



Travis County Commissioners Court Agenda Request

Meeting Date: September 4, 2012

Prepared By/Phone Number: Jason G. Walker/44562; Marvin Brice, CPPB, Assistant Purchasing Agent

Elected/Appointed Official/Dept. Head: Cyd Grimes

Commissioners Court Sponsor: Judge Biscoe

Agenda Language: Approve contract award for Homebuyer Assistance Program, RFS No. S120143-JW, to the sole proposer, Austin Community Land Trust d/b/a Austin PeopleTrust

- **Purchasing Recommendation and Comments:** Purchasing concurs with department and recommends approval of requested action. This procurement action meets the compliance requirements as outlined by the statutes.
- The Homebuyer Assistance program is designed to provide assistance to eligible first time homebuyers in purchasing homes located within the Village of Webberville and the unincorporated areas of Travis County. Such assistance is in the form of forgivable, second priority loans towards down payment assistance (up to \$8,000.00), to be used for 50% of down payment and eligible closing costs, and as deferred payment, shared appreciation loans (up to \$30,000) to be used as "Gap" financing toward the purchase of housing units. This program is to be administered by Travis County Health and Human Services (HHS) through a contractual relationship with the U.S. Department of Housing and Urban Development (HUD) as funded by a Community Development Block Grant (CDBG).
- It is estimated that this program will assist approximately 63 households, for an estimated \$750,000.00, however, that number could be higher or lower at project end. Travis County CDBG funds from Program years 2009 and 2010 are available in the amount of \$785,000.00.
- On February 29, 2012 the RFS was released, where six (6) agencies and one (1) coalition were directly provided the RFS, as well as the RFS was posted on Bidsync. Two (2) of those six (6) agencies were

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to Cheryl Aker in the County Judge's office, Cheryl.Aker@co.travis.tx.us by Tuesdays at 5:00 p.m. for the next week's meeting.

represented at the pre-proposal conference, however, one (1) proposal was received in response to the solicitation from Austin Community Land Trust d/b/a Austin PeopleTrust when the RFS opened on March 21, 2012.

- The other agency who attended the pre-proposal conference declined to submit a proposal due to the fact that they were concerned they would not be able to support the capital amount needed to start-up this program.
- Austin PeopleTrust will be the single point of contact where they will receive and review program applications, as well as prepare all loan and closing documents. Client files for all applicants will all be maintained by Austin PeopleTrust. In addition, Austin PeopleTrust will provide marketing services for the program along with website materials, coordinate with lenders, and make special outreach to Hispanic and African American prospective homeowners.
- HHS is recommending for contract award Austin PeopleTrust for a not-to-exceed amount of \$750,000.00, and Purchasing concurs with HHS's recommendation.
- **Contract Expenditures:** Within the last N/A months \$0.00 has been spent against this contract/requirement.
- **Contract-Related Information:**
 - Award Amount: \$750,000.00
 - Contract Type: Professional Services
 - Contract Period: Through September 13, 2013.
- **Contract Modification Information: N/A**
 - Modification Amount:
 - Modification Type:
 - Modification Period:
- **Solicitation-Related Information:**

| | |
|--------------------------------------|--------------------------|
| Solicitations Sent: 28 | Responses Received: 1 |
| HUB Information: Vendor is not a HUB | % HUB Subcontractor: N/A |
- **Special Contract Considerations:**

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- Award has been protested; interested parties have been notified.
- Award is not to the lowest bidder; interested parties have been notified.
- Comments: N/A

➤ **Funding Information:**

- Shopping Cart/Funds Reservation in SAP: 300000239
- Fund Center(s): 1580060001
- Comments:

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**TRAVIS COUNTY HEALTH and HUMAN SERVICES
and VETERANS SERVICE
502 E. Highland Mall Blvd.
P. O. Box 1748
Austin, Texas 78767**

**Sherri E. Fleming
County Executive
for TCHHSVS
(512) 854-4100
Fax (512) 279-1608**

DATE: August 13, 2012

TO: Cyd V. Grimes, C.P.M., CPPO, Travis County Purchasing Agent

FROM: *Sherri E. Fleming*
Sherri E. Fleming
County Executive for Travis County Health and Human Services
and Veterans Service

SUBJECT: Execution of the CDBG funded Homebuyer Assistance Program
Contract

Proposed Motion:

Consider and take appropriate action regarding a request to approve a contract with the Austin Community Land Trust d/b/a Austin People Trust funded with Community Block Grant funds available through HUD.

Background and Summary:

The Travis County Department of Health and Human Services has entered into a contractual relationship with the U.S. Department of Housing and Urban Development (HUD) to administer a Community Development Block Grant (CDGB) funded homebuyer assistance program. The homebuyer assistance program is designed to provide assistance to eligible first time homebuyers in purchasing homes located within the Village of Webberville and the unincorporated areas of Travis County. The Program provides this assistance in the form of forgivable, second priority loans to be used for down payment assistance (up to \$8,000) to be used for 50% of down payment and eligible closing costs, and as deferred payment, shared appreciation loans (up to

\$30,000) to be used as "Gap" financing toward the purchase of housing units that will be occupied by the homebuyers. Funds totaling \$785,000 from Program Years 2009 and 2010 are available.

The Travis County Commissioners Court approved the homebuyer assistance program scope of services on November 15, 2011. A Request for Services was released on February 29, 2012 with a response date of March 21, 2012. Three agencies and one coalition were provided information on the opportunity in addition to the RFS being posted on Bidsync. Two agencies attended the pre-proposal conference on March 7, 2012, and one proposal, from Austin PeopleTrust, was received in response to the County's Request for Services for an administrator for the CDBG funded Homebuyer Assistance Program.

A four member review committee convened on March 29, 2012 to review the proposal received in response to County's RFS. Overall the committee members agreed that Austin PeopleTrust had the capacity to administer the program, and on April 4, 2012, the Department sent its recommendation to the Purchasing Office to move forward with negotiations with the Respondent. After negotiations, a budget and scope were finalized in June 2012.

Austin PeopleTrust will be the single point of contact for the program, receive and review program applications, prepare all loan and closing documents, and maintain client files for all applicants. Additionally, they will provide marketing, website materials, coordination with lenders, and special outreach to Hispanic and African American prospective homeowners. Due to the amount of assistance per household based on need to ensure affordability, it is estimated that \$750,000 will assist approximately 63 households, however, that number may be higher or lower at project end.

Recommendations:

Staff recommends approval of the contract to Austin PeopleTrust to administer Travis County's CDBG Homebuyer Assistance Program totaling \$750,000. They are a highly qualified organization which has successfully implemented and completed these types of programs.

Issues and Opportunities:

Approval allows the County to spend down these funds which have been allocated for over two years. All funds are anticipated to be expended by September 2013; with 40% expended by January 2013 putting the County on track for timely spending of funds next year.

Program income will be generated from this project in the future which will allow the County to provide additional resources for affordable housing.

This program will leverage millions of dollars of conventional loans and provide affordable homeownership opportunities.

Fiscal Impact and Source of Funding:

\$750,000 of funding is to be awarded from two different program years. No matching General Funds are required.

Grant Number: 800071 Internal Order Number: 100017
HCBD01 – PY 09 Homebuyer Assistance: \$500,000

Grant Number: 800072 Internal Order Number: 100022
HCBE02 – PY 10 Homebuyer Assistance: \$250,000

Fund Reservation Number: 300000239

Cc: Susan A. Spataro, CPA, CMA, Travis County Auditor
Jose Palacios, Chief Assistant County Auditor
Janice Cohoon, Financial Analyst Travis County Auditor
Mary Etta Gerhardt, Assistant County Attorney
Christopher Gilmore, Assistant County Attorney
Marvin G. Brice, CPPB, Assistant Purchasing Agent, Travis County Purchasing Office
Jason Walker, Purchasing Agent Assistant, Travis County Purchasing Office
Diana Ramirez, Analyst, Planning and Budget Office
Caula McMarion, TCHHS/VS, Finance Accountant
Christy Moffett, CDBG Planning Project Manager

**SUBRECIPIENT AGREEMENT FOR THE CONDUCT OF A
COMMUNITY DEVELOPMENT BLOCK GRANT PROJECT
BETWEEN TRAVIS COUNTY AND
AUSTIN COMMUNITY LAND TRUST d/b/a AUSTIN PEOPLETRUST**

I. PARTIES

This Subrecipient Agreement ("Contract")
is entered into by the following Parties:

Travis County, a political subdivision of Texas ("County") and
Austin Community Land Trust d/b/a Austin PeopleTrust,
("Contractor" or "Subrecipient")

II. RECITALS

County has the authority to provide for the care of indigents and other qualified recipients (TEX. LOC. GOV'T. CODE, Section 81.027, and other statutes) and County has the authority to provide for public health education and information services (TEX. HEALTH AND SAFETY CODE, Chapters 121 and 122, and other statutes), and provision of the above services constitutes a public purpose.

Travis County Health, Human Services and Veterans' Services ("Department") has the authority to perform all public health functions that County can perform through TEX. HEALTH & SAFETY CODE ANN., Section 121.032.

Commissioners Court of County may exempt personal and professional services from complying with the competitive procurement process under TEX. LOCAL GOVERNMENT CODE ANN., § 262 et seq. and has issued or hereby issues such an order of exemption for the services provided under the terms of this Contract.

Pursuant to the terms of this Contract, Contractor will provide personal and professional services for the care of indigents and other qualified recipients and/or for public health education and information, thus providing services which will further the achievement of a public purpose.

County has entered into a Grant agreement with the United States Department of Housing and Urban Development ("HUD") for financial assistance to conduct a Community Development Block ("CDBG") Grant Program ("CDBG Program") pursuant

to Title I of the Housing and Community Development Act of 1974 ("Act"), as amended, and the Rules and Regulations promulgated by HUD governing the conduct of CDBG programs, 24 Code of Federal Regulations ("CFR") Part 570, as amended, ("Rules and Regulations").

County has the authority to administer or otherwise engage in community and economic development projects authorized under HUD and authorized by Title I of the Act or under any federal law creating community development and economic development programs (including Texas Local Government Code, Chapter 381).

County has received and is responsible for administration of Grant funds made available through the Act.

County has received certain funds from HUD under the Act for utilization in connection with its CDBG Program.

Department is the County's designated administrator for HUD grants governed by regulation codified under Title 24, Code of Federal Regulations.

County has adopted Annual Action Plans for HUD as part of its Consolidated Plan.

The Commissioners Court has adopted a budget for such funds, as outlined in this Contract, and has included therein the expenditure of funds for the project entitled "Homebuyer Assistance" ("Project") which provides funding for financial assistance to low to moderate income households through loans used for Shared Appreciation Gap Financing and Down Payment Assistance.

As provided in the Rules and Regulations, County is authorized to contract by subgrant agreement with public entities or private non-profit entities for qualified activities and projects.

County has issued a Request for Services ("RFS") #S120143-JW to procure the services to be provided under this Contract, and Contractor has been awarded this Contract as a result of such RFS.

County desires to engage Contractor to implement and manage said Project.

Where goods or services are funded from federal, state, or local grants, Contractor will, according to the terms of the grant(s), provide goods and services necessary to achieve the grant's purpose in accordance with grant terms.

Contractor agrees to provide homebuyer financial assistance to low to moderate income households with CDBG funds in accordance with the terms of the Contract.

County and Contractor agree that any unspent funds from this Contract remaining at the end of a fiscal year may be automatically carried over into the next program year, as provided by the Grant and this Contract.

Contractor will be a Subrecipient of CDBG program funds from County under the County's CDBG Program.

NOW, THEREFORE, in consideration of the hereinafter set forth agreements, covenants, and payments, the amount and sufficiency of which are acknowledged, County and Contractor agree to the terms and conditions stated in this Contract.

III. DEFINITIONS

- 1.0 In this Contract,
- 1.1 "CAN" means the Community Action Network.
 - 1.2 "Commissioners Court" means the Travis County Commissioners Court.
 - 1.3 "Contract Funds" means all funds paid by County to Contractor pursuant to Section 13.0 and other applicable provisions of this Contract. Contract Funds may include Grant Funds as indicated by the context of the provision.
 - 1.4 "Contract Term" means the Initial Term and/or any Renewal Term, or any other period of time designated in writing as a Contract Term by the Parties.
 - 1.5 "County Auditor" means Susan Spataro, the Travis County Auditor, or her successor.
 - 1.6 "County Department," "Department" and/or "TCHHSVS" mean Travis County Health, Human Services and Veterans' Services.
 - 1.7 "County Purchasing Agent" means Cyd Grimes, the Travis County Purchasing Agent, or her successor.
 - 1.8 "Day(s)" means calendar day(s), unless otherwise specifically noted in any individual provision.
 - 1.9 "Eligible Client" means a person who is:
 - (a) a person in a particular program as designated by County who meets any specific eligibility criteria described in this Contract.
- AND
- (b) a person who meets statutory, Grant and/or Contract requirements necessary to receive services under this agreement
- 1.10 "County Executive" means Sherri Fleming, County Executive of Travis County Health, Human Services and Veterans' Services Department, or her successor or designated representative.

- 1.11 "Fiscal Year" means the County Fiscal Year, which is that twelve-month time period between any October 1 and the next following September 30.
- 1.12 "General Revenue Funds" or "Current Revenue Fund" means funds in the county treasury that are not grant funds and are available in the current fiscal year if appropriated by commissioners court for purposes of funding this agreement
- 1.13 "Grant" means any contract or agreement governing use of funds from any funding source (other than County General Revenue Funds) from which funds will be paid for services provided under this Contract.
- 1.14 "Grant Funds" means funds available which:
 - (a) have as their source a grant from a federal, state or local governmental agency, private or non-profit organization; and
 - (b) have an identified purpose, performance expectations, and financial standards that control expenditures; and
 - (c) have specific requirements for their use depending on whether the parties to a Grant funded agreement are contractors, subcontractors, recipients, sub-recipients, grantees or sub-grantees, as determined by the original Grant, accounting practices, and applicable federal and state regulations:

OR

- (d) are provided from a source which the County has determined to be a Grant source.
- 1.15 "Is doing business" and "has done business" mean:
 - 1.15.1 Paying or receiving in any calendar year any money valuable thing which is worth more than \$250 in the aggregate in exchange for personal services or for purchase of any property or property interest, either real or personal, either legal or equitable; or
 - 1.15.2 Loaning or receiving a loan of money; or goods or otherwise creating or having in existence any legal obligation or debt with a value of more than \$250 in the aggregate in a calendar year;
 - 1.15.3 but does not include:
 - 1.15.3.1 Any retail transaction for goods or services sold to a Key Contracting Person at a posted, published, or marked price available to the general public.

- 1.15.3.2 Any financial services product sold to a Key Contracting Person for personal, family or household purposes in accordance with pricing guidelines applicable to similarly situated individuals with similar risks as determined by Contractor in the ordinary course of its business; and
- 1.15.3.3 a transaction for a financial service or insurance coverage made on behalf of Contractor if Contractor is a national or multinational corporation by an agent, employee or other representative of Contractor who does not know and is not in a position that he or she should have known about the Contract.

1.16 "Key Contracting Person" means any person or business listed in Exhibit A to the Affidavit attached to this Contract and marked Attachment G.

1.17 "Median Family Income" means the guidelines established by the U. S. Department of Housing and Urban Development for the Austin-Round Rock Metropolitan Statistical Area for the current Fiscal Year.

1.18 "Parties" and "Party" means the County and/or Contractor.

1.19 "Poverty Income Guidelines" means the guidelines established by the United States Office of Health and Human Services for the current Fiscal Year of the federal government.

1.20 "Reimbursable," "Allowable," or "Authorized Costs" means those amounts authorized to be paid by County to Contractor under the terms of this Contract with Contract Funds.

1.21 "Subcontract" means any agreement between Contractor and another party to fulfill, either directly or indirectly, any of the requirements of this Contract, in whole or in part. "Subcontract" includes contracts, subcontracts, recipient agreements, sub-recipient agreements, grantee agreements and/or subgrantee agreements.

1.22 "Subcontractor" means any party providing services required under this Contract to an Eligible Client or to Contractor under an agreement between Contractor and that party, including contractor(s), subcontractor(s), and other subrecipient(s) of Contractor, and any party or parties providing services for Contractor which will be paid for using Contract Funds committed by County to be paid to Contractor under this Contract. Subcontractor includes contractors, subcontractors, recipients, sub-recipients, grantees and sub-grantees.

1.23 "Transparency Act" means the Federal Funding Accountability and Transparency Act ("FFATA" or "Transparency Act"), P.L. 109-282, as amended by section 6202(a) of P.L. 110-252, , including appendix A to Part 25 of the

Financial Assistance Use of Universal Identifier and central Contractor Registration, 75 Fed. Reg. 55672 (Sept 14, 2010)(to be codified at 2 CFR part 25) and Appendix A to Part 170 of the Requirements for Federal Funding Accountability and Transparency Act Implementation, 75 Fed. Reg. 55663 (Sept 14, 2010) (to be codified at 2 CFR part 170).

IV. GENERAL TERMS

2.0 CONTRACT TERM

2.1 Contract Term and Grant Term.

2.1.1 Terms.

(a) Grant Term. Subject to applicable Grant requirements, the Parties acknowledge and agree that the Grant Term of this Contract shall continue in full force beginning upon execution of this Contract by both Parties, and terminating as set out in 2.1.1 (b) unless earlier terminated by the Parties pursuant to the terms of this Contract. Contractor understands and agrees that applicable provisions regarding reporting and other requirements of this Contract will continue until fully performed, as determined by County, even if that time period extends beyond the end of the Grant Term as set forth in this Section 2.1.1(a).

(b) Contract Term. The Initial Contract Term will begin upon execution of this Contract by all Parties and terminate September 30, 2013. Upon continued compliance by Contractor with the terms of this Contract and approval by the Commissioners Court of any necessary funding during the budget process preceding each year, and subject to actual receipt of necessary Grant funds by County, and unless earlier terminated by the Parties, the Contract Term shall automatically renew on October 1, 2013, for an additional one year term.

(c) Compliance. Other provisions in this Contract notwithstanding, the Parties agree that those necessary obligations of the Parties, as determined by County, continue beyond the termination date set forth in Section 2.1.1(b) above for that time period necessary to completely fulfill, as determined by County, all obligations under this Agreement, including the Grant, or through the Program Income (as defined in Section whichever occurs last). This obligation includes, but is not limited to the following requirements as set forth in this Contract, including the Grant:

- (1) all record creation and maintenance;
- (2) all reporting;

- (3) all monitoring;
- (4) all requirements; and
- (5) all requirements applicable to Program Income

2.1.2 **Project Completion.** Contractor agrees to complete the Project within the term specified in Section 2.1.1 above. Project Completion is defined as identified in Attachment B, "Project Schedule," and as Eligible Clients using all available funds for the purchase of homes. Satisfaction of the return of program income identified later in this Contract is also required after project completion.

2.1.3 **Expeditious Performance.** Performance of this Contract shall be undertaken and completed by the Contractor in an expeditious manner and shall not extend beyond the termination date specified in Section 2.1.1 unless this Contract is amended to authorize an extension of the time period for performance.

2.2 **Term Funding.** It is understood and agreed that, in no event shall any provision of this Contract or any contract entered into under the terms of this Contract be interpreted to obligate the County beyond the funds approved by the Commissioners Court for this Contract for any County Fiscal Year/budget period or beyond Grant Funds actually received by County.

2.3 **Contract Renewal Term(s).**

2.3.1 **Written Renewal.** Unless sooner terminated in compliance with the provisions of this Contract, this Contract may only be renewed by action evidenced in writing and executed by County and Contractor.

2.3.2 **Contract Renewal Terms.** Unless sooner terminated pursuant to the terms of this Contract, and conditioned upon the approval by the Commissioners Court of continued funding during the budget process related to the Contract Renewal Term, and within the limits of that budgetary approval, this Contract may be renewed under Section 2.3 by written agreement signed by County and Contractor for additional one-year periods as allowed by the Grant, or for whatever time period agreed to in writing by County and Contractor. The exercise of any option to renew the Contract Term under this provision shall be with the understanding that all terms and conditions, including the negotiated rates, remain unchanged and in full force and effect, unless this Contract is specifically amended pursuant to Section 3.0 of this Contract to make any changes in those terms. Non-competitive renewal shall be based upon the Contractor's positive performance and County's continuing need for the services as determined by County.

2.3.3 **Grant Terms.** Renewal of any Grant-related terms will be as specified in the Grant Agreement and approved by the Commissioners

Court.

