

**Standard HOME Conditions
for
Rental Housing Projects**

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Standard HOME Conditions

1. Prior to disbursement of any HOME funds, Grantee shall obtain written documentation that the plans for the project comply with the Secretary of Interior's Standards for Rehabilitation, 36 CFR Part 67.
2. Prior to disbursement, Grantee shall submit a final pre-development project budget and performance schedule for review by VHCB. VHCB reserves the right to reduce or change the terms of this award if other financing terms change or if Grantee receives additional funding for the project that was not included in the budget submitted prior to VHCB Board action, or if total development cost is less than anticipated at the time of VHCB Board action. If the VHCB approved budget for the project shows a primary loan from a bank or other lending institution, VHCB will subordinate its interest in the project to documents securing the primary loan, provided that the primary lender shall execute a subordination and priority agreement approved by VHCB.
3. Grantee shall utilize a written lease that includes the HOME lease addendum.
4. Grantee shall establish a written tenant selection policy in compliance with the HOME Program requirements to include an Affirmative Marketing Plan.
5. Grantee shall comply with Uniform Relocation Act requirements and forward copies of all correspondence to VHCB.
6. Grantee shall demonstrate that procurement procedures including the Minority and Women Owned Business Enterprise marketing requirements and Debarment and Suspension Contractor requirements. Grantee shall, upon request, make available to VHCB for review all procurement documentation.
7. Grantee shall draft a written conflict of interest policy to cover both staff and board members and forward it to VHCB for review and approval prior to disbursement of funds.
8. Grantee shall comply with Federal Labor Standards.

9. Grantee shall construct, rehabilitate and maintain the project so that it meets the HOME Program Rehabilitation and Construction Standards.
10. Grantee shall utilize HOME funds only for eligible activities. HOME funds shall be disbursed in accordance with the budget as approved by VHCB. VHCB reserves the right to reduce or change the terms of this award if other financing terms change or if Grantee receives additional funding for the project that was not included in the budget submitted prior to VHCB Board action, or if total development cost is less than anticipated at the time of VHCB Board action.
11. Grantee shall use the percentage of completion method to pay for project construction costs and withhold a minimum of 10% of funds from all construction contracts pending completion of the work.
12. Grantee shall submit written requests for disbursements of HOME funds, along with a statement or schedule allocating the amount requested among the line items shown in the approved budget. Each request shall include copies of requisitions and invoices for the items covered by the request. Disbursements of HOME funds for non-construction costs will only be made for expenses actually incurred. Disbursements of HOME funds for construction costs will only be made for completed work in place and will be based on the percentage of completion of the total amount of work covered by the contract. (for example: Assume that the total contract amount is \$2,000 and the HOME grant is \$1,000. If the total amount of work covered by the contract is 50% completed on the date of a particular requisition, the maximum amount of HOME funds that can be disbursed at that time will be \$500.) If Grantee has an architect under contract to oversee the project and/or inspect the work in connection with requests for payment received from contractors, an architect's certification shall be submitted to VHCB along with each request for disbursement of HOME funds. VHCB reserves the right to require independent inspections of construction work prior to disbursing funds. VHCB also reserves the right to require lien waivers from all contractors, subcontractors and/or suppliers prior to disbursing funds.
13. This award shall be secured by a Mortgage Deed which will provide that if the owner at any time does not comply with all provisions of the VHCB Housing Subsidy Covenant, VHCB shall have the right to require immediate repayment of the award along with a percentage of any appreciation in the value of the property. The Mortgage Deed will be prepared by VHCB staff counsel and the percentage of appreciation will be based on the amount of HOME funds committed to the project as a percentage of the total projected development cost. To the extent that the HOME award is a loan at the applicable federal rate, the percentage of appreciation requirement shall not apply.

14. At closing, Grantee shall execute the VHCB Housing Subsidy Covenant and Mortgage Deed, both of which shall be recorded in the appropriate Land Records and shall have priority over any mortgages securing community development or similar public funding for the project.