

Vermont Housing & Conservation Board

Standard HOME Conditions

1. This project is subject to the requirements of the HOME regulations as amended on July 24, 2013. The HOME Agreement may be amended, and conditions may be added or changed, as necessary to comply with the regulations and/or HUD guidance.
2. Prior to closing, Developer shall submit a completed HOME rent schedule for VHCB review and approval, to be attached to the grant/loan agreement.
3. Prior to initial disbursement of HOME Program funds, Developer shall obtain written documentation that the plans for the project comply with the Secretary of Interior's Standards for Rehabilitation, 36 CFR Part 67.
4. Project shall comply with the applicable HOME property standards set forth in 24 CFR §92.251, including the lead-based paint requirements, and HOME Program Rehabilitation and/or New Construction Standards, as applicable, available in VHCB's online HOME Handbook. Developer shall maintain the project so that it meets the HOME property standards requirements at 24 CFR 92.251(f).
5. Prior to closing, Developer shall work with the VT Department of Housing & Community Development to complete a HUD Environmental Review. Developer shall forward a draft public notice to VHCB staff for review and approval prior to publication. No project hard costs shall be incurred, nor shall any "choice limiting actions" occur, until HUD has approved the Environmental Review and issued an Authority to Use Grant Funds for HOME, and a copy has been provided to VHCB.
6. Prior to closing, Developer shall submit documentation for VHCB review and approval that the VT Division of Historic Preservation has reviewed and signed off on the project with respect to archaeology.
7. Prior to initial disbursement of HOME Program funds, Developer 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 Developer 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.
8. Developer shall utilize a written lease that includes the HOME lease addendum, and provide a copy to VHCB staff for review and approval prior to closing. Developer shall provide written notice to VHCB requesting approval of material changes in the terms of the written

lease. Developer shall follow the applicable procedures for increasing rent amounts as established in VHCB's HOME Program Handbook.

9. Developer shall establish a written tenant selection policy in compliance with the HOME Program requirements and submit a copy to VHCB prior to closing. For projects with five or more HOME assisted units, Developer shall also comply with the "Affirmative Marketing Procedures and Requirements" in VHCB's HOME Program Handbook.
10. Developers wishing to target housing and/or services to persons with disabilities must have a tenant selection policy which addresses the following questions:
 - a. Who is the targeted population?
 - b. Does the proposed project meet the standard that it provides qualified individuals with disabilities with housing, aid, benefits, or services that are as effective as those provided to others?
 - c. How will an applicant's eligibility as a member of this population be determined?
 - d. What services will be provided to support the tenants with disabilities and how will these be provided?
11. Developer shall comply with all Uniform Relocation Act requirements in accordance with 24 CFR §92.353 and HUD Handbook 1378, including any outstanding Uniform Relocation Act compliance documentation such as a written relocation plan and budget, copies of URA notices sent to tenants (with delivery confirmation), a copy of the voluntary acquisition letter signed by both buyer and seller, and a URA tracking spreadsheet. If a project will not result in a rent increase, or require permanent or temporary relocation, a GIN or Notice of Non-displacement may be served by posting it in accessible locations and providing a copy to the tenants' representative. For new construction projects and acquisitions of vacant buildings, only the URA voluntary acquisition letter is required.
12. This project shall comply with HOME broadband infrastructure installation requirements at 92.251(a)(2)(vi) for new construction or 92.251(b)(1)(x) for rehabilitation. The rules recognize the requirements may not be feasible for all projects and therefore allow limited exceptions.
13. Prior to closing, in accordance with 92.359, and 24 CFR part 5, subpart L, Developer shall provide documentation to VHCB staff for review and approval that demonstrates compliance with The Violence Against Women Act (VAWA), including the requirements regarding notification to applicants and tenants, bifurcation of leases, and the VAWA lease term/addendum.
14. Developer shall comply with the procurement procedures outlined in the HOME Handbook, including the Minority and Women Owned Business Enterprise marketing requirements and Debarment and Suspension Contractor requirements. In order to verify that contractors are licensed to do business in the State of Vermont, Developer shall search the VT Secretary of State's Corporation database (<http://www.sec.state.vt.us/seek/corpbrow.htm>) prior to awarding any contracts in connection with this award, and shall print out a copy of the

search result to provide to VHCB. Developer shall, upon request, make available to VHCB for review all procurement documentation.