3.0 AMENDMENTS, CHANGES OR MODIFICATIONS

- 3.1 **Written.** Unless specifically provided otherwise in this Contract, any amendment, change or modification ("Amendment") to the terms of this Contract or any attachments to it shall be made in writing and signed by both Parties. No Amendment concerning this Contract shall be of any force or effect unless entered into pursuant to this Section 3.0.
- 3.2 **Authority to Change.** CONTRACTOR AGREES THAT NO OFFICER, AGENT, EMPLOYEE OR REPRESENTATIVE OF COUNTY HAS ANY AUTHORITY TO CHANGE THE TERMS OF THIS AGREEMENT OR ANY ATTACHMENTS TO IT UNLESS EXPRESSLY GRANTED THAT AUTHORITY BY THE COMMISSIONERS COURT UNDER A SPECIFIC PROVISION OF THIS CONTRACT OR BY SEPARATE ACTION BY THE COMMISSIONERS COURT. Verbal discussion or other indications of changes to this Contract will NOT be effective.
- 3.3 **Non-Compliance.** Contractor agrees that any action taken by Contractor which does not comply with the terms of this Contract and which has not been approved under the terms of the Contract or written amendment thereto (pursuant to this Section 3.0) subjects Contractor to disallowance of payments related to such actions and possible termination of this Contract.
- 3.4 **Submission.** Contractor shall submit all requests for all Amendments (including all changes, alterations, additions or deletions) of the terms of this Contract or any attachment to it to the Travis County Purchasing Agent with a copy to the County Executive. Upon agreement by the County Department, the request will be presented by the Purchasing Agent to the Commissioners Court for consideration.
- 3.5 **Purchasing Agent.** Contractor understands and agrees that the Purchasing Agent has certain authority to approve an Amendment subject to applicable law (specifically the County Purchasing Act, TEX. LOC. GOV'T CODE, Chapter 262, and other applicable law) and County policy, as approved by the Commissioners Court. Within that authority, the Purchasing Agent may approve Amendment requests under this Contract. The Purchasing Agent will advise Contractor as to such authority upon submission of a request for Amendment; at any time, the Purchasing Agent may submit any request to the Commissioners Court for approval, regardless of the authority of the Purchasing Agent to sign the Amendment.

4.0 ENTIRE AGREEMENT

- 4.1 **All Agreements.** All oral and written agreements between the Parties to

this Contract relating to the subject matter of this Contract that were made prior to the execution of this Contract, including the applicable terms of the Contract, have been reduced to writing and are contained in this Contract.

- 4.2 **Attachments.** The attachments enumerated and denominated below are hereby made a part of this Contract, and constitute promised performances by Contractor in accordance with all terms of this Contract.

- | | | |
|-------|--------------|---|
| 4.2.1 | Attachment A | Work Statement |
| 4.2.2 | Attachment B | Project Schedule |
| 4.2.3 | Attachment C | Program Budget |
| 4.2.4 | Attachment D | Grant and Report Forms |
| | (i) | Performance Measures/Performance Report |
| | (ii) | HUD 1 Form |
| | (iii) | Administrative Fiscal Review |
| | (iv) | Contractor Eligibility Verification Form |
| | (v) | Information to Assist with CCR and DUNS Number Registration and Certification, |
| | (vi) | DUNS/CCR Certification |
| | (vii) | Certification Regarding Debarment |
| | (viii) | Homebuyer Assistance Program Application Package Instructions Program Flyer Checklist Application Release Form Down Payment Assistance Program Agreement Shared Appreciation Gap Financing Program Agreement Borrowers Know Your Rights – English Borrowers Know Your Rights – Spanish Protect Your Family From Lead in Your Home Acknowledgement Certification of Zero Income |
| | (ix) | HUD Housing Quality Standards (HQS) |
| | (x) | Promissory Note |
| | (xi) | Deed of Trust |
| | (xii) | Release of Lien |
| 4.2.5 | Attachment E | Financial Forms |
| | (i) | Compliance Certification Form |
| | (ii) | Payment Request Form |
| | (iii) | Expenditure Report Form |
| | (iv) | Budget Revisions Request Form |
| | (v) | Travel Form |
| | (vi) | Time and Attendance Report |
| | (vii) | Instructions for County Invoicing |

| | |
|---------------------|--|
| 4.2.6 Attachment F | Insurance Requirements |
| 4.2.7 Attachment G | Ethics Affidavit |
| 4.2.8 Attachment H | Grant Requirements |
| 4.2.9 Attachment I | HUD Monitoring Exhibits |
| 4.2.10 Attachment J | Travis County's CDBG Anti-Displacement and Relocation Plan |
| 4.2.11 Attachment K | Travis County's Lead Based Paint Homebuyer Assistance Program Guidelines |
| 4.2.12 Attachment L | Section 3 |
| | (i) Section 3 Certification |
| | (ii) Section 3 Guidelines |
| | (iii) Section 3 Report |
| 4.2.13 Attachment M | Environmental Review |
| | (i) Environmental Review Certification |
| | (ii) Environmental Review Guidelines |
| | (iii) Categorical Exclusion Not Subject To 58.36 |
| | (iv) Sales Contract Addendum, Disclosures to Seller with Voluntary, Arm's Length, Purchase Offer |
| 4.2.14 Attachment N | Certifications and Assurances |
| 4.2.15 Attachment O | Travis County Auditor Authorization Agreement for Direct Deposit (ACH Credits) |
| 4.2.16 Attachment P | Program Guidelines |
| 4.2.17 Attachment Q | HUB Forms |
| | (i) Notice of Intent to Subcontract with HUB |
| | (ii) Travis County HUB Subcontractor Payment Report |
| | (iii) HUB Subcontractor/Subconsultant Change Form |

The Parties understand and agree that, where applicable, separate forms (of those listed above) will be submitted for each separate funding source.

4.3 Contractor Communication.

4.3.1 **General Communication.** Contractor and County agree that, unless otherwise designated specifically in any provision, all communication, requests, questions, or other inquiries related to this Contract shall initially be presented by Contractor to the County Department through the County Executive.

4.3.2 **Contract Issues.** At any time that Contractor has an issue, problem, dispute, or other question ("issue") concerning this Contract, Contractor may first contact County through County Department/County Executive. Contractor shall provide written notice of the issue to County Department/County Executive with such written notice including a specific written description of the issue as well as the Contractor's desired resolution of the issue.

Contractor and County will make a good faith effort to resolve the issue to their mutual satisfaction in a timely manner. It is understood and agreed that any resolution of the issue which necessitates a change in any term or condition of this Contract, including a waiver of any term or condition, shall be handled only as a written amendment pursuant to Section 3.0 of this Contract. Any issue not resolved satisfactorily to both Parties under this Section 4.3.3 may be addressed pursuant to Sections 28.10 and 28.11 of this Contract.

4.4 **Miscellaneous Provisions.**

4.4.1 **Use of Terms.** The Parties understand and agree that the terms "shall" and "will" are used interchangeably in this Contract.

4.4.2 **Other Agreements.** It is understood and agreed by both Parties that the terms of this Contract do not in any way limit or prohibit current or future agreements between any of the Parties for the provision of additional services as mutually agreed to in writing by the Parties.

4.4.3 **Project Responsibility.** County Department is hereby designated as the representative of County regarding all CDBG Program matters and shall be responsible for the overall administration and management of that program and the manner in which the activities or projects described herein are conducted. County will monitor the performance of the Contractor against goals and performance standards required in this Contract. Substandard performance as determined by County will constitute non-compliance with this Contract. If action to correct such substandard performance is not taken by the Contractor within a reasonable period of time after being notified by County (as specified in this Contract), suspension or termination procedures may be initiated which may result in withdrawal or termination of funding.

V. RESPONSIBILITIES AND OBLIGATIONS OF CONTRACTOR

5.0 CONTRACTOR PERFORMANCE

5.1 **Services and Activities.**

5.1.1 **Requirements.**

(a) **General.** During any Contract Term, Contractor shall perform, in a satisfactory manner as determined by County, through County Department, (based on information and data as provided by and through Department) services and activities in accordance with the terms of Attachment A,

"Work Statement" Attachment B, "Project Schedule" and Attachment C, "Program Budget;" and with all other terms and conditions stated in this Contract.

- (b) Grant Project(s) or Activities. The activities or projects to be conducted hereunder are listed in the County's CDBG Program Year 2009 Action Plan, CDBG Program Year 2010 and Substantial Amendment to the Program Year 2009 Action Plan, December 2009 (Attachment H) as submitted to HUD for CDBG Program Year 4, and are generally described as follows and referred to hereinafter as the "Project:"

| <u>PROJECT NUMBER</u> | <u>PROJECT TITLE</u> | <u>PROJECT TOTAL</u> |
|-----------------------|----------------------------|----------------------|
| HCBD01 | PY 09 HOMEBUYER ASSISTANCE | \$500,000 |
| HCBE02 | PY 10 HOMEBUYER ASSISTANCE | \$250,000 |
| TOTAL | | \$750,000 |

- (c) National Objectives. All activities funded with CDBG funds must meet one of the CDBG program's National Objectives: benefit low and moderate income persons and/or at or below eighty percent (80%) Median Family Income; aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208.
- (d) Contractor Certification. The Contractor certifies that the activities carried out under this Project will benefit households at or below eighty percent (80%) of the Median Family Income, as articulated in the Work Statement in Attachment A. Eligibility is established in accordance with annual income requirements as defined in 24 CFR Part 5 for each applicant. For the Contractor to use an acceptable alternative, prior permission must be received in writing by the County.
- (e) Total Expenditure. Contractor will make a good faith effort to expend the total amount specified in Section 13.0 within the Contract Term. Contractor's costs and expenditures, however, shall not exceed the total amount set forth in this Contract. County shall not be liable for nor reimburse Contractor for any extra costs or overruns on the Project or any additional funding in excess of the total amount stated in Section 13.0 which may be required to meet the National

Objective identified herein, without prior written amendment of the Contract in accordance with Section 3.0.

5.1.2 Failure to Perform. In the event of Contractor's non-compliance with any term of this Contract, including, but not limited to timely submission of any report, record or notification, County may impose such sanctions as determined to be necessary by County, including, but not limited to:

- (a) Withholding of payments to Contractor under the Contract until Contractor complies with the term of the Contract:
- (b) Suspension, termination or cancellation of the Contract, in whole or in part.

These actions by County may be taken in addition to any other specific action set forth in any provision of this Contract or allowed by law.

5.1.3 Assurance of Intent. Whenever County in good faith has reason to question Contractor's intent to perform, County may demand that Contractor have written assurance of their intent to perform. In the event a demand is made by County and Contractor gives no assurance within thirty (30) days of receipt of the written notice of such demand, County may treat this failure as an anticipatory repudiation of this Contract.

5.1.4 Grant Funded Activities - Requirements by Funding Source. The Parties understand and agree that the Contract Funds for this Contract may come from several sources and those funding sources may have different or additional performance and financial requirements. Where the funding source is a federal, state or other grant, the following will apply:

- (a) Performance Requirements. Contractor agrees to perform all Grant activities pursuant to the requirements of the Grant, including but not limited to those documents attached to this Contract and all other applicable Grant requirements in this Contract.
- (b) Public Policy Requirements. Contractor also agrees to comply with the Public Policy Requirements of the Grant documents attached to this Contract as Attachment N.
- (c) State, Federal and other Grant Requirements. Contractor also agrees to comply with all applicable State, Federal and other Grant Requirements.

- (d) **Subcontractor Requirements.** Contractor will ensure that all providers of services under this Contract (Subcontractors) receiving Grant Funds for Grant services provided under this Contract and managed by Contractor are contractually required to meet all applicable state, federal or other Grant requirements as well as applicable terms and performance requirements of the Grant. Contractor will be responsible for timely identification of any potential sub-recipients as defined by the Grant, specifically OMB A-133, and applicable state and federal and other requirements and will notify County of any such potential sub-recipients prior to contracting for Grant services in order to secure County approval of such sub-recipient and to establish an appropriate advance agreement on the terms and conditions of the sub-award.
- (e) **Certifications and Assurances.** Contractor agrees to provide, and to require all Subcontractors to provide, all required assurances for the receipt and expenditure of state, federal and other Grant Funds as requested by County. Contractor and all of Contractor's services providers (Subcontractors) receiving Grant Funds shall provide to County the following assurances prior to receipt of payment by County for any Grant Activities utilizing Grant Funds (and others as reasonably required by County pursuant to any applicable laws, rules, regulations or Grant requirements):
- (i) CDBG Certifications
 - (ii) Assurances - Non-Construction Programs Standard Form 424B
 - (iii) Disclosure of Lobbying Activities
 - (iv) Certification Regarding Maintenance of Effort

Copies of the required forms are included in this Contract as Attachment N. Contractor, and all Subcontractors, shall provide all other necessary documentation as required by this Contract and the Grant, and as directed by County, including but not limited to those attached to this Contract.

- (f) **Grant Term.** Services and activities, including all reporting requirements, relating to Grant Activities provided under this Contract shall be provided in accordance with time and date specifications set forth in the Grant under this Contract.
- (g) **Precedence.** All services and activities provided by Contractor related to Grant requirements and paid for by County utilizing Grant Funds ("Grant Activities") shall be specifically subject to terms of this Contract as well as those

of the Grant. Should there be a conflict between requirements which cannot be reconciled, as determined by County, then the terms shall be given precedence as follows:

1. Grant
2. Contract
3. RFS
4. Contractor's Proposal

5.1.5 Environmental Responsibilities.

(a) Contractor shall comply with the program requirements set forth at 24 CFR Sections 570.600 - .603 and Sections 570.605 - .614. Contractor shall not be required to assume the environmental responsibilities described at 24 CFR Section 570.604 nor shall Contractor assume the County's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

(b) The Project is subject to environmental review as defined in 24 CFR Part 58 and completing the environmental review in compliance with the requirements of the National Environmental Policy Act (NEPA) of 1969, as amended, NEPA related Statutes and Authorities (24 CFR Part 58.5 and 58.6), and HUD environmental standards (24 CFR Part 51) (including any updating necessary to bring the review in line with applicable requirements). Of these requirements, Contractor is responsible for:

- Notifying the County within 24 hours of a home being identified for purchase so that the environmental process can be started.

- Notifying the County in a timely manner if any new housing will be purchased using funds as a full Environmental Assessment will be required and will take 2-3 months to complete.

- Ensuring that a commitment of CDBG funds is not made until written notice from the County that environmental clearance has been provided.

and County is responsible for:

- Completing the environmental review documents using HUD prescribed forms.

- Notifying the Contractor within 24 hours if any

environmental issues are discovered that prohibit the purchase of the property.

- Certifying the results of the environmental review with a commitment to try to return the review within 72 business hours.

For existing homes, this project falls under Categorical Exclusion Not Subject to 58.5, however, it may be subject to provisions of Section 58.6, as applicable (Sections 58.5 and 58.6 as referenced in this section above). If any new construction is purchased, a full environmental assessment must be completed, and will require additional time. Please refer to Attachment M for instructions on submitting addresses and documentation for review and certification by the County.

5.1.6 Prohibited Activities Prior to Commitment of Funds - Environmental Review. Notwithstanding any provision of this Contract, the Parties hereto agree and acknowledge that this Contract does not constitute a commitment of funds; and that such commitment of funds or approval may occur only upon satisfactory completion of the environmental review and receipt by the County of a release of funds from HUD under 24 CFR Part 58, if needed. A seller contract addendum (located in Attachment M), which does not commit funds, must be placed on the property prior to environmental clearance. The Parties further agree that the provision of any funds to the Project is conditioned on the County's determination to proceed with, modify or cancel the Project based on the results of a subsequent environmental review. The Contractor is prohibited from undertaking or committing any funds to physical or choice-limiting actions, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction prior to the environmental clearance. The violation of this provision may result in the denial of any funds under this Contract.

5.2 Policies.

5.2.1 General Policies. The Contractor is required to maintain written policies and procedures approved by its governing body and to make copies of all policies available to the County Department upon request. At a minimum, written policies shall exist in the following areas: Financial Management; Subcontracting and/or Procurement; Equal Employment Opportunity; Personnel; Client and Personnel Grievance (as further set forth in Section 5.2.2); Nepotism; Non-Discrimination of Clients; Drug Free Workplace; the Americans With Disabilities Act; and any other policies or procedures as might be required by law or reasonably required by

County.

5.2.2 Grievance Policies.

(a) Procedure. Contractor shall, and shall require all Subcontractors to, have in place an appropriate written grievance review procedure to receive and resolve complaints, and shall provide the County Department with a copy of such procedure immediately upon request by County. County has no responsibility for resolution of any grievances or complaints against Contractor regarding any services provided in relation to this Contract, and Contractor agrees to advise Subcontractors of such in any agreement with Contractor for provision of services related to this Contract. Included in the procedure will be the obligation of Contractor to make timely written communication to the County Department regarding potential quality or utilization issues evidenced in any grievance and thus identified and referred to Contractor for action and resolution; and Contractor hereby agrees to make such timely communications to County.

(b) Monitoring. Contractor agrees that specific grievances and complaints will be monitored and a mechanism utilized to track and promptly resolve any participant issues, problems, or complaints. Records of the resolution of grievances shall be maintained by Contractor and made available for monitoring by County through the County Department.

5.2.3 Non-retaliation. Contractor may not discriminate or retaliate in any way against any employee or other person who reports a violation of the terms of this Contract or of any law or regulation or any suspected illegal activity by Contractor to County or to any appropriate law enforcement authority, if the report is made in good faith.

5.2.4 Contractor Responsibility. Contractor shall bear full responsibility for the integrity of fiscal and programmatic management. Such responsibility shall include: accountability for all funds and materials received from County; compliance with County rules, policies, procedures, and applicable federal and state laws and regulations; and correction of fiscal and program deficiencies identified through self-evaluation and County's monitoring processes. Ignorance of any Contract provision(s) shall not constitute a defense or basis for waiving or appealing such provisions of requirements.

5.3 Directors' Meetings. Contractor shall keep on file copies of notices of Directors' Meetings, Board Meetings, or Subcommittee or Advisory Board

meetings and copies of minutes from those meetings. Upon request by County, copies of any of the above shall be provided to County Department.

5.4 **Forms**

5.4.1 **W-9 Taxpayer Identification Form.** Contractor shall provide the County Purchasing Agent with an Internal Revenue Service Form W-9 Request for Taxpayer Identification Number and Certification that is completed in compliance with the Internal Revenue Code and its rules and regulations, and a statement of entity status in a form satisfactory to the County Auditor. Contractor understands that this W-9 Form must be provided to the County Purchasing Agent before any Contract Funds are payable. If there are any changes in the W-9 form during the Initial Term or any Renewal Term of the Contract, Contractor will immediately provide the County Purchasing Agent with a new and correct W-9 form. Failure to provide such form within the time required may result in delay of payment, suspension or termination of the Contract, or other action as deemed necessary by County.

5.4.2 **IRS 990 Form.** Contractor shall provide the Purchasing Agent with a copy of its completed Internal Revenue Service Form 990 (Return of Organization Exempt From Income Tax) for each calendar year within 180 days of the Contractor's fiscal year end, but no later than September 30 of each year in which County funds are received under this Contract. If Contractor has filed an extension request which prevents the timely provision of the form 990, Contractor shall provide the Purchasing Agent with a copy of that application for extension of time to file (IRS Form 2758) within thirty (30) days of filing said form(s), and a copy of any final document(s) immediately upon receipt of such document(s).

5.5 **Ownership of Property.**

5.5.1 **Capital Acquisition Property ("Property").** For purposes of this Section 5.5, property will be considered in two categories:

- (a) **"Capital Acquisition Property."** For purposes of this Contract, "Capital Acquisition Property" (or "Property") shall be considered to be any tangible, non-expendable property purchased with Contract Funds which is not Real Property, as defined in Section 5.5.1(b); and
- (b) **Real Property.** For purposes of this Contract, "Real Property" will be land purchased by Contractor with Grant Funds pursuant to the terms of this agreement.

5.5.2 Title. To the extent that Contract Funds are used to purchase any Property, Real or Capital Acquisition, title to such Property shall vest in Contractor subject to the applicable requirements of Section 5.5.

5.5.3 Notice.

(a) Capital Acquisition Property. Written notification must be given to the County Purchasing Agent pursuant to the "Notice" provision of this Contract within five (5) calendar days of delivery of Capital Acquisition Property, and County will then effect identification and recording of such Capital Acquisition Property for inventory purposes; and, written notification must be given to the County Purchasing Agent within five (5) calendar days of any change in the status of such Capital Acquisition Property related to the terms of this Section 5.5. The Contractor shall maintain adequate accountability and control over such Capital Acquisition Property, shall maintain adequate Capital Acquisition Property records, and shall perform an annual inventory to be reported to the County Purchasing Agent no later than September 30 of each year in which Contract Funds are received, and for up to two years after the termination of this Contract as required under Section 5.5.6. Records and reports shall contain the necessary information and documentation to support compliance with this Section 5.5.

(b) Real Property. Written notification must be given to the Department pursuant to the "Notice" provision of this Contract within five (5) calendar days of purchase. Such notice shall contain all necessary information as required by the Grant terms and other information as reasonably required by County. Contractor will provide Department with an annual inventory of Real Property purchased and sold within fifteen (15) days of the end of the Fiscal Year.

5.5.4 Encumbrances. Contractor shall not give any security interest or lien in, or otherwise encumber such Capital Acquisition Property or Real Property purchased with Contract Funds.

