUD requirements. The owner agrees to comply with all such laws and HUD requirements
- B. HUD requirements are requirements that apply to the project-based voucher program. HUD requirements are issued by HUD Headquarters as regulations, Federal Register notices or other binding program directives.

1.30 Applicability of Part II provisions – Check all that apply

- Training, Employment and Contracting Opportunities
Section 2.1 applies if the total of the contract rents for all units under the proposed HAP contract, over the maximum term of the contract, is more than \$200,000.
- Equal Employment Opportunity
Section 2.2 only applies to construction contracts of more than \$10,000.
- Labor Standards Requirements
Sections 2.4, 2.8 and 2.10 apply when this Agreement covers nine or more units.
- Flood Insurance
Section 2.11 applies if units are located in areas having special flood hazards and in which flood insurance is available under the National Flood Insurance Program.

ADDENDUM TO AHAP

This Addendum (the "Addendum") is attached to and made a part of that certain Agreement to Enter into Housing Assistance Payments Contract by and between the Housing Authority of the County of Riverside ("Housing Authority") and March Veterans Village, L.P., a California limited partnership ("Owner") dated as of September 15, 2015 (the "AHAP"). In the event of any conflict, inconsistency or ambiguity between any provision contained in this Addendum and any provision contained in the AHAP, the provision contained in this Addendum shall govern and be controlling in all respects.

1. In accordance with the HUD letter dated October 1, 2014 the Housing Authority received an award of 75 project-based HUD-VASH vouchers (the "HUD-VASH PB Vouchers") for the March Veterans Village project, to be constructed on March Air Reserve Base, specifically, the Southwest corner of N Street and 6th Street, Moreno Valley, CA92551, identified a Assessor Parcel Numbers: 294-080-006, 007, 008 (the "Project").

The HUD-VASH PB Vouchers are governed by, inter alia, (i) Section 8 (0)(19) of the United States Housing Act of 1937, as amended, 42 U.S.C. Section 1437f(0)(19)(2013); (ii) the "Section 8 Housing Choice Vouchers: Implementation of the HUD-VA Supportive Housing Program," 73 Fed. Reg. 25026 (May 6,2008), as amended 73 Fed. Reg. 28863 (May 19,2008), as amended 77 Fed. Reg. 17086 (collectively, the "HUD VASH Operating Requirements"); (iii) the "HUD-VASH Qs & As" supplement to the HUD-VASH Operating Requirements; (iv) HUD Notice PIH 2011-50 (HA) issued September 15, 2011 entitled "Project-Basing HUD-Veterans Affairs Supportive Housing Vouchers;" (v) HUD Notice PIH 2014-03 (HA) issued February 4, 2014 entitled "Set-Aside Funding Availability for Project-Basing HUD-VASH Vouchers;" (vi) HUD Notice PIH 2012-28 issued June 11, 2012 entitled "State Registered Lifetime Sex Offenders in Federally Assisted Housing"; and (vii) 24 CFR part 983, as applicable, and all amendments, modifications or supplementations to each of the foregoing (collectively, the "HUD-VASH Program Requirements").

2. All references in the AHAP to "project-based vouchers" are hereby revised to "HUD-VASH PB Vouchers."

3. Section 1.29.B of the AHAP Part I is hereby deleted and is replaced in its entirety with the following provision:

- B. "HUD Requirements" are requirements that apply to the HUD-VASH PB Vouchers, including the HUD-VASH Program Requirements. Except for applicable federal statutes, HUD Requirements are issued by HUD Headquarters as regulations, Federal Register notices or other binding program directives, and include any waivers expressly granted to the Housing Authority.

References in the AHAP to "HUD requirements" shall hereafter refer to and mean the "HUD Requirements."

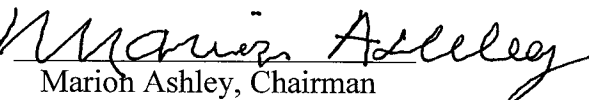
The AHAP contract, including this "Addendum to AHAP" for HUD-VASH PB Vouchers provisions, is subject to HUD approval and may be amended if required by HUD.

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Project Based Voucher Agreement to Enter Into Housing Assistance Payments Contract (Signature Page)
March Veterans Village

HOUSING AUTHORITY OF THE
COUNTY OF RIVERSIDE, a public entity,
corporate and politic

March Veterans Village, L.P.,
a California limited partnership

By: 
Marion Ashley, Chairman
Board of Commissioners

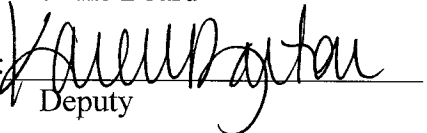
By: March Veterans Village LLC,
a California limited liability company,
its general partner

Date: SEP 15 2015

By: The Coachella Valley Housing Coalition,
a California nonprofit public benefit
corporation,
its managing member

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

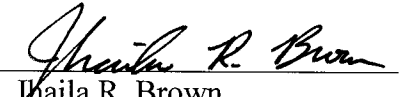
By: 
John Mealey, Executive Director

By: 
Deputy

By: United States Veterans Initiative,
a California nonprofit public benefit
corporation,
a member