15. Prior to executing any contract to be paid in whole or part by HOME funds, the Developer shall ensure the contractor is not federally debarred, suspended or otherwise ineligible by performing a search on the System for Award Management (SAM) site at sam.gov, and the Developer shall print out a copy of the search result to provide to VHCB. In addition, the Developer must notify VHCB staff of the name of the chosen contractor prior to executing a contract, so that VHCB staff can verify the search result on the SAM site.
16. The Developer shall comply with Section 3 requirements in accordance with 24 CFR 135. Economic opportunities provided in connection with this project shall, to the greatest extent feasible, be provided to low income persons residing within the area in which the project is located and to Section 3 businesses. Section 3 requirements shall be included in bid documents, and “the Section 3 Clause” shall be attached to all contracts executed in connection with this project. In addition, HUD’s Section 3 report form shall be submitted to VHCB within 60 days of the final disbursement (see Condition #26).
17. In order to comply with HUD’s requirements as outlined in VHCB’s HOME Program Construction Inspection Policy, Developer shall work with VHCB staff to investigate whether VHCB can be added to the construction lender’s inspection contract. This would allow VHCB to rely on the construction inspections already being performed and avoid unnecessary additional costs.
18. Prior to initial disbursement of HOME Program funds, Developer shall provide VHCB with a written HOME Conflict of Interest Policy in accordance with 24 CFR §92.356(f).
19. Prior to initial disbursement of HOME Program funds, Developer shall demonstrate that its staff has attended a Fair Housing training session within at least the last three years, to ensure the Developer has received adequate education and information for compliance with affirmatively furthering fair housing requirements, including those applicable to the marketing and leasing of HOME-funded housing units.
20. Developer shall utilize HOME Program funds only for eligible activities. HOME Program funds shall be disbursed in accordance with the budget as approved by VHCB.
21. Developer 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.
22. Developer shall submit written requests for disbursements of HOME Program 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 Program funds for non-construction costs will only be made for expenses actually incurred within a twenty-four month period

prior to the execution of this Agreement. Disbursements of HOME Program 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, less 10% retainage until completion. (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 Program funds that can be disbursed at that time will be \$500 less \$50 retainage, i.e. \$450.) If Developer 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 Program 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.

23. Prior to disbursement of HOME funds for construction (as outlined in the HOME Handbook), Developer shall submit a fully executed copy of the construction contract and copies of all the required attachments, a HOME Program Bid Selection and Contract Award Summary form, and a copy of the performance and payment bond or letter of credit.
24. Prior to initial disbursement of HOME Program funds, Developer shall provide VHCB copies of the following certifications executed by the Developer: (i) Certification for Contracts, Grants, Loans, and Cooperative Agreements; (ii) Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion; and, (iii) Disclosure of Lobbying Activities. If no lobbying has been conducted, this must be written somewhere on the Disclosure of Lobbying form.
25. Prior to final disbursement of HOME funds, Developer shall submit a copy of the State or Town/City's certificate of occupancy and/or a copy of the State or Town/City's final building inspection report. If there are any outstanding issues in the report, Developer shall submit documentation that those issues have been adequately addressed.
26. Within 60 days of the final draw of HOME funds, Developer shall provide a close-out report to VHCB staff which shall include the following:
 - a. final sources and uses development budget;
 - b. number of units with project based rental assistance (and type), and unit numbers;
 - c. utility allowance (for the HOME units) developed with a HUD-approved method, reviewed and approved by VHCB staff;
 - d. a completed HOME rent schedule and HOME Program income verifications (or an acceptable alternative) with 3rd party documentation for the residents of the HOME units;
 - e. a final URA report including total relocation costs broken out by category, number of households temporarily relocated and displaced, and race and ethnicity of households displaced;
 - f. a copy of the Energy Star certificate, if applicable;
 - g. number of accessible units;