5.5.5 Budget. Capital Acquisition Property and Real Property purchased by Contractor must be included and identified in Contractor's budget.

5.5.6 Contract Use. Property may only be purchased utilizing Contract Funds if such Property, Capital Acquisition or Real, will be utilized by Contractor to provide or further the provision of the services purchased by County under this Contract. Capital Acquisition

Property only may also be used outside the area of this Contract only if such use does not interfere with or diminish the work required under this Contract. Within the limits of this Section 5.5, Contractor shall continue to use such Capital Acquisition Property in a manner which supports provision of the services provided under this Contract throughout the term of this Contract and for two years after the termination of this Contract.

- 5.5.7 Time Limit. Limitations of this Section 5.5 only apply to Capital Acquisition Property which is less than twenty-four (24) months old. Once any Capital Acquisition Property is more than twenty-four (24) months old, the requirements of this Section 5.5 cease to apply, and the title in the Property shall vest in Contractor free and clear of any obligations to County. The Parties agree that the limitations of this Section 5.5.7 do not apply to the purchase of Real Property and that title to Real Property remains with Contractor (or the eligible owner, as applicable) from the time of purchase as set forth below.
- 5.5.8 Trade or Sale. If Contractor uses such Capital Acquisition Property as a trade-in or sells such Capital Acquisition Property, the proceeds shall either be used to purchase replacement equipment for a similar use or returned to County through the Purchasing Agent. Contractor shall notify the Purchasing Agent of such disposition and the identity of the new Capital Acquisition Property where replacement equipment is purchased. All requirements of this Section 5.5 shall attach to such replacement Capital Acquisition Property.
- 5.5.9 Certification. Contractor (through its Executive Director or other authorized signatory) shall provide annual written and signed notice to the Purchasing Agent regarding all Capital Acquisition Property and certifying the continued use of such Property in compliance with this Section 5.5. This Certification shall be included with the annual inventory provided under Section 5.5.3. Certification as to Real Property shall be provided to Department according to the requirements of this Section 5.5 for Capital Acquisition Property.
- 5.5.10 Failure to Continue Use. If Contractor cannot continue to meet the requirements of this Section 5.5 regarding Capital Acquisition Property, then Contractor shall either provide cash compensation for such Capital Acquisition Property to County in an amount equal to the fair market value of the Capital Acquisition Property (as agreed to by County), or return such Capital Acquisition Property to County through the Purchasing Agent, or request in writing disposition instructions from the Purchasing Agent which instructions shall then be followed by Contractor.

- 5.5.11 Responsibility. Contractor shall assume responsibility for the protection of all physical property and equipment (both Capital Acquisition Property and Real Property) purchased under this Contract, and shall take appropriate measures to meet this obligation. Contractor shall furnish the County Purchasing Agent (Department in the case of Real Property) with a written, factual report of the theft of, or damage to, any Property purchased under this Contract. In the event of any theft, vandalism, or other offense against the Capital Acquisition Property and/or Real Property, Contractor shall notify the appropriate local law enforcement authorities and the County Purchasing Agent, or Department, when applicable, immediately.
- 5.5.12 Grant Property. If any Grant requirement related to ownership of Property, Capital Acquisition or Real, conflicts with those requirements set forth in this Section 5.5, then Grant requirements will apply to the extent necessary. Contractor shall comply with 24 CFR Sections 570.502-.505 and 24 CFR Part 84, as applicable, and County policy regarding the use, maintenance and disposition of Property (Capital Acquisition and Real).
- 5.5.13 Procurement. Contractor shall ensure that all purchases of materials, Property (Capital Acquisition and Real) or services made using County Contract Funds or Grant Funds provided under this Contract, either by Contractor or Subcontractor(s), will be made according to established statutory requirements relating to competitive bidding, and in accordance with the Procurement Standards of OMB Circular A-110, as implemented at 2 CFR 215 and 24 CFR Sections 84.40 - .48. In the event that procurement standards of the Contractor are more restrictive than those in 2 CFR 215, the more restrictive standards and requirements will apply. Contractor shall undertake to insure that all Subcontracts let in the performance of this Contract shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all Subcontracts shall be forwarded to County along with documentation concerning the selection process.
- 5.5.14 Affordability Period. Real Property under the Contractor's control that was acquired or improved, in whole or in part, with funds under this Contract shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 and 24 CFR 570.505 until five (5) years after expiration of this Contract. If the Contractor fails to use CDBG-assisted Real Property in a manner that meets a CDBG National Objective for the prescribed period of time, the Contractor shall pay the County an amount equal to the current fair market value of the Real Property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of,

or improvement to, the Real Property. Such payment shall constitute program income to the County. The Contractor may retain Real Property acquired or improved under this Contract after the expiration of the five-year period.

5.5.15 Land Covenant. In regard to the sale, lease, or other transfer of land (Real Property) acquired, cleared or improved with assistance provided under this Contract, the Subrecipient shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting ineligible use of the land as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the County and the United States are beneficiaries of and entitled to enforce such covenants. The Subrecipient, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to ensure that language necessary to enforce Section 5.5.14 above and this Section 5.5.15 is included in all mortgage or other documents related to the transfer of the house, and to enforce such covenant.

5.5.16 Reporting Land Use. The Subrecipient will assist the County, as needed, to produce an annual report which substantiates the continued eligible use of the land (Real Property) for the term identified in Paragraph 5.5.14.

5.5.17 Report Format. The report format shall be as approved by the County but must show, at a minimum, the current property owner, address, change of ownership and proof that any new owners are low to moderate income and/or at or below eighty percent (80%) median Family Income.

5.5.18 Change of Use. If the Subrecipient desires to change the use of Real Property covered by this policy during the applicable period listed above, it must do the following, with prior approval of the County:

- (i) Provide affected citizens with reasonable notice of any proposed changes in use and an opportunity to comment; and
- (ii) Ensure that the new use meets a CDBG National Objective, or reimburse the County's CDBG program in the amount of the current fair market value of the Real Property, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, and improvements to, the Real Property.

5.6 **Long-Term Strategic Planning.** Contractor agrees to participate to the extent possible in the long-term strategic planning process as developed by CAN and/or requested by County.

5.7 **Insurance.**

5.7.1 **Requirements.** Contractor shall have, and shall require all Subcontractors providing services under this Contract to have, Standard Insurance sufficient to cover the needs of Contractor and/or Subcontractor pursuant to applicable generally accepted business standards as set forth in Attachment F, "Insurance Requirements." Depending on services provided by Contractor and/or Subcontractor, Supplemental Insurance Requirements or alternate insurance options as set forth in Attachment F, "Insurance Requirements," may be imposed.

5.7.2 **No Liability Limitation.** Contractor shall submit to the County Purchasing Agent Certificates of Insurance no later than ten (10) working days after execution of this Contract by the Parties. Contractor shall not begin providing services under this Contract until the required insurance is obtained and until such insurance certificate has been received by the County Purchasing Agent. Acceptance of insurance by County shall not relieve or decrease the liability of Contractor with regard to its responsibilities under this Contract and shall not be construed to be a limitation of liability. Contractor shall provide new Certificates of Insurance within ten (10) working days of any Renewal Term of this Contract under the terms of this Section 5.7.2.

5.7.3 **Review and Adjustment.** County reserves the right to review the insurance requirements set forth in this Contract during the effective period of this Contract and to make reasonable adjustments to insurance coverages, limits and exclusions when deemed necessary and prudent by County based on changes in statutory law, court decisions, the claims history of the industry or financial conditions of the insurance company or Contractor. Contractor shall not cause or allow any insurance to be cancelled nor allow any insurance to lapse during the Contract term.

5.8 **Indemnification and Claims.**

5.8.1. **INDEMNIFICATION.** Contractor agrees to and shall indemnify and hold harmless County, its officers, agents, and employees, from and against any and all claims, losses, damages, negligence, causes of action, suits, and liability of every kind, including all expenses of litigation, court costs, and attorney's fees ("claims"), for injury to or death of any person, for any act or omission by Contractor, or for damage

to any property, arising out of or in connection with the work done by Contractor under this Contract, whether such injuries, death or damages are caused by Contractor's sole negligence or the joint negligence of Contractor and any other third party. This indemnification shall all apply to any claims arising in connection with any alleged or actual infringement of existing license, patents or copyrights applicable to materials used or produced under this Contract.

5.8.2 **Claims Notification.** If Contractor receives notice or becomes aware of any claim, or other action, including proceedings before an administrative agency, which is made or brought by any person, firm, corporation, or other entity against Contractor or County, Contractor shall give Department written notice within three (3) working days of being notified of this claim or threat of claim.; Such notice shall include: written description of the claim; the name and address of the person, firm, corporation or other entity that made or threatened to make a claim, or that instituted or threatened to institute any type of action or proceeding; the basis of the claim, action or proceeding; the court or administrative tribunal, if any, where the claim, action or proceeding was instituted; and the name or names of any person against whom this claim is being made or threatened. This written notice shall be given in the manner provided in Section 23.0 of this Contract. Except as otherwise directed, Contractor shall furnish to County copies of all pertinent papers received by Contractor with respect to these claims or actions.

5.9 **Materials and Publications.** When material not originally developed by Contractor is submitted or included in a report, it shall have the source identified. This identification may be placed in the body of the report or included by footnote. This provision is applicable when the material is in a verbatim or extensive paraphrase format. Contractor and any Subcontractor, as appropriate, must comply with the standard patent rights clauses in 37 Code of Federal Regulations Section 401.14 or Federal Acquisition Regulations 52.227.1.

5.10 **Rights, Copyrights, Patents, and Licenses.**

5.10.1 **Property of County.** All reports, charts, schedules, or other appended documentation to any proposal, content of basic proposal, or contracts and any responses, inquiries, correspondence, and related material created and/or submitted by Contractor under the terms of this Contract shall become the property of County. Contractor may publish the results of the Contract performance at its expense with prior County review and approval. If County owns the copyright,

any publication should include "© Travis County, P. O. Box 1748, Austin, Texas, 78767, (the year of publication), and All Rights Reserved." If Contractor is the copyright holder, any publication shall include acknowledgment of the support received from County. At least six copies of any such publication must be provided to County through County Department. County reserves the right to require additional copies before or after the initial review.

- 5.10.2 Copyright. All work performed pursuant to the terms of this Contract and funded by Grant Funds that results in the production of original books, manuals, films, or other original material created under the terms of this Contract and funded by Grant Funds is the exclusive property of County. All right, title, and interest in and to said property shall vest in County upon creation. All work performed shall be deemed to be a "work made for hire" and made in the course of the services rendered pursuant to this Contract. To the extent that title to any such work may not, by operation of law, vest in County or such work may not be considered a work made for hire, all rights, title and interest therein are hereby irrevocably assigned to County. County shall have the right to obtain and to hold in its own name any and all patents, copyrights, trademarks, service marks, certification marks, collective marks, registrations, or such other protection as may be appropriate to the subject matter, and any extensions and renewals thereof. Contractor agrees to give County and agrees to require its Subcontractors to give County, or any person designated by County, all assistance required to perfect the rights defined in this provision, without any charge or expense beyond those amounts payable to Contractor for the services rendered under this Contract according to the terms of this Contract. This Section 5.10.2 does not apply to any materials already created and used by Contractor.
- 5.10.3 Adherence and Indemnification. Contractor warrants and agrees that all applicable copyrights, patents, and licenses which may exist on materials used in this Contract have been adhered to; and that County shall not be liable for any infringement of those rights; and any rights granted to County shall apply for the duration of this agreement.
- 5.10.4 License to Use. To the extent that title to any work may not (or does not), by operation of law or Contract requirement), vest in County or such work may not be considered a work made for hire, Contractor hereby grants to County an irrevocable, non-exclusive, non-transferable and royalty-free

license to use, reproduce, publish, revise, make disposition of, prepare derivative works, distribute to the public, to perform, and to display publicly, for or on behalf of County according to law, any material (including software) that may be developed as part of the work under this Contract. If Contractor does not assert a copyright interest, any and all material developed by Contractor in the course of or pursuant to this Contract is an open record.

5.11 **Miscellaneous Responsibilities.**

5.11.1 **Employee Offenses.**

- (i) **Client Contact.** Contractor agrees that no Employee ("Employee" being defined under this Section 5.11.1 as including volunteers or other persons working under the direction of Contractor in the provision of services under this Contract in a manner which involves direct Client contact) shall provide services in a manner which involves direct Client contact if that Employee has been convicted of having committed an offense of abuse, neglect, or exploitation or an offense against the person, an offense against the family, or an offense involving public indecency under the TEXAS PENAL CODE.
- (ii) **Procedure.** Contractor agrees to have in place a written policy and procedures for verifying the criminal history and any current criminal indictment involving the offenses listed in this Section 5.11.1 of any Employee having direct contact with County clients, and shall maintain evidence of having processed all Employees through such procedure. Such policy and procedure must also address the evaluation and monitoring of Employees convicted of an offense under the TEXAS CONTROLLED SUBSTANCES ACT, but does not have to prohibit direct Client contact where Contractor determines, and documents the grounds for such determination, that such contact would pose no risk to the Eligible Client. Contractor shall also have in place a procedure for addressing the work of any employee alleged to have committed an offense listed under this Section 5.11.1 in a manner which will afford reasonable protection to Eligible Clients until such allegation is resolved.
- (iii) **Waiver.** In any circumstance under which Contractor believes that specific fact situations warrant a waiver of the requirements of this Subsection 5.11.1, in whole or in part, Contractor may present the details of such circumstance in

writing to County, through the County Executive, for a determination as to such request for waiver.

- (iv) Application. This Section 5.11.1 shall also apply to any employees of Subcontractors who have direct Client contact, and Contractor shall ensure that all Subcontractors have procedures in place to ensure compliance with this Section 5.11.1.

5.11.2 Offense Report. Contractor shall promptly report any suspected case of abuse, neglect or exploitation to the appropriate office(s) as required by the TEXAS FAMILY CODE, Chapter 261, or other applicable law. All reports must be made within 24 hours of the discovery of the abuse or neglect.

5.11.3 Qualifications. If specific qualifications are set forth in job descriptions required by County, or attached to any position related to providing of services under this Contract, only personnel with the required qualifications will be assigned to fill functions unless a written waiver is granted by the County.

6.0 ACKNOWLEDGMENTS, WARRANTS, AND ASSURANCES

6.1 Eligible Client Warranty. Contractor acknowledges and agrees that County is only authorized by law to provide certain services, and that the provision of those services must meet a public purpose as determined by County. To assure that County Contract Funds are spent for the provision of such authorized services in furtherance of such public purpose, Contractor warrants that the percentage of Eligible Clients (as defined by this Contract) receiving services under this Contract and funded by County Contract Funds compared to the total number of clients being served by Contractor under Contractor's total budget is equal to or greater than the percentage of County Contract Funds to total Contractor budget, and that County Contract Funds will be used by Contractor only for those purposes stated and agreed to under the terms of this Contract, including applicable grant terms, for Eligible Clients authorized by County to receive these services.

6.2 Accurate Information. Contractor warrants that all reports, data and information submitted to County will be accurate, reliable and verifiable. Approval by County of such shall not constitute nor be deemed a release of the responsibility and liability of Contractor, its employees, agents or associates for the accuracy and competency of their reports, information documents, or services, nor shall approval be deemed to be the assumption of such responsibility by County for any defect, error, omission, act or negligence or bad faith by Contractor, its employees, agents, or associates.

- 6.3 **No Duplication.** Contractor acknowledges and agrees that Contractor will report and receive payment for each service/Client solely from County Contract Funds pursuant to the terms of this Contract; and that there will be no duplicate payments from other sources for the same services paid for by County Contract Funds. Contractor will also ensure that this provision and prohibition of duplicate payment for services be included in any Subcontracts.
- 6.4 **Benefit.** Contractor acknowledges and agrees that all funds paid to Contractor under this Contract are paid in trust for the exclusive benefit of Eligible Clients and for the payment of allowable expenditures as set forth in this Contract.
- 6.5 **Maintenance of Effort.** Contractor acknowledges and agrees that Contract Funds will be utilized to supplement rather than supplant funds otherwise available, and may not be substituted for funds or resources from any other source nor in any way serve to reduce the funds or resources which would have been available to or provided through Contractor had this Contract never been executed.
- 6.6 **Debarment, Suspension and Other Responsibility Matters.** Certification under this Section 6.6 provides for compliance with certification requirements. under CFR Part 84.13(a) and 24 CFR Part 24. Contractor, by signing this Contract, hereby certifies that, to the best of its knowledge and belief, it and its principals:
- (a) are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by and Federal department or agency.
 - (b) have not within a three-year period preceding this Contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction or records, making false statements, or receiving stolen property;
 - (c) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (b); and
 - (d) have not within a three year period preceding this Contract had one or more public transactions (Federal, State or local) terminated for cause or default.

Where Contractor is unable to certify to any of the statements in this Section 6.6, Contractor shall provide an explanation of such inability prior to the effective date of this Contract for County's consideration and evaluation with the understanding that such may result in termination of this Contract by County.

7.0 COMPLIANCE

7.1 Federal, State and Local Laws.

7.1.1 General Compliance. Contractor shall provide all services and activities performed under the terms of this Contract in compliance with the Constitutions of the United States and Texas and with all applicable federal, state, and local orders, laws, regulations, rules, policies, and certifications governing any activities undertaken during the performance of this Contract including, but not limited to: Title VI of the Civil Rights Act of 1964, as amended; Title VIII of the Civil Rights Act of 1968 as amended; Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794); the Americans With Disabilities Act of 1990, Public Law 101-336 [S.933] ("ADA"), Chapter 73, TEXAS ADMINISTRATIVE CODE, HEALTH AND SAFETY CODE, Section 85.113 (relating to workplace and confidentiality guidelines regarding AIDS and HIV); Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Privacy Standards adopted to implement HIPAA at 45 CFR Parts 160 and 164, at Section 164.512, Occupations Code, Chapter 159, at Sections 159.003 and 159.004; Section 109 of Title I of the Housing and Community Development Act of 1974 as amended; the Age Discrimination Act of 1975, Executive Order 11063; Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086; non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 1327; applicable provisions of HCDA; and 24 CFR 570.601 - .602. Contractor shall not discriminate against any employee, applicant for employment, or Eligible Client based on race, religion, color, gender, national origin, age or handicapped condition. In performance of all Contract services and activities, Contractor will comply with applicable state and federal licensing and certification requirements, health and safety standards, and regulations prescribed by the U.S. Department of Health and Human Services and the Texas Department of Health.

7.1.2 Grant Compliance. Contractor agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U. S. Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including subpart K of these regulations, except that (1) Contractor does not assume the County's environmental responsibilities described in 24 CFR 570.604 and (2) Contractor does not assume County's responsibility for initiating the review process under the provisions of 24 CFR Part 52. Contractor also agrees to comply with all other applicable Federal, state and local laws, regulations and policies governing the funds provided under this Contract.

7.1.3 Land Covenants. In regard to the sale, lease or other transfer of land acquired, cleared or improved with assistance provided under this Contract, the Contractor shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the County and the United States are beneficiaries of and entitled to enforce such covenants. Contractor, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate. Contractor shall provide a written proposal of the covenant referenced in this Section 7.1.3 for review and approval by County prior to insertion in any deed or lease.

7.1.4 "Section 3" Clause.

- (a) Compliance. Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this Contract, shall be a condition of the Federal financial assistance provided under this Contract and binding upon the County, the Contractor and any of the Contractor's Subcontractor(s). Failure to fulfill these requirements shall subject County, Contractor and Subcontractor(s), the successors and assigns, to those sanctions specified by the Contract through which Federal assistance is provided. Contractor certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.
- (b) Contractor further agrees to comply with these "Section 3" requirements and to include the following language in all Subcontracts executed under this Contract:

The work to be performed under this agreement is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provided economic opportunities for low and very low persons residing in the metropolitan area in which the Project is located.

- (c) Contractor further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low and very low income persons residing within the metropolitan area in which the CDBG-funded Project is located; where feasible, priority should be given to low and very low income persons within the service area of the project or the neighborhood in which the project is located, and to low and very low income participants in other HUD programs; and award contracts for work undertaken in connection with housing construction. Contractor certifies and agrees that no contractual or other legal incapacity exists that would prevent compliance with these requirements.
- (d) Contractor agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.
- (e) Contractor will include this Section 3 clause in every Subcontract and will take appropriate action pursuant to the subcontract upon a finding that the Subcontractor is in violation of regulations issued by the grantor agency. Contractor will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

7.1.5 Relocation, Real Property Acquisition and One-For-One Housing Replacement.

- (a) Compliance. Contractor agrees to comply with:
 - the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b);
 - the requirements of 24 CFR 570.606(c) governing the Residential Anti-displacement and Relocation Assistance

Plan under section 104(d) of the HCD Act; and
 - the requirements in 24 CFR 570.606(d) governing optional relocation policies.

