

ATTACHMENT B REPORTING AND GENERAL PROVISIONS

ARTICLE 1. PURPOSE

This grant agreement provides HOME funds for the purpose of development of homeownership residential housing in Alaska. Development(s) is to be accomplished in accordance with the provisions of this Grant Agreement, 24 CFR Part 92: HOME Investment Partnerships Program (HOME) and AHFC's HDP Program Policies and Procedures Manual.

Grant funds may be used only to pay for costs of development activities identified within the Approved Budget by Line Item and explained in the HDP Policies and Procedures Manual. The Grantee and its architect bare all responsibility for obtaining necessary licenses and permits, if any, for ensuring that all aspects of the project comply with all applicable laws, regulations, ordinances, and codes, and for all costs of the project in excess of the amount of approved funds.

ARTICLE 2. AUTHORIZED ACTIVITIES

The project to be funded under the provisions of this Attachment must be consistent with the **Statement of Special Terms and Conditions** within this grant agreement, unless receiving prior approval from AHFC in writing.

The use of grant funds in any manner contrary to the terms and conditions of this grant agreement may result in the subsequent revocation of the grant and any balance of funds under this grant agreement. In addition, the Grantee may be required to repay AHFC a portion, or all, of the funds provided to the Grantee.

ARTICLE 3. DOCUMENTATION REQUIRED PRIOR TO EXECUTION BY AHFC

In addition to Grantee signature and initials at appropriate points on this Agreement, Grantee shall provide the following to AHFC at, or before, presentation of the Agreement for signature by AHFC:

- A. Evidence of all applicable licenses, including a current business license.
- B. Evidence of required insurance policies and payment and performance bonding identified in Attachment A, Standard Provisions, Article 7.

ARTICLE 4. REPORTING REQUIREMENTS

The Grantee shall establish and maintain a record of all financial transactions associated with the grant activities. Initial and regular reporting is required throughout the period of performance until all closeout items have been submitted.

- A. **Project Initiation Reports and Requirements.** No later than the due date of the first quarterly report or first disbursement request, whichever occurs first, the Grantee shall

provide the following forms (found in Attachment E) to AHFC for approval:

- i. **Cost Allocation Plan** using the form listed on Attachment E and completing according to instructions on the form.
 - ii. **Sources of Funds Form** confirming commitment of all other primary sources of project funding including permanent (term) and construction loans, tax credit allocation receipt, grants and other funding sources necessary to fund the acquisition, construction, or rehabilitation of the subject project. For this purpose, a primary source is defined as any funding source equal to, or exceeding, \$50,000.
 - iii. **Authorized Signatories Form** completed and signed by the organization's Executive Director identifying all persons authorized to sign periodic reports on his or her behalf for this grant.
 - iv. **Project Development Cost Data Form** detailing the budget of the project's total anticipated development costs. **ALL** columns must be completed;
 - v. **Development Team Data Form** listing all of the known professional service providers, general contractors, subcontractors, inspectors and development professionals to be used to complete the development activities;
 - vi. **Development Schedule Form** identifying the timeline for completion of the subject project's development activities;
 - vii. **Affirmative Fair Housing Marketing Plan** (form HUD-935.2 plus any attachments) identifying what actions have been/will be taken by the Grantee to attract eligible homebuyers from all racial, ethnic, and gender groups.
- B. Procedures for MBE/WBE and Section 3 Reports.** All Grant Agreements including \$200,000 or more of Federal funds must adhere to Section 3 requirements regarding employment practices and contractual agreements. Minority and Women's Business Enterprise Act requirements apply to all Grantee contracts associated with the project exceeding the amount of \$25,000. If this applies, provide a certification letter signed by the Grantee's Executive Director (or equivalent), that the procedures outlined in the Grantee's Section 3 and MBE/WBE work plans have been met. Grantees are required to describe and implement the following processes when reporting (forms found in Attachment E):
- i. Notify Section 3 residents and other persons about training and employment opportunities, and notify Section 3 and Minority and Women Owned Business concerns about contracting opportunities generated by Section 3 and MBE/WBE covered assistance.
 - ii. Notify potential contractors for Section 3 covered projects of the requirements under Section 3, and incorporate the Section 3 Clause in all solicitations and contracts.

