

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



ITEM: 10.2
(ID # 12819)

MEETING DATE:
Tuesday, July 14, 2020

FROM: HOUSING AUTHORITY:

SUBJECT: HOUSING AUTHORITY: Approval of Form of the Section 8 Project-Based Voucher Program Agreement to Enter Into A Housing Assistance Payments Contract to Construct Housing, Courtyards at Cottonwood, Located in the City of Moreno Valley By and Between Courtyards at Cottonwood, L.P. and the Housing Authority of the County of Riverside; District 5 [\$0]

RECOMMENDED MOTION: That the Board of Commissioners:

1. Approve the attached form of the Section 8 Project-Based Voucher Program Agreement to Enter Into A Housing Assistance Payments Contract for New Construction (AHAP Contract), Courtyards at Cottonwood, located in the City of Moreno Valley By Between Courtyards at Cottonwood, L.P. and the Housing Authority of the County of Riverside;
2. Approve the form of the Section 8 Project-Based Voucher Program Housing Assistance Payments Contract - New Construction or Rehabilitation Part 1 of HAP Contract (HAP Contract) and the form of the Consent to Assignment of HAP Contract as Security for Financing (Consent to Assignment), both attached hereto; and

ACTION: Policy

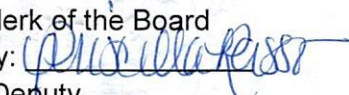

Heidi Marshall | Director | Housing, Homelessness Prevention | 6/25/2020

MINUTES OF THE BOARD OF COMMISSIONERS

On motion of Supervisor Jeffries, seconded by Supervisor Spiegel and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: July 14, 2020
xc: Housing

Kecia R. Harper
Clerk of the Board

By: 
Deputy

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

3. Authorize the Executive Director of the Housing Authority of the County of Riverside, or designee, to execute a form of the AHAP Contract, a form of the HAP Contract and a form of the Consent to Assignment, each substantially conforming in form and substance to the attached AHAP Contract, HAP Contract and Consent to Assignment, subject to approval by County Counsel; and to take all necessary steps to implement the AHAP Contract, HAP Contract and the Consent to Assignment including, but not limited to, signing subsequent necessary and relevant documents, subject to approval by County Counsel.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment:	No
			For Fiscal Year:	2020/21

C.E.O. RECOMMENDATION: [CEO Use]

BACKGROUND:

Summary

Rancho Belago Developers, Inc., a California corporation and affordable housing developer (Developer), was selected to receive a total of 35 Housing Choice Voucher Program (HCVP or Section 8) Project Based Vouchers under a Request for Proposal released by the Housing Authority of the County of Riverside (HACR) on August 12, 2019. The Developer has formed a limited partnership known as Courtyards at Cottonwood L.P., a California limited partnership (Partnership), for the purpose of developing and financing the proposed Project. The Project-Based Vouchers will provide rental subsidy upon new construction of Courtyards at Cottonwood, operated and owned by the Partnership, consisting of 80 affordable units and a manager's unit (Project). Courtyards at Cottonwood will be constructed on approximately 6.76 acres of vacant land located at the northeast corner of Cottonwood Avenue and Indian Street, in the City of Moreno Valley in the County of Riverside, identified as Assessor's Parcel Numbers 482-161-021, 482-161-022, 482-161-023, 482-161-024 (Project Site).

An Environmental Assessment was completed and adopted by the County Board of Supervisors (Board) on May 5, 2020 and it was determined that there was a Finding of No Significant Impact (FONSI) on the environment. HACR received the Authority to Use Grant Funds dated June 22, 2020 to use funds for these activities from the U.S. Department of Housing and Urban Development Office of Public Housing.

Impact on Residents and Businesses

Rental assistance will have a positive impact on the residents to stabilize housing and operation of the existing housing complex in addition to providing affordable housing to the community.

SUPPLEMENTAL:

Additional Fiscal Information

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No impact upon the County's General Fund. The Housing Authority's contribution to the project includes Housing Choice Voucher Program (HCVP or Section 8) Project-Based Vouchers which are fully funded from the United States Department of Housing and Urban Development.

ATTACHMENT:

- Form of Section 8 Project-Based Voucher Program AHAP Contract; Form of HAP Contract; and Form of Consent to Assignment



Marcus Maltese

7/7/2020



Gregory H. Priamos, Director County Counsel

7/1/2020

CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010
Post Office Box 1147, Riverside, Ca 92502-1147
Thank you.

OMB Approval No. 2577-0169
(exp. 07/31/2022)

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

SECTION 8 PROJECT-BASED VOUCHER PROGRAM

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

NEW CONSTRUCTION OR REHABILITATION

PART I

Public reporting burden for this collection of information is estimated to average 0.5 hours. This includes the time for collecting, reviewing and reporting the data. The information is being collected as required by 24 CFR 983.152, which requires the PHA to enter into an Agreement with the owner prior to execution of a HAP contract for PBV assistance as provided in §983.153. 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.

Privacy Act Statement. HUD is committed to protecting the privacy of individuals' information stored electronically or in paper form, in accordance with federal privacy laws, guidance, and best practices. HUD expects its third-party business partners, including Public Housing Authorities, who collect, use maintain, or disseminate HUD information to protect the privacy of that information in Accordance with applicable law.

1.1 Parties

This Agreement to Enter into Housing Assistance Payments Contract ("Agreement") is between:

Housing Authority of the County of Riverside ("PHA") and
Courtyards at Cottonwood, 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 and 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, the accessibility requirements under section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR 8.22 and 8.23, and accessibility requirements under Titles II and III of the Americans with Disabilities Act at 28 CFR parts 35 and 36, as applicable.

EXHIBIT C: Description of housing, including:

- project site.
- total number of units in project covered by this Agreement.
- locations 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 the 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 a 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 separate effective dates for each stage.

Single-stage project

- i. Effective Date for all contract units: 07/31/2020
- ii. Date of Commencement of the Work: The date for commencement of work is not later than 08/03/2020 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 03/01/2022 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 paragraph (d). 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 paragraph (d). 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 paragraph (d).
- 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 specific 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 at the amounts determined by PHA.

- B. If the owner makes any changes in the work without prior PHA approval, the PHA may establish lower initial rents to owner at the amounts determined by PHA in accordance with HUD requirements.
- C. The PHA (or HUD in the case of insured or coinsured mortgages) 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, this Agreement may specify additional documentation that must be submitted by owner 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's 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.
- C. Acceptance: If the PHA determines housing 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 defects or deficiencies are reported:

- A. If other defects or deficiencies exist, the PHA shall determine whether and to what extent the defects or deficiencies are correctable, whether the units will be accepted after correction of defects or deficiencies, and the requirements and procedures for such correction and acceptance.
- B. Completion in Stages: Where completion in stages is provided for, the procedures of this paragraph 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: Where completion in stages is provided for the number and types of units in each stage, and the initial rents to owner for such units, shall be separately shown in Exhibit C of the contract for each stage. Upon acceptance of the first stage, the owner shall execute the contract and the signature block provided in the contract for that stage. Upon acceptance of each subsequent stage, the owner shall execute the signature block provided in the contract for such stage.
- C. Form of Contract: The terms of the contract shall be provided in Exhibit D of this Agreement. There shall be no change in the terms of the contract unless such change is approved by HUD headquarters. Prior to execution by the owner, all blank spaces in the contract shall be completed by the PHA.
- D. Survival of owner Obligations: Even after execution of the contract, the owner shall continue to be bound by all owner obligations under the Agreement.

1.12 Initial determination of rents

- A. The estimated amount of initial rent to owner shall be established in Exhibit C of this Agreement.
- B. The initial amount of rent to owner is established at the beginning of the HAP contract term.
- C. The estimated and initial contract rent for each units may in no event exceed the amount authorized in accordance with HUD regulations and requirements. Where the estimated initial rent to owner exceeds the amount authorized in accordance with HUD regulations, the PHA shall establish a lower initial rent tow owner, in accordance with HUD regulations and 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 paid in accordance with HUD requirements.

- C. The acquisition of real property for a project to be assisted under the 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 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 they are not already on the list) and, once their 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 the program regulations and other HUD requirements.

1.15 Termination of Agreement and 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 mortgage insured by HUD and:
 - a. The owner has failed to comply with the regulations for the applicable HUD loan or mortgage insurance 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 voluntarily excluded from participation in contract by the Comptroller General or any federal Department or agency. 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 Contract, or to assert any claim against HUD, the PHA or the owner under the Agreement or the 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 of 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 the 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:
1. The Fair Housing Act (42 U.S.C. 3601–19) and implementing regulations at 24 CFR part 100 *et seq.*;
 2. 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;
 3. 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;
 4. The Age Discrimination Act of 1975 (42 U.S.C. 6101–6107) and implementing regulations at 24 CFR part 146;
 5. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at part 8 of this title;
 6. Title II of the Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.*;
 7. 24 CFR part 8;
 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;

9. 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;
 10. 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 Enterprise Development); and
 11. 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).
 12. HUD’s Equal Access Rule at 24 CFR 5.105. [OGC-Nonconcurrency: This section failed to reference protections with respect to actual or perceived sexual orientation, gender identity, or marital status in accordance with HUD’s Equal Access Rule at 24 CFR 5.105(a). Revising as indicated above is sufficient to resolve this concern.
- 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 Owner Duty to Provide Information and Access to HUD and PHA

- 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 this 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

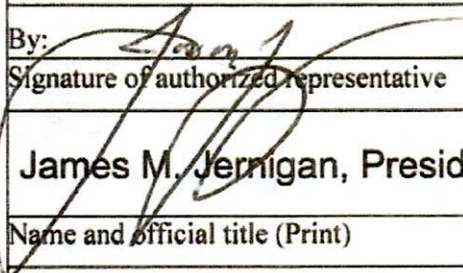
- A. The Agreement and the HAP contract shall be interpreted and implemented in accordance with all statutory requirements, and will all HUD requirements, including amendments or changes in HUD requirements. The owner agrees to comply with all such laws and HUD requirements.
- B. HUD requirements are 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 applies only to construction contracts of more than \$10,000.
- Labor Standards Requirements
Sections 2.4, 2.8, and 2.10 apply only 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.

EXECUTION OF THE AGREEMENT

FORM APPROVED COUNTY COUNSEL
BY: AMRIT P. DHILLON
DATE: 7/11/2020

PUBLIC HOUSING AGENCY (PHA) Name of PHA (Print) Housing Authority of the County of Riverside
By: Signature of authorized representative
Name and official title (Print)
Date
OWNER Name of Owner (Print) Courtyards at Cottonwood, L.P.
By: Signature of authorized representative

James M. Jernigan, President of Sole Member of AGP of L.P.
Name and official title (Print)
06/05/2020
Date

CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010
Post Office Box 1147, Riverside, Ca 92502-1147

Thank you.

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

SECTION 8 PROJECT-BASED VOUCHER PROGRAM

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

NEW CONSTRUCTION OR REHABILITATION

PART II

Public reporting burden for this collection of information is estimated to average 0.5 hours. This includes the time for collecting, reviewing and reporting the data. The information is being collected as required by 24 CFR 983.152, which requires the PHA to enter into an Agreement with the owner prior to execution of a HAP contract for PBV assistance as provided in §983.153. 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.

Privacy Act Statement. HUD is committed to protecting the privacy of individuals' information stored electronically or in paper form, in accordance with federal privacy laws, guidance, and best practices. HUD expects its third-party business partners, including Public Housing Authorities, who collect, use maintain, or disseminate HUD information to protect the privacy of that information in Accordance with applicable law.

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:

JUL 14 2020 10.2

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. Pursuant to 24 CFR §135.90, recipients of HUD financial assistance that is subject to Part 135 requirements, are required to submit Section 3 Annual Reports on Form HUD-60002 to the Office of Fair Housing and Equal Opportunity (FHEO). This form must be submitted electronically and can be found at www.hud.gov/section3.
7. 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.
8. 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 imposed 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) Minimum Wages. (i) 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, including helpers, 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, 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 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.

(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 l(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 l(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 the PHA. 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), except that full social security numbers and home addresses shall not be included in weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g. the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at:
<http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor

site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request 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 them to the applicant, sponsor, or owner, as the case may be, for transmission to HUD, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sponsoring government agency (or the applicant, sponsor, or owner).

(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 provided under 29 CFR 5.5(a)(3)(ii), the appropriate information is being 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) Apprentices and Trainees. (i) 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, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, 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 Office of Apprenticeship Training, Employer and Labor Services, 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 journeyman'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 Office of Apprenticeship Training, Employee and Labor Services, or a State Apprenticeship Agency recognized by the Office, 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 training 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 the PHA, HUD, the U. S. Department of Labor, or the employees or their representatives.

(10) Certification of Eligibility. (i) By entering into this Agreement, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR part 24.

(ii) No part of this Agreement shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR part 24.

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, section 1010, Title 18, U.S.C., "Federal Housing Administration transactions, provides in part: "Whoever, for the purpose of ...influencing in any way the action of such Administration...makes, utters or publishes any statement, knowing the same to be false... shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Agreement are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Agreement to his employer.

(b) Contract Work Hours and Safety Standards Act. The provisions of this paragraph (b) are applicable only where the amount of the prime contract exceeds \$100,000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) Overtime Requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the

basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; Liability for Unpaid Wages; Liquidated Damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$25 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

(3) Withholding for Unpaid Wages and Liquidated Damages. 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 any monies payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontractors. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

(c) Health and Safety. The provisions of this paragraph (c) are applicable only where the amount of the prime contract exceeds \$100,000.

- (1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous to his health and safety as established under construction safety and health standards promulgated by the Secretary of Labor by regulation.*
- (2) The contractor shall comply with all regulations issue by the Secretary of Labor pursuant to Title 29 part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, 40 USC 3701 et seq.*
- (3) The contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontract as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.*

2.5 Reserved

2.6 Reserved

2.7 Reserved

2.8 Wage and Claims Adjustments

The owner shall be responsible for the correction of all violations under section 2.4, including violations committed by other contractors. In cases where there is evidence of underpayment of salaries or wages to any laborers or mechanics (including apprentices and trainees) by the owner or other contractor or a failure by the owner or other contractor to submit payrolls and related reports, the owner shall be required to place an amount in escrow, as determined by HUD sufficient to pay persons employed on the work covered by the Agreement the difference between the salaries or wages actually paid such employees for the total number of hours worked and the full amount of wages required under this Agreement, as well as an amount determined by HUD to be sufficient to satisfy any liability of the owner or other contractor for liquidated damages pursuant to section 2.4. The amounts withheld may be disbursed by HUD for and on account of the owner or other contractor to the respective employees to whom they are due, and to the Federal Government in satisfaction of liquidated damages under section 2.4.

2.9 Reserved

2.10 Evidence of Unit(s) Completion; Escrow

- A. The owner shall evidence the completion of the unit(s) by furnishing the PHA, in addition to the requirements listed in Part I of this Agreement, a certification of compliance with the provisions of sections 2.4 and 2.8 of this Agreement, and that to the best of the owner's knowledge and belief there are no claims of underpayment to laborers or mechanics in alleged violation of these provisions of the Agreement. In the event there are any such pending claims to the knowledge of the owner, the PHA, or HUD, the owner will place a sufficient amount in escrow, as directed by the PHA or HUD, to assure such payments.
- B. The escrows required under this section and section 2.8 of shall be paid to HUD, as escrowee, or to an escrowee designated by HUD, and the conditions and manner of releasing such escrows shall be designated and approved by HUD.

2.11 Flood Insurance

If the project is located in an area that has been identified by the Federal Emergency Management Agency as an area having special flood hazards and if the sale of flood insurance has been made available under the National Flood Insurance Program, the owner agrees that: (1) the project will be covered, during the life of the property, by flood insurance in an amount at least equal to its development or project cost (less estimated land cost) or to the limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less; and (2) that it will advise any prospective purchaser or transferee of the property in writing of the continuing statutory requirement to maintain such flood insurance during the life of the property.

Exhibit A

Approved PBV Proposal



Rancho Belago Developers, Inc.

Project Description

Courtyards at Cottonwood is a proposed 80-unit + 1 manager affordable housing community located on 6.76 acres at the North East corner of Cottonwood Avenue and Indian Street in Moreno Valley, CA. The property is currently owned by the Moreno Valley Housing Authority. The project is in Census Tract 425.21 and will consist of 20 senior units (16-1BR and 4-2BR in one building) and 60 family units (2 buildings with 4-1BR, 12-2BR & 14-3BR each). This gated community will include a Community Building with leasing office, program offices, computer lab, kitchen, open community space, laundry room, mail kiosk, maintenance office/workshop and a manager's unit. There will also be recreational areas including BBQs, outdoor furniture, pool, tot lot, basketball court and a vita course for the residents.

The development is requesting 35 Project based vouchers to cover all 20 of the senior units and 25% (15) of the family units. The proposed contract rent is equal to the HACR Voucher Payment Standards (effective 7/15/2019) as published in RFP No. 2019-050, as amended. The unit mix and proposed rents are as follows:

<u>Quantity</u>	<u>Type</u>	<u>AMI</u>	<u>Contract Rent</u>
16	1BR Senior	30%	\$1,084
4	1BR Family	40%	\$1,084
4	2BR Senior	30%	\$1,355
2	2BR Family	40%	\$1,355
2	2BR Family	50%	\$1,355
4	3BR Family	30%	\$1,888
2	3BR Family	40%	\$1,888
1	3BR Family	50%	\$1,888

The City of Moreno Valley is including these Project Based Vouchers and the \$1,000,000 HOME Loan (application submitted to Riverside County EDA in May 2019) in their NEPA process. This will allow the County to "piggyback" on their efforts for HUD clearances.