(b) Relocation. Contractor shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. Contractor also agrees to comply with applicable County ordinances, resolutions and policies concerning the displacement of persons from their residences.

(c) Records. Records to ensure the transaction met voluntary acquisition standards as identified in 49 CFR Part 24 must be kept on file and turned in with requests for payment.

(d) The Project may not displace persons temporarily or permanently as defined in the above-mentioned regulations.

7.1.6 Hatch Act. Contractor agrees that no funds provided, nor personnel employed under this Contract, shall be in any way or to any extent engaged in the conduct or political activities in violation of Chapter 15 of Title V of the U.S.C.

7.1.7 Drug-Free Workplace. Pursuant to the Drug-Free Workplace Act of 1988, 42 U.S.C., Section 701, Contractor certifies that it will provide a drug-free workplace in accordance with the Act and with the rules found at 24 CFR part 24, subpart F.

7.1.8 Environmental Conditions.

(a) Air and Water. Contractor agrees to comply with the following requirements insofar as they apply to the performance of this Contract:

- Clean Air Act, 42 U.S.C., 7401, et seq.
- Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, et seq., as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder.
- Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

7.1.9 Flood Disaster Protection. In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), Contractor shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA)

as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

7.1.10 Lead-Based Paint. Contractor agrees that any construction or rehabilitation of residential structures with assistance provided under this Contract shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants or properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

7.1.11 Historic Preservation. Contractor agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this Contract.

7.2 Confidentiality.

7.2.1 Method. Contractor shall establish a method to secure the confidentiality of records and other information relating to Eligible Clients in accordance with the applicable Federal laws, rules and regulations, the applicable State and local laws, rules, and regulations and applicable professional ethical standards. This provision shall not be construed as limiting the right of access to Eligible Client information.

7.2.2 Limited Access. Prior to a scheduled monitoring or audit, Contractor agrees to submit to County, through TCHHSVS, in writing, any relevant requirement precluding County's access to Eligible Client information including the correct citation of the legal authority on which Contractor relies to support its claim that County is prohibited from access to the client information.

- 7.2.3 Masking. Upon authorization from County, through TCHHSVS, to render client files anonymous, Contractor agrees to mask information identifying clients in a way that will not obstruct County's monitoring and evaluative duties in any way.
- 7.2.4 Collaboration. If applicable, Contractor shall execute and have on file copies of memorandums of understanding or other agreements with other governmental entities within Travis County and/or the City of Austin with whom Contractor will be sharing or obtaining participant information related to enrollment of Clients for services provided under this Contract.
- 7.2.5 Privacy. Contractor shall, and shall ensure that all Subcontractors, comply with state and federal laws relating to the privacy and confidentiality of patient and client records that contain protected health information, or other information made confidential by law, and shall maintain patient and client records in compliance with state laws relating to the security and retention of medical or patient records. Contractor shall, and shall ensure that its Subcontractors, maintain all medical records in accordance with all applicable statutes and regulations governing medical information.
- 7.3 Certification of Software, Hardware, Firmware and Micro code Products. Contractor certifies that any supplied or supported software, hardware, firmware and micro code products used individually or together as a system to comply with Contract requirements shall operate accurately in the manner in which they were intended when given a valid date containing century, year, month and day.

8.0 RETENTION AND ACCESSIBILITY OF CLIENT & FISCAL RECORDS

8.1 Retention of Records

- 8.1.1 Time Requirement. Contractor shall create and maintain all records and reports required and/or created relevant to performance under this Contract, including but not limited to those specifically set out in this Section 8.0, until all evaluations, audits and other reviews have been completed and all questions or issues (including litigation) arising from those evaluations, audits and reviews are resolved satisfactorily to County, or three (3) years after the end of the final Contract term, whichever occurs later.
- 8.1.2 Document Destruction. Contractor agrees that it will not destroy or alter any document in order to prevent its use in any official proceeding (for example, federal, state or local investigation, bankruptcy, etc.).

8.1.3 Grant Retention. Other provisions in this Contract notwithstanding, Grant related records shall be retained for the periods set forth at 24 CFR Section 570.502(b)(3)(ix) and 24 CFR Section 84.53. The retention period for individual CDBG activities shall be four (4) years starting from the end of the affordability period, forgivable loan terms or shared gap appreciation loan terms, whichever is longer. Records for non-expendable property acquired with funds under this Contract shall be retained for four (4) years after final disposition of such property. Records for any displaced person must be kept for four (4) years after he/she has received final payment. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues or the expiration of the four-year period, whichever occurs later. Where requirements under this Section 8.2.1 (b) conflict with any other retention requirement in this Contract, the longer requirement shall apply.

8.2 Client Records.

8.2.1 Maintenance. Contractor shall create and maintain all records regarding Eligible Clients that include the information on which Contractor relies to determine the Client's eligibility, all records and reports necessary, as determined by County, to evaluate the effectiveness of the services provided under this Contract (including, at a minimum, the services provided, the cost of providing services, and follow-up information about the effect of the services on the Eligible Client as shown by selected indicators), and all records related to performance under this Contract. Contractor shall maintain all medical records in accordance with all applicable statutes and regulations governing medical information.

8.2.2 Unduplicated Client Records. Contractor shall maintain records for those Eligible Clients participating in programs designated by County Department from which an Unduplicated Client count can be determined. Contractor shall maintain a separate record for each Unduplicated Client. This client record shall contain at least the following information:

- 8.2.2(a) Name
- 8.2.2(b) Application date
- 8.2.2(c) Residential address and phone number
- 8.2.2(d) Date of Birth
- 8.2.2(e) Household Income
- 8.2.2(f) Eligibility information
- 8.2.2(g) Service rendered

| | |
|----------|--|
| 8.2.2(h) | Any support documentation |
| 8.2.2(i) | Family status |
| 8.2.2(j) | Number in household |
| 8.2.2(k) | Enrollment Date |
| 8.2.2(l) | Exit Date |
| 8.22(m) | Household is moving out of Section 8 or subsidized housing |
| 8.2.2(n) | Any other information required by the Grant. |

Each Unduplicated Client reported in the Performance Report for designated programs shall correspond to a separate client record and support the services rendered to that Unduplicated Client.

- 8.3 **One-Time Services.** In addition to those records required under Section 8.2, Contractor shall create and retain records indicating the number of recipients of one time services such as information and referral services, group education services, outreach education, crisis/help lines, anonymous services, provision of food, clothing and one-time basic needs services. An individual Unduplicated Client record for these recipients is not required. Other Eligible Client records will be maintained by Contractor at County's request.
- 8.4 **Fiscal Records.** Contractor shall create and maintain all necessary fiscal records according to Section 13.5.7.
- 8.5 **Access.** Contractor shall give, and shall require all Subcontractors to give, County, HUD, or other authorized Federal officials, or any of their duly authorized representatives, access to and the right to examine all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by Contractor pertaining to this agreement at reasonable times and for reasonable periods. These rights to access shall continue as long as the records are required to be retained by Contractor, and for any additional time period that the records are retained by Contractor. These rights shall include accessibility for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.
- 8.6 **Adjustment.** Contractor may, at any time, request in writing to the County Executive that County clarify or provide a waiver of all or a portion of the record requirements in this Section 8.0. Only waivers under this Section 8.6 granted by County in writing will be effective to change any requirement in this Section 8.0.
- 8.7 **Rights to Materials.** Subject to Sections 5.9 and 5.10, all reports, charts, schedules, records, or other appended documentation of Contractor which is related to this Contract, and any responses, inquiries, correspondence and related material submitted by Contractor to County or created by Contractor under this document are the property of County.

- 8.8 **Property Records.** Contractor shall maintain real property inventory records which clearly identify properties purchased, improved or sold.

9.0 REPORTING REQUIREMENTS

9.1 **Performance Reports.**

9.1.1 **General Performance Reports.** Contractor shall submit data in accordance with the terms of Attachment D "Performance Report Format," in Quarterly Performance Reports to be delivered to TCHHSVS as required by County within fifteen (15) days after the end of the quarter to which the report relates. This quarterly Performance Report will be submitted to TCHHSVS as an attachment to the Request For Payment (see Section 13.3.1) submitted for the last month of the quarter to which it relates or on its own if no expenditure reimbursement is needed. Performance Reports will identify data as it relates to different funding sources where applicable. Quarterly Performance Reports shall contain, at a minimum, the current performance status of the Project, the costs and contractual commitments incurred to date that have been charged to the Project, the beneficiaries of the Project, the money leveraged by CDBG-funded Activity and any information relating to the HUD performance indicators.

9.1.2 **Modification to Performance Reports.** County may recommend additional performance measures to be included by giving Contractor written notice of such proposed changes. Unless Contractor provides County with written opposition to the proposal within fifteen (15) days of receipt of notice, such changes will be considered added to the Contract and will constitute proposed performance by Contractor without the necessity of a written Amendment. Such changes will be effective as to reports filed by Contractor for services provided during the first full reporting period following the addition of the changes. If Contractor opposes the changes, County and Contractor will negotiate in good faith to develop amended performance measures pursuant to Section 3.0 of this Contract.

- 9.2 **Reimbursement Reports.** Pursuant to Section 13.3.1, Contractor shall deliver to TCHHSVS reports that provide all of the information requested in the Request For Payment and expenditure report, as required by County within fifteen (15) days after the end of the month to which the report relates. If Contractor fails to provide this information to County in a complete and correct form and in a timely manner as set forth in this Contract, such failure may impact the timing of payment by County under Section 13.0.

- 9.3 **Final Close-Out Report.** Contractor shall deliver a close-out report as required by TCHHSVS no later than sixty (60) calendar days following the termination of any Contract Term (Initial and/or Renewal). Contractor's obligation to County shall not end until all close-out requirements, which are set forth at 24 CFR Section 570.509, are completed. Activities during this close-out period shall include, but are not limited to making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances and accounts receivable to County), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Contract shall remain in effect during any period that the Contractor has control over CDBG funds or assets, including program income, affordability periods, forgivable loan terms or shared gap appreciation loan terms.
- 9.4 **Financial Reports.** Upon request by County, Contractor shall deliver to TCHHSVS copies of all Board approved financial reports, to include the Contractor's Year-to-Date Balance sheet and income statement.
- 9.5 **Additional Reports.** Contractor shall deliver to County Department within twenty (20) working days, any and all special reports, data, and information which the County requests that Contractor make as a routine or special request.
- 9.6 **Changes in Reports.** Contractor shall promptly provide TCHHSVS with written reports of any changes in any of the information, reports, and/or records provided to County pursuant to this Contract.
- 9.7 **Corrections.** County may require Contractor to correct or revise any errors, omissions or other deficiencies in any reports or services provided by the Contractor to ensure that such reports and services fulfill the purposes of this Contract. Contractor shall make the required corrections or revisions without additional costs to County.
- 9.8 **Legal Prohibition.** If Contractor is legally prohibited from providing any required or requested reports, it shall immediately notify County, through TCHHSVS, in writing of this fact. Such notice shall include specific identification of the basis of the prohibition, including statutory citations as applicable, and shall be reviewed by County for final resolution.
- 9.9 **Annual Report.** Upon request, Contractor will provide County, through its Board members, an annual report which will contain the same data and be in the same format as that of the Reports described in Section 9.1 of this Contract. Those performance measures, including any changes made by agreement of the Parties during any Contract Term, are incorporated and made a part of this Contract. The Annual Report related to this Contract will be submitted by Contractor to Department no later than sixty (60) days following the ending date of the relevant Contract Term.

9.10 Other Funding Sources.

9.10.1 Other Source Reports. Upon request by County, Contractor shall provide County, through TCHHSVS, copies of all evaluation and monitoring reports provided to Contractor from other funding sources during the Contract Term.

9.10.2 Loss of Funding. In the event that Contractor incurs a termination or significant loss of funding (10% or more of Contractor's entire budget as well as any changes in total program funding that will significantly impact Contractor's ability to meet performance measures specific to this Contract) from sources other than County upon which Contractor depends for performance under this Contract, Contractor shall:

(a) Notify Department immediately in writing of such loss of funding, the amount involved and the services impacted;

(b) Provide Department with thirty (30) days written notice if the decrease in funding requires the termination of the Contract, in whole or in part, such notice to include a description of the service impact expected to result from such decrease.

(c) If Contractor and County mutually agree in writing to changes to this Contract necessary to absorb said decrease/termination of funding, this Contract may be amended pursuant to Section 3.0. County will only agree to said amendment if the renegotiation process results in the continued provision of services at an effective level as reasonably determined by County.

(d) Any decrease in services agreed to by County and Contractor shall also reflect a comparable decrease in the funding obligations of County set forth in Section 13.0 herein, as evidenced in writing in an amendment made pursuant to Section 3.0 of this Agreement, said amendment to include the effective date of such change and the corresponding change to the monthly payment.

9.11 Program Income.

9.11.1 Return to County. All program income, as defined at 24 CFR Section 570.500(A), will be returned to County as outlined in 9.11.3. Program income is defined in Paragraph 570.500(a) of the Rules and Regulations as gross income received by the Contractor which is directly generated from the use of the CDBG funds provided hereunder, except as specifically excluded under 24 CFR Section 570.500(a)(4).

9.11.2 Definition. For purposes of this Contract, "program income" shall

mean earnings of Contractor realized from activities resulting from this Contract or from Contractor's management of funding provided or received under this Contract. Such earnings shall include, but shall not be limited to, interest income; usage or rental/lease fees; income produced from contract-supported services of individuals or employees or from the use of equipment or facilities of the Contractor provided as a result of this Contract; and payments from clients or third parties for services rendered by the Contractor pursuant to this Contract.

9.11.3 Monthly Report. Contractor shall report on a monthly basis, and return to the County all program income received or accrued during the preceding month. Alternative arrangements to this requirement may be made only upon written request to and written approval by the County.

9.11.4 Inclusion – Subcontracts. Contractor shall include this Section 9.11 in its entirety, in all of its Subcontracts involving income-producing services or activities.

9.11.5 Prior Determination. It shall be Contractor's responsibility to obtain from the County a prior determination as to whether or not income arising directly or indirectly from this Contract, or from the performance thereof, constitutes program income, and unless otherwise approved in writing by the County, the Contractor shall be responsible to County for the repayment of any and all amounts determined by the County to be program incomes.

9.11.6 Transfer. Any program income (as defined in this Section 9.11) in possession of Contractor that has not been returned to County when this Contract expires or is terminated, or is received by Contractor after this Contract expires or is terminated, shall be transferred or paid to County in accordance with the provisions of this Contract.

10.0 OUTSTANDING DEBT.

10.1 **Assignment for Taxes.** Notwithstanding anything to the contrary contained in this agreement, if Contractor is delinquent in the payment of property taxes, or of any taxes due to Travis County, at any time of invoicing for payment, Contractor hereby assigns any payment and/or advance to be made for services and activities provided to Eligible Clients under this agreement to the Travis County Tax Assessor-Collector for payment of delinquent taxes, and authorizes County to transfer those funds directly to the Travis County Tax Assessor-Collector. The terms of this Section 10.1 apply only insofar as allowed by the Grant.

10.2 **Disbursements to Persons With Outstanding Debt.**

10.2.1 **Prohibition.** Disbursements to persons with certain outstanding debt is prohibited by Section 154.045 of the Texas Local Government Code.

10.2.2 **Notification.** If notice of indebtedness has been filed with the County Auditor or County Treasurer evidencing the indebtedness of Contractor to the State, the County or a salary fund, a warrant may not be drawn on a County fund in favor of the Contractor, or an agent or assignee of Contractor until:

- (a) the County Treasurer notifies the Contractor in writing that the debt is outstanding; and
- (b) the debt is paid.

10.2.3 **Definition of "Debt."** "Debt" as used in this Section 10.2 includes delinquent taxes, fines, fees and indebtedness arising from written agreement with the County.

10.2.4 **Reduction of Debt.** County may apply funds County owes Contractor to the outstanding balance of debt for which notice is made under Section 10.2.2(a) above if the notice includes a statement that the amount owed by the County to Contractor may be applied to reduce the outstanding debt.

10.3 **Payment of Taxes.** Contractor agrees that neither federal, state, nor local income tax, nor payroll tax of any kind will be withheld or paid by County on behalf of Contractor or the employees of Contractor. Contractor will not be treated as an employee with respect to the services performed under the terms and conditions of this Contract for federal and state tax purposes. Contractor accepts responsibility for the compensation of employees, withholding and payment of taxes, and for purchasing any liability, disability or health insurance coverage deemed necessary by Contractor. Contractor understands that Contractor is responsible to pay, according to the law, Contractor's income tax. If Contractor is not a corporation, Contractor further understands that the Contractor may be liable for self-employment (social security) tax, to be paid by Contractor according to law.

10.4 **Non-delinquency on Federal Debt.** Contractor, by signing this Contract, certifies that Contractor is not delinquent in repaying any Federal debt; has not been judged to be in default on a Federal Debt; and has not had a judgment lien filed against it as a result of a Federal debt. Failure to maintain this status will result in action by County up to and including termination of this Contract.

10.5 **Taxes.** County shall not be liable for state, local or federal excise taxes of

Contractor. Contractor must be able to demonstrate on-site compliance with the Federal Tax Reform Act of 1986, Section 1706, amending Section 530 of the Revenue Act of 1978, dealing with issuance of Form W-2's to common law employees. The Contractor is responsible for both Federal and State Unemployment insurance coverage and standard Workers' Compensation Insurance coverage. Contractor must comply with all Federal and State tax laws and withholding requirements. County will not be liable to Contractor or its employees for any Unemployment or Workers' Compensation coverage, or Federal or State withholding requirements.

VI. RESPONSIBILITIES AND OBLIGATIONS OF COUNTY

11.0 LIMITATIONS

11.1 County Approval.

11.1.1 County's Satisfaction. Section 13.0 notwithstanding, the Parties expressly acknowledge and agree that County shall not be responsible for the costs of any services provided under this Contract that are not fully performed according to the terms of this Contract to County's satisfaction and with County's approval, which shall not be unreasonably withheld.

11.1.2 Responsibility and Liability. Approval of County shall not constitute nor be deemed a release of the responsibility and liability of Contractor, its employees, agents or associates for the accuracy and competency of their reports, information, documents, or services, nor shall approval be deemed to be the assumption of such responsibility by County for any defect, error, omission, act or negligence or bad faith by Contractor, its employees, agents, or associates.

12.0 COUNTY OBLIGATIONS.

12.1 Current Revenue Funds. County shall make payments for invoices for services under this Contract from current revenue funds or Grant Funds according to a Grant Agreement, available to County and set aside for this purpose. County is paying for the performance of governmental functions and services from current revenues available to County. The payment is in an amount that fairly compensates Contractor for the services or functions performed under this Contract.

12.2 Median Family Income Guidelines. County, through County Department, shall notify Contractor of any changes in the Median Family Income Guidelines that occur during the Contract Term.

12.3 County Confidentiality. County agrees to keep confidential at all times

all information that identifies clients and personnel and any other information received from Contractor if required to do so by law.

- 12.4 **Immunity or Defense.** It is expressly understood and agreed by all Parties that, neither the execution of this agreement, nor any conduct of any representative of County relating to this Contract, shall be considered to waive, nor shall it be deemed to have waived, any immunity or defense that would otherwise be available to it against claims arising in the exercise of its governmental powers and functions, nor shall it be considered a waiver of sovereign immunity to suit.
- 12.5 **County Training.** In exchange for and in the furtherance of certain services which may be provided by Contractor, County may, in certain instances, within applicable County guidelines and policies, and with Contractor's agreement, offer specific training to Contractor and/or Contractor's employees, agents, or authorized representatives. Additional Contractor opportunities may be made contingent upon the successful completion of such training by County to the extent determined necessary by County.

VII. FINANCIAL PROVISIONS

13.0 CONTRACT FUNDS

13.1 **Maximum Funds.**

- 13.1.1 **Maximum Amount.** Subject to the requirements in Sections 13.1.2 and 13.2 and other applicable provisions of this Agreement, in consideration of full and satisfactory performance of the services and activities provided by Contractor under the terms of this Agreement, as determined by County, County shall provide Agreement Funds not to exceed the following amount during the Initial Contract Term:

\$750,000

The amount specified in this Section 13.1.1 is agreed to be a fixed ceiling amount and shall not be considered as an "estimate-of-cost," "percentage-of-cost" or any kind of "cost-plus" sum, price or amount. Also, as used in this Contract, unless the context indicates otherwise, the words "expend," "expended" and "expenditure" shall include all amounts obligated or committed by Contractor by written agreement (including unilateral purchase orders) for expenditure on the Project.

13.1.2 Budget.

- (a) **General.** Contract Funds will be provided as further set forth

in Attachment C, "Project Budget." Contractor expressly acknowledges and agrees that the sum stated in this Section 13.1.1 is the maximum amount to be paid by County to Contractor during the Initial Contract Term period unless Section 13.1.1 is changed pursuant to Section 3.0, and that the total costs of this Contract shall not exceed the amount included in the County budget and the approved Annual Action Plan and designated for this purpose for this agreement for the Contract Term unless or until an increase in the County budget for this Agreement is approved by Commissioners Court. If this Contract is renewed under Section 2.0, it is understood and agreed that the amount set forth in the "Project Budget" will be amended, as necessary, for each Renewal Term to reflect those amounts approved by the Commissioners Court in its budget and grant funding process for that Fiscal Year/Contract Term.