- iii. Facilitate the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns by undertaking activities such as described in the Appendix to 24 CFR Part 135, as appropriate, to meet required numerical goals.
- iv. Assist and actively cooperate with HUD and AHFC in obtaining the compliance of contractors and subcontractors with the requirements of the Section 3 Act, and refrain from entering into any contract with any contractor where the recipient has received notice or has knowledge that the contractor has been found in violation of the regulations in 24 CFR Part 135.
- v. Document actions taken to comply with the requirements of the Section 3 Act and Executive Orders 11625 and 12432 on Women and Minority Business Enterprises, and the results of actions taken and impediments, if any. Also briefly describe how procedures and goals were developed.
- vi. **Contracts Summary Report:** This report states the percentage dollar amount of construction and non-construction contracts targeted for Section 3 business concerns. Minimum targets are ten percent (10%) for construction contracts and three percent (3%) for non-construction contracts. *Only the "Goals" column must be completed for the Initial Contract Summary Report.*
- vii. **Employees Report:** This report shows all positions hired or expected to be hired for this job, and identifies which positions are targeted for Section 3 hire. A minimum of ten percent (10%) of the aggregate number of new hires for each year over the duration of the Section 3 project must be targeted to Section 3 residents/persons. For the Initial Employees Report, complete form through column 8(e).
- viii. **Contracts Report:** This report shows all contracts and subcontracts for the project. For the Initial Report, list any contracts or subcontracts executed to date, including Section 3 and Minority/Women Owned Business status.

C. Quarterly Report of Project Development/Grant Progress. Quarterly reports are required to be submitted to AHFC based on calendar quarters. Beginning with the first calendar quarter that ends during the performance period of the grant, quarterly reports must be received by the last day of the month following the end of each calendar quarter. If the grant performance period commences mid quarter, Grantee is required to report the partial quarter at quarter end as described above, unless directed otherwise in writing by AHFC. When the due date for reports falls on a weekend or federal or state holiday, reports are due on the next business day immediately following the non-working day. The following documents are required for submission:

- i. **Quarterly Financial Report (QFR)**, utilizing the QFR form provided by AHFC with this Grant Agreement, that outlines the disposition of grant funds by budget category as outlined in this Grant Agreement. This must include, if applicable, the total interest earned on funds advanced to the Grantee during the reporting period.

- ii. **Quarterly Status Report (QSR)**, on the form provided by AHFC with this Grant Agreement, including:
 - a. Narrative summary of all work completed during the reporting period including an update on project schedule, milestones, and development activities;
 - b. A list of all inspections completed during the reporting period, including who completed the inspections and the date the inspection occurred;
 - c. A notice and description of all changes in project costs, financing sources and/or amounts, physical design characteristics, or ownership;
 - d. Photographic documentation of project progress shall be provided with each quarterly progress report for active construction projects. Photographs shall consist of at least three dated and described digital photos, submitted electronically each reporting period such that a complete record of the construction is maintained over the course of the project. Grantee is required to provide 3-6 photos electronically with each quarterly report. The totality of these photos over the life of the project must “tell the story” of its construction; “before” photo(s) must be taken of the site prior to start of construction and “after” photo(s) must depict relevant features. On a quarterly basis, photos must depict Project Development Features listed in the Statement of Special Terms and Conditions.
 - e. Eligible forms of HOME matching funds applied to the project including supporting documentation.

The Project Status Reports will be evaluated quarterly to determine the progress of the project. If, in the judgment of AHFC, the project is manifesting substantial delays, AHFC has the sole discretion to revoke the Grant Agreement. Any undisbursed grant funds shall be retained by AHFC. AHFC reserves the right to require repayment of disbursed grant funds.

- iii. If applicable (see Article 4-B above), Section 3/Minority and Women Owned Business Quarterly Narrative Report, Employees Report and Contracts Report. Use the forms listed in Attachment E of this Agreement, also available in an Excel workbook.
 - a. Quarterly Narrative Report describes efforts made to meet contract goals, contract with Section 3 and Minority or Women Owned Business concerns and hire Section 3 persons. The narrative should also identify any unexpected results and explain the reason(s) for any unmet Section 3 contract or employment goals, if any.
 - b. Employees Report lists all employees employed for the project to date and identifies Section 3 data.
 - c. Contracts Report lists all contracts and subcontracts executed to date, including Section 3 and MBE/WBE data.