MANAGEMENT PLAN

NAME OF PROJECT: Courtyards at Cottonwood Apartments

LOCATION: Corner of Cottonwood Avenue and Indian Street., Moreno Valley

- 1) The Role and Responsibility of the Owner and the Relationship and Delegations of Authority to the Managing Agent.
 - a) The Owner has entered into a Property Management Agreement with AWI Management Corporation (hereinafter referred to as "Agent"). AWI Management Corporation is a professional property management company located in Auburn, California, with more than 30 years' experience in managing affordable multi-family and senior apartments and congregate care facilities.
 - b) The Regional Manager assigned to the project will supervise the day-to-day operations of Agent. The Property Manager, who will report directly to the Regional Manager, will supervise the day-to-day operations of the project.
 - c) Agent will consult with Project Owner regarding all matters that Agent is not authorized to handle under the Management Agreement and will report on a regular basis all activity that has occurred at the project.
 - d) Agent may make decisions on the day-to-day operation of the project without consulting Owner. The Owner must approve non-budgeted or emergency capital expenditures over \$5,000. Agent will request Owner to give Agent any additional authority needed to properly operate the project. In the event emergency repairs are necessary to protect the property from damage or prevent damage to life or the property of others or to address immediate health and safety concerns Agent will notify Owner within 24 hours but no later than the next business day, holidays and weekends excepted.
 - e) The key person in the sponsoring organization for Agent to contact is the person signing below or his designee, who has authority to make all necessary decisions.
 - f) The responsibilities of Owner and Agent are clearly set forth in the Management Plan and Management Agreement. Detailed responsibilities are specifically covered and clearly assigned.
 - g) The Owner is responsible for the overall financial and physical stability of the project, which shall be monitored through the services of the Agent.
 - h) There is a pro rata division of fidelity coverage, and employee practices coverage, including Crime, EPLI, E&O and Real Estate Operations coverage, which is a singularly incurred operating expense that is common to the Management Agent and the Owner to protect the Owner against misappropriation of project funds and/or errors made by the Agent and its employees who are entrusted with the project bookkeeping, receipt, custody and disbursement of any project monies, securities, or readily saleable property other than money or securities. Coverage of the site employees will be a project operating expense. Coverage of the Agent's non-site employees will be the expense of the Agent.
 - i) There is a pro rata division of environmental fees assessed by California State Board of Equalization, which is a singularly incurred expense that is common to the Management Agent and the Owner. This split shall reflect (a) pro rated as a project expense in the amount attributable to the number of employees at each project, (b) Agent's expense for fees attributable to the number of employees the Agent employs in its organization.
 - j) Any purchases that may be ordered in bulk for savings will be prorated by the actual cost plus tax and shipping. There will be no mark ups on the reimbursement for these types of purchases.

2) Personnel Policy and Staffing Arrangements

- a) The Agent declares that it does not discriminate in its hiring practices based upon race, creed, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, marital or familial status or other protected classes. All hiring will be in conformance with Equal Employment Opportunity Commission (EEOC) requirements. Employees will be hired on the basis of their qualifications and experience.
- b) Property Managers will be hired who possess the necessary qualifications and experience to assume rental related duties such as application processing, eligibility determination, resident selection, unit assignment, certification, recertification, rent collection, and record keeping.
- c) The Management staff for the project will consist of a Property Manager and Gardner/ Maintenance technician and, if required, an Assistant Manager to assist with management duties and fill in when the Property Manager is off duty. The Property Manager will be available in the office located at the property a minimum of 20 hours per week. These hours will be posted at the office. The site has two non-revenue units. An employee of Agent will be required to reside on the premises. The Manager and/or Maintenance technician may be provided with a rent-free unit as part of the employee's compensation. Site personnel will be available for emergencies or prearranged appointments within reason. Due to budget constraints, the project cannot sustain 24-hour coverage. A Regional Manager employed by the Agent will supervise the project employees.
- d) The Agent will employ persons and/or services to perform duties and responsibilities at the project site as described herein. Compensation and site related expenses of such persons and/or services including: salary or hourly wages, merit increases, bonuses, housing costs (if applicable), employer payroll taxes, workers compensation insurance and employee benefits including medical insurance and other benefits common to project site management positions, will be included in the project budget and paid as a direct expense to the project as specified in the Management Plan and Agreement. The Agent will employ sufficient resources (staff and/or services) within the Agent's organization to fulfill Agent's obligation to the Owner under the terms of this agreement.
- e) The lines of authority (in descending order) from the Owner to the Agent are:
 - i) Agent
 - ii) Vice President
 - iii) Director of Operations
 - iv) Corporate Facilities Manager
 - v) Regional Manager
 - vi) Property Manager
 - vii) Assistant Manager and Maintenance Technician
- f) All personnel listed above shall be accountable to the Agent.

3) Plans and Procedures for Marketing Units, Achieving and Maintaining Full Occupancy, and Meeting Affirmative Fair Housing Marketing Plan Requirements (HUD Form 935.2)

- a) The Agent will advertise units in the local newspaper approximately 90 days prior to occupancy, then at least annually, or every 6 to 8 months per AFHMP regulations.
- b) The advertising campaign will comply fully with the Affirmative Fair Housing Marketing Plan (AFHMP). Through advertising and other outreach efforts set forth in the AFHMP, Agent will attempt to reach persons who are least likely to apply.
- c) By using the outreach efforts outlined in the AFHMP we will achieve and maintain the highest level of occupancy reasonably obtainable. Agent's telephone number will be posted on the sign on the premises. Whenever the Agent's telephone number or the project telephone number is given, the State's Relay System telephone number will also be given so that individuals with a hearing impairment can access rental information. The State's Relay System is available 24-hours a day and is free to the public.

- d) Additional Marketing will be conducted as needed using any or all of the methods outlined in the AFHMP, or other effective methods including flyers, approved rent incentives, radio, public access television, brochures, etc. All advertising will contain the appropriate Equal Housing Opportunity and handicap accessibility statements or logos and the State's Relay System telephone number. Where a significant number of persons in the area of the rental housing development have limited fluency in English publications and the affirmative marketing will be provided in the appropriate language.
- 4) Methods for Informing Participants of the Right to Request Reasonable Accommodation and Responsibility to Comply with Civil Rights Law.
- a) Public notice is given that the Owner/Agent does not illegally discriminate against any individual. Such notice is given by the display of the Equal Housing Opportunity statement and logo and the Universal Symbol of Accessibility.
- b) Managers will be trained in effective ways to communicate with individuals with a disability, including sight or hearing impairments and individuals with mental or developmental disabilities. This training will include proper use of the State's Relay System.
- c) A "Notice to All Applicants/Residents with a Handicap/Disability" is given to every applicant when they receive an application and to every resident no less than annually at recertification. The notice informs them of their right to request reasonable accommodations/modifications if they choose to do so at any time during their application process or tenancy.
- d) Disclosure and verification of a disability is not required unless a reasonable accommodation is requested. Verification of an individual's disability will be limited to information necessary to determine that the individual making the request is in fact a person with a disability and therefore entitled to accommodation under ADA law, and that the requested accommodation is necessary and related to a disability. This information will be obtained by a third party medical professional such as a doctor, psychologist, or other health care provider who has the legal capacity within the scope of their practice to diagnose and prescribe treatment unless it is obvious without such third party verification. Verification will be obtained from such qualified persons as identified by the applicant/resident as the person who can verify the need for the accommodation.
- e) When determining what methods of accommodation are necessary, primary consideration will be given to the request and the needs of the individual making the request.
- f) Reasonable Accommodation may include, but is not limited to:
- i) Use of a professional reader or large print versions of notices, application and lease documents, sign language interpreter, priority for a wheelchair accessible unit or sight/vision impairment accessible unit, unit on the first floor, physical modification to an existing unit, modification to policies, or other accommodations as indicated by the individual making the request.
- ii) Service Animals and Companion Animals are considered reasonable accommodation upon verification of need. Residents are required to enter into and abide by a Service/Companion Animal Agreement. No pet deposit or additional security deposit is required.
- g) The person in the Agent's organization who is responsible for reviewing and coordinating Requests for Reasonable Accommodation is the ADA Coordinator. The ADA Coordinator acts in an advisory capacity to the Regional Manager who is directly responsible for implementing approved requests. In accordance with Section 504 regulations, request will only be denied if one of the following conditions exist:
- i) Unable to verify that the applicant/resident is a disabled person
- ii) Unable to verify that the requested item is necessary and related to a disability
- iii) Action would result in a fundamental alteration in the nature of the program
- iv) After considering all of the resources available to the project it is determined that the action would result in an undue financial or administrative burden

- v) Action is technically or structurally not feasible
 - h) The Agent has designated the Vice President as the person who may determine when an undue burden exists. Such determinations will be fully explained in writing in accordance with Section 504 regulations.
 - i) When requested accommodations are not feasible, alternative accommodations will be offered when appropriate.
 - j) The Property Manager will maintain a waiting list for individuals requesting accessible units. In order to make the best use of the limited supply of accessible units, priority will be given to applicants with a verified need for the specific design features of the available unit. Priority is given first to residents living in the project, then to applicants on the waiting list.
 - k) When there are no individuals on the waiting list who require an accessible unit, the Property Manager will make known the availability of accessible units by advertising in the local paper and by contacting local independent living centers, area agency on aging, veterans groups, and any other community organization that may provide services to individuals with a disability. If a minimum of two weeks of outreach does not produce eligible applicants, accessible units may be rented to the next qualified person on the waiting list. The resident will sign a Unit Waiver and the Lease Agreement provides for a 30-Day Notice to Terminate Tenancy to be served to the occupying resident, when an individual with a disability applies and requests an accessible unit. Marketing efforts will continue and will be documented until a resident needing the special design features applies and qualifies.
 - l) Individuals with a disability will not be limited in their choice of apartments. A person with disability is not required to accept a unit with special design features. An applicant will indicate their choice for an accessible unit by marking the appropriate box on the Application for Admission, or by making a request for reasonable accommodation, requesting an accessible unit.
- 5) Procedures for Determining Resident Eligibility
- a) Resident files, applications and waiting lists are maintained at the project by the Property Manager. The resident files contain the pertinent records relating to resident eligibility.
 - b) Through the Agent's training program the Property Manager will obtain the skills necessary to perform necessary rental related duties and eligibility determination.
 - c) A waiting list will be used by the Property Manager. All prospective applicants will be provided a comprehensive list of all information required for an application for admission to be considered complete. The information required by the applicants before they are put on the waiting list includes:
 - i) Income and assets of the household
 - ii) Household composition
 - iii) Names of all household members
 - iv) Number in the household including unborn children (for the purpose of determining household size)
 - v) Current address and contact information
 - vi) Birthdates of household members
 - vii) Copies of Social Security cards (or other proof of SSN)
 - viii) Copies of Driver's License (or other picture identification)
 - ix) Prior and present landlord information
 - x) Credit History
 - xi) Criminal Background check
 - xii) Personal References (preferably business/professional acquaintances)
 - xiii) The application must be signed by all adults applying for occupancy
 - d) All completed applications will be placed on the waiting list in the date/time order in which it is received. Applicants will be notified in writing of their waiting list placement.
 - e) The waiting list will be purged at least annually (or as needed according to the size of the list). Notification will be sent to each applicant to the last known address inquiring as to his or her interest in

remaining on the list. If the applicant fails to respond within 10 days, the application shall be withdrawn from the waiting list.

- f) When an apartment is available, applicants determined eligible are selected on a first come first serve basis.
- g) Persons with disabilities may have the same choice or selection of apartment as any other applicant. When an accessible apartment becomes available, priority will be given to eligible applicants who have indicated a preference for an accessible unit.
- h) The Property Manager will proceed to obtain third party verification or other acceptable source documents necessary to verify income, asset, student status, landlord & personal references and credit & criminal history starting with the first applicant on the list, note: initial move-in income must qualify under the tax credit and Agency Regulatory Agreement recorded against the Property. If approved for occupancy, the applicant will be notified, in writing of the anticipated date the unit will be available for occupancy. Applicants may also be contacted by phone, followed up by written notification.
- i) The eligibility of an applicant will be determined by the Property Manager and the Agent in accordance with Agent's written Tenant Selection Plan, LIHTC regulations and when applicable other regulatory requirements governing the property. In properties with tax credits, a separate waiting list category will indicate which applicants are eligible under the Low Income Housing Tax Credit (LIHTC) program. Applicants who are not eligible under the LIHTC, or other governing agency, program but are eligible under the HUD program may retain their place on the waiting list by signing and returning the Notification of Ineligibility indicating their preference to remain on the list. LIHTC, or other governing agency, ineligible applicants who remain on the waiting list are instructed to contact the Manager if their annual income or household circumstances change and they wish to be reconsidered.
- j) Vacancies are committed to the next eligible applicant upon receipt of the current resident's 30-day notice. If no notice is received, the vacancy will be rented to the eligible applicant (found on the list in the proper order) who can move in immediately.
- k) For residents receiving assistance through the HUD Section-8 Voucher Program, the contract rent and resident rent shall be determined by the local PHA.

6) Resident Admission Policy and Leasing Policy

Occupancy guidelines (non HCD units) are:

1 bedroom	1 - 2 people	3 bedroom	3 - 7 people
2 bedroom	2 - 5 people	4 bedroom	4 - 9 people

Occupancy guidelines for HCD designated units (HOME or JSJFWHP) are:

1 bedroom	1 - 2 people	3 bedroom	4 - 7 people
2 bedroom	2 - 5 people	4 bedroom	6 - 9 people

- a) Residents will be screened in accordance with the Agent's written Tenant Selection Plan. Criteria for selection will be:
 - i) Minimum Income of 2-2.5 times the rent (after other household obligations) or other proof of rent affordability. Other proof of rent affordability includes other subsidy or history of paying rent equal to or greater than the proposed rent regardless of the minimum income requirement.
 - ii) Household composition (to meet occupancy standards)
 - iii) Prior and present landlord history (positive)
 - iv) Credit history of not more than a total of \$0.00 to 500.00 negative or 120 days late within the last five years for "hard credit" accounts. "Hard credit" is considered everything other than medical bills, debts discharged by bankruptcy, voluntary repossessions, and government backed student loan programs.

- v) Clean criminal background record with no felony convictions in accordance with HUD guidelines within 7-years prior to application.
 - vi) Personal references (positive)
 - vii) Program eligibility (as verified by 3rd party information & or other acceptable source documents) based on a program income limits and other eligibility criteria as required by program regulation.
 - viii) Verification of student status to determine household eligibility to meet the requirements of the HUD and/other programs if applicable.
- b) Agent reserves the right to modify its screening criteria in cases where the economic outlook in a specific market area causes a lack of qualified applicants, without revision to the plan or agreement.
 - c) The Property Manager will accept and process applications for rentals. If an application is rejected; the applicant will be informed, in writing, of the reason for rejection. The rejection letter will outline the applicant's right to appeal the decision in accordance with HUD regulations. The rejected application, with reasons for rejection noted thereon, will be kept on file. If the rejection is because of information obtained from a credit bureau, the source of the report will be revealed to the applicant in accordance with the Fair Credit Reporting Act.
 - d) The approved applicant will be allowed to inspect the unit prior to occupancy. An approved Apartment Inspection Report will be used to report unit condition at move in and move out. This document becomes a part of the Lease Agreement. The resident and the Property Manager will receive copies of this inspection.
 - e) The Property Manager will provide orientation services for each resident. These services include a review of the Lease Agreement and House Rules, showing each resident all of features of the project, i.e. mailbox, laundry room, community room (if applicable), unit amenities, and conducting a move in inspection of the unit.
 - f) The Lease Agreement and House Rules set forth the Landlord and Resident rights, obligations and responsibilities and define those actions that are either acceptable or unacceptable while the resident is in residing at the apartment community.
 - g) Leasing activity is conducted primarily in English. Where a significant number of persons in the area of the rental housing development have limited fluency in English the lease, rules notices of adverse action and grievance procedures will be provided in the appropriate language.
- 7) Continued Eligibility/Recertification
- a) Households will be recertified annually based on the effective date of the initial certification to determine continued eligibility.
 - b) The Agent has a systematic method of ensuring that recertification is conducted prior to the expiration date.
 - c) Households are required by the Lease Agreement to report any substantial changes to the household size or student status that may affect continued eligibility, and to be recertified if needed.
 - d) Households determined ineligible at recertification will be served legal notice to vacate the unit.
- 8) Rent Collection Policies and Procedures
- a) On-site collection is made at the Manager's office. The office hours and days open (Monday through Friday) are posted. Payment may be deposited through the mail slot of the office door in which case the receipt shall be given to the resident on the following business day. Payment must be paid by check or money order. Rents are deposited within 24 to 48 hours during rent collection periods. Security deposits are deposited within 24 hours of receipt.

- b) Rent is due on the first day of the month and is payable in advance. When rent is not paid on time, rent collection and eviction procedures will be followed as set forth by law. Vacancies are immediately recorded by the Property Manager on a "Vacancy Relocation Statement" which is faxed to the corporate office bookkeeper. They are then recorded on a "Project Worksheet Recap" and are updated on the 18th and 1st of each month. Vacancies and rent losses are also tracked on a "Weekly Activity Report" generated on site and faxed to the main office each Monday.
 - c) Partial payments will be accepted only under documented hardship conditions. Prepayment will be accepted if such meets the needs of the residents.
 - d) Complying with state law and Regulatory Agencies requirements, after the 10th day of each calendar month of the term, a late fee will be levied.
 - e) It will be against management policy to permit a resident to miss a payment. Under extreme circumstances, if a resident is otherwise in good standing, Agent may accept an oral agreement for a promise to pay. Agent can provide referral services to families experiencing financial hardship.
 - f) The Property Manager is responsible for collection and issuance of rent receipts.
 - g) All rent payments will be adequately recorded and will be kept in a separate account for the project. The account will be designated as the project's operating account and it will be deposited in a financial institution that is insured by the Federal Deposit Insurance Corporation (FDIC). The Property Manager will follow up on late payments. Consistent late payments may be cause for eviction.
 - h) Security deposits will be taken from each resident in an amount that complies with State law. Security deposits are kept in a separate FDIC insured account. Any interest earned on the security deposit account will be deposited to the operating account unless Regulatory Agencies/Lenders require otherwise. Any refunds of a security deposit will be distributed and itemized in the "Security Deposit Settlement" upon vacating or eviction within 21 days as required by law. In the event there are costs of damages in excess of the security deposit, first attempt of recovery will be by a formal written request, followed by use of a collection agency to secure recovery if initial attempt is unsuccessful.
- 9) Parking Lot Policies
- a) **PARKING:** Parking is first-come, first-serve for all unassigned parking spaces. Residents may not back vehicle into vehicle parking spaces. Vehicles parked in fire lanes or in "no parking" areas, and unauthorized vehicles parked in designated handicap parking spaces are subject to being ticketed by the police or fire department and/or towed away at the vehicle owner's expense. All oversized vehicles, trailers, boats, and other recreational vehicles are not permitted to park at the apartment community. Residents are responsible for keeping their assigned parking space (if applicable) free of oil, cigarette butts, debris, etc.
 - b) The speed limit within the complex is 5 miles per hour.
 - c) Washing cars in the parking lot is prohibited unless an area is designated by Owner/Agent.
 - d) **AUTOMOBILE REGISTRATION:** All vehicles must have current registration and be in operable condition.
 - e) **VEHICLE MAINTENANCE:** Non-operable vehicles will be towed away at the vehicle owner's expense. The owner of any vehicle that leaks oil will be held responsible for it's clean up and required to park the vehicle off site until the leak is repaired. Batteries and vehicle fluids may not be deposited in the apartment community dumpsters. Minor vehicle maintenance such as change of a flat tire, a battery, spark plugs and belts are permitted as long as it will be completed in one (1) day and does not result in trash or other unsightly occurrences. Changing of vehicle fluids (i.e. oil, anti-freeze, etc.) is not permitted.
 - f) The Owner/Agent reserves the right to have any vehicle removed from the premises at the expense of the vehicle owner, for failure to comply with all parking regulations. Each Resident is responsible to inform his/her guests of these regulations regarding parking.