- (b) Grant Budget. A budget must be prepared for the Project and be submitted to the County for review prior to its start. The budget must be approved by County and is attached to this Contract as Attachment C. The Budget shall be prepared in a format that is acceptable to County and, in general, shall list the major cost elements of the Project with the estimated cost of each of those elements equaling in sum total the fixed total Project cost to be paid or reimbursed to the Contractor for that Project, as provided herein.
- (c) Budget Adherence. Contractor shall adhere to the requirements of the Budget as approved by County but is not precluded from making changes in the amounts budgeted for the major cost elements within the Budget as such changes are necessary and as provided for in Section 3.0, "Amendments," of this Contract.
- (d) Unspent Funds. Contractor and County agree that any unspent Grant Funds from this Contract remaining at the end of the Fiscal Year may be automatically carried over into the next program year unless funds are reprogrammed as identified in this Contract or the Grant. Any Grant Funds that have not been expended by the end of the Contract Term, Contractor shall refund, release or transfer said amount back to County within thirty (30) days of the end of the Contract Term. Any Grant Funds held by County at the end of the Contract Term or refunded, released or transferred to County shall be reallocated by the County. Contractor shall be eligible to apply for these funds but shall have no greater priority than any other applicant.

13.1.3 **Grant Funds.** Should Grant Funds from any individual source identified in Section 13.0 be withdrawn, decreased, or otherwise not provided to County by congressional action, HUD rules and regulations, or other lawful directive, the County's not-to-exceed amount in Section 13.0 above shall be reduced accordingly. County shall advise Contractor of any decrease provided by Contractor after such notice. After such notice from County, Contractor shall immediately modify or reduce the scope of work or cease expenditures hereunder as directed. Notwithstanding Section 13.0, funds from any Grant funding source are available only during the term of that Grant, according to the terms of the Grant. All services shall be performed by Contractor in accordance with applicable HUD requirements and all requirements of this Contract, and payment will be contingent thereupon.

13.1.4 **Fiscal Year Limitations on Funding.**

(a) Contractor expressly acknowledges and agrees that County funding obligations from County general revenue funds can ONLY be incurred for the portion of any Contract Term and that County funding obligations from Grant funds can only be incurred for the portion of any Contract Term corresponding to a time period included in the grant budget for any one Fiscal Year.

(b) In no event shall any provision of this Contract or any agreement subject to this agreement be interpreted to obligate the County for County general revenue funds beyond those general revenue funds approved by the Commissioners Court for any Fiscal Year/budget period. Advances and payments by County during the Initial Term or any Contract Term shall be subject to the Fiscal Year limitations applicable to this agreement under Section 13.0.

13.1.5 **County Payment.** County agrees, and Contractor acknowledges, that determination of allowable expenses and payment of Agreement Funds will be directed by County Department. Contractor also agrees that, unless otherwise specifically provided for in this Contract, payment by County under the terms of this Contract is made on a reimbursement basis only; Contractor must have incurred and paid costs prior to those costs being invoiced and considered allowable under this Contract and subject to payment by County or Grantor.

13.2 **Debts Out of Term.** County shall not be liable for costs incurred or performances rendered by Contractor before or after the Contract Term; for expenses not billed to County within the applicable time frames set

forth in this Contract; or for any payment for services or activities not provided pursuant to the terms of this Contract , including applicable Grant Term requirements; or for any payment for services or activities not provided pursuant to the terms of this Contract. Contractor shall not be advanced any funds in violation of law or applicable Grant terms.

13.3 **Payments to Contractor.**

13.3.1 **Payment(s) - Reimbursement Costs.**

(a) **Request for Payment**

(i) **Monthly Request.** Each month during any Contract or Renewal Term, Contractor shall file, within the time limits set forth in this Section 13.3.1, the complete and correct (as determined by County Department) Request for Payment form(s) (Attachment E) pursuant to Section 13.3.1(b) below) and complete backup documentation as required under this Contract. Contractor understands and agrees that additional documentation supporting Contract expenses, such as signed timesheets, invoice, receipts, purchase orders, or other information, will be reviewed by County during monitoring visit(s), and that additional reporting requirements may be implemented by County at any time that such monitoring or review reveals a need for such, as determined by County. Contractor will submit a separate Request for Payment for each funding source identified in Section 13.1.1.

(ii) **Timely Filing of Request.** The Request for Payment form(s) shall be filed with the TCHHSVS within fifteen (15) days of the end of the month for which services are provided. Any delay by Contractor in the filing of the complete and correct Request for Payment Form may impact the ultimate receipt of payment by Contractor. Subject to the Recovery of Advance provisions in Section 13.4, if applicable, County shall pay Contractor for authorized expenditures, as determined and approved by the County Department reported in that Request for Payment within thirty (30) days of receipt by TCHHSVS of that complete and correct (as explained in Section 13.3.1(b) below) Request for Payment.

(iii) **Content.** Billing detail must include, at a minimum, that information set forth in Section 9.2, and other applicable provisions, of this Contract

(iv) **Actual Costs.** Contractor may only request payment for

actual costs incurred pursuant to the terms of this Contract.

(b) Complete and Correct Request. Contractor understands and agrees that the payment by County of the Request for Payment amount will only be made where a complete and correct Request for Payment is determined by County to have been filed.

(i) Contractor Corrections. If County determines that corrections and/or changes to the Request for Payment are necessary, the Request for Payment will be returned to Contractor and those corrections or changes must be made by Contractor prior to the Request for Payment being certified by County for Payment. If the completion of those corrections and/or changes by Contractor and subsequent re-submission to TCHHSVS result in the delay of the certification of a Request for Payment (or "invoice") by County, Contractor understands and agrees that the time for payment under the Prompt Payment Act will not begin to run until that invoice has been corrected so that it is, as determined by County Department, correct and complete as necessary for certification by County. The time for payment under the Prompt Payment Act will only begin at the receipt of the Request for Payment by TCHHSVS of what is determined to be a complete and correct Request for Payment.

(ii) County Correction. At any time that County discovers a discrepancy in an invoice that would result in Contractor receiving up to Five Dollars (\$5.00) less than the amount invoiced, County may contact Contractor for written permission (via email or fax) to adjust the invoice according to the County's determination. Upon receipt of such written permission, County may adjust the invoice as agreed to by Contractor and Contractor agrees to accept the resulting payment as payment in full; no further accounting will be made nor any future payments be adjusted related to the amount so waived by Contractor under this provision. This provision allowing for correction by County of a Request for Payment will ONLY apply where the County's determination of money to be paid to Contractor is less than the total amount shown on the Request for Payment; at any time that the discrepancy involves and increase in the amount to be paid, the Request for Payment will be returned to Contractor for correction.

13.3.2 Request Limitation. County shall not be liable to Contractor for any costs incurred by Contractor in the performance of this agreement

which are not billed to under the applicable terms of this Contract within sixty (60) days following the provision of the service or sixty (60) days following the termination of this Initial Contract Term (or any Contract Term, as applicable to the term in which the services were provided), whichever occurs first. Costs billed by Contractor on or after the 61st day following the termination of any Contract Term shall be considered disallowed and may not be paid by County. In effect, Contractor's time for filing of billing requests for Grant Funds will be the time stated in this Contract, or, for Grant Funds, such time as is stated in the applicable Grant less thirty (30) days.

13.4 **Funds Account(s)**. The Contractor shall deposit and maintain all monies received under this Contract in either a separate numbered bank account or in a general operating account, either of which shall be supported with the maintenance of a separate accounting fund or a general fund with a specific chart of accounts which reflect and identifies revenues and expenditures for the monies received under this Contract from County. Contractor agrees to provide County with copies of specific chart(s) of account(s) maintained under this Section 13.5.5 upon request of County.

13.5 **Financial Standards.**

13.6.1 **Grant Funding Standards.** Contractor shall, for any part of this Contract funded by Grant Funds, perform in a satisfactory manner, financial activities in accordance with all applicable state, federal and other applicable Grant requirements, including financial requirements in Office of Management and Budget (OMB) Circulars A-87 (2 CFR 225), A-102, A-133, and Texas' Uniform Grant Management Standards and any others which may be added by applicable law, rule, regulation or Grant during the term of this Contract. . Contractor shall, and shall require all Subcontractors to, comply with the applicable uniform administrative requirements set forth at 24 CFR Section 570.502, and with the policies, guidelines and requirements of OMB Circular A-110 (2CFR 215), OMB Circular A-122 (2 CFR 230); or A-212 (2CFR 220), as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis. Contractor agrees to adhere to the accounting principles and procedures referenced above and to utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

13.5.2 **Financial Procedures.** Contractor agrees, and agrees to require all Subcontractors to agree, to perform all Grant activities pursuant to procedures developed by the County Auditor; including financial reporting, record-keeping, and site visit protocols for Contractor as subrecipient and for Contractor's Subcontractors. Should Contractor or Subcontractor(s) disagree with such a procedure or protocol and such disagreement cannot be resolved by discussion

with the County Auditor, the Contractor or Subcontractor's sole remedy is to terminate this Contract pursuant to Sections 18.0 and 19.0.

13.5.3 Fiscal Reports. In addition to reporting requirements in Section 9.0 (and other applicable provisions), Contractor shall provide reports on financial operations as reasonably requested by the County Auditor when necessary to monitor financial activities under the terms of an applicable Grant.

13.5.4 Basis of Accounting. Contractor shall perform financial activities in a satisfactory manner and in accordance with a basis of accounting consistent with state and federal law.

13.5.5 Maintenance of Funds. Each funding source included in Section 13.1.1 must have a separate accounting, and funds from separate sources cannot be commingled. The Contractor shall deposit and maintain all monies received under this Contract in either a separate numbered bank account or in a general operating account, either of which shall be supported with the maintenance of a separate accounting fund or a general fund with a specific chart of accounts which reflects and identifies revenues and expenditures and their respective sources for the monies received under this Contract from County. Contractor agrees to provide County with copies of specific chart(s) of account(s) maintained under this Section 13.5.6 upon request of County.

13.5.6 Internal Control.

(a) Internal Systems. Contractor shall establish, maintain, and utilize internal control systems and procedures reasonably sufficient to prevent, detect, and/or correct incidents of waste, fraud and abuse and to provide for the proper and effective management of all program and fiscal activities funded by this Contract.

(b) Documentation. Contractor's internal control systems and all transactions and other significant events must be clearly documented and the documentation made readily available for monitoring by County.

(c) System Failure. County may withhold payment and immediately suspend Contractor's performance of this Contract if County identifies possible instances of fraud, abuse, waste, fiscal mismanagement or other serious deficiencies in Contractor's performance. Suspension shall be a temporary measure pending the corrective action by Contractor or a decision by County to terminate this

Contract. Contractor shall fully cooperate with County's efforts to detect, investigate and prevent waste, fraud, and abuse, and shall immediately notify County of any identified instances of waste, fraud or abuse.

13.5.7 Fiscal Records. Contractor shall create and maintain all fiscal necessary records and documentation for all expenditures pertaining to this Contract in accordance with Generally Accepted Accounting Principles (GAAP) or with a comprehensive basis of accounting consistent with state law and approved by County; and, such records shall be kept in a readily available state and location until a financial audit in conformance with generally accepted auditing standards is completed and all questions arising from it are resolved satisfactorily or three (3) years after the end of the Contract period, whichever occurs later.

13.5.8 Source of Funds. The Parties agree that Contract Funds under this Contract are provided by:

- (a) Community Development Block Grant

14.0 ALLOWABLE COSTS

14.1 Direct Performance. References to reimbursable costs in this Contract refer only to those costs or expenses authorized to be paid by County to Contractor under the terms of this Contract by Contract Funds. Costs shall be considered allowable only if, as determined by County, those costs are:

- (a) incurred directly and specifically in the performance of this Agreement; and
- (b) incurred pursuant to all requirements of this Agreement; and
- (c) incurred in conformance with budget documents attached hereto and determined to be in accordance with OMB Circulars A-87 (2 CFR 225), A-122 (2 CFR 230) or A-21 (2 CFR 220), as applicable.
- (d) if paid with Grant Funds, incurred in conformance with and as authorized under the terms of the Grant.
- (e) incurred and paid as set forth in Section 13.1.5.

14.2 Indirect Costs. Indirect Costs as defined by OMB Circulars A-87 (2 CFR 225) and A-122 (2 CFR 230) or A-21 (2 CFR 220), are not considered to be allowable costs under this Contract. Indirect costs may be allowed under Grant terms, subject to Section 14.6(h), and approval by County.

14.3 Specific Prior Authorization. Section 14.2 notwithstanding, Contractor

understands and agrees that, in order to be considered reimbursable under this Contract, any expense **MUST** be included and identifiable in Contractor's budget document attached to this Contract. That requirement notwithstanding, the following subsections contain additional requirements regarding certain Contract expenses:

14.3.1 Items NOT in Contractor's Budget. Section 14.1 notwithstanding, if the following are NOT in Contractor's specific budget documents (specific inclusion in the budget document will be considered approval), County's prior written authorization, through County Department, by the County Executive, is required in order for the following to be considered allowable costs, and therefore reimbursable under this Contract:

(i) Purchases of any non-expendable Capital Acquisition Property which meets the following criteria:

(a) The following if with a value of more than \$500.00: Fax machines, stereo systems, cameras, video recorder/players, microcomputers, software, printers, microscopes, oscilloscopes, centrifuges, balances and incubators.

(b) any other tangible non-expendable property with a value of more than \$5,000.00.

(ii) Alteration or relocation of facilities.

(iii) The acquisition of all consultant or professional services, as may be approved under the terms of this agreement.

All consultant or professional services must be documented utilizing the appropriate County form.

14.3.2 Out Of Town Travel. Out of town travel shall be approved/reimbursed pursuant to Section 14.4.

14.3.3 Notification. Contractor shall provide County, through TCHHSVS, written notification of any change in vendor or subcontractor (including consultants) which has been identified in Contractor's budget prior to submission of a Request for Payment related to such vendor or subcontractor in order to ensure payment.

14.3.4 Failure to Obtain Approval. Any costs which are described by this Subsection 14.3 which are incurred by Contractor without the required approval shall be considered disallowed and may not be paid by County. Notwithstanding any provision to the contrary, the County Executive of the County Department cannot authorize as

an allowable cost items which are not allowable under the terms of any applicable Grant funding agreement or which have not received an authorized budget appropriation.

14.4 **Out of Town Travel Expenses.**

14.4.1 **Allowable Travel.** In order to be considered a reimbursable expense under this Contract, all travel must be for a purpose directly related to the provision of services under this Contract (with supporting documentation available for review by County). Individual(s) included in travel must either be employees or volunteers who must participate in such travel in order to further the provision of services provided under this Contract. No travel expense shall be paid using Grant Funds unless authorized by the applicable Grant terms. Final determination of such relationship shall be made solely by County and Contractor understands and agrees that, if Contractor is in doubt about the relationship of the travel or participants to County services, it is the Contractor's obligation to secure County determination or risk such costs being disallowed by County.

14.4.2 **Budget.** Travel will be considered approved only if the expense of such travel is included in Contractor's budget and the details of the travel have been provided according to the Out Of Town Travel Form ("Travel Form") attached to this Contract as Attachment E(v). If that Travel Form has not be completed and included in this Contract, then the Travel Form must be completed and submitted to County through the County Department for written approval by the County Executive or her designated representative prior to the travel taking place. Contractor agrees to provide such information within a timeframe that will allow sufficient time for review and approval by County Department prior to departure. Expenses set out in the Travel Form must meet the requirements in Section 14.4.4 below and must fall within the amount set forth in Contractor's budget for travel.

14.4.3 **Failure to Obtain Approval.** Any costs incurred related to travel without the approval required under this Section 14.4 shall be considered disallowed and may not be paid by County.

14.4.4 **County Policies.** Expenses for travel and attendance to destinations outside the City of Austin/Travis County are NOT considered an allowable expense and will not be reimbursable under this Contract unless those expenses meet the following criteria (and documentation provided/made available supporting compliance with these requirements):

- (a) **Mileage**
 - Reimbursed at the annual standard rate set by the Internal Revenue Services.
 - Starts from the employee's regular work place on business workdays and from the employee's home on non-work days and holidays.
 - Travel out of county greater than 1000 miles round-trip transportation expenses are reimbursed in an amount not to exceed the cost of round-trip coach airfare in effect at the time of the travel encumbrance.
 - Transportation expenses include lodging, meals and mileage incurred as a result of driving rather than flying.

- (b) **Air Fare**
 - Not to exceed the rate of a non-refundable coach fare in effect at the time of the travel encumbrance

- (c) **Accommodations**
 - Based on rates, plus taxes, quoted by the lodging place if government rates are not available.
 - Supporting documentation of lodging place and quoted rates must be provided

- (d) **Meals**
 - May use the IRS standard Texas per diem rate, currently \$46 a day or
 - the United States General Services Administration (GSA) domestic per diem rates, which will vary with the location of the travel destination or
 - reimbursement for actual meal expenses, with receipts, is \$60 a day plus 15% gratuity.

- (e) **Incidental Expenses**
 - Actual costs of car rentals, taxi fares, parking fees, and bus fares if receipts are attached
 - Mileage for two round trips to airport if choose to get a ride instead of parking
 - Cab fare to and from airport
 - No reimbursement for extracurricular activities such as golf, tennis, entertainment, movies, tours or sport events
 - No payment for fines for violation of the law such as parking tickets, speeding tickets, etc.
 - No payment for food and/or beverages provided at meetings or in-house training

- (f) **Alternate Travel -**
 - May be reimbursed for alternate travel arrangements

(transportation mode, accommodations, or schedule) provided that the cost is not greater than the least expensive alternative if pre-approved

Out of town travel expenses under this Section 14.4 which do not meet the specified County criteria cannot be approved by the County Executive, but would have to be taken to the Commissioners Court for approval PRIOR to travel.

All out-of-town travel expenses must be included in Contractor's budget.

14.5 **Non-Allowable Costs.** The following are not reimbursable costs, whether incurred directly or indirectly in performance of this Contract:

- (a) Other Post Employment Benefits (OPEB) for employees whether or not those costs are for current year benefits, prior year benefits, or future year benefits.
- (b) Employee recognition, rewards, or awards other than performance pay pursuant to compensation schedules.
- (c) Entertainment and gifts, including meals or beverages, even if related to a business purpose. This subsection (c) notwithstanding, the Contract will pay for an employee's own meal and beverage expenses incurred during out-of-town trips or conferences related to services provided under this Contract if properly budgeted and if incurred according to the Contractor's travel policy as approved by County.
- (d) Legislative consultant services.
- (e) Donations to non-profit or private organizations.
- (f) Legal services provided to Contractor.
- (g) General consulting services that are not directly provided as a specific program service.
- (h) Indirect Costs, as defined by OMB Circular A-87 (2 CFR 225), A-21 (2 CFR 200) or A-122 (2 CFR 230), as applicable.
- (i) Overtime compensation and/or the associated fringe benefits

15.0 RETURN OF CONTRACT FUNDS

15.1 **Contractor Liability.** Contractor shall be liable to County and refund money paid and/or advanced to Contractor upon a determination by County of any of the following:

- 15.1.1 has resulted in overpayment
- 15.1.2 has not been spent strictly in accordance with Contract terms
- 15.1.3 exceeds the total expenditures actually reported by Contractor
- 15.1.4 to be disallowed pursuant to financial, performance and/or compliance audit(s)
- 15.1.5 was inappropriately transferred according to Section 17.0
- 15.1.6 was not authorized under applicable Grant terms.

- 15.2 **Return of Funds.** Return of funds under this Section 15.0 shall be made by Contractor to County within thirty (30) days of request by County and from funds other than Contract Funds. County may offset the amount of any funds owed under this Section 15.0 against the next advance or payment to Contractor under this or any subsequent contract if the return of funds is not made within that thirty (30) day period.