APPROVED AS TO FORM:
Gregory P. Priamos, County Counsel

By: _____

By: 
Shaila R. Brown
Deputy County Counsel

Name: _____

Its: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

ACKNOWLEDGMENT

STATE OF CALIFORNIA }ss:
COUNTY OF Riverside

On August 31, 2015 before me, Fabiola Valenzuela, a Notary Public,
(insert name and title of the officer)
personally appeared John Mealey

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

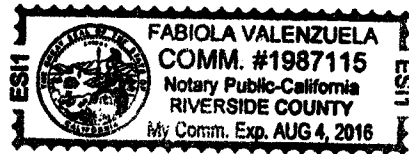
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Fabiola Valenzuela

(Seal)



Project Based Voucher Agreement to Enter Into Housing Assistance Payments Contract (Signature Page)
March Veterans Village

HOUSING AUTHORITY OF THE
COUNTY OF RIVERSIDE, a public entity,
corporate and politic

By: _____
Marion Ashley, Chairman
Board of Commissioners

Date: _____

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:
Gregory P. Priamos, County Counsel

By: _____
Jhaila R. Brown
Deputy County Counsel

March Veterans Village, L.P.,
a California limited partnership

By: March Veterans Village LLC,
a California limited liability company,
its general partner

By: The Coachella Valley Housing Coalition,
a California nonprofit public benefit
corporation,
its managing member

By: _____
John Mealey, Executive Director

By: United States Veterans Initiative,
a California nonprofit public benefit
corporation,
a member

By: _____
Steph Peck

Name: _____
Stephon Peck

Its: _____
President/CEO

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

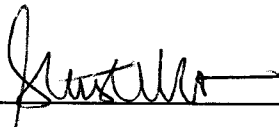
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES) S.S.

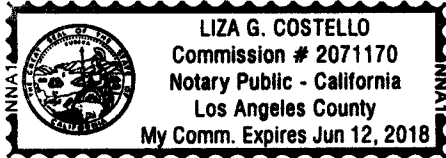
On Aug. 31, 2015 before me, Liza Costello, Notary Public
personally appeared STEPHEN PECK who proved to me on the basis of
satisfactory evidence to be the person(s) whose name(s) ~~is/are~~ subscribed to the within
instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~
authorized capacity(ies), and that by ~~his/her/their~~ signature(s) on the instrument the person(s),
or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the law of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature 

My Commission Expires: June 12, 2018



This area for official notarial seal

Exhibit "A"

Project Description

1. **Address of project or Assessor Parcel Number:** 294-080-006
2. **Location of project by census tract:** 467
3. **The total number of buildings in community:** 2
4. **Total Number of Units:**
Total Units: 138
Efficiency Units: 116 -382 Square Feet
One Bedroom/One Bath: 6 -641 Square Feet
Two Bedroom/ One Bath: 16 – 950 Square Feet

5. **Number and Bedroom Sizes of HUD-VASH units in each building:**

| Number of HUD VASH | Bedroom Type | Bedroom Size | Building |
|---------------------------|---------------------|---------------------|-----------------|
| 75 | Efficiency | 382 | 1 |

6. **New construction or rehabilitation, provide sketches of the proposed unit plans, and provide a detailed description including amenities and services. For Rehabilitation, the description must describe the property as is, and must also describe the proposed rehabilitation.** *See attached*
7. **Owner/applicants experience in managing affordable housing units:** *See attached*
8. **Owner/applicants plan for managing and maintaining the units:** *See attached*
9. **For existing units the number of person's to be displaced, temporarily relocated or moved permanently within the building or complex, the estimated cost of relocation payments and services, and the organization(s) that will carry out the relocation activities:** *Not Applicable*
10. **A Description of any supportive services available to residents in the community:** *See attached*
11. **The proposed contract rent for each unit size:**

| Unit Type | Number | Gross Rent | Utility Allowance | Net Rent | Contract Rent |
|-----------------------------|--------|------------|-------------------|----------|---------------|
| Efficiency – 30% (RA) | 33 | \$334 | \$50 | \$284 | \$713 |
| Efficiency – 35% | 6 | \$380 | \$50 | \$330 | \$330 |
| Efficiency – 35% (RA) | 9 | \$380 | \$50 | \$330 | \$713 |
| Efficiency – 35% (RA) | 9 | \$380 | \$50 | \$330 | \$713 |
| Efficiency – 40% | 14 | \$446 | \$50 | \$395 | \$395 |
| Efficiency – 40% (RA) | 33 | \$446 | \$50 | \$395 | \$713 |
| Efficiency – 55% | 12 | \$613 | \$50 | \$563 | \$563 |
| 1 Bedroom/1 Bath – 40% | 2 | \$478 | \$68 | \$410 | \$410 |
| 1 Bedroom/1 Bath – 50% | 2 | \$597 | \$68 | \$529 | \$529 |
| 1 Bedroom/1 Bath – 60% | 2 | \$717 | 68 | \$649 | \$649 |
| 2 Bedroom/1 Bath - 40% | 4 | \$574 | \$89 | \$485 | \$485 |
| 2 Bedroom/1 Bath – 50% | 6 | \$717 | \$89 | \$628 | \$628 |
| 2 Bedroom/1 Bath – 60% | 4 | \$861 | \$89 | \$772 | \$772 |
| 2 Bedroom/ 1 Bath – Manager | 2 | | | | |