If activity has not occurred on the project during the report period, Grantee shall submit all required reports stating “no activity” and the reason(s) no activity has occurred.

- D. **House-By-House Set-Up Form.** The House-By-House Set-Up Form must be submitted for each homebuyer/ borrower at least thirty (30) days prior to the Homeownership Development Program (HDP) loan closing. The Grantee shall not close the Homeownership Development Program loan with the homebuyer/ borrower until after AHFC has reviewed and approved the House-By-House Set-Up Form for that particular borrower.
- E. **Final Cost Certification/Development Close-Out Data.** Close-out requirements are divided between those required within sixty (60) days after the completion of each unit (see the House- By-House Close-Out Checklist included in Attachment E) and those required ninety (90) days after the completion of the final unit funded under this grant (see the Close-Out Checklist included in Attachment E).

If grant close-out documentation is not submitted within the timeframe specified in the paragraph above, **a charge of \$100 a day** will be levied against remaining retainage funds until all applicable close-out documentation is received by AHFC.

Completion of unit means the issuance of an unconditional Certificate of Occupancy by the city, municipal or borough authority, or a fully executed Summary of Building Inspection form (AHFC form PUR-102), whichever is applicable per AS 18.56.300 AND the sale of the unit to a qualified low income household per the terms of this grant agreement. A later completion date may be established by AHFC under rare circumstances when significant development activities continue after the unconditional Certificate of Occupancy or PUR-102 has been completed. Later completion dates must be requested in advance in writing by the Grantee with justification. AHFC will accept the later completion date only in writing and only if AHFC determines it is warranted.

Release of retainage will be based on AHFC approval of required reports and the items noted on the House-By-House Closeout Checklist and the Grant Close-Out Checklist listed in Attachment E to this Grant Agreement. (See Attachment C)

F. **Notification of Significant Change**

The Grantee must provide immediate notification in writing to AHFC for the following funding changes:

- i. Any deviation in the funding sources and/or amounts of each funding source contributed toward the project during its development and/or prior to final close-out. Note that reductions for any reason in other project sources that were committed at the time of application may result in a reduction of funds provided under this Agreement.
- ii. Significant reductions or increases in the project size or projected cost.
- iii. Consideration of a change in site location or any other features that would impact the environment, including the total number of units.

Changes which, in AHFC's opinion, result in more funds being contributed than the Attachment B - HDP

amount necessary to result in a feasible, affordable project, may result in a reduction in grant funds provided. In the event excessive funds have been disbursed, the excess amount, as determined by AHFC, must be repaid to AHFC.

Changes which, in AHFC's opinion, result in an environmental impact not considered in the original environmental review will result in a review of the changes and a determination by AHFC of whether a new environmental review must be completed before changes may be implemented.

ARTICLE 5. PENALTIES FOR FAILURE TO SUBMIT TIMELY REPORTS

Failure to submit two (2) or more quarterly reports will constitute a performance finding that may result in suspension or termination of the grant or point deductions in future grant competitions.

Failure to close the grant within 90 days after the period of performance or following the completion of grant activities may result in fines levied against the retainage and point deductions in future grant competitions.

ARTICLE 6. RECORDKEEPING AND RETENTION

The Grantee must establish and maintain records sufficient to enable AHFC, or its designee, to determine whether the Grantee has met the requirements of this Agreement. In addition to the records required under other articles or attachments of this Grant Agreement and the Homeownership Development Program Policy and Procedure Manual, the following records shall be kept by the Grantee:

- A. Records that demonstrate that the project meets the Equal Opportunity and Fair Housing compliance.
- B. Homebuyer File Documentation, including, but not limited to, documentation that all property standards, affordability and occupancy requirements have been met, such as:
 - i. Homebuyer Application Form;
 - ii. Third-Party Verifications;
 - iii. Land Lease, if applicable;
 - iv. Recorded documents pertinent to any resale restrictions on the property; and
 - v. Documentation showing the accessibility modifications requested and/or made, if any, at the request of the homebuyer.
- C. Project File Documentation, including:
 - i. Project Development Records (including development activity and documentation that all property standards have been met);
 - ii. Affirmative Fair Housing Marketing Plan;
 - iii. Ground Lease and/or Deed enforcing recapture restrictions and stipulating the recapture formula;