- h. a completed Minority Business Enterprise/Women Business Enterprise form that contains information on Contractors and Subcontractors;
 - i. completed Section 3 report (HUD-60002 form)n
 - j. digital photographs of the interior and exterior of the completed project;
 - k. number of units dedicated for homeless persons or families; and, of the units designated for homeless, the number of units for chronically homeless.
27. 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 project counsel and the percentage of appreciation will be based on the amount of HOME Program 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. The Mortgage Deed shall be recorded in the appropriate Land Records.
28. At closing, Developer shall: (i) execute the VHCB Housing Subsidy Covenant which is of perpetual duration and shall have priority over any mortgages securing community development or similar public funding for the project; and, (ii) record the VHCB Housing Subsidy Covenant in the appropriate Land Records. The VHCB Housing Subsidy Covenant shall contain the HOME Program restrictions for the applicable affordability period.
29. Developer may request that all or a portion of the award be structured as a loan, rather than a grant. If the award includes a loan, VHCB shall determine the repayment terms and the loan shall be evidenced by a non-recourse promissory note and secured by a mortgage deed on the project. The note and mortgage will be prepared by VHCB project counsel. The mortgage shall be subordinate to the VHCB Housing Subsidy Covenant, but shall have priority over any mortgages securing community development or similar public funding for the project.
30. For projects with 10 or more HOME-assisted units, at least annually, developer shall submit complete project financials to VHCB.
31. By signing this agreement, Developer hereby certifies that it is in good standing with respect to all taxes due to the State of Vermont.
32. Prior to closing, for tax credit projects, in order to comply with VHCB's Underwriting Guidelines regarding owner/developer profit evaluation, Developer shall provide documentation from VHFA staff that the tax credit investor's internal rate of return for this project has been reviewed and determined to be reasonable.
33. For CHDO Reserve tax credit projects, the Limited Partnership Agreement and Right of Refusal Agreement must comply with HOME CHDO rules. Prior to closing, Developer shall submit copies of the Agreements to VHCB staff for review and approval.

34. Prior to closing, Developer shall submit a project specific utility allowance developed with one of the following 5 HUD-approved project-specific methodologies: the HUD Utility Schedule Model (HUSM), the HUD Multifamily Housing Utility Analysis, a Utility Company Estimate, a Low Income Housing Tax Credit (LIHTC) Agency Estimate, or an Energy Consumption Model. The project's utility allowance must be updated by the Developer and approved by VHCB on an annual basis. Please see HUD's [Guidance on How to Establish Utility Allowances for HOME-Assisted Rental Units](#).
35. Developer may request that the timeframe for compliance with the terms of the HOME Program Agreement Section IV.D. be extended if the Developer is not able to fully comply with the terms of the HOME Program Agreement within the original timeframe established and the project is still viable. The Developer must notify VHCB in writing of their intent to request an extension from HUD at least sixty days prior to the end of the original timeframe.
36. Developer shall comply with applicable labor requirements as set forth in 24 CFR §92.354. For projects containing 12 or more HOME units, Developer shall also comply with the requirements of the Davis Bacon Act.
37. HOME funds used for projects that are not completed within 4 years of the commitment date, as determined by a signature of each party to the Agreement, shall be repaid. The Secretary of HUD may extend the deadline for 1 year if the Secretary determines that the failure to complete the project is beyond the control of VHCB. Costs for rehabilitation activities must be expended within 18 months from the date of commitment, unless the Developer requests and is granted an extension by VHCB.

REPORTING REQUIREMENTS

1. Developer shall comply with the annual HOME unit rent and income review requirements as set forth in the HOME Handbook.
2. On Request
 - a. Within 15 days of a request from VHCB, the Developer shall demonstrate compliance with any particular term or condition of this agreement.
 - b. Failure to comply with any terms or conditions contained herein may be deemed a breach of agreement and grounds for withholding and/or repayment of funds.
 - c. VHCB may request additional reports as deemed appropriate.

June 1, 2017