**New Construction Sketches of the Proposed Unit Plans and Detailed Description
Including Amenities and Services**

PROJECT ACCESSIBILITY

Project Accessibility

The project located at 15305 6th St, March Air Reserve Base, Moreno Valley, CA 92551 has several neighborhood assets within walking or bicycling distance. Two schools are within walking distance – the Serrano Elementary School (0.6 miles or 12 minutes walking) and Badger Springs Middle School (1.1 miles). The site is adjacent to the March Field Community Center and Park. Also within walking distance is a short 5 minute walk (0.3 miles) to the Circle K convenience store and gas station with an ATM, John F. Kennedy Veterans Memorial Park (0.8 miles), and the Optical Center (0.4 miles). Within 1.3 miles (25 minute walk or 8 minutes by bike) is the Woodboro Avenue Shopping Center with Cardenas Market, Steer 'n Stein Restaurant, Little Caesars Pizza, Postal Annex, and dentist office, vision care office, salon, and 99 Cent Discount store. A Jack in the Box, Rene's restaurant, and 7-Eleven is also within 1.3 miles. The Vista del Lago High School is within 2.4 miles which is a 30 minute bus ride or 7 minute drive. Within 1 mile is the Visterra Credit Union and within 2 miles are the Chase and Citibank ATMs and several other banks within 3 miles.

The nearest transit option is bus route 11 which has 3 nearby bus stops within walking distance, with one approximately 300 yards away and the other two within ½ mile and the frequency of bus stops is every 66 minutes. By having access to these bus stops, residents will also be able to access

U.S.VETS also has shuttle vans to transport residents to healthcare appointments, job interviews, employment, DMV, Social Security, Vet Centers, banks, schools, child care, and other locations as needed. Depending on the needs of the residents, additional shuttle van trips will be scheduled. While the VA Loma Linda Healthcare center can be accessed through bus route 11, 16, and 14, the shuttle van will transport residents at least twice daily with a commute time of 30 minutes. The San Bernardino Vet Center, which is a 5 minute walk from U.S.VETS Community Office in Colton, California, is also accessible by the shuttle van with a commute time of 30 minutes.

Various employment opportunities are available in the area and U.S.VETS has assisted in placing veterans in employment with Allied Barton Security, Barry's Security Services Inc, C.R. England, Captek Softgel, Command Center Inc., CRST Trucking, Desert Foothills Landscaping, Direct Solutions Security Group, DSC Logistics, Forever Dreams for Vets, Fusion Sign & Design, Grommet Collectibles, Harris Fencing, JCPenny, Kimco, Lowe's, Packwest Security, Pathway Staffing, Prime Inc., Ryder, Securitas, SolarCity, and Whiteside Manor. The site is located on the former March Air Force Base, and is located less than .25 miles from the entrance to the base. The March Air Force Base is currently actively run by the Air Force Reserves, and roughly 8,500 employees on the base including reservists, contractors, civilians, and air units that are on the base as tenants. Additionally, the site is located 2 miles away from the new Amazon Fulfillment Center which will employ roughly 1,000 people.

Shopping includes Moreno Valley Mall, TownGate Square, Canyon Springs Plaza, Towngate Shopping Center, Rio Rancho Super Mall, TownGate Crossing, Lakeshore Village Shopping Center, Palm Plaza, Sunnymead Plaza Shopping Center, Shoppes of Moreno Valley, Ironwood Plaza, Westgate Shopping Center, JFK Plaza, TownGate Promenade, Hometown Square Shopping Center, and Moreno Beach Plaza.

Park and recreation centers include Box Springs Mountain Park, Moreno Valley Community Park, Moreno Valley Conference and recreation Center, Woodland Park, Celebration Park, Towngate Memorial Park, Sunnymead Park, Gateway Park, Hidden Springs Park, Morrison Park, Bethune Park, Shadow Mountain Park, El Portrero Park, Victoriano park, Upland Game Hunting Area, Ridgecrest Park, Vista Lomas Park, Westbluff Park, Weston Park, Fairway Park, Rock Ridge Park, and Lake Perris State Recreation Area.

Veteran or community organizations in the area include Veterans of Foreign Wars, American Legion, Lions Club, and Knights of Columbus.

There are over 35 churches for the Apostolic, Baptist, Baptist-Independent, Catholic, Charismatic, Lutheran, Missionary, Pentecostal, Presbyterian, Southern Baptist, and United Methodist denominations as well as several non-denominational churches.

Other community resources accessible to residents are Moreno Valley Library, Moreno Valley City Hall, Metro Link, Park and Ride, Moreno Valley Chamber of Commerce, Moreno Valley Unified School District, Moreno Valley College, University of California, Riverside, Riverside County Workforce Development, County of Riverside Registrar of Voters, Moreno Valley Community Hospital, Riverside Regional Medical Center, Moreno Valley Fire Department, Moreno Valley Police Department, Community Assistance Program - Food Pantry, Fair Housing Council of Riverside County, Family Services Association, Inland Catholic Charities, Inland Mediation Board, Riverside County Office of Education - Children Services Unit, Volunteer Center of Greater Riverside, Carolyn E. Wylie Center for Children, Youth & Family Center.