- iv. Community Land Trust property management policies and procedures (for Community Land Trusts); policies and procedures that explain how homebuyers will be informed about the resale restrictions; and, how homeowners will receive assistance in locating an income qualified buyer in the event they wish to sell during the Period of Affordability;
 - v. Maximum purchase price limits as published by HUD.
- D. All program records pertaining to the project under this Grant Agreement must be retained in accordance with Grant Management Regulations at 15 AAC 154.730, except that the following additional requirements also apply:
- i. All project development records must be retained for a period of five years after all post- development close-out documentation has been submitted and accepted by AHFC.
 - ii. Affirmative marketing and property standards records must be retained for five (5) years after the Period of Affordability has ended.
 - iii. Records for individual homebuyers must be retained for a period of five years after the Period of Affordability has ended.
 - iv. All other required project files must be retained for five (5) years after the Period of Affordability has ended.
 - v. If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
 - vi. All records must be available upon request for AHFC staff or AHFC designee's review.

ARTICLE 7. DEBARMENT AND SUSPENSIONS

Grantee and any subcontractors under this Agreement who are as of the date of execution of this Grant Agreement, or who become, during the performance period of this Grant Agreement, debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in any Federal, State or AHFC programs, are not eligible to receive funds under this grant. In addition, Grantee is responsible to ensure that each contractor and subcontractor performing work on the assisted housing is not debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in any Federal, State or AHFC programs. If during the course of this grant, Grantee discovers that any contractor or subcontractor, under this Grant Agreement has been debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in any Federal, State or AHFC programs, Grantee is under an affirmative duty to immediately notify in writing the Program Manager at AHFC.

ARTICLE 8. AUDIT REPORT REQUIREMENT

If Grantee expends financial assistance with a cumulative total of \$750,000 or more of State funds during Grantee's fiscal year, Grantee is required to comply with the State Single Audit Act. (2 AAC 45.010) If Grantee expends financial assistance with a cumulative total of

\$750,000 or more of Federal funds during Grantee's fiscal year, Grantee is required to comply with the Federal Single Audit Act. (OMB 2 CFR 200.501)

Grantee shall provide AHFC with a copy of any audit report conducted of Grantee's expenditure of funds provided under this Grant Agreement by the earlier of (A) thirty (30) days after receipt of the report or (B) nine (9) months after the end of the audit period.

The Grantee shall also provide AHFC with a copy of any audit report conducted of Grantee's expenditure of grant funds from other sources.

ARTICLE 9. COMPLIANCE WITH APPLICABLE LAWS, FUNDING SOURCE AND PROGRAM REQUIREMENTS

The Grantee shall comply with all applicable laws and regulations. The Grantee shall provide to AHFC at, or before, presentation of the Agreement for signature by AHFC evidence of all applicable licenses, including a current business license if it is required by AS 43.70.020.

The Grantee is responsible for obtaining necessary licenses and permits, if any, for ensuring that all aspects of the project comply with all applicable laws, regulations, ordinances, and codes, and for all costs of the project regardless of amount of the approved grant.

As a recipient of this grant, Grantee agrees to comply with all terms, conditions, and requirements of the funding source(s) and program(s) under which it is funded as reflected on the Cover Page of this Grant Agreement.

ARTICLE 10. ENERGY STAR

If the replacement/purchase of appliances or equipment is accomplished as part of this grant funded project, Grantee is encouraged to acquire products that meet the Energy Star standards to the greatest extent practicable. The Grantee will report those acquisitions in the AHFC quarterly report form, regardless of the funding source used to acquire those products.

ARTICLE 11. INSPECTION REQUIREMENTS

In accordance with 15 AAC 154.090, all work performed under this Grant Agreement must be inspected by a qualified inspector according to the Summary of Building Inspection (PUR-102) and BEES Certification (PUR-101) requirements document listed in Attachment E of this Agreement. AHFC will not reimburse Grantee for work that is not inspected by a qualified inspector.

Grantee is required to provide AHFC with the names of the inspectors to be performing required inspections (See Development Team Data Form as listed in Attachment E to this Agreement). AHFC reserves the right to reject inspectors proposed by Grantee.

ARTICLE 12. CONVERSION TO RENTAL UNITS

Any homeownership unit(s) funded under grant agreement which cannot be sold to an
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eligible homeowner within nine (9) months of completion shall be rented to an eligible tenant.