10) Procedures for Requesting and Implementing a Rent Increase

- a) HUD procedures will be followed by Agent in requesting Agency approval of a rent increase and in notifying tenants of such change.
- b) The Agent will notify all affected residents of any proposed rent changes.
- c) Agent will inform residents of any rent increase at least 30 days in advance of their effectiveness or such longer time as State law HUD regulations may prescribe. This will be handled on an annual basis (or more frequently) at the same time the budget is submitted for approval.

11) Plans for Carrying out an Effective Maintenance and Repair Program

- a) The plans for preventive maintenance at the project are annual inspections, quarterly maintenance projects, use of service request forms, along with visual daily inspections of the project grounds and buildings. The Property Manager is responsible for supervision of the daily on-site maintenance.
- b) The grounds and common areas are picked up daily and deficiencies are reported to the Property Manager who will write a work-order. Work-orders are completed within 24 to 48 hours whenever possible.
- c) Residents are informed that they are to report any unit maintenance needs to the Property Manager who will write a work order. Work-orders are completed within 24 to 48 hours whenever possible.
- d) Monthly and quarterly preventative maintenance projects are identified on the maintenance calendar and are monitored for progress by the Agent. These projects include but are not limited to: inspect and service HVAC systems; water intrusion inspections; irrigation system checks and repairs; fire extinguisher safety inspections; and update MSDS binders.
- e) Annual apartment inspections are performed to determine any preventive maintenance items that may go unreported by the residents and to inspect for general resident care or abuse and good housekeeping standards.
- f) As-built plans and specifications, if obtained from the owner, will be on-site in the Property Manager's office.
- g) The general maintenance procedures shall be as follows:
- h) The Property Manager and/or Maintenance technician will be responsible for keeping an inventory of all appliances and obtaining necessary service on appliances and mechanical equipment. It will be the duty of the Property Manager and/or Maintenance technician to check the operating condition of all appliances prior to a resident moving into a unit. The resident must notify the management of a malfunction and it will be corrected immediately.
- i) The project is equipped with outside lighting for the security of the residents residing there. Fire extinguishers are in the laundry room and rental office and/or other locations as required by local fire authority. Smoke detectors are located inside each apartment. All are checked in the annual inspection. Ice and snow removal is addressed as needed.
- j) The Property Manager and/or Maintenance technician will inspect the entire unit and its contents (appliances and storage area, if applicable) with the Resident and complete a written move-in inspection report. The inspection report will list the condition of the unit prior to the Resident taking possession of the unit. Any exceptions or work to be done will be noted and work orders issued and completed in a timely manner. The same inspection report will be used at move out to ascertain any damages or abuse beyond normal wear and tear. A diligent effort will be made to do the move-out inspection with the vacating resident. The vacating resident will be provided a copy of his/her move-out inspection, and security deposit refund (if any) pursuant to state law. Maintenance repairs will be made (within budget constraints) at turnover to restore to market ready condition. Damage beyond normal wear and tear will be charged to the vacating resident's security deposit.

- k) The new resident will receive a copy of the move-in/move-out inspection report along with a copy of the Lease Agreement, its attachments and House Rules.
- l) Annual apartment inspections will be conducted on a monthly schedule based on the Residents recertification date. During the inspection the following minimum work will be completed:
 - i) HVAC inspected and filters replaced throughout the year as required.
 - ii) Smoke detector tested and batteries replaced (if applicable)
 - iii) Hot water heater thermostat checked and manufacturer recommended service performed.
 - iv) Appliances checked for operating condition and good housekeeping.
 - v) Plumbing checked for leaks and operating condition.
 - vi) Interior paint, carpet, vinyl and window coverings evaluated as to condition.
 - vii) Resident housekeeping standards evaluated.
- m) As a general rule the following will apply (as needed and budget restraints permit):
 - i) Exterior painting will be done every 5 to 7 years.
 - ii) Interior painting will be done every 3 to 5 years.
 - iii) Floor coverings will be replaced every 6 to 8 years.
 - iv) Window coverings will be replaced every 5 to 7 years.
- n) Units will be repainted when vacated unless the condition does not warrant painting.
- o) 'Green' materials will be replaced or repaired with like materials.
- p) Condition of the unit during the annual apartment inspection will be taken into consideration when determining the need for interior improvements. If the annual apartment inspection reveals poor housekeeping habits or resident abuse/damage to the unit, interior improvements may be postponed until (1) overall housekeeping habits are improved and resident damage repaired (at resident expense) as determined by the next annual apartment inspection or (2) resident vacates the unit.

Alternately, should a resident take exceptional care of the unit and planned improvements are not needed or are not desired by the resident, Agent may elect to make alternative improvements to the unit i.e. installation of ceiling fans or screen doors, as budget restraints permit.

Residents will be notified of deficiencies noted during the apartment inspection due to resident abuse or neglect and given a minimum of 10 days to cure. If upon re-inspection, deficiencies remain, residents will be given a Notice of Lease Violation. Continued non-compliance or chronic refusal to properly maintain the unit could result in termination of tenancy.
- q) All repairs/improvements will be made subject to available project funds with priority being given to health and safety/habitability items.
- r) The Property Manager and Maintenance technician will perform the upkeep of the grounds and ordinary maintenance work. Exterminator service will be contracted on an as needed basis. If there is evidence of a need, a monthly contract will be established for pest control and landscape services. Major repairs will be performed by vendors and/or contractors approved by Agent.
- s) Garbage and trash removal will be maintained on a regular basis by an established disposal service.
- t) The Property Manager and/or Maintenance technician will clean entryways, halls and other common areas on a daily basis during their regularly scheduled hours.
- u) The procedure for requesting maintenance or service items is for the resident /member to come into the office and complete a maintenance work-order request. Alternative means of making work-order

requests are available as a reasonable accommodation to individuals with a disability. Each Manager has a 2-part NCR work-order book. A separate maintenance file is kept on each unit. Completed work-orders are filed in the unit maintenance file.

- v) Purchase order approvals are given verbally within one business day. Payments will be made on a net 30-day payment system with typically a 15 to 30 day turn around from receipt of statement.
- w) Agent will obtain bids for performance of all major repairs, and the bid most advantageous to the project will be accepted. Projected major repairs will be budgeted for based on the property's history and normal standards of repair and replacement within the industry.
- x) Major repairs exceeding the approval budget will be requested from the owner.

12) Plans for Meeting Recordkeeping and Reporting Requirements

- a) AWI Management Corporation uses the double-entry computerized accounting ledger system. We have a full time accounting Manager on staff and clerks who prepare and maintain project records on a daily basis. The Agent reviews the management reports generated by this system on a monthly basis. The Agent, in turn, provides the Owner with these reports in the form of "A Statement of Cash Flow."
- b) Each project account is held separately. Interest earned will be either used toward the monthly-required deposit amount or transferred into the operating account.
- c) Agent will be responsible for the preparation and submission of the quarterly and annual reports required by the Owner. Agent will provide information to Owner's audit firm in a timely manner so the audit firm can complete the annual audit within 60 days following year end.
- d) The Agent will establish and maintain a comprehensive system of records, books, and bank accounts in a manner conforming to the directives of the Owner. All records, books and accounts will be subject to examination at reasonable hours by an authorized representative of the Owner and other authorized agencies or persons.
- e) Resident records will be kept on-site, in the Manager's office, by the Property Manager. The resident files will include the application for admission, landlord and income verifications, credit check, lease agreement, house rules, move in/move out inspection report and the resident certification. Resident records will be retained by the Property Manager for a period of three (3) years after the resident moves out of the complex. First year Tax Credit files will be retained in accordance with IRS and State Agency retention requirements.
- f) Agent will establish monthly reserve transfers based on the annual budgeted amount unless impounded by a lender or other party. Agent will follow the approval process for release of reserves as established by the Owner and any Agency with regulations governing the property.
- g) Agent shall make payments in the following order of priority: 1) payment of wages and other related employee costs along with any earned management fee; 2) payment of utilities, real estate taxes and insurance; 3) mortgages and reserve transfers; and 4) other operating expenses. Owner will be notified in the event of any shortfall.
- h) All other records are kept at the Agent's office located at: AWI Management Corporation, 120 Center Street, Auburn, CA 95603. The contact person is the Agent's Regional Manager.

13) Energy Conservation Measures

- a) The resident will have direct control over heating, air conditioning, and electricity as far as energy conservation measures are concerned. The Management will have control over outdoor lighting and electricity for common areas.
- b) The Property Manager will inform the residents in ways to conserve energy consumption in their homes.
- c) Other ways to promote energy conservation will be utility company brochures, and posting in the areas such as the laundry room.

- d) The residents will be instructed to call the Property Manager to repair those items in the apartment that waste energy, such as a leaky hot water faucet or a door seal.
 - e) Residents will be informed of any alternative rates for utilities that may be available for low-income households.
 - f) The Property Manager will set an example to residents by not wasting energy in the day-to-day operation of the project.
- 14) Plans for Resident Participation in Project Operations and Resident's Relationship with Management
- a) In order to ensure good resident relations, every effort will be made to handle resident requests promptly. There are no plans for a resident organization. Should a resident organization be duly formed, Agent will cooperate with the resident organization to the extent that it enhances project operations and good resident relations.
 - b) Resident Grievance and Appeals Procedure shall be posted in a conspicuous place in the Manager's office and the laundry room. Both the Agent and responsible personnel are knowledgeable of its contents and will ensure it is posted and followed.
- 15) Plan for Carrying Out Management Training Programs
- a) Training procedures for employees begin with a 90-day orientation program that is administered by the Regional Manager and/or other appropriate management agent staff members (i.e. Property Bookkeeper, Training Coordinator, Director of Compliance, Human Resources Administrator, Director of Operations, etc.). Training covered in the first 90 days includes: rent collection procedures, banking, occupancy process (including AFHMP, waiting list, verification, and certification) Civil Rights and Fair Housing, monthly reporting, budgeting, and maintenance and safety procedures. The Regional and Property Managers will be scheduled to attend the local HUD occupancy course as needed and as the budget permits. The Regional Manager will provide ongoing training as needed and will conduct local group training workshops. As an ongoing practice, Agent will keep the Property Manager abreast of changes and check the accuracy of their work. Ongoing training includes: setting priorities, resident selection and screening, legal notices, accounting and bookkeeping, technology training and Civil Rights and Fair Housing law.
 - b) The Regional Manager and Property Manager will attend available housing seminars covering Federal, State and local housing laws, and will receive annual training in Civil Rights and Fair Housing law. Any training of this nature shall be paid as a project expense for site employees. Training expense may include tuition, registration fees, course materials and lodging (if training location is more than 1 hour from the property). The Agent is responsible for the costs to train non-site employees in its organization.
 - c) Agent may choose to enroll the project in membership organizations that promote the interest of residents, landlords and affordable housing if such memberships are of practical use and benefit to the operations of the project. Such organizations may provide free or discounted training, updates on federal regulations affecting housing, or provide a direct link between the project and individuals in the community, i.e. Chamber of Commerce, Council for Affordable Housing, National Affordable Housing Management Association. Membership fees to enroll the project shall be paid as a project expense. Agent shall be responsible for fees to enroll AWI Management Corporation or individuals within its organization.
 - d) Training is provided on an on-going basis to the Regional Managers and the Department Managers within Agent's organization. Property Manager training is provided monthly during the Regional Manager site visits.
- 16) Termination of Leases or Occupancy Agreements and Evictions
- a) Agent and responsible personnel are knowledgeable of State, HUD and local laws regarding termination of leases and evictions.

- b) Agent and responsible personnel are knowledgeable of State and local laws regarding notification that must be given to resident when termination of the lease or eviction is proposed.
- c) Legal fees directly related to the operation and management of the property including resident lease enforcement actions, property tax appeals, lawsuits, and other project related matters shall be a direct expense of the property.

17) Insurance

- a) The Owner is responsible for knowing requirements for Fidelity Bond coverage. The Agent will furnish a fidelity bond and will acquire Employee Practices Coverage to protect the Owner against misappropriation of project funds and/or errors made by the Agent or its employees who are entrusted with the project bookkeeping, receipt, custody and disbursement of any project monies, securities, or readily saleable property other than money or securities. Coverage of the site employees will be a project operating expense. Coverage for the Agent's non-site employees will be the expense of the Agent.
- b) The Owner is responsible for knowing insurance requirements. The Owner will inform the Agent of the insurance to be carried with respect to the project and its operations, and it will be kept in effect at all times. The Agent will pay premiums out of the Operating and Maintenance Account and premiums will be treated as an operating expense. Agent will ensure that required policies are kept in effect at all times. All insurance will be placed with such companies, on such conditions, in such amounts, and with such beneficial interest appearing thereon, as shall be acceptable to the Owner provided that the same will include public liability coverage, with the Agent and Owner designated as a named insured in amounts acceptable to the Agent as well as the Owner. Agent will provide full reports to Owner as to all accidents, claims, and potential claims for damage relating to the project, and will cooperate with the Owner's insurers in connection therewith.
- c) At Owner's request, for Owner's benefit and at Owner's expense, Agent shall use reasonable efforts to acquire and maintain insurance of the types of coverage selected by the Owner. Agent will obtain bids and recommendations on coverage required or requested by Owner and coverage will be placed with companies acceptable to Agent and Owner. It is solely the Owner's obligation to insure conformity with the requirements of any deeds of trust, land contracts, mortgages, or other liens on the property. All insurance contracts for the property shall extend to and insure Agent, its principals and employees (as additional insured) as well as Owner and any other insurable parties specified by Owner in writing. The Agency shall be names on all properties where it holds a first lien position, which means if there is a damage or loss, the insurance draft will be made payable to the Agency. Further, the Agency must be names as additional insured if its lien position is other than first.
- d) Agent shall not be liable to Owner for any loss or damage in the event the insurance obtained and kept in force by Agent is insufficient to cover any loss or damage sustained by Owner. Agent shall:
 - 1) promptly investigate all accidents and claims for damages relating to the Ownership, operation, and maintenance of the Property;
 - 2) investigate any damage or destruction to the property;
 - 3) cause estimates for the cost of repairs to be made by appropriate vendors or contractors, and;
 - 4) prepare any and all reports required of Agent by the Agency and any insurance company in connection therewith.
- e) In the event of any major casualty, loss, or damage, Agent shall immediately notify Owner in writing of the occurrence of these events. A "major" casualty, loss or damage is defined to mean a loss exceeding \$10,000 in potential liability, as estimated by Agent in its reasonable discretion. Agent shall not be authorized to settle any major claim unless the terms of such settlement are specifically consented to in writing by the Owner.
- f) Agent shall arrange for proof of insurance to be sent to Owner and any other parties designated by Owner.

18) Management Agreement is Part of This Plan.

- a) The Management Agreement dated an even date herewith is to be considered part of this Management Plan. Items not addressed specifically in the Management Plan, but addressed elsewhere in the Management Agreement and/or its attachments shall be considered fully addressed in this Management Plan to the extent that they are addressed in the Management Agreement and its attachments. All Plans and Agreements will be updated as necessary to keep up with any changes which HUD, CTCAC or other agencies governing the property may implement.
- 19) Management Compensation
- a) The Management fee is approved by required agencies and the Owner and paid monthly to the Agent. Any changes to the approved management fee will be submitted annually for Owner and required Agencies and upon approval becomes an Amendment to the Management Agreement.
- 20) On-site Management
- a) All costs and expenses related to the Site Employees expenses, compensation and other expenses directly related to the management of the project shall be either a direct or pro rata expense of the project as identified in the Management Plan and Agreement. On-site employees will live in a rent free unit with utilities as part of their compensation under an employment contract.
- b) The Manager will perform on-site management duties and responsibilities.
- c) The Manager shall be responsible for the day-to-day operations of the project including but not limited to certification of eligibility, leasing, rent collection, enforcement of the lease and coordinating the maintenance procedures.
- d) The office hours may change as necessary for the project operations but will be established between 8:00am and 5:00pm, posted on the office door or window, and provided on the answering machine.
- 21) Validity of the Management Plan

The parties hereto agree that should any provisions of the Agreement be invalid or unenforceable the remaining provisions shall be valid and enforceable to the fullest extent permitted by law.

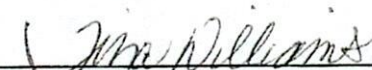
In Witness Whereof, the parties, by signature below, have duly executed this Agreement.

OWNER: Rancho Belago Developers, Inc

By:  _____
James M. Jernigan, President

Date: 7-17-19

AGENT: AWI Management Corporation, a California Corporation

By:  _____
Tina Williams, President

Date: 7-17-19



HOUSING AUTHORITY of the County of Riverside

Main Office
5555 Arlington Avenue
Riverside, CA 92504-2506
(951) 351-0700
FAX (951)354-6324
TDD (951) 351-9844

June 22, 2020

Indio Office
44-199 Monroe, Ste. B
Indio, CA 92201
(760) 863-2828
(760) 863-2838 FAX
TDD (760) 863-2830

Courtyards at Cottonwood, L.P.
c/o Rancho Belago Developers, Inc.
James M. Jernigan, President
27700 Kalmia Avenue
Moreno Valley, CA 92555

Website: harivco.org

RE: Estimate of Initial Rents – HCV Project-Based Vouchers
Courtyards at Cottonwood – Moreno Valley

Dear Mr. Jernigan:

The Housing Authority of the County of Riverside in accordance with the Code of Federal Regulation (CFR) 983.301 has completed a rent comparability analysis to determine the estimated initial rents for the Project-Based Vouchers that will be utilized for the Courtyards at Cottonwood. The estimated initial contract rent, current applicable utility allowance and gross contract rent are as follows:

Unit Type	Contract Rent	Standard Utility Allowance	Gross Rent
1 BDR	\$1,026	\$58	\$1,084
2 BDR	\$1,275	\$80	\$1,355
3 BDR	\$1,787	\$101	\$1,888

Unit Type	Contract Rent	Energy Efficient Utility Allowance	Gross Rent
1 BDR	\$1,037	\$47	\$1,084
2 BDR	\$1,290	\$65	\$1,355
3 BDR	\$1,804	\$84	\$1,888

Actual rents and utility allowances will be determined prior to execution of the Project-Based Voucher Program Housing Assistance Payment (HAP) Contract. Please note: If using the Energy Efficient Utility Allowance the owner must provide a HERS report to the Housing Authority for approval that certifies that the building energy efficiency rating has surpassed Title 24 energy code standards by at least 15% at completion. If you have any questions, please feel free to contact me at (951) 343-5437.