16.0 AUDIT

- 16.1 **Annual Audit.** Unless otherwise authorized by County, through TCHHSVS, under the terms of this Contract, Contractor shall arrange for the performance of an annual (at least one time during each consecutive 365-day period) financial audit of Contract Funds to be performed within 180 days of the Contractor's fiscal year end, subject to the following conditions and limitations:

16.1.1 Single Audit.

- a. **Single Audit Act Application.** For each Fiscal Year included within a Contract period specified in Section 2.0 ("Contract Term") of this Contract in which Contractor expends a total of \$500,000 or more in Federal awards from all sources, Contractor shall have an audit conducted in accordance with the Single Audit Act of 1984, 31 U.S.C., Section 7501 et seq., and OMB Circular No. A-133, "Audits of States, Local Government and other Non-Profit Organizations."
- b. **No single Audit Act Application.** Contractors not subject to the Single Audit Act, and expending \$500,000 or more during the Contractor's fiscal year must have a full financial audit performed. If less than \$500,000 is expended, then a financial review is acceptable, pursuant to the requirements of this Contract.
- c. **Performance Requirements.** The audit or review must be:
 - (i) performed by an independent Certified Public Accountant ("CPA"), recognized by the regulatory authority of the State of Texas and a member in good standing of the American

Institute of Certified Public Accountants; and

- (ii) made in accordance with generally accepted auditing standards and procedures for a non-profit organization and auditing standards (including a Statement of Functional Expenses) as stated in the "American Institute of Certified Public Accountants Industry Audit Guide - Audits of Voluntary Health and Welfare Organization;" and
- (iii) provided for any/each of Contractor's Fiscal Years in which County Funds are provided.

16.1.2 Entire Operations Option. At the option of Contractor, each audit or review required by this Section 16.0 may cover either Contractor's entire operations or each department, agency, or establishment of Contractor which received, expended, or otherwise administered Contract Funds.

16.1.3 Financial Records. Contractor must maintain records which adequately identify the source and application of funds provided for those services purchased with Contract Funds. These records must contain information pertaining to authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures and income related to Contract Funds.

16.1.4 Copies. Contractor shall provide two (2) copies of its most recent report of the complete financial audit and the auditor's opinion and management letters, or the review, to County through TCHHSVS within 180 days of the end of the Contractor's fiscal year end, unless County approves alternative arrangements in writing. In any event, such copies shall be provided no later than September 30 of each year in which County funds are received under this Contract. County Department will complete final review of such reports within a reasonable time after September 30 of each year upon receipt of such reports. Copies of the report shall also include the auditor's opinion and letters to management. Reviews and audits performed under Section 16.1 are subject to consideration and resolution by County or its authorized representative. Failure to provide such copies in a timely manner may result in delay of payment, suspension or termination of the Contract by County unless Contractor is receiving Grant Funds and notifies County that a longer period is needed because of requirements directly related to Grant requirements.

16.1.5 Continued Obligation. The expiration or termination of this Contract shall in no way relieve Contractor of the obligation to meet the

requirements of this Section 16.0 in the manner or format prescribed by County.

16.1.6 **Cost of Audit.** Contractor understands and agrees that all or a portion of the cost of the annual audit as required under this Section 16.0 may be considered an allowable cost and reimbursable under this Contract if the following requirements are met:

- (a) cost is included in Contractor's budget, with the subcontractor providing such services correctly identified; and
- (b) the cost billed to County is no greater than the percentage relationship of County Contract Funds to Contractor's total annual budget, with the cost of the audit being a reasonable cost for such services as agreed to by County. For example, if the total amount of County Contract Funds provided under this Contract is ten percent (10%) of the total Contractor annual budget, then County Contract Funds may be used to reimburse up to ten percent (10%) of the total cost of the annual audit.
- (c) The County Contract Funds appropriated for this Contract are not Grant Funds.

16.1.7 **Audit Requirements.** Any deficiencies noted in audit reports must be fully cleared by the Contractor within thirty (30) days after receipt by the Contractor. Failure of the Contractor to comply with the audit requirements in this Section 16.0 may result in the withholding of future payments.

16.2 **County Audit.** Notwithstanding Section 16.1, County reserves the right to conduct an annual financial, compliance, and/or performance audit of the Contract or as often as necessary to meet the Monitoring Plan per Grant requirements. Contractor agrees to permit County or its authorized representative, to audit Contractor's records and to obtain any documents, materials, or information necessary to facilitate such audit.

16.3 **Facilitation.** Contractor shall take whatever action is appropriate to facilitate the performance of any audits conducted pursuant to Section 16.0 that County may reasonably require of Contractor. Such action shall include provision of access to Contractor's facilities during Contractor's regular business hours for County to conduct an audit, and the County shall consider reasonable times and places to review records or interview individuals. Adequate and appropriate workspace shall be made available to County or their designees, and all requested records shall be made readily available.

16.4 **Contractor Records.**

16.4.1 **Content.**

- (a) **General.** Records of Contractor, its subsidiaries, Subcontractors and affiliates subject to audit shall include, but not be limited to accounting records, written policies and procedures, subsidiary records, correspondence, and any other records which are pertinent to revenue and related costs and expenses of this Contract. This includes, to the extent such detail will properly identify all revenues, all costs, including direct and indirect costs of labor, material, equipment, supplies and services and all other costs of expenses of whatever nature relating to this Contract (all the foregoing hereinafter referred to as "Records").
- (b) **Specific.** Contractor shall maintain all records required by Federal regulations specified in 24 CFR 570.506, that are pertinent to the activities to be funded under this Contract. Such records shall include, but not be limited to the following (and all other records as required under this Contract):
- Records providing a full description of each activity undertaken
 - Records demonstrating that each activity undertaken meet the National Objectives of the CDBG program of benefiting low- and moderate-income and/or at or below eighty percent (80%) median Family Income persons
 - Records required to determine the eligibility of activities
 - Records documenting compliance with the fair housing and equal opportunity components of the CDBG program
 - Financial records as required by 24 CFR 570.501 and 24 CFR 84.21-28 and
 - Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

16.4.2 **Subcontractors.** Contractor shall require all Subcontractors, sub-consultants, insurance agents, contractors, and suppliers related to this Contract to comply with the provisions of this Section 16.0, and any other provisions so designated within this Contract, by inserting the requirements herewith in any written contract agreements executed between the Contractor and other related parties.

16.5 **Grant Audit Requirements.**

16.5.1 **Financial Records.** Contractor shall maintain adequate financial records for all work related to Grant Activities, as prescribed by 24 C.F.R., Part 84 and shall make such records available for audit by County and others as set forth in this Section 16.5. Contractor shall also maintain such records as are deemed necessary by the County to assure proper accounting for all costs, including expenditure of incentive monies, if applicable. All of the records specified in this Section 16.5 shall be retained as specified herein. Contractor shall have audits conducted in accordance with, as applicable, OMB Circular A-133 and to complete an Administrative Fiscal Review ("AFR") annually until Project close out.

16.5.2. **Examination.** All records, books, documents, accounting procedures, or practices relating to Grant Activities and utilizing Grant Funds shall be subject to examination and/or audit in accordance with all applicable state and federal laws, rules, regulations or directives, by the County, the Grantor agency, HUD, the Inspector General or any of their duly authorized representatives as applicable during normal business hours, as often as deemed necessary to audit, examine and make excerpts or transcripts of all relevant data. Contractor shall direct that any Subcontractor with whom it has established a contractual relationship to discharge the Contractor's Grant obligations under this Contract to likewise permit the County and, if applicable, HUD, the Inspector General or any of their duly authorized representatives, to have rights of access to, inspection of, and reproduction of all books and records of the Subcontractor(s) that pertain to Grant Activities provided under this Agreement.

16.5.3 **Maintenance.** Contractor shall maintain and retain for a period of four (4) years after the affordability period, as set forth in Section 5.5.14, forgivable loan terms or shared gap appreciation loan terms or until full and final resolution of all audit or litigation matters which arise before the expiration of the four (4) year period, whichever time period is longer, such records as are necessary to fully disclose the extent of services provided under this Contract, including but not limited to any daily activity reports and time distribution and attendance records, and other records which may show the basis of the allowable cost charges made.

16.5.4 **Sub-recipient.** In order to comply with the monitoring and auditing requirements governing this Contract, Contractor is considered a sub-recipient of federal Grant Fund under the Catalog of Federal Domestic Assistance, CFDA Number 14.218, CDBG funds. All accounting records should identify the source of Grant Funds received by Contractor under this Contract as federal Grant Funds

passed through from the County. Contractor must also identify the source of any funds received from any other grant sources on respective accounting records.

16.5.5 Grant Audit. In addition to other requirements of the Contract, funds received pursuant to this Contract shall be audited in accordance with OMB Circular A-133 by the Contractor's independent auditor. Contractor shall give the County a copy of the entire auditor's report and management letter within sixty (60) days of the completion of the audit

17.0 **TRANSFER OF FUNDS**. Notwithstanding Section 3.0, and as specifically applicable, Contractor may transfer funds without a written amendment to this Contract ONLY if ALL of the following requirements are met:

17.1 the transfer moves funds ONLY between line items within the SAME funding source (as set forth in Section 13.1.1) and program ("Program"). IF Contractor is uncertain as to the definition of "line item" and "program" as used in this provision, Contractor is responsible for contacting TCHHSVS for a determination as to the applicability of this requirement to the Contractor's request for transfer; and

17.2 the cumulative amount of the transfers between direct budget categories (Personnel, Operating Expenses, Direct Assistance and/or Equipment/Capital Outlay) is not more than ten percent (10%) of the Contract total for that Program shown in Section 13.1; and

17.3 the transfer will not change the scope or objective of the programs funded under this Contract, solely as determined by County through TCHHSVS prior to transfer; and

17.4 Contractor submits a budget revision form to the County through TCHHSVS prior to, or simultaneously with, the submission of the Contractor's first monthly billing to the County following the transfer which shall reflect such changes.

17.5 Any specific grant requirements for such transfer have been met.

Contractor acknowledges and agrees that failure to meet the requirements of Section 17.1, 17.2, 17.3 and 17.4 may result in any transfer of funds being disallowed; as such, the disallowed amount will not be paid by County. If County determines that payment has been made incorrectly for expenses in violation of this Section 17.0, Contractor agrees to refund such payment in full to County within twenty (20) days of written request by County for such refund.

VIII. SUSPENSION/TERMINATION

18.0 **SUSPENSION**. If Contractor fails to comply with any term of this Contract,

including failure to deliver reports required by Section 9.0 and make corrections required by Section 22.0, or if the Commissioners Court requests a financial review or performance evaluation related to a reasonable cause to believe that Contractor is not using Contract Funds in compliance with the terms of this Contract, County may, upon written notification to Contractor, suspend this Contract in whole or in part and withhold further payments to Contractor. Contractor agrees that Contractor shall not incur additional obligations of Contract Funds until Contractor is in compliance with the terms of this Contract or the reports of the financial review and/or program evaluation are completed and all exceptions noted in these reports are corrected to County's satisfaction.

19.0 TERMINATION

19.1 **Reasons for Termination.** County shall have the right to terminate this Contract, in whole or in part, at any time before the date of termination specified in Section 2.0 of this Contract for the following reasons:

19.1.1 **Failure to Comply.** Contractor has failed to comply with any term or condition of this Contract, including, but not limited to, the failure to deliver reports required by this Contract and make those corrections required by this Contract,

19.1.2 **County Funding Out.** During the budget planning and adoption process, Commissioners Court fails to provide funding for this Contract for the County Fiscal Year following the beginning of the Contract Period.

19.1.3 **Contractor's Ability to Perform.** County finds that Contractor is in a financial condition that endangers Contractor's ability to perform this Contract or Contractor is delinquent in the payment of taxes or cost of performance of this Contract in the ordinary course of business, or Contractor is in a technical state of bankruptcy as defined by the Federal Bankruptcy Act and is subject to the appointment of a trustee, receiver or liquidator for all, or a substantial part, of Contractor's property or to the institution of bankruptcy, reorganization, rearrangement or liquidation proceedings by or against Contractor,

19.1.4 **Contractor's Ability to Conform.** Contractor is unable to conform to changes required by federal, state and local laws or regulations, or

19.1.5 **Beneficial Results.** County finds that Contractor is not producing results that are sufficiently beneficial to warrant continued expenditure of Contract Funds.

19.2 **Notification.** County Purchasing Agent shall notify Contractor pursuant to the "Notice" provision of this Contract in writing at least thirty (30) days before the date of termination of the decision to terminate; the reasons for

the termination; the effective date of the termination; and in the case of partial termination, the portion of the Contract to be terminated.

- 19.3 **Contractor Termination.** Contractor may terminate this Contract in whole or in part at any time, by giving thirty (30) days written notice pursuant to Section 23.0 if there is termination of significant other funding upon which Contractor depends for performance under this Contract or if Contractor is dissolved only if the dissolution is not caused by a breach of this Contract. Contractor's notice shall include a complete explanation of the reasons(s) for termination under this Section 19.3 and designation of the effective date of termination. The Purchasing Agent shall notify Contractor in writing of acceptance of termination pursuant to this Section 19.3 upon finding that Contractor's claim(s) under this Section 19.3 have been established to County's satisfaction.
- 19.4 **Mutual Termination.** Any Party has the right to terminate this Contract, in whole or in part, when the Parties agree that the continuation of the activities funded under this Contract would not produce beneficial results commensurate with the further expenditure of funds; provided that both Parties agree, in writing, upon the termination conditions, including the effective date of the termination; the provisions under which termination shall be accepted; and, in the case of partial termination, the portion of the Contract to be terminated.
- 19.5 **Correction.** At least thirty (30) days before the effective date of termination pursuant to any provision of this Contract, County shall notify Contractor in compliance with Section 23.0 of the reasons for termination, the effective date of termination and the portion of this Contract to be terminated. Where applicable, as determined by County, Contractor may avoid the termination of this Contract if Contractor corrects the causes for the reasons for termination stated in the notice to the satisfaction of County, as determined by County, prior to the effective date of termination, or an extended date if agreed to in writing by the Parties.
- 19.6 **Results of Termination.**
- 19.6.1 **Cancellation of Outstanding Orders.** Upon termination or receipt of notice to terminate, whichever occurs first, Contractor shall cancel, withdraw, or otherwise terminate any outstanding orders or Subcontracts related to the performance of this Contract, or the part of this Contract to be terminated, and shall cease to incur costs under them. County shall not be liable to Contractor or to Contractor's creditors for costs incurred after termination of this Contract. County shall not under any circumstances be liable to Contractor's creditors or Subcontractors for any payments under this Contract.
- 19.6.2 **Continued Liability.** Notwithstanding any exercise by County of its

right of suspension under Section 18.0 of this Contract or of early termination pursuant to this Section 19.0 or any provision of this Contract, Contractor shall not be relieved of any liability to County for damages due to County by virtue of any breach of this Contract by Contractor, or for any amounts paid to Contractor by County and determined by County to be overpayment(s), disallowed payment(s), or payment(s) subject to refund under the terms of this Contract. County may withhold payments to Contractor until the exact amount of damages or payments due to County from Contractor is agreed upon or is otherwise determined, and is paid in full.

19.6.3 **Transition.** Where applicable, at the end of the Contract Term or at the time of any other Contract termination or cancellation, the Contractor shall in good faith and in reasonable cooperation with County, aid in transition to any new arrangement or provider of services which have been provided under this Contract as necessary to protect Client interests.

19.7 **Immediate Termination.** Nothing in this Section 19.0, or any other provision of this Contract, shall be construed to limit County's authority to withhold payment and immediately suspend Contractor's performance under this Contract if County identifies possible instances of fraud, abuse, waste, fiscal mismanagement, or other serious deficiencies in Contractor's performance. Suspension shall be a temporary measure pending either corrective action by Contractor or a decision by County to terminate this Contract. County shall not be liable for any costs incurred by Contractor during suspension of this Contract under this Section 19.7.

19.8 **Grant Termination.** All other provisions notwithstanding, termination of any Grant-related portions of this Contract will be done according to applicable Grant provisions.

VIII. MISCELLANEOUS PROVISIONS

20.0 INDEPENDENT CONTRACTOR.

20.1 The Parties expressly acknowledge and agree that Contractor is an independent contractor and assumes all of the rights, obligations and liabilities applicable to it as an independent contractor. No employee of Contractor shall be considered an employee of County or gain any rights against County pursuant to County's personnel policies. The relationship of County and Contractor under this Contract is not and shall not be construed or interpreted to be a partnership, joint venture or agency. The relationship of the Parties shall be an independent contractor relationship. Neither Party shall have the authority to make any statements, representations or commitments of any kind, or to take any action which shall be binding on the other Party or which shall hold itself out to be

binding on the other Party.

21.0 SUBCONTRACTS

21.1 **Prior Approval.** Contractor shall not enter into any Subcontracts for any service or activity relating to the performance of this Contract without the prior written approval or the prior written waiver of this right of approval from County through the Purchasing Agent. Approval of this Contract will constitute approval as required by this Section 21.1 for those Subcontracts/Subcontractors specifically identified in the Contract terms, including the Attachments.

21.2 **Contractor Responsibility.**

21.2.1 **Subcontractor Compliance.** Contractor is wholly responsible to County for the performance under this Contract, whether such performance is provided directly by Contractor or indirectly by any Subcontractor. Contractor is responsible to County for the performance of any Subcontractor, and shall monitor both financial and programmatic performance and maintain pertinent records concerning Subcontractor(s) that shall be available for inspection by County. Contractor shall ensure that its Subcontractors comply with all applicable terms of this Contract (including terms related to records and reports) as if the performance rendered by the Subcontractor was being rendered by Contractor. Contractor shall inspect all Subcontractors' work and shall be responsible for ensuring that it is completed in a good and workmanlike manner pursuant to the terms of this Contract.

21.2.2 **Subcontract Terms.** Contractor agrees that all Subcontracts will include provisions which require compliance with all applicable federal, state, and local laws, rules, regulations and policies (including, but not limited to, those provisions related to Civil Rights and Affirmative Action compliance), with the applicable terms of this Contract, and with any provisions such as may be reasonably requested by County; and shall also include provisions ensuring the following:

- (a) The disclosure of any other contracts with County at the time the agreement is signed or at any time during the Contract Term. If such agreement exists, Subcontractor shall warrant and guarantee that Subcontractor will report and receive payment for each service/participant only from County funds under this Contract; and that there will be no duplicate payments for those services/participants reported under this Contract from any other sources or from County under any other contract or agreement.

(b) Agreement:

- (i) to reasonably cooperate with any County inquiry or investigation into Subcontractor and/or participant complaints; and
- (ii) to maintain confidentiality of information and security of all records as required by law; and
- (ii) that Contractor has the sole responsibility for payment for services rendered by Subcontractor; and, in the event of non-payment, insolvency or cessation of operations, sole recourse of Subcontractor against Contractor will be through Contractor or the bankruptcy estate of Contractor; and
- (iii) that County is not liable for any payment to Subcontractor; and
- (iv) to warrant that Subcontractor has systems in place to identify and document services to participants according to different funding sources; and
- (vi) to warrant that service/participant for which County pays will not also be paid for by any other funding source or by County under any other contract, pursuant to Section 6.3 of this Contract
- (vii) to assure Contractor's ability to meet all Contract requirements, including but not limited to reporting requirements.
- (viii) to comply with all provisions of this Contract in its entirety, to be included and made a part of any Subcontract executed in the performance of this Contract.

21.3 **Contract Limitation.** This Contract sets out the agreements and obligations between County and Contractor only, and does not obligate County in any way to any of Contractor's Subcontractors, nor to any other third party. This Contract creates no third party beneficiary rights as between County and any of Contractor's Subcontractors. Contractor has the sole responsibility for payment for services rendered by Subcontractors with Subcontractor's sole recourse in the event of Contractor non-payment, insolvency or cessation of operations against

Contractor or Contractor's bankruptcy estate. County shall not under any circumstances be liable to Contractor's creditors or Subcontractors for any payments under this Contract. Contractor agrees to include notice of the requirements in this section in every Subcontractor agreement.

21.4 Small and Minority Firms and Women's Business Enterprises.

21.4.1 The County will take all affirmative steps to assure that small and minority firms and women's business enterprises are used when possible.

21.4.2 These affirmative steps include:

- i. placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- ii. assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources;
- iii. dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- iv. establishing delivery schedules, where the requirements permit, which encourage participation by small and minority businesses, and with women's business enterprises; and
- v. using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce.

21.4.3 If subcontracts are to be let, the Consultant shall take the affirmative steps listed in Subsection 21.4.2 above, to assure that small and minority firms and women's business enterprises are used when possible.

21.4.4 To assure that small and minority businesses and women's business enterprises are used when possible, the County's Historically Underutilized Business Program (HUB) will be followed. In consideration of award of this Agreement to the CONSULTANT, the CONSULTANT agrees to maintain a subconsultant relationship with any HUB Subconsultants identified on the HISTORICALLY UNDERUTILIZED BUSINESS (HUB) DECLARATION Form provided with the CONSULTANT's Qualifications Statement and attached hereto as RFS Attachment 7 and made a part hereof. Identification of this relationship should be accomplished through completion of a Notice of Intent (NOI) to Subcontract with HUBs Form, attached hereto as part of Attachment Q

and made a part hereof. The NOI form should be signed by both the Consultant and HUB subconsultant, with a separate form submitted for each subconsultant, and provided to the Purchasing Agent after Notification of Contract Award but before beginning performance of the contract. The CONSULTANT must make good faith efforts to meet or exceed the HUB participation goals in the Professional Services category for an overall 15.8% for Minority-Owned Business Enterprises (MBE) and an Overall 15.8% for Woman-Owned Business Enterprises (WBE). (*Sub-goals: 1.9% African-American, 9.0% Hispanic-American, 4.9% Native/Asian-American*) of the Contract Sum. For purposes of this Agreement, all references to "HUB" means "certified HUB." To be considered as a "certified HUB," the subcontractor must have been certified by, and hold a current and valid certification with, any of the following three agencies: (1) The State of Texas; (2) the City of Austin; or (3) the Texas Unified Certification Program. Minimum good faith efforts include, to the extent practical and consistent with standard and prudent industry practices, the following:

- (a) dividing the Work into the smallest feasible portions, to allow for maximum HUB subcontractor participation;
- (b) providing to HUBs that exhibited genuine interest in bidding on a subcontract adequate information regarding the Project (i.e. plans, specifications, scope of work, bonding and insurance requirements and a point of contact within CONSULTANT's organization);
- (c) notifying, in writing, three or more HUBs for each scope of work, allowing no less than five working days prior to bid submission, of the planned work to be subcontracted;
- (d) providing notice of opportunities to minority or women trade organizations or development centers to assist in identifying potential HUBs by disseminating the information to their members/participants.