DECONCENTRATION OF POVERTY

Deconcentration of Poverty:

The Federal Financial Institutions Examinations Council classifies the census tract that March Veterans Village is located, as a moderate income census tract (see attached documentation). The census tract that the property is located is not identified as an underserved or distressed tract, and has a median income that is 70% of the County of Riverside.

The United States Veterans Initiative for more than 10 years, at their existing facility at the March Joint Powers Authority, has worked with veterans to transition them out of homelessness and into society. More than 1,000 veterans have graduated out of their program at the March Joint Powers Authority, and have transitioned into society. As individuals graduate out of the program new homeless veterans are brought in to undergo their own transformation out of homelessness.

Though the census tract has a poverty rate of over 20% this has more to do with the low population numbers, and the fact that the former March Air Force Base is still undergoing a transformation. The majority of housing units are former military units that are used by nonprofits like U.S. VETS to serve homeless veterans, single mothers, and other low income populations. The March JPA has taken great efforts to bring development to the community, and is working to develop a CBOC facility as part of the March LifeCare Specific Plan. Additionally, the March JPA has developed the March Business Center and has worked with its member government of Perris, Riverside, Moreno Valley, and the County of Riverside to bring in additional development to the surrounding area. The March Veterans Village project is part of the March JPA overall plan to revitalize the March Air Force Base and uplift the surrounding community.

Exhibit "B"

Exhibit "B"

This is the Scope of Development attached to the Agreement to Enter into Housing Assistance Payments ("AHAP") by and between the Housing Authority of the County of Riverside ("HACR") and March Veterans Village, L.P., a California limited partnership.

The following is a summary of the scope of development for the Project:

| | |
|---|--|
| Site Area | 3.5 acres |
| Stories | 3 and 4 Stories |
| Type of Housing | Multi-family |
| Total Number of Units / Total Residential Square Feet | 138/63358 |
| Types of Units (sizes) | 116 Efficiency Units/ 382 sq. feet 6 One bedroom units/ 16 two bedroom units |
| Type of Parking- | 140 spaces for residential |
| Assessor's Parcel Nos. | 294-080-006, 294-080-007, 294-080-008 |
| Landscaping | A variety of plant and tree species that require low water use shall be provided in sufficient quantities based on landscaping practices in the general market area and low maintenance needs. |
| Energy Efficiency | The project will be rehabilitated to improve energy efficiency above the modeled energy consumption of the building(s) by 30% based on existing conditions |
| Roofs | Roofing shall carry a three-year subcontractor guarantee and at least a 20-year manufactures warranty. |

| | |
|------------------|---|
| Exterior Doors | Insulated or solid core, flush, paint or stain grade exterior doors shall be made of metal clad or hardwood faces, with a standard one-year guarantee and all six sides factory primed. |
| Appliances | Energy Star rated appliances, including refrigerators, dishwashers, stoves/ovens, water heaters, HVAC systems will be included in the units and energy star rated clothes washers will be provided in the laundry rooms. |
| Window Coverings | Window coverings will be replaced with fire retardant blinds. |
| Water Heater | Minimum capacity is to be 30 gallons for one and two bedroom units and 40 gallons for three and four bedroom units |
| Floor Covering | Ceramic Tile is considered for all floor areas. At a minimum CVHC will follow these standards: For light and medium traffic areas vinyl or linoleum shall be at least 3/32" thick; for heavy traffic areas it shall be a minimum 1/8" thick. A hard, water resistant, cleanable surface shall be required for all kitchen and bath areas. Carpet complying with U.S. Department of Housing and Urban Development/Federal Housing Administration UM44D, or alternatively, cork, bamboo, linoleum or hardwood floors shall be provided in all other floor spaces. |

| | |
|-----------------|---|
| Paints & Stains | Use of Low Volatile Organic Compound (VOC) paints and stains (Non-flat: 150 g/l or less, Flat: 50 g/l or less) for all interior surfaces where paints and stains are applied. |
|-----------------|---|

Amenities: Project will include two tot lots, an amphitheater, basketball court, laundry facilities on each floor, barbeque areas and an approximately 13,000 square foot community room. The community building will be equipped with a computer lab, manager's office, case management offices and classroom space.

Exhibit "B" Attachments:

Working Drawings and Specifications



DANIELIAN ASSOCIATES
ARCHITECTURE + PLANNING
IRVINE, CALIFORNIA 92608
PHONE : 949.44.0930
FAX : 949.44.1422
WWW.DANIELIAN.COM

1. ALL WALLS AND PARTITIONS FOR INTERIOR FIRE RATED WALLS SHALL BE 5/8" Gypsum Board on 2x4 Stud Wall with 5/8" Gypsum Board on Both Sides. ALL WALL PARTITIONS SHALL HAVE A MINIMUM FIRE RESISTANCE RATING OF 1 HOUR. ALL WALL PARTITIONS SHALL BE PROTECTED WITH 1/2" Gypsum Board on Both Sides. ALL WALL PARTITIONS SHALL BE PROTECTED WITH 1/2" Gypsum Board on Both Sides. ALL WALL PARTITIONS SHALL BE PROTECTED WITH 1/2" Gypsum Board on Both Sides.