Sincerely,

Jennifer Graham
Principal Development Specialist



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

915 Capitol Mall, Suite 485
Sacramento, CA 95814
p (916) 654-6340
f (916) 654-6033
www.treasurer.ca.gov/ctcac

MEMBERS

FIONA MA, CPA, CHAIR
State Treasurer

BETTY YEE
State Controller

KEELY MARTIN BOSLER
Director of Finance

GUSTAVO VELASQUEZ
Director of HCD

TIA BOATMAN PATTERSON
Executive Director of CalHFA

EXECUTIVE DIRECTOR
Judith Blackwell

June 10, 2020

Marcie Chavez, Director
U.S. Department of Housing and Urban Development
300 N. Los Angeles Street, Suite 4054
Los Angeles, CA 90012

Re: Project Name: Courtyards at Cottonwood
CTCAC #: CA-20-422
Address/Location: Northeast Corner of Cottonwood Ave. & Indian St., Moreno Valley, CA 92553
Housing Authority: Housing Authority of the County of Riverside (HACR)
Owner: Courtyards at Cottonwood, L.P.
General Partners: RBD Cottonwood, LLC (member - Rancho Belago Developers, Inc.) and
KDI Cottonwood, LLC (member - Kingdom Development, Inc.)
Developer: Rancho Belago Developers, Inc.

Dear Ms. Chavez:

Enclosed is a HERA Section 2835 Subsidy Layering Certification executed by Judith Blackwell, Executive Director of the California Tax Credit Allocation Committee (CTCAC) for the captioned project. The review was conducted in accordance with Federal Register Volume 85, No.40, published on Friday, February 28, 2020.

The project is receiving assistance under the HUD Section 8 Project-based Voucher program, County of Riverside – HOME fund loan, City of Moreno Valley – NSP fund loan, HOME fund loan, land loan, & waived fees, tax-exempt bonds, and state & federal low-income housing tax credits.

Project Description: This project is being developed by Rancho Belago Developers, Inc. with vouchers from HACR. This project involves the new construction of 81 units, of which 80 units are tax-credit qualified affordable housing units and 1 unit is a manager unit. The project will serve low-income persons/households and families. HACR plans to attach project-based voucher assistance to 35 units consisting of 20 one-bedroom units, 8 two-bedroom units, and 7 three-bedroom units.

The CTCAC review is based upon documentation submitted by the project owner and HACR. The proposed rents set by HACR for the project-based voucher assisted units do not exceed 110% of the 2019 & 2020 HUD Fair Market Rents for Riverside-San Bernardino-Ontario, CA MSA, and are deemed reasonable in comparison to market rents at:

<u>BR Size</u>	<u>Number of Units</u>	<u>Contract Rent</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>
1	20	\$1,036	\$48	\$1,084
2	8	\$1,290	\$65	\$1,355
3	7	\$1,805	\$83	\$1,888

Please contact me at (916) 654-6340 or Jwaegell@sto.ca.gov if you have any questions regarding this certification.

Sincerely,



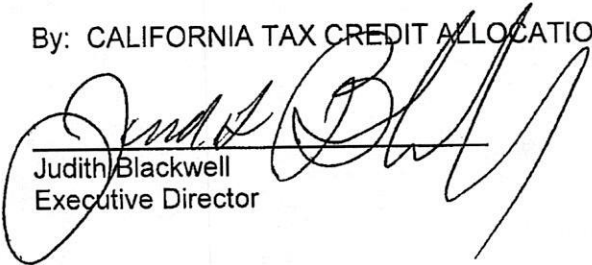
Jack Waegell
Program Analyst

Attachments

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
HOUSING AND ECONOMIC RECOVERY ACT OF 2008 (HERA)
SECTION 2835(a)(1)(M)(i) SUBSIDY LAYERING CERTIFICATION**

For purposes of the provision of Section 8 Project Based Voucher Assistance authorized pursuant to 42 U.S.C. 8(o)(13), pursuant to section 2835(a)(1)(M)(i) of the Housing and Economic Recovery Act of 2008 (HERA), Section 102 of the Department of Housing and Urban Development Reform Act of 1989, and in accordance with HUD's Administrative Guidelines, all of which address the prevention of excess governmental subsidy, I hereby certify that the Section 8 project-based voucher assistance provided by the United States Department of Housing and Urban Development to the Housing Authority of the County of Riverside, located in the city of Riverside, for **Courtyards at Cottonwood, CTCAC #CA-20-422**, located in the city of Moreno Valley, is not more than is necessary to provide affordable housing after taking into account other government assistance.

By: CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE (CTCAC)



Judith Blackwell
Executive Director

June 10, 2020
Date



HOUSING AUTHORITY of the County of Riverside

Main Office
5555 Arlington Avenue
Riverside, CA 92504-2506
(951) 351-0700
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Indio Office
44-199 Monroe, Ste. B
Indio, CA 92201
(760) 863-2828
(760) 863-2838 FAX
TDD (760) 863-2830

Website: harivco.org

August 16, 2019

James M. Jernigan
Rancho Belago Developer, Inc.
27700 Kalmia Avenue
Rancho Belago, CA 92128

RE: Courtyards at Cottonwood, Moreno Valley, CA

Dear Mr. Jernigan:

The Housing Authority of the County of Riverside (HACR) is pleased to inform you that the above referenced project proposal was selected to receive Project Based Vouchers (PBVs) pursuant to the Request for Proposal released by the HACR on August 12, 2019. The HACR is reserving funding for thirty-five (35) PBVs for a twenty (20) year contract term.

Final commitment of the Project Based Vouchers is subject to the following items:

- Project's receipt of all necessary capital funding for the construction of the project, including but not limited to a tax credit allocation.
- Subsidy layering requirements as defined by the U.S. Department of Housing and Urban Development (HUD).
- National Environmental Policy Act Clearance.
- Approval of an Agreement to Enter into Housing Assistance Payments (AHAP) Contract by the HACR's Board of Commissioners.

This commitment is also contingent on continued funding from HUD. In the event of a budget decrease, HACR reserves the right to rescind the commitment up until the execution of an AHAP contract. This letter of commitment is valid until October 1, 2020, all financing must be secured by this deadline. Therefore, an AHAP Agreement must be executed on or before October 1, 2020.

If you have any questions, please feel free to contact Nicole Sanchez at (760) 863-2828 or via e-mail at NiSanchez@rivco.org

Thank you,

Nicole Sanchez
Development Specialist II
Housing Authority of the County of Riverside

Exhibit B

Scope of Development

EXHIBIT B

Courtyards at Cottonwood is a new construction, 81-unit gated community. The construction will include offsite street improvements, utility extensions and landscaping. The onsite improvements will include grading, underground utility installation, street improvements, sidewalks, carports, fences & gates, recreational amenities, and landscaping. There will be one 1-story 20-unit building that will be age restricted and two 2-story 30-unit buildings that will serve families. The community building will include leasing, management, social services and maintenance offices along with a community kitchen, lounge, computer lab, laundry room and restrooms.

Architectural rendering is attached.



A Proposed Affordable Housing Community

The Courtyards at Cottonwood

Northeast Corner of Cottonwood Ave. & Indian St.
 Moreno Valley, California
 Plot Plan (PEN19-0000)

Sheet Index

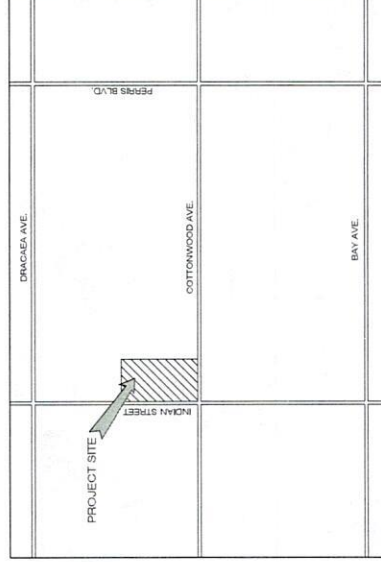
SHEET	DESCRIPTION
GENERAL	TITLE SHEET / INDEX
LANDSCAPE	LANDSCAPE CONCEPT
LOC-10	LANDSCAPE CONCEPT
LOC-11	LANDSCAPE CONCEPT
ARCHITECTURAL	SITE PLAN - SITE DATA
A-0.1	COLOR LITE PLAN
A-1.0	BUILDING TYPE 1 FIRST FLOOR PLAN
A-1.1	BUILDING TYPE 1 SECOND FLOOR PLAN
A-1.2	BUILDING TYPE 1 ROOF PLAN
A-1.3	BUILDING TYPE 1 SECTION
A-1.4	BUILDING TYPE 1 COLOR ELEVATIONS
A-2.0	BUILDING TYPE 2 FIRST FLOOR PLAN
A-2.1	BUILDING TYPE 2 SECOND FLOOR PLAN
A-2.2	BUILDING TYPE 2 ROOF PLAN
A-2.3	BUILDING TYPE 2 SECTION
A-2.4	BUILDING TYPE 2 COLOR ELEVATIONS
A-3.0	BUILDING TYPE 3 FIRST FLOOR & ROOF PLANS
A-3.1	BUILDING TYPE 3 SECTION
A-3.2	BUILDING TYPE 3 COLOR ELEVATIONS
A-4.0	BUILDING TYPE 4 FLOOR PLAN/ROOF PLAN
A-4.1	BUILDING TYPE 4 SECTION/ELEVATIONS
A-5.0	USE PLAN

Project Team

Architect	Derra Design, Inc. 495 E. Rincón St. #204 Corona, CA. 92879 Contact: Bill Atkins bill.atkins@derradesign.com	Owner / Developer	Rancho Belago Developers, Inc.. 27700 Kalmia Avenue Rancho Belago, CA. 92555 951-686-6600 Contact: James Jernigan jjernigan@ranchobelagodevelopers.com
		Civil Engineer	Winchester Associates, Inc. 23640 Tower St. #3 Moreno Valley, CA. 92553 951-924-5425 Contact: David Slawson, PLS slawson@wai-eng.com

No Scale

Vicinity Map



CONCEPTUAL LANDSCAPE PLANT PALETTE

- LARGE TREE**
 - White Oak
 - Redwood
 - California Redwood
 - California Redwood
 - California Redwood
 - California Redwood
- MEDIUM TREE**
 - White Oak
 - Redwood
 - California Redwood
 - California Redwood
 - California Redwood
 - California Redwood
- SMALL CONICAL TREES**
 - White Oak
 - Redwood
 - California Redwood
 - California Redwood
 - California Redwood
 - California Redwood
- LARGE SHRUB**
 - White Oak
 - Redwood
 - California Redwood
 - California Redwood
 - California Redwood
 - California Redwood
- MEDIUM SHRUBS**
 - White Oak
 - Redwood
 - California Redwood
 - California Redwood
 - California Redwood
 - California Redwood
- SMALL SHRUBS**
 - White Oak
 - Redwood
 - California Redwood
 - California Redwood
 - California Redwood
 - California Redwood
- SPINES**
 - White Oak
 - Redwood
 - California Redwood
 - California Redwood
 - California Redwood
 - California Redwood
- SMALL GRASSES**
 - White Oak
 - Redwood
 - California Redwood
 - California Redwood
 - California Redwood
 - California Redwood
- ASCENS**
 - White Oak
 - Redwood
 - California Redwood
 - California Redwood
 - California Redwood
 - California Redwood
- LARGE GRASSES**
 - White Oak
 - Redwood
 - California Redwood
 - California Redwood
 - California Redwood
 - California Redwood
- COMMENTS**
 - Plantings shall be installed in accordance with the Planting Schedule.
 - Plantings shall be installed in accordance with the Planting Schedule.
 - Plantings shall be installed in accordance with the Planting Schedule.
- SPRING**
 - White Oak
 - Redwood
 - California Redwood
 - California Redwood
 - California Redwood
 - California Redwood
- WATER EFFICIENT LANDSCAPE NOTES**
 - ALL LANDSCAPE SHALL BE WATERED BY PERMANENT & AUTOMATIC IRRIGATION SYSTEM
 - CONCRETE SHALL BE INSTALLED WITH WEATHER BATED DRAINAGE CONTROL
 - CONCRETE SHALL BE LOCATED OUTDOORS UNDER REMOVAL OF COVER IN A LOCK AND VACUUM SYSTEM ENCLOSE
 - ALL TREES & SHRUBS SHALL BE PLANTED WITH A LOW VOLUME DWP SYSTEM AND/OR HIGH FREQUENCY IRRIGATION
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 - ALL TREES & SHRUBS SHALL BE PLANTED WITH A LOW VOLUME DWP SYSTEM AND/OR HIGH FREQUENCY IRRIGATION

terra
 495 E. Riocon Street, Suite 204
 PH: 951.268.1950 FAX: 951.268.1651

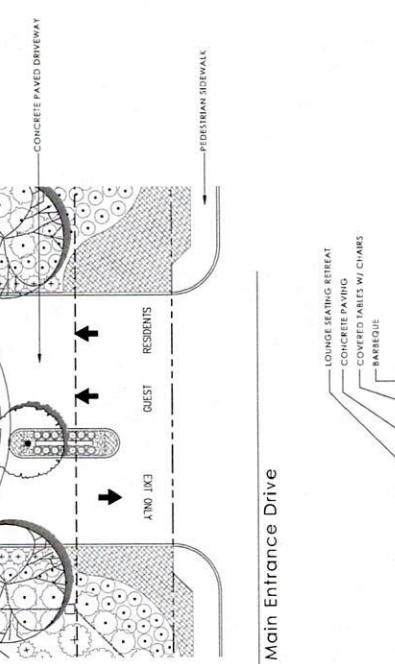
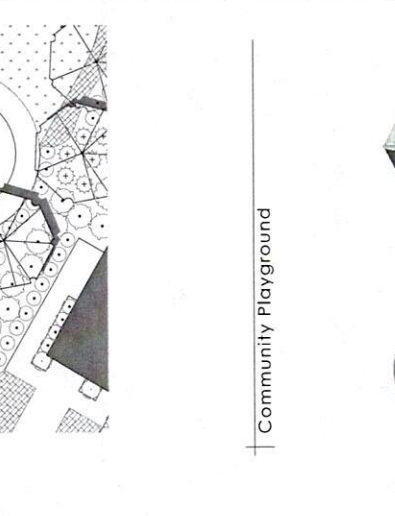
REVISIONS AND USE APPLICATION
 DATE: 4/29/19
 CHECKED BY: WCA
 DRAWN BY: SWS

Revisions

The Courtyards at Cottonwood
 Northeast Corner of
 Cottonwood Ave. & Indian St.
 Plot Plan (PEN 19-0097)

terra
 LANDSCAPE ARCHITECTURE
 Planning • Design • Sustainability
 495 E. Riocon Street, Suite 204
 PH: 951.268.1950 FAX: 951.268.1651

LANDSCAPE CONCEPT
LC-1.1



WATER EFFICIENT LANDSCAPE NOTES

- ALL LANDSCAPE SHALL BE WATERED BY PERMANENT & AUTOMATIC IRRIGATION SYSTEM
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SUGGESTED IRRIGATION MATERIALS

- CONCRETE: PERMANENT & AUTOMATIC IRRIGATION SYSTEM
- WEATHER BATED DRAINAGE CONTROL
- CONCRETE: PERMANENT & AUTOMATIC IRRIGATION SYSTEM
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- CONCRETE: PERMANENT & AUTOMATIC IRRIGATION SYSTEM

Community Playground

- SMALL PLAY STRUCTURE - AGES 2-12
- BARBECUE
- DINING TABLE
- DINING CHAIR
- BENCH SEATING
- TRASH RECEPTACLE

Residential Courtyards

- LOUNGE SEATING RETREAT
- CONCRETE PAVING
- COVERED TABLES W/ CHAIRS
- BARBECUE
- TRASH RECEPTACLE
- DINING TABLE
- DINING CHAIR
- BENCH SEATING

Site Furnishing Examples

- LOUNGE SEATING RETREAT
- CONCRETE PAVING
- COVERED TABLES W/ CHAIRS
- BARBECUE
- TRASH RECEPTACLE
- DINING TABLE
- DINING CHAIR
- BENCH SEATING

Site Furnishing Examples

- SMALL PLAY STRUCTURE - AGES 2-12
- BARBECUE
- DINING TABLE
- DINING CHAIR
- BENCH SEATING
- TRASH RECEPTACLE



Revisions

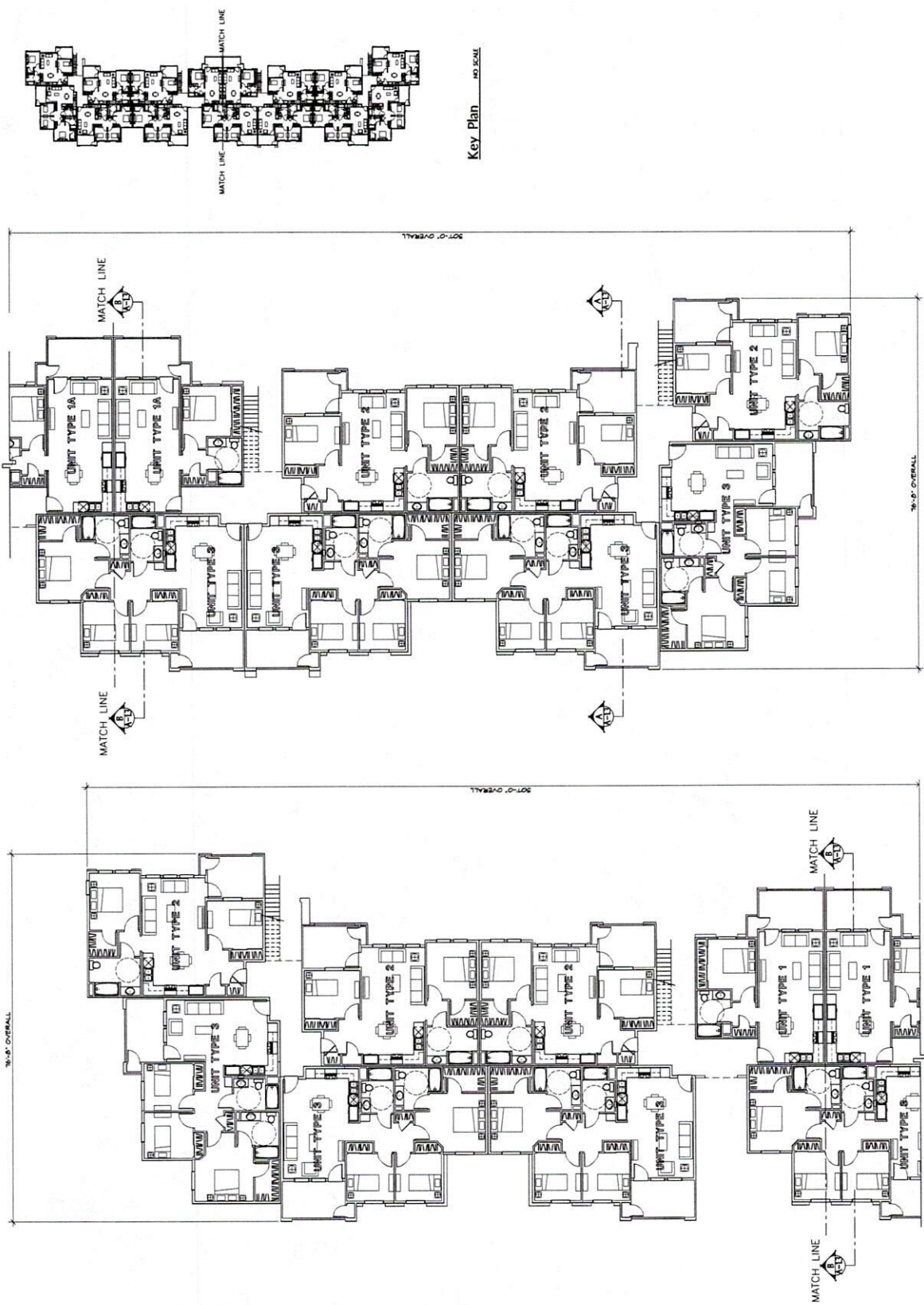
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 Cottonwood Ave. & Indian St.
 Plot Plan (PEN 19-0097)