21.4.5 The CONSULTANT may go beyond the good faith efforts listed above when soliciting HUB subcontractors.

21.4.6 During the term of this Agreement, the CONSULTANT is encouraged to inform the COUNTY of any problems anticipated or encountered, and of any other concerns, regarding the utilization of HUBs, M/WBEs and DBEs.

21.4.7 During the performance of this Agreement, the Consultant is requested to provide payment information on each HUB subconsultant using the attached HUB Subcontractor Payment Report Form, attached hereto as part of Attachment Q and made a part hereof. This form should be submitted with each invoice from which a HUB subconsultant will be paid

21.4.8 No changes or substitutions shall be made for the HUB subconsultants unless such substitution is also a HUB. Any substitution or changes must

have prior approval of the Travis County Purchasing Agent or HUB Coordinator. To request a change, the HUB Subcontractor/Subconsultant Change Form, attached hereto as part of Attachment Q, must be completed and submitted to the County Purchasing Agent. Should there not be a HUB firm available as a replacement, Consultant may request an exemption from this requirement from the Purchasing Agent or HUB Coordinator. For additional information, refer to the completion instructions on the forms.

21.4.9 The COUNTY encourages the fostering of mentor/protégé relationships through the Community Mentor Protégé Initiative, and Travis County Purchasing Office HUB staff will cooperate with and assist the CONSULTANT in initiating and/or developing such efforts.

21.5 **Opportunity.**

21.4.1 **Affirmative Action.** Contractor agrees that it shall be committed to carry out an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086 and 12107. Contractor shall provide an Affirmative Action Plan within sixty (60) days of execution of this Contract. Appropriate affirmative marketing procedures include, but are not limited to, actions to provide information and otherwise attract eligible persons from all racial, ethnic and gender groups in the housing market area to available housing. The procedures and requirements must include methods for informing the public, owners, and potential tenants about fair housing laws and policies so as to ensure that all individuals, without regard to race, color, national origin, religion or sex are given an equal opportunity to participate in the program. The Contractor shall be solely responsible for the effective marketing responsibilities necessary to achieve the goals for the Project.

21.4.2 **Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement.** Contractor will, in all solicitations or advertisements for employees placed by or on behalf of Contractor, states that it is an Equal Opportunity or Affirmative Action employer.

21.5 **Level of Service.** Contractor will ensure the provision of timely and quality professional services by individuals, agencies, or other Subcontractors which will meet or exceed applicable licensing and regulatory standards applicable to the service provided and will provide County relevant documentation of such licenses upon request.

21.6 **Payment to Subcontractor(s).** Contractor shall make its best effort to pay Subcontractor(s) for undisputed claims for services rendered within five (5) business days of receipt of payments and/or advances from

County corresponding to those services under the terms of this Contract. This Section 21.6 refers only to obligations under this Contract between County and Contractor, and does not operate to contradict or change the provisions in Section 21.3.

22.0 MONITORING

- 22.1 **County Monitoring.** County, either directly or through TCHHSVS, reserves the right to perform periodic on-site monitoring of Contractor's (and Subcontractors') compliance/performance with the terms of this Contract, and of the adequacy, effectiveness and timeliness of Contractor's performance under this Contract. Such monitoring visit may include review of any and all performance activities as well as any and all records or other documentation maintained in relation to Contractor's performance under this Contract. Within ninety (90) days of each monitoring visit, County shall provide Contractor with a written report of the monitor's findings. If the report notes deficiencies in Contractor's performances under the terms of this Contract, it shall include requirements and deadlines for the correction of those deficiencies by Contractor. Contractor shall take action specified in the monitoring report prior to the deadlines specified. Failure to make required changes in a timely manner may result in termination of the Contract by County. County may provide technical assistance to Contractor and may request changes in Contractor's accounting, administrative and management procedures in order to correct any deficiencies noted.
- 22.2 **Subcontractor Monitoring.** Contractor will monitor all subcontracted services on a regular basis to assure Contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

23.0 NOTICES

- 23.1 **Requirements.** Except as otherwise specifically noted herein, any notice required or permitted to be given under this Contract by one Party to the other shall be in writing and shall be given and deemed to have been given immediately if delivered in person to the address set forth in this section for the Party to whom the notice is given, or on the third day following mailing if placed in the United States Mail, postage prepaid, by registered or certified mail with return receipt requested, addressed to the Party at the address hereinafter specified.
- 23.2 **County Address.** The address of County for all purposes under this Contract shall be:

Sherri Fleming, County Executive (or her successor)
Travis County Department of Health, Human Services,
and Veterans' Services
100 N. IH 35, Suite 3700
Austin, Texas 78701

With copies to (registered or certified mail with return receipt is not required):

Honorable David Escamilla (or his successor in office)
Travis County Attorney
P.O. Box 1748
Austin, Texas 78767
ATTENTION: Civil Transactions

and

Cyd Grimes, Purchasing Agent (or her successor)
Travis County Purchasing
P. O. Box 1748
Austin, Texas 78767

- 23.3 **Contractor Address.** The address of the Contractor for all purposes under this Contract and for all notices hereunder shall be:

Austin Community Land Trust
dba Austin People Trust
310 Comal Street, Ste 100
Austin, Texas 78702

- 23.4 **Change of Address.** Each Party may change the address for notice to it by giving notice of the change in compliance with Section 23.0. Any change in the address, including a change in the Contractor's Executive Director or Chairperson of the Board of Directors, shall be reported to the County Executive and the Purchasing Agent within twenty (20) days of the change.

- 23.5 **Change of Name and/or Identity.** Contractor shall notify the Purchasing Agent and TCHHSVS County Executive immediately in writing, and in advance where possible, of any significant change affecting the Contractor, including change of Contractor's name or identity, ownership or control, payee identification number and other. Failure to provide such information in a timely manner may delay payment under this Contract or result in other action by County regarding Contractor's status under this Contract. . No change in the obligation of or to Contractor will be recognized until it is approved by the Commissioners Court. Failure to timely provide notice under Section 23.5 and/or 23.6 may result in delay of payment.

- 23.6 **Notice to Unions.** Where applicable, Contractor shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer advising the labor union or worker's representative of the Contractor's commitments under this Contract, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

24.0 PROHIBITIONS

- 24.1 **County Forfeiture of Contract.** If Contractor has done business with a Key Contracting Person as listed in Exhibit "A" to Attachment G during the 365 day period immediately prior to the date of execution of this Contract by Contractor or does business with any Key Contracting Person at any time after the date of execution of this Contract by Contractor (including business done during any Renewal Term of this Contract) and prior to full performance of this Contract, Contractor shall forfeit all County benefits of this Contract and County shall retain all performance by Contractor and recover all considerations, or the value of all consideration, paid to Contractor pursuant to this Contract. Contractor shall notify County of any change in the information submitted with this Contract as to the Ethics Affidavit within twenty (20) days of such change throughout the Initial Term and/or any Renewal Term.

24.2 **Conflict of Interest.**

24.2.1 Contractor shall ensure that no person who is an employee, agent, consultant, officer, or elected or appointed official of Contractor, or member of Contractor's governing body, who exercises or has exercised any functions or responsibilities with respect to activities performed pursuant to this Contract or who is in a position to participate in a decision-making process or gain inside information with regard to these activities has or may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, Subcontract or agreement with respect to it, or the proceeds under it, either for him or herself or those with whom he or she has family or business ties, during his or her tenure or for one year thereafter.

24.2.2 If required by Chapter 176, Texas Local Government Code, T the Contractor shall complete and file a Conflict of Interest Questionnaire with the County Clerk, Elections Division, 5501 Airport Blvd., Austin, 78751. The Contractor shall update this Questionnaire, as required by Chapter 176 of the Local Government Code, by September 1, of each year for the duration of the Contract. In addition, if any statement on this submitted Questionnaire becomes incomplete or inaccurate, the Contractor shall submit an updated Questionnaire. The Contractor should note

that the law requires the County to provide access to this Questionnaire on the official Travis County Internet website.

24.2.3 Contractor agrees to abide by the provisions of 24 CFR 84.42 and 570.611 relating to the award and administration of contracts supported by Federal funds.

24.3 **Solicitation**. Contractor warrants that no persons or selling agency was or has been retained to solicit this Contract upon an understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial selling agencies maintained by Contractor to secure business. For breach or violation of this warranty, County shall have the right to terminate this Contract without liability, or, in its discretion to, as applicable, add to or deduct from the Contract price for consideration, or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

24.4 **Gratuities**. County may cancel this Contract if it is found that gratuities in the form of entertainment, gifts, or otherwise were offered or given by Contractor or any agent or representative to any County official or employee with a view toward securing favorable treatment with respect to the performing of this Contract. In the event this Contract is cancelled by County pursuant to this provision, the County shall be entitled, in addition to any other rights and remedies, to recover from Contractor a sum equal in amount to the cost incurred by Contractor in providing such gratuities. Contractor's employees, officers and agents shall neither solicit nor accept gratuities, favors or anything of monetary value from Subcontractors or potential Subcontractors. Contractor shall establish safeguards to prohibit its employees from using their positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business or other ties.

24.5 **Nepotism**. Contractor agrees that it will comply with the guidelines set forth for public officials under TEX. GOVERNMENT CODE ANN, Ch. 573, by ensuring that no officer, employee or member of the governing body of Contractor shall vote or confirm the employment of any person related within the second degree by affinity or third degree by consanguinity to any member of the governing body or to any other officer or employee authorized to employ or supervise such person.

25.0 ASSIGNABILITY

25.1 **Written Approval**. No Party may assign any of the rights or duties created by this Contract without the prior written approval of the other Party. This provision includes assignment, sale, merger or any other action resulting in any change in the status of Contractor. It is acknowledged by Contractor that no officer, agent, employee or

representative of County has any authority to assign any part of this Contract unless expressly granted that authority by the Commissioners Court. Submission of a request for approval under this Section 25.1, "Assignment," shall be made in writing to the Purchasing Agent. Failure to secure the approval required in this Section 25.1 may result in delay of payment or other sanctions.

- 25.2 **Binding Agreement.** Subject to Section 25.1, this Contract shall be binding upon the successors, assigns, administrators, and legal representatives of the Parties to this Contract.

26.0 LEGAL AUTHORITY

- 26.1 **Contractor Authority.** Contractor guarantees that Contractor possesses the legal authority to enter into this Contract, receive funds authorized by this Contract, and to perform the services Contractor has obligated itself to perform under this Contract.
- 26.2 **Signors.** The person or persons signing this Contract on behalf of Contractor, or representing themselves as signing this Contract on behalf of Contractor, do hereby warrant and guarantee that he, she or they have been duly authorized by Contractor to sign this Contract on behalf of Contractor and to bind Contractor validly and legally to all terms, performances, and provisions in this Contract.
- 26.3 **Suspension.** County shall have the right to suspend or terminate this Contract if there is a dispute as to the legal authority of either Contractor or the person signing this Contract to enter into this Contract or to render performances under it. Contractor and any person signing this Contract are liable to County for any money disbursed by County for performance of the provisions of this Contract, if County has suspended or terminated this Contract for breach of Section 26.1 or Section 26.2.

27.0 INTERPRETATIONAL GUIDELINES

- 27.1 **Computation of Time.** When any period of time is stated in this Contract, the time shall be computed to exclude the first day and include the last day of the period. If the last day of any period falls on a Saturday, Sunday or a day that County has declared a holiday for its employees these days shall be omitted from the computation.
- 27.2 **Numbers and Gender.** Words of any gender in this Contract shall be construed to include any other gender and words in either number shall be construed to include the other unless the context in the Contract clearly requires otherwise.
- 27.3 **Headings.** The headings at the beginning of the various provisions of this Contract have been included only to make it easier to locate the subject

matter covered by that section or subsection, and are not to be used in construing this Contract.

- 27.4 **Interpretation.** In the event any disagreement or dispute should arise between the Parties hereto pertaining to the interpretation or meaning of any part of this Contract or its governing rules, regulations, laws, codes or ordinances, the County, as the Party ultimately responsible to HUD for matters of compliance, shall have the final authority to render or secure an interpretation.

28.0 OTHER PROVISIONS

- 28.1 **Exemption From County Purchasing Act.** Pursuant to TEX. LOCAL GOVERNMENT CODE ANN. § 262 et seq., Commissioners Court hereby orders that this Contract is exempt from the requirements of the County Purchasing Act because it is a Contract for the purchase of personal or professional services or meets other requirement(s) for exemption pursuant to applicable law.
- 28.2 **Survival of Conditions.** Applicable provisions of this Contract, as determined by County, shall survive beyond termination or expiration of this Contract until full and complete compliance with all aspects of these provisions has been achieved where the Parties have expressly agreed that those provisions should survive any such termination or expiration or where those provisions remain to be performed or by their nature would be intended to be applicable following any such termination or expiration.
- 28.3 **Non-Waiver of Default.** One or more acts of forbearance by any Party to enforce any provision of this Contract or any payment, act or omission by any Party shall not constitute or be construed as a waiver of any breach or default of any other Party which then exists or may subsequently exist.
- 28.4 **Reservation of Rights.** If any Party to this Contract breaches this Contract, the other Party(ies) shall be entitled to any and all rights and remedies provided for by the Texas law and any applicable Federal laws or regulations. All rights of County, under this Contract are specifically reserved and any payment, act or omission shall not impair or prejudice any remedy or right to County under it. The exercise of or failure to exercise any right or remedy in this Contract of County or the failure to act in accordance with law based upon the other Party's breach of the terms, covenants, and conditions of this Contract, or the failure to demand the prompt performance of any obligation under this Contract shall not preclude the exercise of any other right or remedy under this Contract or under any law, nor shall any action taken or not taken in the exercise of any right or remedy be deemed a waiver of any other rights or remedies.
- 28.5 **Law and Venue.** This Contract is governed by the laws of the State of Texas and all obligations under this Contract shall be performable in the

City of Austin, Texas or in Travis County, Texas. It is expressly understood that any lawsuit, litigation, or dispute arising out of or relating to this Contract will take place in Travis County and the City of Austin.

28.6 **Severability.** If any portion of this Contract is ruled invalid by a court of competent jurisdiction, the remainder of it shall remain valid and binding. If federal, state or local laws or other requirements are amended or judicially interpreted so as to render continued fulfillment of this Contract, on the part of either Party, substantially unreasonable or impossible, and if the Parties should be unable to agree upon any amendment that would therefore be needed to enable the substantial continuation of the services contemplated herein, the Parties shall be discharged from any further obligations created under the terms of this Contract, except for the equitable settlement of the respective accrued interests or obligations incurred up to the date of termination.

28.7 **Political Activity.**

28.7.1 **County Requirement.** Contractor shall not use any of the performance under this Contract or any portion of the Contract Funds for any activity related to influencing the outcome of any election for public office, or any election, or the passage or defeat of any legislative measure or any political activity, lobbying, or political patronage. This prohibition shall not be construed to prevent any official or employee of Contractor from furnishing to any member of its governing body upon request or to any other local or state official or employee, or to any citizen, information in the hands of the employee or official not considered under law to be confidential. No Contract Funds can be used directly or indirectly to hire employees or in any other way fund or support candidates for the legislative, executive or judicial branches of the government of Contractor, the State of Texas or the government of the United States.

28.7.2 **Grant Requirement.**

- (a) No federal appropriated funds have been paid or will be paid, by or on behalf of it, 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 any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.

- (b) If any funds other than Federal 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 this Federal contract, grant, loan or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (c) It will require that the language of subparagraph (d) of this Section 28.7.2 be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all Subcontractor(s) shall certify and disclose accordingly.
- (d) Lobbying Certification. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, Title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

28.8 **Sectarian Activity.**

28.8.1 **Religious Influence.** Within the limits and understandings set forth in Section 28.8.2, Contractor shall ensure, and require all Subcontractors to ensure, that provision of services under this Contract shall be carried on in a manner free from religious influence. Contractor shall not execute any agreement with any primarily religious organization to receive Contract Funds from Contractor unless the agreement includes provisions such as those set forth in this Section 28.8 or as provided by County, to effectuate this assurance. Contractor shall submit such agreements to County prior to the release of Contract Funds to such Subcontractor.

28.8.2 **Civil Rights Act, Section 702 Application.** Contractor and County agree to be bound by the following as to Subcontractor(s) and Contractor respectively, and Contractor shall include these requirements in any Subcontract under this Contract:

- (a) A religious organization that enters into a contract with County (or Subcontractor who enters into a Subcontract with Contractor) does not by so contracting lose exemption

provided under Section 702 of the Civil Rights Act (42 U.S.C., Section 2000E-1(a)) regarding employment practices. A religious or charitable organization is eligible to be a Contractor on the same basis as any other private organization. Contractor retains its independence from State and Local governments, including the Contractor's control over the definition, development, practice, and expression of its religious beliefs. Except as provided by federal law, County shall not interpret this Contract to require a religious organization to alter its form of internal governance or remove religious art, icons, scripture or other symbols.

- (b) Neither the County's selection of charitable or faith-based Contractor of social services nor the expenditure of funds under this Contract is an endorsement of the Contractor's charitable or religious character, practices or expressions. The purpose of this Contract is the provision of social services in the form of affordable housing through land acquisition. No expenditures have as their objective the funding of sectarian worship, instruction or proselytization.
- (c) No provider of social services for the County may discriminate against you any Client on the basis of religion, a religious belief, or your any Client's refusal to actively participate in a religious practice. If a Client believes that their rights have been violated, that complaint should be discussed with a County representative immediately.
- (d) Neither the County's selection of charitable or faith-based Contractor of social services nor the expenditure of funds under this Contract is an endorsement of the Contractor's charitable or religious character, practices or expressions.

28.8.3 Contractor shall reasonably apprise all Eligible Clients of the requirements in this Section 28.8, and shall ensure the provision of services pursuant to these provisions.

28.8.4 Additional Rights. Section 104 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. Section 604a) sets forth certain additional rights and responsibilities for charitable and faith-based providers of social services, certain additional rights of assisted individuals, and certain additional responsibilities of County to providers and assisted individuals. This Contract is subject to those additional rights and responsibilities.

28.8.5 Contractor agrees that funds provided under this Contract will not be utilized for inherently religious activities prohibited by 24 CFR

570.200(j), such as worship, religious instruction, or proselytization.

- 28.9 **Publicity.** In any publicity prepared or distributed by or for Contractor, the funding through County shall be mentioned as having made the project possible. Prior to publication or any disbursement of such publicity, Contractor must provide a copy of the final form of the publicity and secure the approval of the County Executive. When appropriate as determined by County Executive, Contractor shall publicize the services and activities of Contractor under this Contract.
- 28.10 **Dispute Resolution - Administration by Purchasing Agent.** When the Contractor and/or County have been unable to successfully resolve any question or issue related to this Contract presented to the County under Section 4.3, "Contract Issues," the Contractor or County shall then present the matter to the Purchasing Agent by providing the Purchasing Agent with written notice of the dispute. Such notice shall contain a specific written description of the issues involved as well as the Contractor's requested resolution of the dispute and any other relevant information which Contractor desires to include. As of the receipt of such notice by the Purchasing Agent, the Purchasing Agent will act as the County representative in any further issuances and in the administration of this Contract in relation to the described dispute. Unless otherwise stated in this Contract, any document, notice or correspondence in relation to the disputes at this stage not issued by or to the Purchasing Agent may be considered void. If the Contractor does not agree with any document, notice or correspondence relating to the dispute issued by the Purchasing Agent or other authorized County person, the Contractor must submit a written notice to the Purchasing Agent with a copy to the County Executive within ten (10) calendar days after receipt of the document, notice or correspondence, outlining the exact point of disagreement in detail. The Purchasing Agent will issue a written notice of the final resolution of the dispute to the Contractor within thirty (30) days of receipt of the initial written notice of dispute by the Purchasing Agent. If this final resolution does not resolve the dispute to the Contractor's satisfaction, Contractor may submit a written Notice of Appeal to the Commissioners Court through the Purchasing Agent. The Purchasing Agent will provide a copy of such response to the County Executive. This Notice of Appeal must be submitted within ten (10) calendar days after receipt of the unsatisfactory final resolution. Contractor then has the right to be heard by Commissioners Court and the Purchasing Agent will coordinate placing the matter on the Commissioners Court agenda.
- 28.11 **Mediation.** If the Contractor is not satisfied with the resolution of the dispute pursuant to Section 28.10, Contractor shall notify the County Executive, and, if mediation is acceptable to both Parties in resolving the dispute arising under this Contract, the Parties agree to use the Dispute Resolution Center of Austin, Texas, as the provider of mediators for mediation as described in the TEX. CIV. PRAC. AND REM. CODE,

Section 154.023. Unless both Parties are satisfied with the result of the mediation, the mediation will not constitute a final and binding resolution of the dispute. All communications within the scope of the mediation shall remain confidential as described in TEX. CIV. PRAC. AND REM. CODE, Section 154.073, unless both Parties agree, in writing, to waive the confidentiality.