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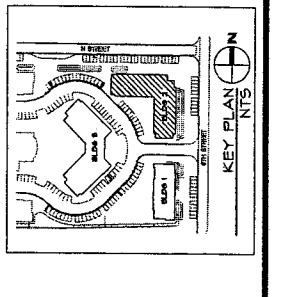
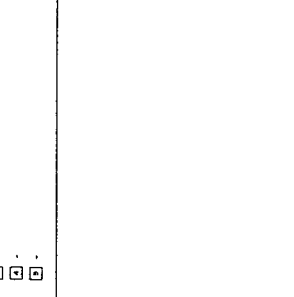
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GENERAL NOTES:
1. ALL WALLS AND PARTITIONS FOR INTERIOR FIRE RATED WALLS SHALL BE 5/8" Gypsum Board on 2x4 Stud Wall with 5/8" Gypsum Board on Both Sides. ALL WALL PARTITIONS SHALL HAVE A MINIMUM FIRE RESISTANCE RATING OF 1 HOUR. ALL WALL PARTITIONS SHALL BE PROTECTED WITH 1/2" Gypsum Board on Both Sides. ALL WALL PARTITIONS SHALL BE PROTECTED WITH 1/2" Gypsum Board on Both Sides. ALL WALL PARTITIONS SHALL BE PROTECTED WITH 1/2" Gypsum Board on Both Sides.

FIRE/SOUND PROTECTION SYMBOLS LEGEND:
1. 1 HOUR RATED WALL PARTITION PROTECTED WITH 1/2" GYPSUM BOARD ON BOTH SIDES.
2. 2 HOUR RATED WALL PARTITION PROTECTED WITH 1/2" GYPSUM BOARD ON BOTH SIDES.
3. 1 HOUR RATED WALL PARTITION PROTECTED WITH 1/2" GYPSUM BOARD ON BOTH SIDES AND 1/2" GYPSUM BOARD ON ONE SIDE.
4. 1 HOUR RATED WALL PARTITION PROTECTED WITH 1/2" GYPSUM BOARD ON BOTH SIDES AND 1/2" GYPSUM BOARD ON ONE SIDE AND 1/2" GYPSUM BOARD ON ONE SIDE.

FLOOR PLAN LEGEND:
1. INT TYPE
2. ROOM NUMBER
3. ROOM NAME
4. PARTITION TYPE
5. PARTITION LOCATION
6. PARTITION TYPE

BLDG PLAN KEYNOTES:
1. 2-HR RATED SMYTYL SEE DETAILS IN AND UNLPH.
2. 2-HR RATED SMYTYL SEE DETAILS IN AND UNLPH.
3. 2-HR RATED SMYTYL SEE DETAILS IN AND UNLPH.
4. 2-HR RATED SMYTYL SEE DETAILS IN AND UNLPH.



SECOND TO FOURTH FLOOR
SCALE: 1/8"=1'-0"