NO. No.	DATE
BY: [Signature]	BY: [Signature]
CHKD BY: WCA	CHKD BY: WCA

Plot Plan (PEN 19-0097)

Sheet Title
 Building Type 1 First Floor Plan

A-1.0

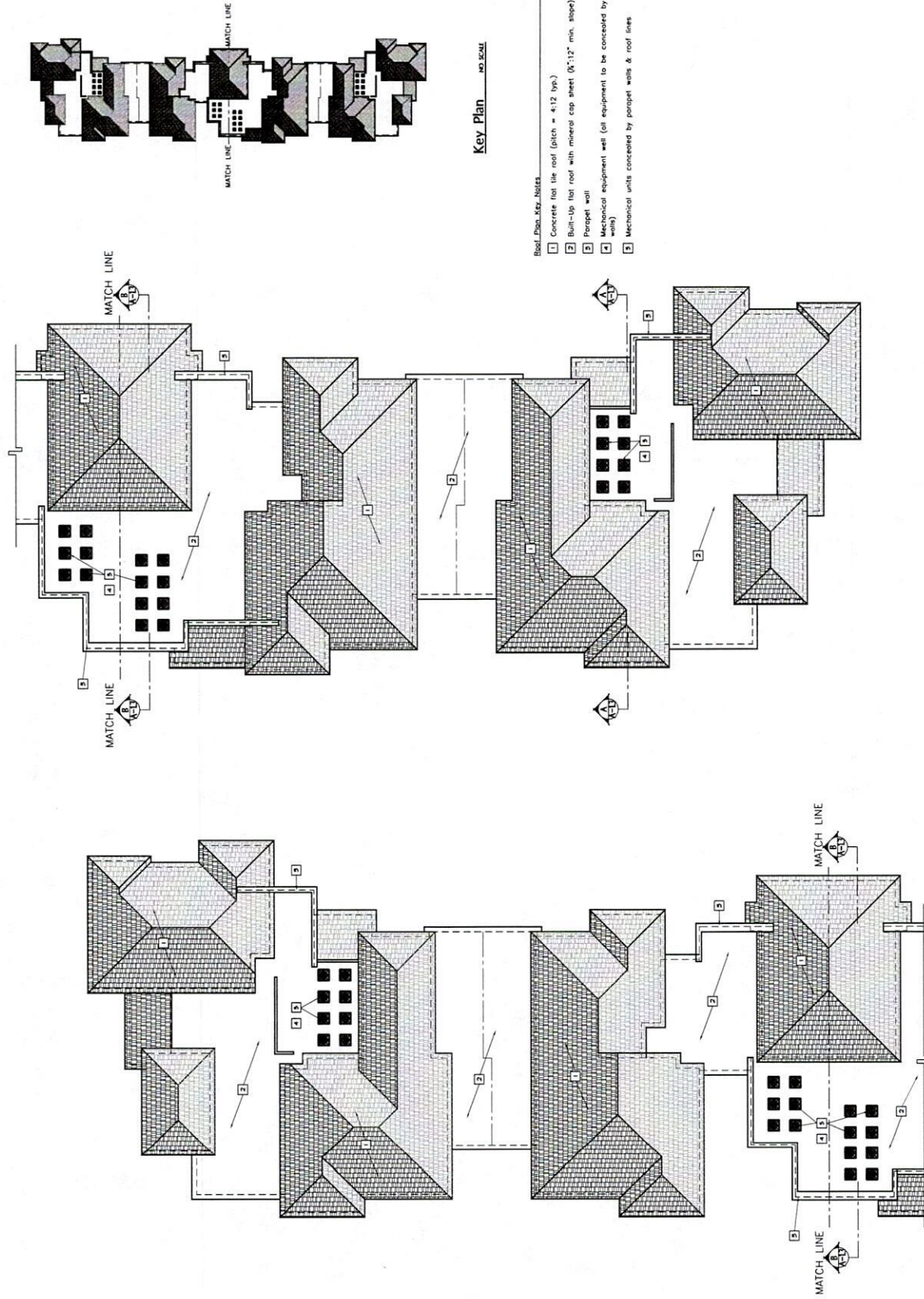


Key Plan 1/8" = 1'-0"

ALLOWABLE AREA CALCULATION
 TYPE V-B SINGLE R-2 OCCUPANCY SPRINKLED MULTISTORY BUILDING PER
 2018 CBC, 506.2.3
 ALLOWABLE AREA = $[21000 + (7000 \times 4)] \times 2 = 47,740$ SQ. FT.
 PROPOSED BUILDING AREA
 FIRST FLOOR = 15,231 SQ. FT.
 TOTAL BUILDING (TYPE V-B - SPRINKLED) = 31,366 SQ. FT.

PARTIAL FIRST FLOOR PLAN
 SCALE: 1/8" = 1'-0"
 GRAPHIC SCALE

PARTIAL FIRST FLOOR PLAN
 SCALE: 1/8" = 1'-0"
 GRAPHIC SCALE



- Roof Plan Key Notes**
- 1 Concrete flat for the roof (pitch = 4:12 typ.)
 - 2 Built-up flat roof with mineral cap sheet (0.5:1.2' min. slope)
 - 3 Parapet wall
 - 4 Mechanical equipment unit (all equipment to be concealed by parapet walls)
 - 5 Mechanical units concealed by parapet walls & roof lines

Key Plan 1/4" = 1'-0" SCALE

PARTIAL ROOF PLAN SCALE 1/8" = 1'-0" GRAPHIC SCALE NORTH

PARTIAL ROOF PLAN SCALE 1/8" = 1'-0" GRAPHIC SCALE

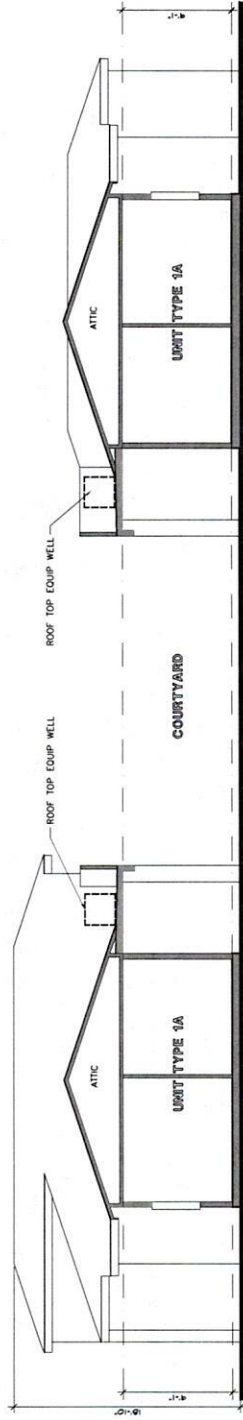
Revisions

The Courtyards at Cottonwood
 Northeast Corner of
 Cottonwood Ave. & Indian St.
 Plot Plan (PEN 19-0097)
 A Proposed Affordable Housing Community

Job No.	Date
197A	12/22/18
Drawn By	Checked By
WCA	WCA

Plot Plan (PEN 19-0097)
 Sheet Title
 Building Type 2 Section

A-2.2



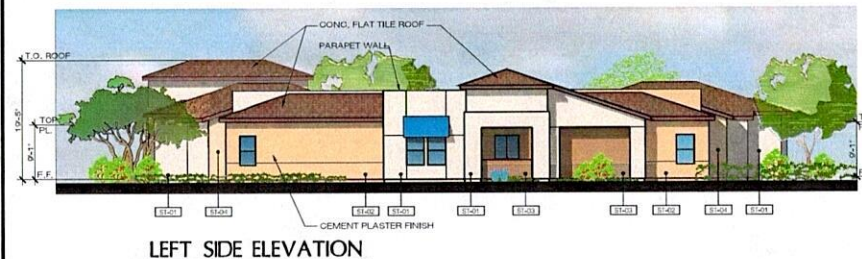
SECTION A-A
 SCALE 1/4"=1'-0"
 DRAWN: SCAT



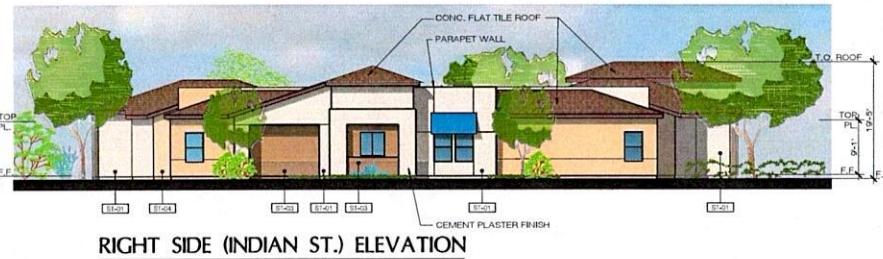
PARTIAL FRONT ELEVATION



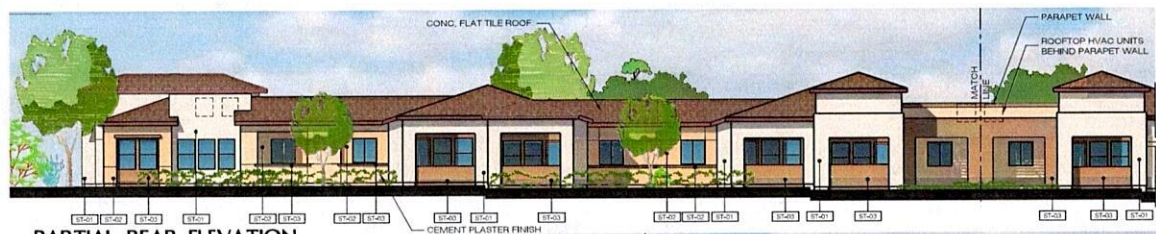
PARTIAL FRONT ELEVATION



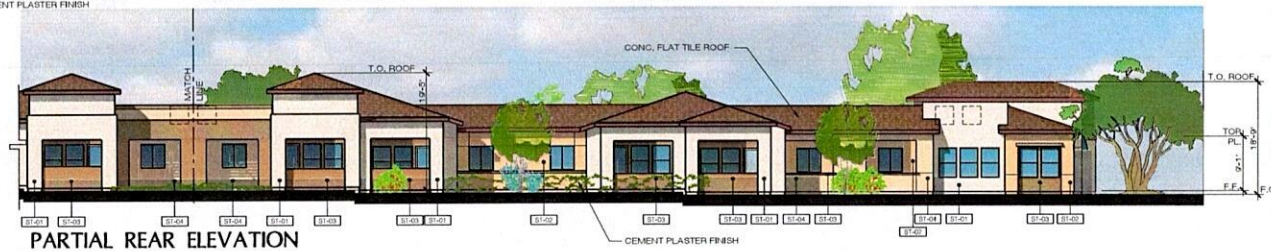
LEFT SIDE ELEVATION



RIGHT SIDE (INDIAN ST.) ELEVATION

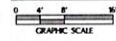


PARTIAL REAR ELEVATION (COTTONWOOD AVE.)



PARTIAL REAR ELEVATION (COTTONWOOD AVE.)

SCALE 1/8"=1'-0"



EXTERIOR CEMENT PLASTER FINE SAND FINISH		EXTERIOR PAINT	
	ST-01 MERLEX P-100 GLACIER WHITE		P-01 DUNN EDWARDS EXTERIOR LATEX - SATIN DE #133 - OLD BOOT
	ST-02 MERLEX P-450 CAFE MOCHA		P-02 DUNN EDWARDS EXTERIOR LATEX - SEMI-GLOSS DE# 136 - BEAUTIFUL BLUE
	ST-03 MERLEX P-3721 CAVIAR		
	ST-04 MERLEX P-105 OATMEAL		
ROOF TILE			
	RT-01 BORAL SAXONY 900 SHAKE CHARCOAL BROWN BLEND - IFBJ1132		

derra
 495 E. Rineon Street, Suite 204
 Corona, CA 92879
 Ph: 951.268.1850 Fax: 951.268.1051

5-1-19 LAND USE APPLICATION
 SUBMITTAL

Revisions

A Proposed Affordable Housing Community

The Courtyards at Cottonwood Family Apartments

Northeast Corner of
 Cottonwood Ave. & Indian St.
 Plot Plan (PEN 19-0097)

Job No. 1991A	Date 12/29/18
Drawn By WGA	Checked By WGA

Plot Plan (PEN 19-0097)
 Sheet Title
 Building Type 2 Elevations

A-2.3

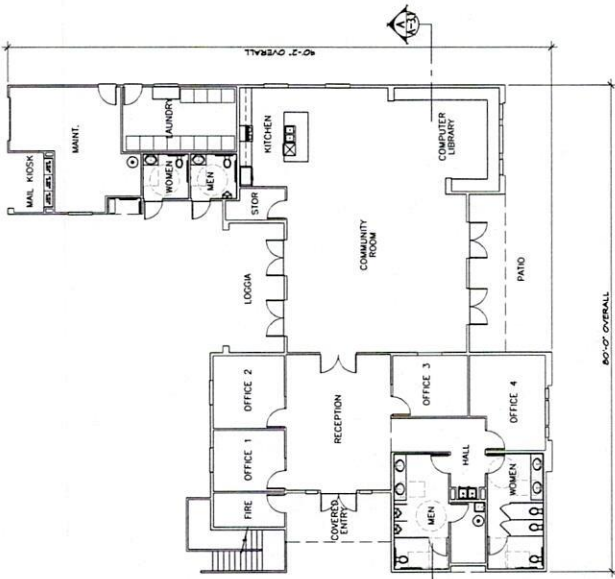
Revisions

The Courtyards at Cottonwood
 A Proposed Affordable Housing Community
 Northeast Corner of
 Cottonwood Ave. & Indian St.
 Plot Plan (PEN 19-0097)

Job No.	17/2978
Date	12/29/18
Drawn By	WCA
Checked By	WCA

Plot Plan (PEN 19-0097)
 Sheet Title
 Building Type 3 Plans

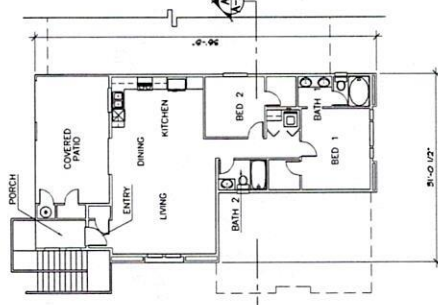
A-3.0



FIRST FLOOR PLAN

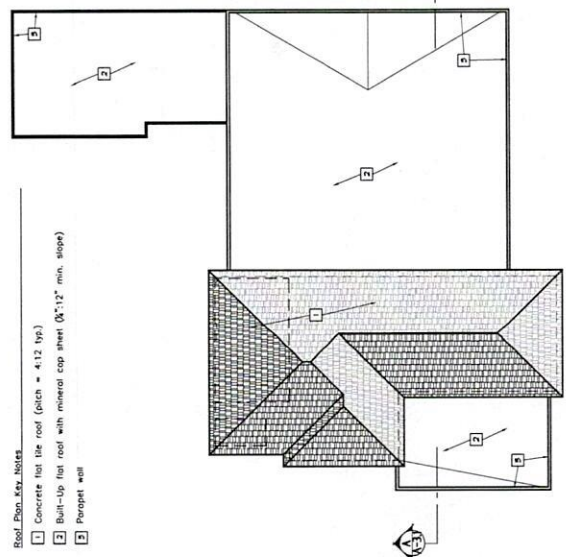
SCALE 1/8"=1'-0"
 GRAPHIC SCALE
 NORTH

Building Area	3,834 SF
First Floor	1,006 SF
Second Floor	2,828 SF
Total Building	4,834 SF



MANAGER'S UNIT SECOND FLOOR PLAN

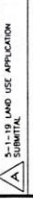
SCALE 1/8"=1'-0"
 GRAPHIC SCALE
 NORTH



ROOF PLAN

SCALE 1/8"=1'-0"
 GRAPHIC SCALE
 NORTH

- Roof Plan Key Notes
- 1 Concrete flat tile roof (pitch = 4:12 typ.)
 - 2 Built-up flat roof with mineral cap sheet (4" x 12" min. slope)
 - 3 Parapet wall



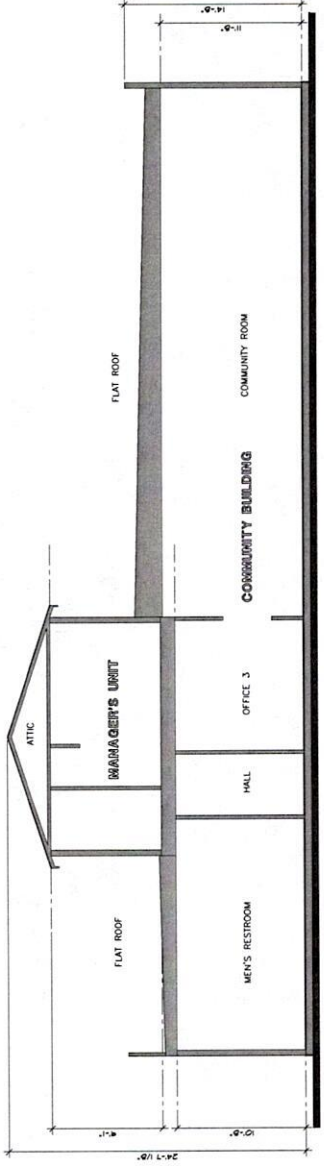
NO.	DATE	DESCRIPTION

Revisions

A Proposed Affordable Housing Community
The Courtyards at Cottonwood
 Northeast Corner of
 Cottonwood Ave. & Indian St.
 Plot Plan (PEN 19-0097)

PLN. NO.	DATE
19-0097	10/20/18
DRAWN BY	CHECKED BY
WJCA	WJCA

Plot Plan (PEN 19-0097)
 Sheet Title
 Building Type 3 Section
A-3.1



SECTION A-A
 SCALE 1/4" = 1'-0"
 GANNIK SCALE

Revisions

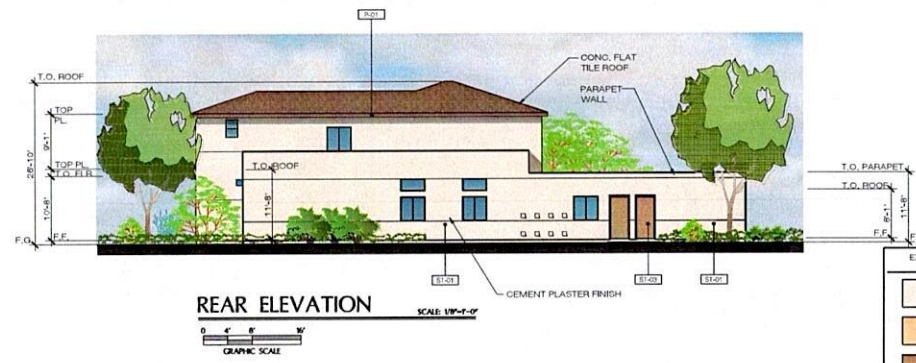
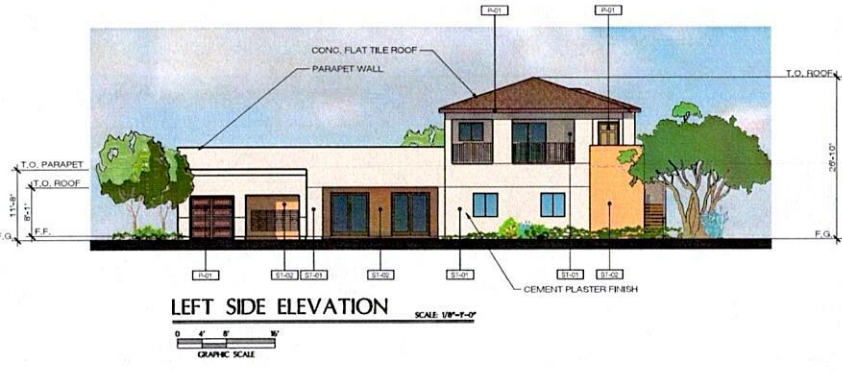
A Proposed Affordable Housing Community
**The Courtyards at Cottonwood
 Family Apartments**
 Northeast Corner of
 Cottonwood Ave. & Indian St.
 Plot Plan (PEN 19-0097)

Job No. 191A Date 12/29/18
 Drawn By WGA Checked By WGA

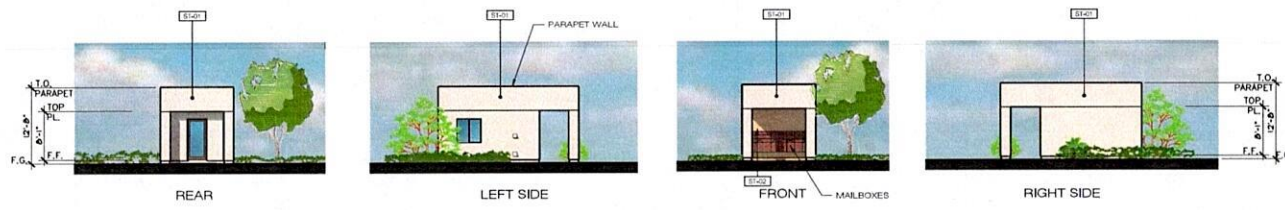
Plot Plan (PEN 19-0097)

Sheet Title
 Building Type 3 Elevations

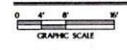
A-3.2



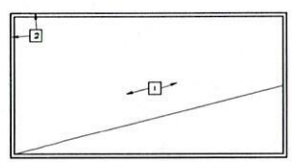
EXTERIOR CEMENT PLASTER FINE SAND FINISH	EXTERIOR PAINT
ST-01 MERLEX P-100 GLACIER WHITE	P-01 DUNN EDWARDS EXTERIOR LATEX - SATIN DE #133 - OLD BOOT
ST-02 MERLEX P-450 CAFE MOCHA	P-02 DUNN EDWARDS EXTERIOR LATEX - SEMI GLOSS DEA 136 - BEAUTIFUL BLUE
ST-03 MERLEX P-3721 CAVIAR	
	ROOF TILE
	RT-01 BORAL SAXONY 900 SHAKE CHARCOAL BROWN BLEND - IF BCJ1132



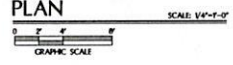
BUILDING TYPE 4 ELEVATIONS



SCALE: 1/8"=1'-0"

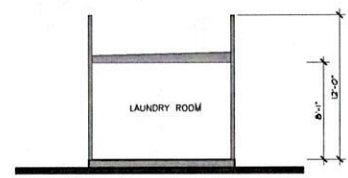


BUILDING TYPE 4 ROOF PLAN

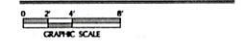


Roof Plan Key Notes

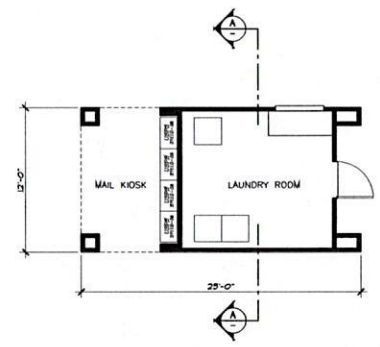
- 1 Built-up flat roof with mineral cap sheet (1/2" min. slope)
- 2 Parapet wall



BUILDING TYPE 4 SECTION A-A



SCALE: 1/4"=1'-0"



BUILDING TYPE 4 FLOOR PLAN



EXTERIOR CEMENT PLASTER FINE SAND FINISH		EXTERIOR PAINT	
ST-01 MERLEX P-100 GLACIER WHITE		P-01 DUNN EDWARDS EXTERIOR LATEX - SATIN DE 6133 - OLD BOOT	
ST-02 MERLEX P-450 CAFE MOCHA		P-02 DUNN EDWARDS EXTERIOR LATEX - SEMI GLOSS DEA 136 - BEAUTIFUL BLUE	
ST-03 MERLEX P-3721 CAVIAR			

Revisions

A Proposed Affordable Housing Community
The Courtyards at Cottonwood Family Apartments
 Northeast Corner of
 Cottonwood Ave. & Indian St.
 Plot Plan (PEN 19-0097)

Job No. 1891A	Date 12/29/18
Drawn By WGA	Checked By WGA

Plot Plan (PEN 19-0097)

Sheet Title
Building Type 4 Elevations
A-4.0

Revisions

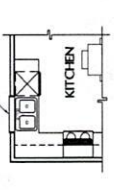
The Courtyards at Cottonwood
 A Proposed Affordable Housing Community
 Northeast Corner of
 Cottonwood Ave. & Indian St.
 Plot Plan (PEN 19-0097)

Plot No.	191A	Date	02/20/18
Drawn By	WCA	Checked By	WCA

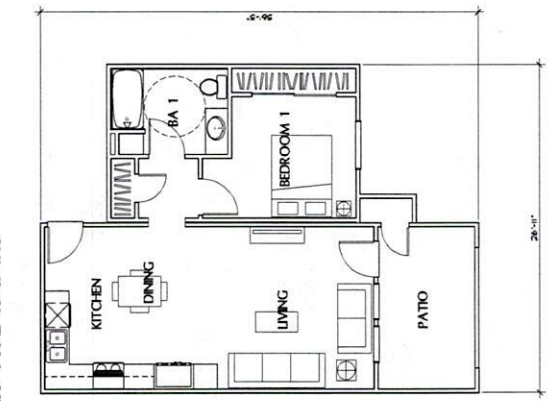
Plot Plan (PEN 19-0097)
 Sheet Title
 Unit Plans

A-5.0

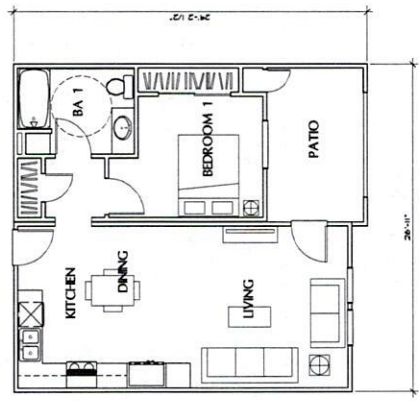
PROVIDE KITCHEN
 WINDOW @ "C" UNIT
 DESIGNATION



UNIT TYPE 1a & 1aB



UNIT TYPE 1A
 1 BED/1 BATH 628 SF



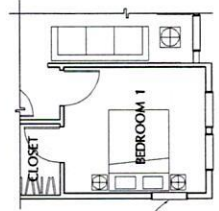
UNIT TYPE 1
 1 BED/1 BATH 624 SF



UNIT TYPE 3
 3 BED/2 BATH 1,008 SF



UNIT TYPE 2
 2 BED/1 BATH 803 SF



UNIT TYPE 2c

PROVIDE CORNER
 WINDOW @ "C" UNIT
 DESIGNATION

UNIT FLOOR PLANS

SCALE 1/8"=1'-0"



GRAPHIC SCALE

Exhibit C

Description of Housing

EXHIBIT C

Project Site: NE Corner Cottonwood Avenue and Indian Street, Moreno Valley CA 92553

Total Number of PBV Units: 35

Contract Units by Size:

- 1BD/1BA, 624-628 SF
- 2BD/1BA, 803 SF
- 3BD/2BA, 1009 SF

Services, Maintenance, and Equipment to be Provided by the Owner Without Charges in Addition to Rent to Owner:

- Maintenance of building exterior, interior, and site areas
- Utilities paid by Owner: Water, Sewer and Trash
- Common area, tot lot's, laundry room, parking area, community building that includes pool, community room, community kitchen and computer lab.
- Social Services: Adult Education classes and After-School program.
- Common laundry machines – Laundry machines are leased, and usage paid by residents.

Utilities paid by Owner:

- Water, sewer and trash.

Utilities paid by Residents:

- Electricity and Gas.

Estimated Initial Rent:

- 1BD/1BA \$1,084 – 48 = \$1,036
- 2BD/1BA \$1,355 – 65 = \$1,290
- 3BD/2BA, \$1,888 – 83 = \$1,805

Courtyards at Cottonwood**PBV Unit Locations**

<u>#</u>	<u>Bldng</u>	<u>Street Address</u>	<u>Sen/Fam</u>	<u>Type</u>	<u>AMI</u>		
1	D	3101	Cottonwood Ave.	Senior	1BR-1BA	30%	HC
2	D	3102	Cottonwood Ave.	Senior	1BR-1BA	30%	
3	D	3103	Cottonwood Ave.	Senior	1BR-1BA	30%	
4	D	3104	Cottonwood Ave.	Senior	2BR-1BA	30%	HC
5	D	3105	Cottonwood Ave.	Senior	1BR-1BA	30%	
6	D	3106	Cottonwood Ave.	Senior	2BR-1BA	30%	
7	D	3107	Cottonwood Ave.	Senior	1BR-1BA	30%	
8	D	3108	Cottonwood Ave.	Senior	1BR-1BA	30%	
9	D	3109	Cottonwood Ave.	Senior	1BR-1BA	30%	
10	D	3110	Cottonwood Ave.	Senior	1BR-1BA	30%	
11	D	3111	Cottonwood Ave.	Senior	1BR-1BA	30%	HC
12	D	3112	Cottonwood Ave.	Senior	1BR-1BA	30%	
13	D	3113	Cottonwood Ave.	Senior	1BR-1BA	30%	
14	D	3114	Cottonwood Ave.	Senior	1BR-1BA	30%	
15	D	3115	Cottonwood Ave.	Senior	2BR-1BA	30%	
16	D	3116	Cottonwood Ave.	Senior	1BR-1BA	30%	
17	D	3117	Cottonwood Ave.	Senior	2BR-1BA	30%	
18	D	3118	Cottonwood Ave.	Senior	1BR-1BA	30%	
19	D	3119	Cottonwood Ave.	Senior	1BR-1BA	30%	
20	D	3120	Cottonwood Ave.	Senior	1BR-1BA	30%	
21	B	1107	Cottonwood Ave.	Family	1BR-1BA	40%	
22	B	1208	Cottonwood Ave.	Family	1BR-1BA	40%	
23	C	2107	Cottonwood Ave.	Family	1BR-1BA	40%	
24	C	2208	Cottonwood Ave.	Family	1BR-1BA	40%	
25	B	1101	Cottonwood Ave.	Family	2BR-1BA	40%	
26	B	1215	Cottonwood Ave.	Family	2BR-1BA	40%	
27	C	2201	Cottonwood Ave.	Family	2BR-1BA	50%	
28	C	2115	Cottonwood Ave.	Family	2BR-1BA	50%	
29	B	1102	Cottonwood Ave.	Family	3BR-2BA	30%	
30	B	1205	Cottonwood Ave.	Family	3BR-2BA	30%	
31	B	1114	Cottonwood Ave.	Family	3BR-2BA	30%	
32	C	2214	Cottonwood Ave.	Family	3BR-2BA	30%	
33	C	2109	Cottonwood Ave.	Family	3BR-2BA	40%	
34	C	2203	Cottonwood Ave.	Family	3BR-2BA	40%	
35	C	2101	Cottonwood Ave.	Family	3BR-2BA	50%	HC

Exhibit D

Form of PBV Housing Assistance Payments Contract
Rehabilitation

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

**SECTION 8 PROJECT-BASED VOUCHER PROGRAM
HOUSING ASSISTANCE PAYMENTS CONTRACT**

NEW CONSTRUCTION OR REHABILITATION

PART 1 OF HAP CONTRACT

Public reporting burden for this collection of information is estimated to average 2 hours. This includes the time for collecting, reviewing and reporting the data. The information is being collected as required by 24 CFR 983.202, which requires the PHA to enter into a HAP contract with the owner to provide housing assistance payments for eligible families. 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.

Privacy Act Statement. HUD is committed to protecting the privacy of individuals' information stored electronically or in paper form, in accordance with federal privacy laws, guidance, and best practices. HUD expects its third-party business partners, including Public Housing Authorities, who collect, use maintain, or disseminate HUD information to protect the privacy of that information in accordance with applicable law.

1. CONTRACT INFORMATION

a. Parties

This housing assistance payments (HAP) contract is entered into between:

_____ (PHA) and
_____ (owner).

b. Contents of contract

The HAP contract consists of Part 1, Part 2, and the contract exhibits listed in paragraph c.

c. Contract exhibits

The HAP contract includes the following exhibits:

EXHIBIT A: TOTAL NUMBER OF UNITS IN PROJECT COVERED BY

THIS HAP CONTRACT; INITIAL RENT TO OWNER; AND DESCRIPTION OF THE CONTRACT UNITS. (See 24 CFR 983.203 for required items.) If this is a multi-stage project, this exhibit must include a description of the units in each completed phase.

EXHIBIT B: SERVICES, MAINTENANCE AND EQUIPMENT TO BE PROVIDED BY THE OWNER WITHOUT CHARGES IN ADDITION TO RENT TO OWNER

EXHIBIT C: UTILITIES AVAILABLE IN THE CONTRACT UNITS, INCLUDING A LISTING OF UTILITY SERVICES TO BE PAID BY THE OWNER (WITHOUT CHARGES IN ADDITION TO RENT TO OWNER) AND UTILITIES TO BE PAID BY THE TENANTS

EXHIBIT D: FEATURES PROVIDED TO COMPLY WITH PROGRAM ACCESSIBILITY FEATURES OF SECTION 504 OF THE REHABILITATION ACT OF 1973

ADDITIONAL EXHIBITS

d. Single-Stage and Multi-Stage Contracts (place a check mark in front of the applicable project description).

Single-Stage Project

This is a single-stage project. For all contract units, the effective date of the HAP contract is: _____

Multi-Stage Project

This is a multi-stage project. The units in each completed stage are designated in Exhibit A.

The PHA enters the effective date for each stage after completion and PHA acceptance of all units in that stage. The PHA enters the effective date for each stage in the "Execution of HAP contract for contract units completed and accepted in stages" (starting on page 10).

The annual anniversary date of the HAP contract for all contract units in this multi-stage project is the anniversary of the effective date of the HAP

contract for the contract units included in the first stage. The expiration date of the HAP contract for all of the contract units completed in stages must be concurrent with the end of the HAP contract term for the units included in the first stage (see 24 CFR 983.206(c)).

e. Term of the HAP contract

1. Beginning of term

The PHA may not enter into a HAP contract for any contract unit until the PHA (or an independent entity, as applicable) has determined that the unit meets PBV inspection requirements. The term of the HAP contract for any unit begins on the effective date of the HAP contract.

2. Length of initial term

- a. Subject to paragraph 2.b, the initial term of the HAP contract for any contract units is: _____.
- b. The initial term of the HAP contract for any unit may not be less than one year, nor more than twenty years.

3. Extension of term

The PHA and owner may agree to enter into an extension of the HAP contract at the time of initial HAP contract execution, or any time prior to expiration of the contract. Any extension, including the term of such extension, must be in accordance with HUD requirements. A PHA must determine that any extension is appropriate to achieve long-term affordability of the housing or expand housing opportunities.

4. Requirement for sufficient appropriated funding

- a. The length of the initial term and any extension term shall be subject to availability, as determined by HUD, or by the PHA in accordance with HUD requirements, of sufficient appropriated funding (budget authority), as provided in appropriations acts and in the PHA's annual contributions contract (ACC) with HUD, to make full payment of housing assistance payments due to the owner for any contract year in accordance with the HAP contract.

- b. The availability of sufficient funding must be determined by HUD or by the PHA in accordance with HUD requirements. If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, the PHA has the right to terminate the HAP contract by notice to the owner for all or any of the contract units. Such action by the PHA shall be implemented in accordance with HUD requirements.

f. Occupancy and payment

1. Payment for occupied unit

During the term of the HAP contract, the PHA shall make housing assistance payments to the owner for the months during which a contract unit is leased to and occupied by an eligible family. If an assisted family moves out of a contract unit, the owner may keep the housing assistance payment for the calendar month when the family moves out (“move-out month”). However, the owner may not keep the payment if the PHA determines that the vacancy is the owner’s fault.