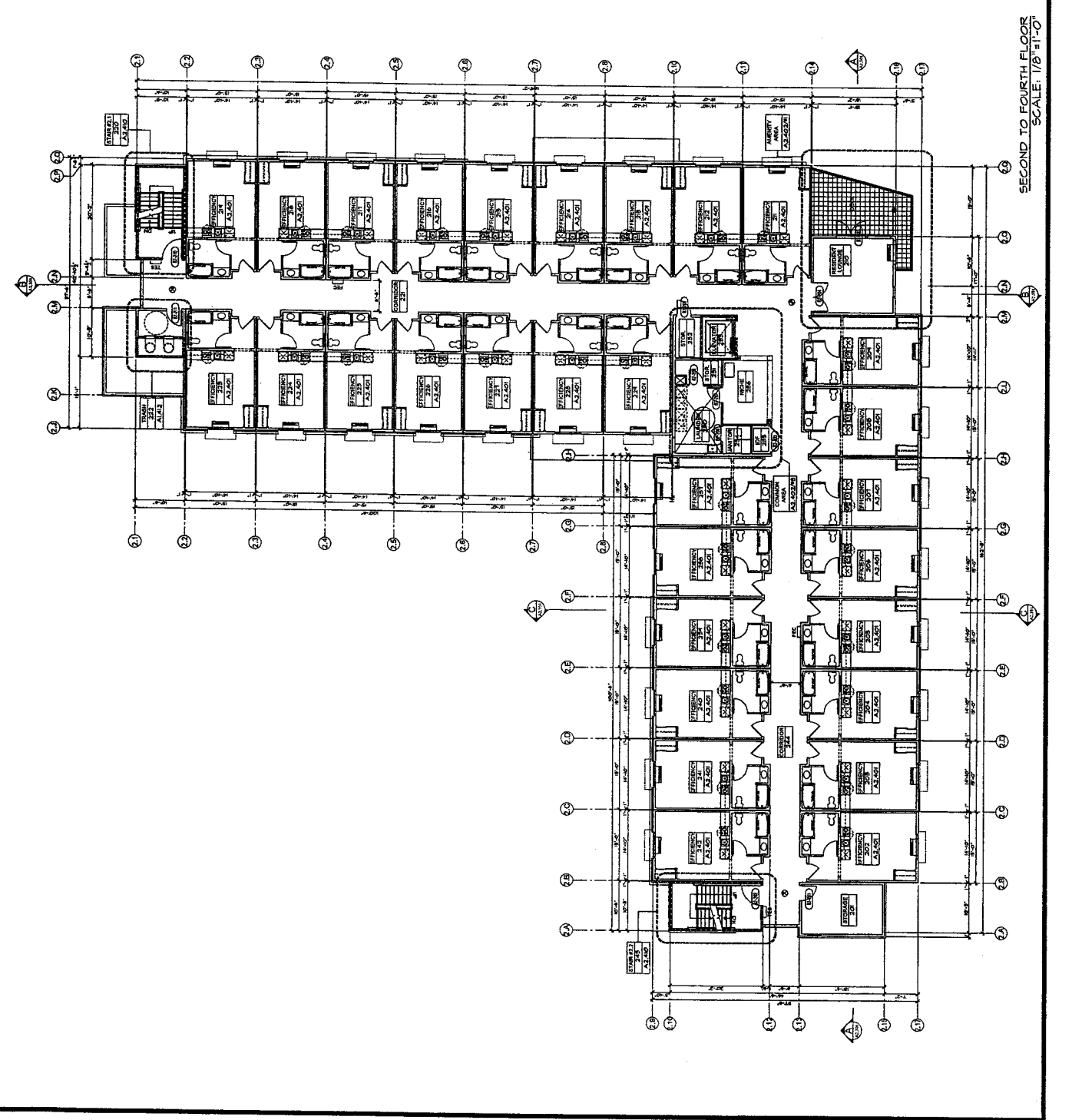


Exhibit "C"

Exhibit "C"

This is the description of housing attached to the Agreement to Enter into Housing Assistance Payments ("AHAP") by and between the Housing Authority of the County of Riverside ("HACR") and March Veterans Village, L.P., a California limited partnership ("Owner").

Project Site: The project is located in a 3.5 acre parcel located on March Air Reserve Base, 15305 6th Street, Moreno Valley, CA 92551. Assessor Parcel Numbers: 294-080-006, 294-080-007 and 294-080-008.

Total Number of Units in Project Covered by this Agreement: 75

Location of Contract Units on Site: Contract units will be located in Building 2 "B2" as labeled on the attached map titled "Phase 1" and highlighted in pink.

Contract Unit Size: All 75 contract units will be efficiency units/1 bathroom at 382 sq. ft.

Services/Maintenance/Equipment:

For supportive services see attachment to this Exhibit "C" titled "Supportive Services". Project will include a 24 hour on-site manager.

MAINTENANCE OF THE IMPROVEMENTS: Owner on behalf of itself and its successors, assigns, and each successor in interest to the Property and Project or any part thereof hereby covenants to and shall protect, maintain, and preserve the Property in compliance with all applicable federal and state law and regulations and local ordinances. In addition, Owner its successors and assigns, shall maintain the improvements on the Property in the same aesthetic and sound condition (or better) as the condition of the Property at the time of the recordation of the Notice of Completion for the Project, reasonable wear and tear excepted. This standard for the quality of maintenance of the Property shall be met whether or not a specific item of maintenance is listed below. However, representative items of maintenance shall include frequent and regular inspection for graffiti or damage or deterioration or failure, and immediate repainting or repair or replacement of all surfaces, fencing, walls, equipment, etc., as necessary; emptying of trash receptacles and removal of litter; sweeping of public sidewalks adjacent to the Property, on-site walks and paved areas and washing-down as necessary to maintain clean surfaces; maintenance of all landscaping in a healthy and attractive condition, including trimming, fertilizing and replacing vegetation as necessary; cleaning windows on a regular basis; painting the buildings on a regular program and prior to the deterioration of the painted surfaces; conducting a roof inspection on a regular basis and maintaining the roof in a leak-free and weather-tight condition; maintaining security devices in good working order. In the event Owner, its successors or assigns fails to maintain the Property in accordance with the standard for the quality of maintenance, the County or its designee shall have the right but not the obligation to enter the Property upon reasonable notice to Owner, correct any violation, and hold Owner, or such successors or assigns responsible for the cost thereof, and such cost, until paid, shall constitute a lien on the Property.

Equipment to be Provided by Owner at no charge to the tenant: Each unit shall be equipped with a stove and refrigerator that meets Housing Quality Standards.

Utilities:

| Type of Utility/Appliance | Tenant Paid Utility | Owner Paid Utilities |
|---------------------------|---------------------|----------------------|
| Heat (Gas) | X | |
| Cooking (Electric) | X | |
| Other Electric | X | |
| Air Conditioning | X | |
| Water Heating | | X |
| Water Service | | X |
| Sewer | | X |
| Trash | | X |

Estimated Initial Rent to Owner for the contract units: \$733.00

Exhibit "C" Attachments:

Phase 1 Map-Pink highlighted building showing location of contract units
Supportive Services

Supportive Services

U.S.VETS On-Site Services:

**Services available to the local community members not living in the project (may require meeting eligibility criteria)*

Clinical and Case Management Services:

- Veterans are encouraged to utilize on-site services and participate in community activities
- Therapeutic Community Environment with veterans taking an active role in their community through therapeutic roles in the community and a Veteran Council thereby enhancing veteran camaraderie, peer support, and social skills
- Housing First Model also included with support for substance abuse and mental health issues
- 24/7 coverage and on-call Clinical staff for crisis intervention, safety, and security
- Assigned Case Manager to assist with individual service plans with mutually established goals and objectives, including a path to increase and/or maintain self-sufficiency
- Substance abuse treatment classes daily
- Peer support groups and mentor program
- Drug and alcohol testing
- *12-step meetings to include Alcoholics Anonymous and Narcotics Anonymous
- *Life Skills classes daily such as stress management, anger management, hygiene, nutrition, cooking, shopping, communication, and coping skills
- *Support groups for mental health issues
- *Supportive Services for Veteran Families – rapid re-housing and homeless prevention services through case management and temporary financial assistance for rent, utilities, deposits, child care, transportation, etc.
- Substance Abuse Treatment groups daily
- *Nursing students on-site for health checks
- Wells Fargo budgeting classes monthly
- Benefits advocacy services
- *Vet Court advocacy for legal issues
- Child support resolution
- Coordination of medical and mental health care
- Assist in obtaining necessary identification and documentation to sustain a stable lifestyle such as state ID or driver's license, VA card, Social Security card, military DD214 discharge record, birth certificates, transcripts, diplomas, etc.

Basic Necessities:

- *Clothing donation center
- Dining hall serving 3 meals to residents daily
- Transportation – bus passes and shuttle vans to the VA, Social Security, DMV, interviews, employment, and other transportation
- Haircuts
- Mail distribution

Exhibit "D"

Exhibit "D"

Additional Requirements:

1. Davis Bacon/Prevailing Wage. If Davis Bacon and/or prevailing wages are required to be paid, OWNER must hire a qualified professional firm to review and monitor Davis Bacon and/or prevailing wage compliance for all submissions of contractors certified payrolls to HOUSING AUTHORITY. In the event that the Project requires prevailing wages, OWNER shall comply with any applicable labor regulations and all other State/Federal Laws in connection with the construction of the improvements which compromise the Project, including if applicable, requirements relating to prevailing wages. Owner agrees and acknowledges that it is the responsibility of OWNER to obtain legal determination, at OWNER's sole cost and expense, as to whether prevailing wages must be paid during the construction of the Project. If the Project is subject to prevailing wage, then OWNER shall be solely responsible to pay its contractors and subcontractors the required prevailing wage rates. OWNER agrees to indemnify, defend, and hold HOUSING AUTHORITY harmless from and against any and all liability arising out of and related to OWNER's failure to comply with any and all applicable Davis Bacon and/or prevailing wage requirements.

2. INSURANCE. Without limiting or diminishing OWNER'S obligation to indemnify or hold COUNTY harmless, OWNER shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement.

a. Worker's Compensation Insurance.

If OWNER has employees as defined by the State of California, OWNER shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of The Housing Authority of the

County of Riverside, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

b. Commercial General Liability Insurance.

Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of OWNER'S performance of its obligations hereunder. Policy shall name the Housing Authority of County of Riverside, its Agencies, Boards, Districts, Special Districts, and Departments, their respective directors, officers, Board of Commissioners, employees, elected or appointed officials, agents or representatives as Additional Insured. Policy's limit of liability shall not be less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.

c. Vehicle Liability Insurance.

If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then OWNER shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a

general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the Housing Authority of the County of Riverside, its Agencies, Boards, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insured or provide similar evidence of coverage approved by COUNTY's Risk Manager.

d. General Insurance Provisions – All Lines.

1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by COUNTY Risk Manager. If COUNTY's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

2) OWNER's insurance carrier(s) must declare its insurance self-insured retentions. If such self-insured retentions exceed \$500,000 per occurrence such retentions shall have the prior written consent of COUNTY Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention unacceptable to COUNTY, and at the election of COUNTY's Risk Manager, OWNER's

carriers shall either: (a) reduce or eliminate such self-insured retention as respects this Agreement with COUNTY, or (b) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3) OWNER shall cause OWNER's insurance carrier(s) to furnish the Housing Authority of the County of Riverside with copies of the Certificate(s) of Insurance and Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by COUNTY Risk Manager, provide copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the Housing Authority of the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the Housing Authority of the County of Riverside receives, prior to such effective date, another Certificate of Insurance and copies of endorsements, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required

herein is in full force and effect. OWNER shall not commence operations until COUNTY has been furnished Certificate(s) of Insurance and copies of endorsements and if requested, copies of policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

4) It is understood and agreed to by the parties hereto that OWNER's insurance shall be construed as primary insurance, and Housing Authority of the County of Riverside's insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

5) If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work which will add additional exposures (such as the use of aircraft, watercraft, cranes, etc.); or, the term of this Agreement, including any extensions thereof, exceeds five (5) years Housing Authority of the County of Riverside reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverage's currently required herein, if; in

COUNTY Risk Manager's reasonable judgment, the amount or type of insurance carried by OWNER has become inadequate.

6) OWNER shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

7) The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to the Housing Authority of the County of Riverside.