2. Vacancy payment

THE PHA HAS DISCRETION WHETHER TO INCLUDE THE VACANCY PAYMENT PROVISION (PARAGRAPH e.2), OR TO STRIKE THIS PROVISION FROM THE HAP CONTRACT FORM.

- a. If an assisted family moves out of a contract unit, the PHA may provide vacancy payments to the owner for a PHA-determined vacancy period extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month.
- b. The vacancy payment to the owner for each month of the maximum two-month period will be determined by the PHA, and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant’s security deposit). Any vacancy payment may cover only the period the unit remains vacant.

- c. The PHA may make vacancy payments to the owner only if:
 - 1. The owner gives the PHA prompt, written notice certifying that the family has vacated the unit and the date when the family moved out (to the best of the owner's knowledge and belief);
 - 2. The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;
 - 3. The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and
 - 4. The owner provides any additional information required and requested by the PHA to verify that the owner is entitled to the vacancy payment.
- d. The PHA must take every reasonable action to minimize the likelihood and length of vacancy.
- e. The owner may refer families to the PHA and recommend selection of such families from the PHA waiting list for occupancy of vacant units.
- f. The owner must submit a request for vacancy payments in the form and manner required by the PHA and must provide any information or substantiation required by the PHA to determine the amount of any vacancy payments.

3. PHA is not responsible for family damage or debt to owner

Except as provided in this paragraph e (Occupancy and Payment), the PHA will not make any other payment to the owner under the HAP contract. The PHA will not make any payment to the owner for any damages to the unit, or for any other amounts owed by a family under the family's lease.

g. Income-mixing requirement

- 1. Except as provided in paragraphs f.2 through f.5 below, the PHA will not

make housing assistance payments under the HAP contract for more than the greater of 25 units or 25 percent of the total number of dwelling units (assisted or unassisted) in any project. The term "project" means a single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land assisted under this HAP contract.

2. The limitation in paragraph f.1 does not apply to single-family buildings.
3. In referring eligible families to the owner for admission to the number of contract units in any project exceeding the 25 unit or 25 percent limitation under paragraph f.1, the PHA shall give preference to elderly families or to families eligible for supportive services, for the number of contract units designated for occupancy by such families. The owner shall rent the designated number of contract units to such families referred by the PHA from the PHA waiting list.
4. Up to the greater of 25 units or 40 percent of units (instead of the greater of 25 units or 25 percent of units) in a project may be project-based if the project is located in a census tract with a poverty rate of 20 percent or less.
5. Units that were previously subject to certain federal rent restrictions or receiving another type of long-term housing subsidy provided by HUD do not count toward the income-mixing requirement if, in the five years prior to issuance of the Request for Proposal or notice of owner selection (for projects selected based on a prior competition or without competition), the unit received one of the forms of HUD assistance or was under a federal rent restriction as described in f.6 and f.7, below.
6. The following specifies the number of contract units (if any) that received one of the following forms of HUD assistance (enter the number of contract units in front of the applicable form of assistance):

- Public Housing or Operating Funds;
- Project-Based Rental Assistance (including Mod Rehab and Mod Rehab Single-Room Occupancy);
- Housing for the Elderly (Section 202 or the Housing Act of 1959);
- Housing for Persons with Disabilities (Section 811 of the Cranston-Gonzalez Affordable Housing Act);

- Rent Supplement Program;
- Rental Assistance Program;
- Flexible Subsidy Program.

The following total number of contract units received a form of HUD assistance listed above: 0. If all of the units in the project received such assistance, you may skip sections g.7 and g.8, below.

7. The following specifies the number of contract units (if any) that were under any of the following federal rent restrictions (enter the number of contract units in front of the applicable type of federal rent restriction):

- Section 236;
- Section 221(d)(3) or (d)(4) BMIR (below-market interest rate);
- Housing for the Elderly (Section 202 or the Housing Act of 1959);
- Housing for Persons with Disabilities (Section 811 of the Cranston-Gonzalez Affordable Housing Act);
- Flexible Subsidy Program.

The following total number of contract units were subject to a federal rent restriction listed above: 0. If all of the units in the project were subject to a federal rent restriction, you may skip section g.8, below.

8. The following specifies the number of contract units (if any) designated for occupancy by elderly families or by families eligible for supportive services:

a Place a check mark here if any contract units are designated for occupancy by elderly families; The following number of contract units shall be rented to elderly families:

_____.

b. Place a check mark here if any contract units are designated for occupancy by families eligible for supportive services. The

following number of contract units shall be rented to families eligible for supportive services:

_____.

9. The PHA and owner must comply with all HUD requirements regarding income mixing.

EXECUTION OF HAP CONTRACT FOR SINGLE-STAGE PROJECT

PUBLIC HOUSING AGENCY (PHA) Name of PHA (Print)
By: Signature of authorized representative
Name and official title (Print)
Date
OWNER Name of Owner (Print)
By: Signature of authorized representative
Name and official title (Print)
Date

**EXECUTION OF HAP CONTRACT FOR CONTRACT UNITS COMPLETED
AND ACCEPTED IN STAGES**

(For multi-stage projects, at acceptance of each stage, the PHA and the owner sign the HAP contract execution for the completed stage.)

STAGE NO. 1: The Contract is hereby executed for the contract units in this stage.
STAGE EFFECTIVE DATE: The effective date of the Contract for this stage is:
Date
PUBLIC HOUSING AGENCY (PHA)
Name of PHA (Print)
By:
Signature of authorized representative
Name and official title (Print)
Date
OWNER
Name of Owner (Print)
By:
Signature of authorized representative
Name and official title (Print)
Date

STAGE NO. 2: The Contract is hereby executed for the contract units in this stage. STAGE EFFECTIVE DATE: The effective date of the Contract for this stage is:
Date
PUBLIC HOUSING AGENCY (PHA) Name of PHA (Print)
By: Signature of authorized representative
Name and official title (Print)
Date
OWNER Name of Owner (Print)
By: Signature of authorized representative
Name and official title (Print)
Date

STAGE NO. 3: The Contract is hereby executed for the contract units in this stage. STAGE EFFECTIVE DATE: The effective date of the Contract for this stage is:
Date
PUBLIC HOUSING AGENCY (PHA) Name of PHA (Print)
By: Signature of authorized representative
Name and official title (Print)
Date
OWNER Name of Owner (Print)
By: Signature of authorized representative
Name and official title (Print)
Date

STAGE NO. __: The Contract is hereby executed for the contract units in this stage. STAGE EFFECTIVE DATE: The effective date of the Contract for this stage is:
Date
PUBLIC HOUSING AGENCY (PHA) Name of PHA (Print)
By:
Signature of authorized representative
Name and official title (Print)
Date
OWNER Name of Owner (Print)
By:
Signature of authorized representative
Name and official title (Print)
Date

**Tenancy Addendum
Section 8 Project-Based
Voucher Program**
(to be attached to the lease)

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

OMB Approval No. 2577-0169
(exp. 07/31/2022)

Public reporting burden for this collection of information is estimated to average 0.25 hours. This includes the time for collecting, reviewing and reporting the data. The information is being collected as required by 24 CFR 983.256(b)(3), under which the lease between the owner and the tenant must include a HUD-required tenancy addendum. 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.

Privacy Act Statement. The Department of Housing and Urban Development (HUD) is authorized to collect the information required on this form by Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f). Collection of the family members' names, unit address, and owner name is mandatory. The information is used to provide Section 8 PBV assistance in the form of housing assistance payments. The information also specifies what utilities and appliances are to be supplied by the owner and the tenant. HUD may disclose this information to Federal, State, and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as permitted or required by law. Failure to provide any of the information may result in delay or rejection of family or owner participation in the PBV program.

Instructions for use of Tenancy Addendum:

This tenancy addendum is used in the Section 8 project-based voucher (PBV) program. Under the program, HUD provides funds to a public housing agency (PHA) for rent subsidy on behalf of eligible families. The main regulation for this program is 24 Code of Federal Regulations Part 983.

The tenancy addendum has two parts:

Part A: Tenancy Addendum Information (fill-ins). See section by section instructions.

Part B: Tenancy addendum (no information is entered in this part).

How to fill in Part A - Section by Section Instructions:

Section 2: Tenant

Enter full name of tenant.

Section 3. Contract Unit

Enter address of unit, including apartment number, if any.

Section 4. Household Members

Enter full names of all PHA-approved household members. Specify if any such person is a live-in aide, which is a person approved by the PHA to reside in the unit to provide supportive services for a family member who is a person with disabilities.

Section 5. Initial Lease Term

Enter first date and last date of initial lease term. The initial lease term must be for at least one year. 24 CFR § 983.256(f).

Section 6. Initial Rent to Owner

Enter the amount of the monthly rent to owner during the initial lease term.

Section 7. Initial Tenant Rent

Enter the initial monthly amount of tenant rent.

Section 8. Housing Assistance Payment

Enter the initial amount of the monthly housing assistance payment.

Section 9. Utilities and Appliances

The lease must specify what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the tenant. Fill in section 9 to show who is responsible to provide or pay for utilities and appliances.

Part A of the Tenancy Addendum

(Fill out all of the information in Part A.)

1. **Contents of Tenancy Addendum**

This Tenancy Addendum has two parts:

Part A: Tenancy Addendum Information

Part B: Tenancy Addendum

2. **Tenant**

3. **Contract Unit**

4. **Household**

The following persons may reside in the unit. Other persons may not be added to the household without prior written approval of the owner and the PHA.

5. **Initial Lease Term**

The initial lease term begins on (mm/dd/yyyy): _____

The initial lease term ends on (mm/dd/yyyy): _____

6. **Initial Rent to Owner**

The initial rent to owner is: \$ _____

7. **Initial Tenant Rent**

The initial tenant rent is: \$ _____ per month. The amount of the tenant rent is subject to change by the PHA during the term of the lease in accordance with HUD requirements.

8. **Initial Housing Assistance Payment**

At the beginning of the Housing Assistance Payments (HAP) contract term, the amount of the housing assistance payment by the PHA to the owner is \$ _____ per month. The amount of the monthly housing assistance payment by the PHA to the owner is subject to change during the HAP contract term in accordance with HUD requirements.

9. Utilities and Appliances

The owner shall provide or pay for the utilities and appliances indicated below by an "O". The tenant shall provide or pay for the utilities and appliances indicated below by a "T". Unless otherwise specified below, the owner shall pay for all utilities and appliances provided by the owner.

Item	Specify fuel type			Provided by	Paid by	
Heating	<input type="checkbox"/> Natural gas	<input type="checkbox"/> Bottle gas <input type="checkbox"/> Oil or Electric	<input type="checkbox"/> Coal or Other			
Cooking	<input type="checkbox"/> Natural gas	<input type="checkbox"/> Bottle gas <input type="checkbox"/> Oil or Electric	<input type="checkbox"/> Coal or Other			
Water Heating	<input type="checkbox"/> Natural gas	<input type="checkbox"/> Bottle gas <input type="checkbox"/> Oil or Electric	<input type="checkbox"/> Coal or Other			
Other Electric						
Water						
Sewer						
Trash Collection						
Air Conditioning						
						Provided by
Refrigerator						
Range/Microwave						
Other (specify)						

**Signatures:
Owner**

Tenant

Print or Type Name of Owner

Print or Type Name of Family Representative

Signature

Signature

Print or Type Name and Title of Signatory

Print or Type Name of Family Representative

Date

Date

Part B of the Tenancy Addendum

1. Section 8 Project-Based Voucher (PBV) Program

- a. The owner is leasing the contract unit to the tenant for occupancy by the tenant's family with assistance for a tenancy under the Section 8 PBV program of the United States Department of Housing and Urban Development (HUD).
- b. The owner has entered into a Housing Assistance Payments Contract (HAP contract) with the public housing agency (PHA) under the PBV program. Under the HAP contract, the PHA will make housing assistance payments to the owner to assist the tenant in leasing the unit from the owner.

2. Lease

- a. The owner has given the PHA a copy of the lease, including any revisions agreed to by the owner and the tenant. The owner certifies that the terms of the lease are in accordance with HUD requirements and the lease includes the tenancy addendum.
- b. The tenant shall have the right to enforce the tenancy addendum against the owner. If there is any conflict between the tenancy addendum and any other provisions of the lease, the language of the tenancy addendum shall control.

3. Use of Contract Unit

- a. During the lease term, the family will reside in the contract unit with assistance under the PBV program.
- b. The composition of the household must be approved by the PHA. The family must promptly inform the PHA of the birth, adoption or court-awarded custody of a child. Other persons may not be added to the household without prior written approval of the owner and the PHA.
- c. The contract unit may be used for residence only by the PHA-approved household members. The unit must be the family's only residence. Members of the household may engage in legal profit-making activities incidental to primary use of the unit for residence by members of the family.
- d. The tenant may not sublease or let the unit.
- e. The tenant may not assign the lease or transfer the unit.

4. Rent to Owner

- a. The initial and redetermined rent to owner are established in accordance with HUD requirements.
- b. During the term of the lease (including the initial term of the lease and any extension term), the rent to owner may at no time exceed:
 - (1) The reasonable rent for the unit as most recently determined or redetermined by the PHA in accordance with HUD requirements, or
 - (2) Rent charged by the owner for comparable unassisted units in the premises.

5. Family Payment to Owner

- a. The tenant rent is the portion of the monthly rent to owner paid by the family. The PHA determines the tenant rent in accordance with HUD requirements. Any changes in the amount of the tenant rent will be effective on the date stated in a notice by the PHA to the family and the owner.
- b. Each month, the PHA will make a housing assistance payment to the owner on behalf of the family in accordance with the HAP contract. The amount of the monthly housing assistance payment will be determined by the PHA in accordance with HUD requirements for a tenancy under the Section 8 PBV program.
- c. The monthly housing assistance payment shall be credited against the monthly rent to owner for the contract unit.
- d. The tenant is not responsible for paying the portion of rent to owner covered by the PHA housing assistance payment under the HAP contract between the owner and the PHA. A PHA failure to pay the housing assistance payment to the owner is not a violation of the lease. The owner may not terminate the tenancy for nonpayment of the PHA housing assistance payment.
- e. The owner may not charge or accept, from the family or from any other source, any payment for rent of the unit in addition to the rent to owner. The rent to owner includes all housing services, maintenance, utilities and appliances to be provided and paid by the owner in accordance with the lease. The rent to owner does not include charges for non-housing services such as food, furniture or supportive services provided by the owner.
- f. The owner must immediately return any excess rent payment to the tenant.

6. Other Fees and Charges

- a. With the exception of families receiving PBV assistance in assisted living developments (see paragraph b. below), the owner may not require the tenant or family members to pay charges for any meals or supportive services which may be provided by the owner. Nonpayment of any such charges is not grounds for termination of tenancy.
- b. In assisted living developments receiving project-based assistance, the owner may charge tenants, family members, or both for meals or supportive services. Any such charges must be specified in the lease. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of the reasonable rent. Non-payment of such charges is grounds for termination of the lease by the owner in assisted living developments.
- c. The owner may not charge the tenant extra amounts for items customarily included in rent to owner in the locality, or provided at no additional cost to unsubsidized tenants in the premises.

7. Maintenance, Utilities, and Other Services

a. Maintenance

- (1) The owner must maintain the unit and premises in accordance with the HQS.
- (2) Maintenance and replacement (including redecoration) must be in accordance with the standard practice for the building concerned as established by the owner.

b. Utilities and Appliances

- (1) The owner must provide all utilities needed to comply with the HQS.

(2) The owner is not responsible for a breach of the HQS caused by the tenant's failure to:

(a) Pay for any utilities that are to be paid by the tenant.

(b) Provide and maintain any appliances that are to be provided by the tenant.

c. Family Damage. The owner is not responsible for a breach of the HQS because of damages beyond normal wear and tear caused by any member of the household or by a guest.

d. Housing Services. The owner must provide all housing services as agreed to in the lease.

8. Termination of Tenancy by Owner

a. Requirements. The owner may terminate the tenancy only in accordance with the lease and HUD requirements.

b. Grounds. During the term of the lease (the initial term of the lease or any extension term), the owner may terminate the tenancy only because of:

(1) Serious or repeated violation of the lease;

(2) Violation of Federal, State, or local law that imposes obligations on the tenant in connection with the occupancy or use of the unit and the premises;

(3) Criminal activity or alcohol abuse (as provided in paragraph c); or

(4) Other good cause (as provided in paragraph d).

c. Criminal Activity or Alcohol Abuse

(1) The owner may terminate the tenancy during the term of the lease if any member of the household, a guest or another person under a resident's control commits any of the following types of criminal activity:

(a) Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of the premises by, other residents (including property management staff residing on the premises);

(b) Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises;

(c) Any violent criminal activity on or near the premises; or

(d) Any drug-related criminal activity on or near the premises.

(2) The owner may terminate the tenancy during the term of the lease if any member of the household is:

(a) Fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or

(b) Violating a condition of probation or parole under Federal or State law.

(3) The owner may terminate the tenancy for criminal activity by a household member in accordance with this section if the owner determines that the household member has committed the criminal activity, regardless of whether the household member has been arrested or convicted for such activity.

(4) The owner may terminate the tenancy during the term of the lease if any member of the household has engaged in abuse of alcohol that threatens the health, safety or right to peaceful enjoyment of the premises by other residents.

d. Other Good Cause for Termination of Tenancy

(1) During the initial lease term, other good cause for termination of tenancy must be something the family did or failed to do.

(2) During the initial lease term or during any extension term, other good cause includes:

(a) Disturbance of neighbors,

(b) Destruction of property, or

(c) Living or housekeeping habits that cause damage to the unit or premises.

(3) After the initial lease term, such good cause includes the tenant's failure to accept the owner's offer of a new lease or revision.

e. Automatic Renewal of the Lease

Although the lease automatically renews (for successive definite terms or for an indefinite extension of the term, as provided for in the lease), an owner may terminate the lease for good cause.

f. Protections for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking.

(1) Purpose: This section incorporates the protections for victims of domestic violence, dating violence, sexual assault, or stalking in accordance with subtitle N of the Violence Against Women Act of 1994, as amended (codified as amended at 42 U.S.C. 14043e et seq.) (VAWA) and implementing regulations at 24 CFR part 5, subpart L.

(2) Conflict with other Provisions: In the event of any conflict between this provision and any other provisions included in Part C of the HAP contract, this provision shall prevail.

(3) Effect on Other Protections: Nothing in this section shall be construed to supersede any provision of any Federal, State, or local law that provides greater protection than this section for victims of domestic violence, dating violence, sexual assault or stalking.

(4) Definition: As used in this section, the terms "actual and imminent threat," "affiliated individual," "bifurcate," "dating violence," "domestic violence," "sexual assault," and "stalking" are defined in HUD's regulations at 24 CFR part 5, subpart L. The terms "Household" and "Other Person Under the Tenant's Control" are defined at 24 CFR part 5, subpart A.

(5) VAWA Notice and Certification Form: The PHA shall provide the tenant with the "Notice of Occupancy Rights under VAWA" and the certification form described under 24 CFR 5.2005(a)(1) and (2).

(6) Protection for victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking:

(a) The landlord or the PHA will not deny admission to, deny assistance under, terminate from participation in, or evict the tenant on the basis of or as a direct result of the fact that the tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the tenant otherwise qualifies for admission, assistance, participation, or occupancy. 24 CFR 5.2005(b)(1).

(b) The tenant shall not be denied tenancy or occupancy rights solely on the basis of criminal activity engaged in by a member of the tenant's household or any guest or other person under the tenant's control, if the criminal activity is directly related to domestic violence, dating violence, sexual assault, or stalking, and the tenant or an affiliated individual of the tenant is the victim or the threatened victim of domestic violence, dating violence, sexual assault, or stalking. 24 CFR 5.2005(b)(2).

(c) An incident or incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking will not be construed as serious or repeated violations of the lease by the victim or threatened victim of the incident. Nor shall such incident or incidents be construed as other "good cause" for termination of the lease, tenancy, or occupancy rights of such a victim or threatened victim. 24 CFR 5.2005(c)(1) and (c)(2).

(7) Compliance with Court Orders: Nothing in this Addendum will limit the authority of the landlord, when notified by a court order, to comply with the court order with respect to the rights of access or control of property (including civil protection orders issued to protect a victim of domestic violence, dating violence, sexual assault, or stalking) or with respect to the distribution or possession of property among members of the tenant's household. 24 CFR 5.2005(d)(1).

(8) Violations Not Premised on Domestic Violence, Dating Violence, Sexual Assault, or Stalking: Nothing in this section shall be construed to limit any otherwise available authority of the landlord to evict or the public housing authority to terminate the assistance of a tenant for any violation not premised on an act of domestic violence, dating violence, sexual assault, or stalking that is in question against the tenant or an affiliated individual of the tenant. However, the landlord or the PHA will not subject the tenant, who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, to a more demanding standard than other tenants in determining whether to evict or terminate assistance. 24 CFR 5.2005(d)(2).

(9) Actual and Imminent Threats:

(a) Nothing in this section will be construed to limit the authority of the landlord to evict the tenant if the landlord can demonstrate that an "actual and imminent threat" to other tenants or those employed at or providing service to the property would be present if the tenant or lawful occupant is not evicted. In this context, words, gestures, actions, or other indicators will be construed as an actual and imminent threat if they meet the following standards for an actual and imminent threat: "Actual and imminent threat" refers to a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include: the duration of the risk, the nature and severity of the potential harm, the likelihood that the potential harm will occur, and the length of time before the potential harm would occur. 24 CFR 5.2005(d)(3).

(b) If an actual and imminent threat is demonstrated, eviction should be used only when there are no other actions that could be taken to reduce or eliminate the threat, including, but not limited to, transferring the victim to a different unit, barring the perpetrator from the property, contacting law enforcement to increase police presence, developing other plans to keep the property safe, or seeking other legal remedies to prevent the perpetrator from acting on a threat. Restrictions predicated on public safety cannot be based on stereotypes, but must be tailored to particularized concerns about individual residents. 24 CFR 5.2005(d)(4).

(10) Emergency Transfer: A tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking may request an emergency transfer in accordance with the PHA's emergency transfer plan. 24 CFR 5.2005(e). The PHA's emergency transfer plan, which must be made available upon request, must:

(a) Incorporate strict confidentiality measures to ensure that the PHA does not disclose a tenant's dwelling unit location to a person who committed or threatened to commit an act of domestic violence, dating violence, sexual assault, or stalking against the tenant;

(b) Give the victim priority to receive the next available opportunity for continued tenant-based rental assistance if they have been living in the PBV unit for one year or more. 24 CFR 983.261;

(c) Describe policies or efforts a PHA will take when the victim has been living in a unit for less than one year, or the victim seeks to move sooner than a tenant-based voucher will be available.

(d) For transfers in which the tenant would not be considered a new applicant, the PHA must ensure that a request for an emergency transfer receives, at a minimum, any applicable additional priority that is already provided to other types of emergency transfer requests. For transfers in which the tenant would be considered a new applicant, the plan must include policies for assisting a tenant with this transfer.

(11) Bifurcation: Subject to any lease termination requirements or procedures prescribed by Federal, State, or local law, if any member of the tenant's household engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking, the landlord may "bifurcate" the lease, or remove that household member from the lease, without regard to whether that household member is a signatory to the lease, in order to evict, remove, or terminate the occupancy rights of that household member without evicting, removing, or otherwise penalizing the victim of the criminal activity who is also a tenant or lawful occupant. Such eviction, removal, termination of occupancy rights, or termination of assistance shall be effected in accordance with the procedures prescribed by Federal, State, and local law for the termination of leases or assistance under the Housing Choice Voucher program. 24 CFR 5.2009(a). If the Landlord bifurcates the Lease to evict, remove, or terminate assistance to a household member, and that household member is the sole tenant eligible to receive assistance, the landlord shall provide any remaining tenants or residents a period of 30 calendar days from the date of bifurcation of the lease to:

(a) Establish eligibility for the same covered housing program under which the evicted or terminated tenant was the recipient of assistance at the time of bifurcation of the lease;

(b) Establish eligibility under another covered housing program; or;

(c) Find alternative housing.

(12) Family Break-up: If the family break-up results from an occurrence of domestic violence, dating violence, sexual assault, or stalking, the PHA may offer the victim the opportunity for continued tenant-based rental assistance.

(13) Move with Continued Assistance: The public housing agency may not terminate assistance to a family or member of the family that moves out of a unit in violation of the lease, with or without prior notification to the public housing agency, if:

(a) The move was needed to protect the health or safety of the family or family member who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking; and

(b) The family or member of the family reasonably believes that he or she was threatened with imminent harm from further violence if he or she remained in the dwelling unit. However, any family member that has been the victim of a sexual assault that occurred on the premises during the 90-calendar day period preceding the family's move or request to move is not required to believe that he or she was threatened with imminent harm from further violence if he or she remained in the dwelling unit. 24 CFR 983.261.

(14) Confidentiality:

(a) The Landlord shall maintain in strict confidence any information the Tenant (or someone acting on behalf of the Tenant) submits to the Landlord concerning incidents of domestic violence, dating violence, sexual assault or stalking, including the fact that the tenant is a victim of domestic violence, dating violence, sexual assault, or stalking.

(b) The Landlord shall not allow any individual administering assistance on its behalf, or any persons within its employ, to have access to confidential information unless explicitly authorized by the Landlord for reasons that specifically call for these individuals to have access to the information pursuant to applicable Federal, State, or local law.

(c) The Landlord shall not enter confidential information into any shared database or disclose such information to any other entity or individual, except to the extent that the disclosure is requested or consented to in writing by the individual in a time-limited release; required for use in an eviction proceeding; or is required by applicable law.

g. Eviction by Court Action. The owner may evict the tenant only by a court action.

h. Owner Notice of Grounds

(1) At or before the beginning of a court action to evict the tenant, the owner must give the tenant a notice that specifies the grounds for termination of tenancy. The notice may be included in or combined with any owner eviction notice.

(2) The owner must give the PHA a copy of any owner eviction notice at the same time the owner notifies the tenant.

(3) Eviction notice means a notice to vacate, or a complaint or other initial pleading used to begin an eviction action under State or local law.

9. PHA Termination of Assistance

The PHA may terminate program assistance for the family for any grounds authorized in accordance with HUD requirements. If the PHA terminates program assistance for the family, the lease terminates automatically.

10. Lease: Relation to HAP Contract

If the HAP contract terminates for any reason, the lease terminates automatically.

Upon termination or expiration of the HAP contract without extension, each family assisted under the contract may elect to use its assistance to remain in the same project if the family's unit complies with the inspection requirements, the rent for the unit is reasonable, and the family pays its required share of the rent and the amount, if any, by which the unit rent (including the amount for tenant-based utilities) exceeds the applicable payment standard.

11. Family Right to Move

a. The family may terminate its lease at any time after the first year of occupancy. The family must give the owner advance written notice of intent to vacate (with a copy to the PHA) in accordance with the lease. If the family has elected to terminate the lease in this manner, the PHA must offer the family the opportunity for tenant-based rental assistance in accordance with HUD requirements.

- b. Before providing notice to terminate the lease under paragraph a, the family must first contact the PHA to request tenant-based rental assistance if the family wishes to move with continued assistance. If tenant-based rental assistance is not immediately available upon lease termination, the PHA shall give the family priority to receive the next available opportunity for tenant-based rental assistance.

12. Security Deposit

- a. The owner may collect a security deposit from the tenant. (However, the PHA may prohibit the owner from collecting a security deposit in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.)
- b. When the family moves out of the contract unit, the owner, subject to State and local law, may use the security deposit, including any interest on the deposit, as reimbursement for any unpaid rent payable by the tenant, any damages to the unit or any other amounts that the tenant owes under the lease.
- c. The owner must give the tenant a list of all items charged against the security deposit, and the amount of each item. After deducting the amount, if any, used to reimburse the owner, the owner must promptly refund the full amount of the unused balance to the tenant.
- d. If the security deposit is not sufficient to cover amounts the tenant owes under the lease, the owner may collect the balance from the tenant.

13. Prohibition of Discrimination

In accordance with applicable equal opportunity statutes, Executive Orders, and regulations, the owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability in connection with the lease. Eligibility for HUD's programs must be made without regard to actual or perceived sexual orientation, gender identity, or marital status.

14. Conflict with Other Provisions of Lease

- a. The terms of the tenancy addendum are prescribed by HUD in accordance with Federal law and regulation, as a condition for Federal assistance to the tenant and tenant's family under the Section 8 PBV program.
- b. In case of any conflict between the provisions of the tenancy addendum as required by HUD, and any other provisions of the lease or any other agreement between the owner and the tenant, the requirements of the HUD-required tenancy addendum shall control.

15. Changes in Lease and Rent

- a. The tenant and the owner may not make any change in the tenancy addendum. However, if the tenant and the owner agree to any other changes in the lease, such changes must be in writing, and the owner must immediately give the PHA a copy of such changes. The lease, including any changes, must be in accordance with the requirements of the tenancy addendum.
- b. The owner must notify the PHA in advance of any proposed change in lease requirements governing the allocation of tenant and owner responsibilities for utilities. Such changes may be made only if approved by the PHA and if in accordance with the terms of the lease relating to its amendment. The PHA must redetermine reasonable rent in accordance with HUD requirements, based on any changes in the allocation of responsibility for utilities between the owner and tenant, and the redetermined reasonable rent shall be used in the calculation of the rent to owner from the effective date of the change.

16. Written Notices

Any notice under the lease by the tenant to the owner or by the owner to the tenant must be in writing.

17. Definitions

Contract unit. The housing unit rented by the tenant with assistance under the program.

Excepted Unit. A contract unit in a multifamily building not counted against the per-building cap on PBV assistance (25 units or 25 percent of the units in the project, whichever is greater) (see 24 CFR § 983.56(b)).

Family. The persons who may reside in the unit with assistance under the program.

HAP contract. The housing assistance payments contract between the PHA and the owner. The PHA pays housing assistance payments to the owner in accordance with the HAP contract.

Household. The persons who may reside in the contract unit. The household consists of the family and any PHA-approved live-in aide. (A live-in aide is a person who resides in the unit to provide necessary supportive services for a member of the family who is a person with disabilities.)

Housing quality standards (HQS). The HUD minimum quality standards for housing assisted under the Section 8 PBV program.

HUD. The U.S. Department of Housing and Urban Development.

HUD requirements. HUD requirements for the Section 8 PBV program. HUD requirements are issued by HUD headquarters as regulations, Federal Register notices or other binding program directives. The Lease Addendum shall be interpreted and implemented in accordance with HUD requirements.

Lease. The written agreement between the owner and the tenant for the lease of the contract unit to the tenant. The lease includes the tenancy addendum prescribed by HUD.

PHA. Public Housing Agency.

Premises. The building or complex in which the contract unit is located, including common areas and grounds.

Program. The Section 8 project-based voucher program.

Rent to owner. The total monthly rent payable to the owner for the contract unit. The rent to owner is the sum of the portion of rent payable by the tenant plus the PHA housing assistance payment to the owner.

Section 8. Section 8 of the United States Housing Act of 1937 (42 United States Code 1437f).

Tenant. The family member (or members) who leases the unit from the owner.

Exhibit E

Form of Consent to Assignment of
HAP Contract as Security for Financing

**U.S. Department of Housing and Urban Development (HUD)
Project-based Section 8 Contract Administration**

**CONSENT TO ASSIGNMENT
OF HAP CONTRACT
AS SECURITY FOR FINANCING**

OMB Control #2502-0587

"Public reporting burden for this collection of information is estimated to average 1 hour. This includes the time for collecting, reviewing, and reporting the data. The information is being collected for obtaining a signature on legally binding documents and will be used to enforce contractual obligations. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it has a currently valid OMB control number. No confidentiality is assured."

Privacy Act Notice: The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested in the form by virtue of Title 12, United States Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. While no assurance of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information Act request.

I. IDENTIFICATION OF ACC AND HAP CONTRACT

Annual Contributions Contract Number: _____

Section 8 HAP Contract Number: _____

Section 8 Project Number: _____

Project Name: _____

Project Location: _____



II. NAMES

Contract administrator

Contract administrator address

Owner

Owner address

Lender

Lender address

III. DEFINITIONS

ACC. Annual Contributions Contract.

ASSIGNMENT AS SECURITY. The creation of a security interest in the owner's interest pursuant to the HAP Contract, and a transfer of such security interest to a successor secured party.

CONTRACT ADMINISTRATOR. HUD or a PHA acting as contract administrator under an ACC with HUD.

FULL ASSIGNMENT. An assignment of the HAP contract other than an assignment as security. "Full Assignment" includes a sale, conveyance or other transfer of the HAP Contract, voluntary or involuntary, to a successor in interest.

HAP CONTRACT. The Housing Assistance Payments Contract for units in the project. The HAP Contract was entered between the owner and the contract administrator pursuant to Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

PHA. Public Housing Agency.

PROJECT. The project identified in section I of the consent to assignment.

SECURED PARTY. A party that holds a security interest in the owner's interest pursuant to the HAP contract, including the lender, and successors to the lender's security interest.

SUCCESSOR. The term "successor" includes an assignee.

IV. BACKGROUND

Pursuant to the terms of the HAP Contract, the HAP Contract (including any interest in the HAP Contract or any payments under the HAP Contract) may not be assigned without the prior written consent of HUD.

The owner has advised the contract administrator that the owner wants to grant the lender a security interest in the HAP Contract, as security for a loan by the lender to the owner with respect to the project.

V. CONSENT TO ASSIGNMENT AS SECURITY

By execution of this consent to assignment as security, the HUD consents to the assignment as security of the HAP Contract by the owner to the lender as security for a loan by the lender to the owner with respect to the project.

HUD consents to transfer of the lender's security interest to successor secured parties.

VI. EFFECT OF CONSENT TO ASSIGNMENT

The contract administrator is not a party to the loan or the loan documents, nor to any assignment of the HAP Contract by the owner to the lender as security for the loan, nor to any transfer of the HAP contract or the loan by the lender. Issuance of the consent to assignment does not signify that HUD or the contract administrator has reviewed, approved or agreed to the terms of any financing or refinancing; to any term of the loan documents; or to the terms of any assignment of the HAP contract by the owner to the lender as security for the loan, or by the lender to any transferee of the loan.

The consent to assignment of the HAP Contract as security for the loan does not change the terms of the HAP Contract in any way, and does not change the rights or obligations of HUD, the contract administrator or the owner under the HAP Contract.

The creation or transfer of any security interest in the HAP Contract is limited to amounts payable under the HAP Contract in accordance with the terms of the HAP Contract..

**VII. EXERCISE OF SECURITY INTEREST - ASSIGNEE
ASSUMPTION OF HAP CONTRACT OBLIGATIONS**

Notwithstanding HUD's grant of consent to assignment by the owner of a security interest in the HAP Contract to the lender as security for the loan, and to further transfer of such security interest to successor secured parties, HUD's execution of this consent does not constitute consent to a full assignment of the HAP contract to any entity, including the lender or any successor secured party.

A secured party may not exercise any rights or remedies against the contract administrator or HUD under the HAP Contract, and shall not have any right to receive housing assistance payments that may be payable to the owner under the HAP Contract, until and unless:

- HUD has approved the secured party as successor to the owner pursuant to the HAP contract, and
- The secured party seeking to exercise such rights or remedies, or to receive such payments, has executed and delivered, in a form acceptable to HUD in accordance with HUD requirements, an agreement by the assignee to comply with all the terms of the HAP Contract, and to assume all obligations of the owner under the HAP Contract.

VIII. PAYMENT TO SECURED PARTY

When a secured party notifies the contract administrator, in writing, that housing assistance payments payable pursuant to the HAP Contract should be directed to the secured party (in accordance with paragraph VII above), the contract administrator may make such payments to the secured party instead of the owner. In making such payments, the contract administrator is not required to consider or make any inquiry as to the existence of a default under the loan documents, but may rely on notice by the secured party; and any payments by the contract administrator to the secured party shall be credited against amounts payable by the contract administrator to the owner pursuant to the HAP Contract.

IX. WHEN ASSIGNMENT IS PROHIBITED

The consent to assignment as security shall be void ab initio if HUD determines that any assignee, or any principal or interested party of the assignee, is debarred, suspended or subject to a limited denial of participation under 24 CFR part 24, or is listed on the U.S. General Services Administration list of parties excluded from Federal procurement or nonprocurement programs.

CONTRACT ADMINISTRATOR

Name of Authorized Representative (Print)

By: _____

Signature of authorized representative

Name and official title (Print)

Date _____

OWNER AGREEMENT TO ASSIGNMENT AS SECURITY

The owner has read the terms of HUD's consent to assignment by the owner of a security interest in the HAP Contract to the lender as security for the loan, and to further transfer of such security interest to successor secured parties. In consideration for HUD's grant of such consent to assignment, the owner agrees to all the terms of the consent to assignment, and agrees that any assignment by the owner is subject to all such terms.

OWNER

Name of Owner (Print)

By _____

Signature of authorized representative

Name and title (Print)

Date _____