8) OWNER agrees to notify Housing Authority of the County of Riverside of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

Form HUD 52531B

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

SECTION 8 PROJECT-BASED VOUCHER PROGRAM

PBV AGREEMENT TO ENTER INTO
HOUSING ASSISTANCE PAYMENTS CONTRACT

NEW CONSTRUCTION OR REHABILITATION

PART II

This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. Assurances of confidentiality are not provided under this collection.

2.1 Training, Employment and Contracting Opportunities

- (a) The project assisted under this Agreement is subject to the requirements of section 3 of the Housing Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. The owner shall carry out the provisions of section 3 and the regulations issued by HUD as set forth in 24 CFR part 135 and all applicable rules and orders of HUD issued thereunder prior to the execution of this Agreement. This shall be a condition of the Federal financial assistance provided to the project, binding upon the owner, the owner's contractors and subcontractors, successors and assigns. Failure to fulfill these requirements shall subject the owner, the owner's contractors and subcontractors, successors and assigns to the sanctions specified by this Agreement, and to such sanctions as are specified by 24 CFR part 135.
- (b) The owner shall incorporate or cause to be incorporated into any contract or subcontract for work pursuant to this Agreement in excess of \$100,000 the following clause:
- (1) The work to be performed under this contract is subject to the requirements of section 3 of the Housing Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3 shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

- (2) The parties to this Agreement agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
- (3) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, and shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- (4) The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
- (5) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.
- (6) Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.
- (7) With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 405e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible:
 - (i) preference and opportunities for training and employment shall be given to

Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprise. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

2.2 EQUAL EMPLOYMENT OPPORTUNITY

- (a) The owner shall incorporate or cause to be incorporated into any contract in excess of \$10,000 for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 CFR chapter 60, which is to be performed pursuant to this Agreement, the following nondiscrimination clause:

During the performance of this contract, the contractor agrees as follows:

- (1) The contractor will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, creed, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoffs or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.
- (2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, creed, sex, or national origin.
- (3) The contractor will send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding, a notice to be provided by or at the direction of the Government advising the labor union or workers representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

- (4) The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and with the rules, regulations, and relevant orders of the Secretary of Labor.
- (5) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by HUD and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- (6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the rules, regulations, or orders, the contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions as may be imported and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor or as otherwise provided by law.
- (7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Government may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Government, the contractor may request the United States to enter into such litigation to protect the interest of the United States.
- (b) The owner agrees to be bound by the above nondiscrimination clause with respect to his or her own employment practices when participating in federally assisted construction work.
- (c) The owner agrees to assist and cooperate actively with HUD and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the nondiscrimination clause and the rules, regulations, and relevant orders of the Secretary of Labor, to furnish HUD and the Secretary of Labor such information

as they may require for the supervision of such compliance, and to otherwise assist HUD in the discharge of HUD's primary responsibility for securing compliance.

- (d) The owner further agrees to refrain from entering into any contract or contract modification subject to Executive Order No. 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the nondiscrimination clause as may be imposed upon contractors and subcontractors by HUD or the Secretary of Labor pursuant to the Executive Order. In addition, if the owner fails or refuses to comply with these undertakings, HUD may take any or all of the following actions; cancel, terminate, or suspend in whole or in part this Agreement; refrain from extending any further assistance to the owner under the program with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from the owner, and refer the case to the Department of Justice for appropriate legal proceedings.

2.3 RESERVED

2.4 HUD-FEDERAL LABOR STANDARDS PROVISIONS

The owner is responsible for inserting the entire text of section 2.4 of this Agreement in all construction contracts and, if the owner performs any rehabilitation work on the project, the owner must comply with all provisions of section 2.4. (Note: Sections 2.4(b) and (c) apply only when the amount of the prime contract exceeds \$100,000.)

(a)(1)(i) Minimum Wages. All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project) will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made part hereof regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or

mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321)) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

(ii)(A) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

- (1) The work to be performed by the classification requested is not performed by a classification in the wage determination;
- (2) The classification is utilized in the area by the construction industry; and
- (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D. C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within the 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(B) or (C) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determinations or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program: Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractors under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such

violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due.

(3)(i) Payrolls and Basic Records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i). This information may be submitted in any form desired. Optional Form WH-347 is available for this purpose and may be purchased from the Superintendent of Documents (Federal Stock Number 029-005-00014-1), U.S. Government Printing Office, Washington, DC 20402. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors.

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be maintained under 29 CFR 5.5 (a)(3)(i) and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of Title 18 and section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4)(i) Apprentices and Trainees. Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training, or with a State Apprenticeship Agency recognized by the Bureau, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Bureau of Apprenticeship and Training or a State Apprenticeship Agency (where appropriate) to be eligible for probationary

employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeymen's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Bureau of Apprenticeship and Training, or a State Apprenticeship Agency recognized by the Bureau, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee

rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal Employment Opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

(5) Compliance with Copeland Act Requirements. The contractor shall comply with the requirements of 29 CFR part 3 which are incorporated by reference in this Agreement.

(6) Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in section 2.4(a)(1) through (11) and such other clauses as HUD or its designee may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this section 2.4(a).

(7) Contract Terminations; Debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes Concerning Labor Standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U. S. Department of Labor, or the employees or their representatives.