- 28.12 **Coordination.** Contractor shall coordinate and share information with other Travis County Health and Human Services programs and CAN in any way that is appropriate as determined by County to maximize the benefit to Eligible Clients in City of Austin/Travis County and to avoid duplication of services.
- 28.13 **County Public Purpose.** By execution of this Contract, the Commissioners Court hereby finds that the issues, problems and needs to be addressed by the services to be provided under the terms of this Contract, and specifically set forth in Attachment A hereto, constitute a significant public concern impacting members of the indigent population which the County serves. The Commissioners Court further finds that the provision of services to be provided by Contractor pursuant to this Contract will further the public purpose of addressing those health and human services issues, problems and needs identified in this Contract (including Attachment A) for qualified individuals.
- 28.14 **Force Majeure.** Neither Party shall be financially liable to the other Party for delays or failures to perform in Contract performance caused by force majeure (i.e. those causes generally recognized under Texas law as constituting impossible conditions). Such delays or failures to perform shall extend the period of performance until these exigencies have been removed. The party seeking to avail itself of this clause shall notify the other Party within five (5) business days or otherwise waive the right as a defense, unless notification is impractical under the circumstances, in which case notification shall be done in as timely a manner as possible. Contractor agrees that breach of this provision entitles County to reduce or stop payments or immediately terminate this Contract.
- 28.15 **Other Agreements.** It is understood and agreed by all Parties that the terms of this Agreement do not in any way limit or prohibit current or future agreements between any of the Parties for the provision of additional services as mutually agreed to in writing by those Parties.

BY THE SIGNATURES AFFIXED BELOW, the above Contract is hereby accepted as all the terms and conditions of this agreement.

CONTRACTOR:

By: Kelly Weiss
Its Duly Authorized Agent
Printed Name: Kelly Weiss
Title: Executive Director
Date: 8/20/2012

TRAVIS COUNTY

DRAFT

By: _____
Samuel T. Biscoe
County Judge
Date: _____

County Approvals:
As to Legal Form:

Assistant County Attorney Date: _____
Funds Certified By:

Susan Spataro, County Auditor Date: _____

Purchasing:

Cyd Grimes, Purchasing Agent Date: _____

ATTACHMENT A

WORK STATEMENT

**CDBG Homebuyer Assistance Program
Program Year 2009 and 2010**

SCOPE OF SERVICES

A. Nature and Scope of Project

1. Administration. Contractor will be responsible for administering a CDBG Project with funding identified in Year 2009 and 2010. The "Project" is "Homebuyer Assistance" and the Activity is providing financial assistance in the form of Shared Appreciation "Gap Financing" and Down Payment Assistance for home purchase to eligible households. Contractor will administer all tasks in connection with the Project in compliance with all applicable Federal, state and local rules and regulations governing these funds, pursuant to the terms of this Contract and all other applicable documents in a manner satisfactory to the County.

2. Financial Assistance. The Contractor will provide financial assistance to eligible households in the form of forgivable, second priority loans to be used for down payment assistance; and/or as deferred payment, shared appreciation loans to be used as "Gap" financing toward the purchase of affordable housing units that will be occupied by the homebuyers.

B. Contractor Responsibilities. Contractor will:

Contractor (PeopleTrust) will develop a First Time Homebuyer Assistance Program targeted towards lower income households in Travis County in compliance with all terms and conditions of this Contract, the Grant. Under that Program, PeopleTrust will:

1. Design and implement the program's framework and processes in compliance with Travis County procedures and requirements, including
 - a. Serving as the sole point of contact for program applicants, including provision of applications to potential participants and answering questions about program requirements and application process
 - b. Management of first time homebuyer sale and resale transactions, within a shared appreciation framework
 - c. Collection and evaluation of program applications, including verification of homebuyer eligibility and income eligibility based on HUD's Part 5 definition
 - d. Determination of property eligibility, real estate contract review, realtor communications, and title/surveying/inspection tracking
 - e. Preparation of all loan and closing documentation, including a Deed of Trust, Promissory Note, Subordination Agreement and lender and title company closing instructions, as well as verification that all required program certifications and disclosures have been signed by the Homebuyer and/or the Seller, as applicable.
 - f. Maintenance of client files for all applicants to include all application materials, supporting documentation, determination of program eligibility and signed copies of all disclosures and certifications

- g. Provision of homebuyer counseling and post-purchase homeowner education, including scheduling and tracking completion of HUD Certified Housing Counseling
- 2. Develop and implement first-time homebuyer assistance program financing, in compliance with Travis County procedures and requirements, including:
 - a. Establishment of a pool of preferred program lenders by securing first lien mortgage lending underwriting approval and approval from the secondary market
 - b. Calculation of gap financing and pricing
 - c. Coordination of subordination agreement execution with first lien lenders, title company closing and payment invoicing
- 3. Develop and implement the marketing plan, in compliance with Travis County procedures and requirements, including:
 - a. Outreach to private subdivision developers with qualified properties, area licensed realtors, major employers serving the area and local banks with branches within unincorporated Travis County
 - b. Affirmative marketing to area churches and both the Capital Area Chamber of Commerce and the Hispanic Chambers of Commerce to more effectively reach minority populations in Travis County.
 - c. Development of tools and strategies to affirmatively market housing to prospective low income homebuyers (those households at or below 80% of the county area median family income) in Travis County
- 4. Design and implement compliance, quality assurance, tracking and monitoring processes, pursuant to "Travis County CDBG Homebuyer Assistance Program Guidelines", the provisions of the RFS, **all terms of this Contract and the Grant**, and all other applicable laws, statutes and regulations, including:
 - a. Performance of routine compliance monitoring including senior staff reviews of all home closings, application outcomes and random samplings of home closings for full file reviews
 - b. Management and monitoring of 2nd lien portfolio quality and homeowner compliance
 - c. Preparation and submittal of monthly status reports to Travis County on the following: applications received (approved/denied), marketing & outreach (# sessions held/attendance), homebuyer education (scheduled/completed), home closings (scheduled/closed), homebuyer demographic information (AMI, household size, race/ethnicity, female head of household status, disability status, and other data as required
 - d. Ensuring completion of customer service surveys for both the homebuyer education program and first time homebuyer program, upon close.
 - e. Development of file documentation protocols and storage/organization of all critical correspondence using a file checklist that includes all documents, required due dates, dates received, and dates signed.

C. **Number of Loans:** Approximately 63 loans will be made to eligible households. The number of loans may vary depending on the actual amount of assistance required by each homebuyer.

D. **Costs.**

- 1. **Eligible Costs.** Contractor will use the funds available under the terms of this Contract only for the purpose of making loans to eligible borrowers, for the purchase of eligible properties and for directly related costs for such a transaction

and for costs associated with marketing and outreach. Eligible Costs will only be those set forth in this Contract and applicable documents as approved.

2. Ineligible Costs. Contractor will engage in additional tasks that support the planning and implantation of the Project to further the goal of providing financial assistance to approximately 63 households. The costs of some of these activities may be ineligible for reimbursement by this Contract. Activities which are not reimbursable under this Contract include, but are not limited to: project development and management.
3. Questions. If Contractor has any question as to the eligibility of any cost, Contractor will contact County for approval prior to incurring that cost. If Contractor does not receive such prior approval in writing, ineligible costs, as determined by County, will not be reimbursed under this Contract.

E. Goals and Objectives.

1. National Objective. The national objective for CDBG funds under this Contract is to Low to Moderate Income Housing as defined in 24 CFR Part 570.201(n)
2. Activity. Contractor will, under the terms of this Contract, act to provide financial assistance for home purchase to eligible homebuyers. This eligible activity is defined in 24 CFR Part 570.201(n) and further described in CPD Notice 07-08.
3. Goal. The goal for performance under this Contract is to increase the affordability of owner – occupied housing for low to moderate income households.
4. Performance Indicators/Objectives. Performance Indicators/objectives include the following:
 - a. Contractor will provide down payment assistance and/or Shared Appreciation Gap Financing to approximately 63 low to moderate income households;
 - b. The Parties agree that the actual number of households assisted under this Contract will be dependent on the actual amount of assistance provided to each household. However, the Parties also agree that the intent and expectation of the Parties is that the Contract Funds provided under this Contract will be sufficient to provide assistance to a minimum of 20 households.

F. Eligibility Restrictions

1. Eligible Participants. Eligible Participants must meet the following requirements:
 - a. All Applicants must have incomes at or below 80% of the County's area median income (AMI), adjusted for household size, as published by HUD each year. Income eligibility will be determined using HUD's Part 5 definition of annual income. Projected annual gross income of the applicant household will be used to determine whether they are above or below the income limits.

- b. At the time of application to the program, household assets may not exceed half of the HUD established income limits for each household size.
 - c. Project Participant(s) must meet the HUD definition of a First-Time Homebuyer.
 - d. All Project participants must complete at least eight (8) hours of homebuyer counseling from a HUD-approved housing counseling agency prior to participating in the program.
 - e. A minimum down payment of five hundred dollars (\$500) will be required from all homebuyers receiving financing through the Project.
 - f. All Program Participants must meet credit and underwriting criteria to secure a loan from a commercial lender.
 - g. Participants must occupy the property as a principal residence for the entire term of Project loan (s).
2. Eligible Properties. To be eligible for purchase under this Contract, properties must meet the following requirements:
- a. Housing units to be purchased must be located within CDBG service area.
 - b. Eligible homes will be those that are currently owner occupied, newly constructed, or have been vacant for three months prior to the acceptance of a contract to purchase.
 - c. No occupied rental units are eligible unless the existing tenant is purchasing the property.
 - d. The property may be a single family home, a condominium or manufactured housing on its own lot and affixed to a permanent foundation.
 - e. All housing units must be in compliance with State and local codes and ordinances.
 - f. The property (structure) must be outside the 100 year flood plain as designated in the most recent FEMA 100 Year Flood Plain Map(s).
 - g. If the housing unit was constructed prior to 1978 then the lead-based paint requirements as outlined in "Travis County Lead-Based Paint Guidelines for CDBG Homebuyer Assistance Programs" (Attachment K) must be adhered to.

G. **Staffing**

- 1. Contractor shall assign the following staff as Contractor Key Personnel to the Project:

- a. Staff Member Title:
 - a. Kelly Weiss, Executive Director
 - b. Ramon Valeriano, VP of Homeownership
 - c. Frank Garcia, Program Manager
 - d. Oscar Saenz, Homebuyer Counselor
 - e. Mat King, CFO
 - b. General Program Duties:
 - Program Marketing
 - Direct Support of the Grant
 - Review of all applications for Homebuyer Assistance.
 - Preparation of all closing documents.
2. Any changes in the Key Contractor Personnel assigned or their general responsibilities under this Project are subject to the prior approval of the County.

ATTACHMENT B**PROJECT SCHEDULE****CDBG Homebuyer Assistance Program**

Program Year 2009 & 2010. Unless amended by mutual written agreement by Contractor and County pursuant to this Contract, the Contractor will perform and complete the Project tasks in conformance with the following schedule, subject to the timely execution of the agreement to access the PY09 & PY 10 CDBG funds:

SCHEDULE:

| | |
|--------------------------|-----------------------|
| Agreement executed | August 2012 |
| Advertisement of Program | Sept 2012 – Sept 2013 |
| Provision of Services | Sept 2012 – Sept 2013 |
| 40% of Funds Expended | January 2013 |
| 100% of Funds Expended | Sept 30, 2013 |

DETAILED SERVICES, TIMELINE, BENCHMARKS:**September 1-30 2012:**

Program set-up, including securing insurance, program and process design to work with Travis County procedures and requirements, and securing a preferred, first-lien mortgage lenders that will accept the Travis County Downpayment Assistance and Shared Appreciation Loan Programs. Program and process design includes drafting required application forms, customer service surveys, compliance checklists, file documentation protocols, program guidelines, training/outreach to lenders, realtors, and title companies, and initial affirmative marketing and outreach to key stakeholders, as identified in the Marketing Plan (**Exhibit 1 to Attachment B**).

Benchmarks:

- *Program Insurance Secured*
- *Execute Contract between Travis County and PeopleTrust*
- *Deliver Travis County Program Guidelines, Program Forms & Checklists, Process Flow Charts, Realtor/Lender/Training Materials, Program Marketing Materials*
- *Update website to include program description and application materials*
- *Establish a pool of at least 3 preferred lenders for the program by securing first-lien mortgage lending underwriting approval and approval from the secondary market (Fannie Mae, FHA). NOTE: FHA may not authorize lending for the Shared Appreciation loan program, given the HUD Mortgagee Letter governing FHA lending and shared equity housing models. However, PeopleTrust will work to secure FHA approval for this program. Fannie Mae approval and portfolio lender approvals should be easily attained for this program, given PeopleTrust's extensive past experience in originating both secondary market and portfolio-held second lien mortgages.*
- *Initiate Marketing Plan, as outlined in **Exhibit 1 to Attachment B**. Outreach to private subdivision developers with qualified properties, area licensed Realtors, major*

employers serving the area, and local banks with branches within unincorporated Travis County will be contacted during this period to establish a pipeline of early applicants, in order to meet the 40% expenditure of funds by July 31, 2013.

- *Key stakeholders, including area churches, the Capital Area Chamber of Commerce and the Hispanic Chamber of Commerce will receive program information, in order to affirmatively market the program to Hispanic and African American populations.*
- *Monthly status reports to Travis County provided no later than the 15th of the month following the reporting month on the following: applications received (approved/denied), marketing & outreach (# sessions held/attendance), homebuyer education (scheduled/completed), home closings (scheduled/closed), homebuyer demographic information (AMI, household size, race/ethnicity, female head of household status, disability status, and other data as required).*

September 2012 – September 2013:

Implement program by opening application round for processing and review and begin closing program loans. The following Work Plan items will be accomplished during this period:

Point of Contact: PeopleTrust will serve as the point of contact for applicants. When requested by potential applicants, PeopleTrust will provide applications to potential participants and answer questions about the program requirements and application process.

Receive and Review Program Applications: PeopleTrust will receive applications for assistance from the homebuyer or homebuyer's lender. PeopleTrust will verify homebuyer eligibility, housing unit and loan eligibility and calculate the amount of assistance to be provided, consistent with the Travis County First Time Homebuyer Assistance Program Guidelines.

Prepare all Loan and Closing Documents: PeopleTrust will provide a Deed of Trust, Promissory Note, and lender and title company closing instructions as attached to the PSA as **Attachment D**. Please note: First Lien Lenders will also require a Subordination Agreement. These documents will be delivered to the Title Company for each transaction. Additionally, PeopleTrust will ensure that all required program certifications and disclosures are signed by the Homebuyer and/or the Seller, as applicable.

Maintain Client Files for All Applicants: PeopleTrust will maintain a file for each Applicant to the Program that includes all application materials, all documentation supporting the determination of program eligibility, and signed copies of all required disclosures and certifications.

Eligible participants will be documented and program eligibility will include all income certification and asset documentation including tax returns, pay stubs, copies of checking, savings, and investment accounts, 401(k) or retirement accounts, inventory of real property owned, other assets, child support received, and other required source documentation under Part 5. Projected annual gross income of the Applicant household will be used to determine whether they meet the income eligibility criteria. The HUD Part 5 Income Calculator will be used to determine income certification, and a copy of the HUD Calculator print-out confirming income certification will be maintained in the file. Eligible participants must be at or below 80% of AMI, adjusted for household size, as published by HUD annually. At the time of application, assets will be verified through source documentation, as required under Part 5 included assets, to ensure that household assets may not exceed half of the HUD established income limits for each household size. Individuals receiving assistance will be asked to sign a disclosure that self-certifies they are a first-time homebuyer within the HUD definition of "first time homebuyer,"

and this self-certification will be maintained as part of the file documentation. All participants will be required to attend 8 hours of homebuyer counseling from a HUD-approved housing counseling agency prior to participating in the program. The file shall be documented with the HUD-approved certificate of completion documenting the Applicant's 8 hours of participation in housing counseling. Applicants must provide a minimum of \$500 for down payment costs, in order to receive financing from the Program. This funding will be verified by the first-lien lender and noted on their Good Faith Estimate and Estimated HUD-1 prior to closing. Applicants must qualify for a first lien mortgage through a participating commercial lender and must meet requisite underwriting criteria in order to receive a first lien mortgage. The Program file may include the Lender's prequalification letter and will include the Lender's Good Faith Estimate and Confirmation of Loan Qualification. The Applicant must execute a document certifying that they intend to occupy the home as their primary residence, and this will be placed in the file.

The file will contain the required CDBG area service area documentation, Environmental Fund Release, Flood Plain documentation, Code Compliance Seller disclosure, and any supporting documentation required by Travis County Program Guidelines and this RFS. The file will contain a documented determination of housing unit eligibility, including compliance with applicable Lead-Based Paint requirements, compliance with Eligible Home status (those that are currently owner occupied, newly constructed, or have been vacant for three months prior to the acceptance of a contract to purchase), compliance with Type of Home and Eligible Property (single family home, a condominium, or manufactured housing on its own lot and affixed to a permanent foundation), and other federal or county requirements as specified in the RFS and Travis County Program Guidelines. This file will be created and maintained whether or not the Applicant receives funding.

PeopleTrust will ensure that no rental homes are funded through the Program, unless the existing tenant is the homebuyer purchasing the property. PeopleTrust will document property ownership through a Travis County Appraisal District (TCAD) print-out placed within the file and a homebuyer certification that the property is not an unqualified rental property as described in the RFS.

PeopleTrust will create a detailed file checklist that includes all documents, required due dates for the documents, dates received, and dates signed, in order to ensure proper file documentation. This checklist is the first page/front cover of every file. PeopleTrust will retain all critical correspondence between the Applicant and PeopleTrust in the comments section of the file checklist. This file checklist serves as a compliance and quality assurance backstop.

Compliance: PeopleTrust will ensure that implementation of the Program follows all policies and procedures as outlined in "Travis County CDBG Homebuyer Assistance Program Guidelines," and all other applicable terms and provisions of the RFS, all related Contract documents and all applicable laws, statutes, rules, and regulations. Program compliance will be assured through PeopleTrust routine compliance monitoring policies and procedures, including senior staff overview of all home closings, and a random sample of full file reviews of home closings, as well as approved and denied application files which did not close. PeopleTrust will ensure that administration of the Program complies with all federal, state, county, and city laws, rules, regulations and ordinances, applicable to the provision of services, the conduct of activities, and the performance of all obligations and requirements pursuant to the Contract between Travis County and PeopleTrust.

- **Program Fund Expenditures:** The Project Schedule (Attachment B) of the Contract provides the rate of expenditure. *Continued Execution of Marketing Plan (Exhibit 1 to Attachment B). Includes at least 3 on-site employer outreach sessions to potential homebuyers, at*

least 3 outreach sessions to schools serving the qualified area to target teachers and administrative staff, outreach to PTA organizations serving the qualified area to target eligible families with children through written program material, and other activities defined within the Marketing Plan.

- *Compliance monitoring and quality assurance activities include senior staff level general file review and random sample full file review to ensure compliance with all federal, state, and local requirements and to ensure quality assurance standards are maintained.*
- *Require each customer who attends homebuyer education complete a customer satisfaction survey. A goal of 95% "satisfactory" experience is the goal from the total population of participants. (Survey range is excellent, satisfactory, and unsatisfactory.) Participants are encouraged to provide feedback on course aspects that work well and aspects that need improvement. Customers are encouraged to suggest improvements that can be evaluated and incorporated into the program to provide constant program enhancements and obtain a high-level of customer satisfaction.*
- *Require each customer who closes a home through the program to complete a customer satisfaction survey. A goal of 98% "satisfactory" experience is the goal from the homebuyers who close a program loan. (Survey range is from excellent, satisfactory, and unsatisfactory.) Homebuyers are encouraged to suggest improvements that can be evaluated and incorporated into the program to provide constant program enhancements and obtain a high-level of homebuyer satisfaction.*
- *Monthly status reports to Travis County provided no later than the 15th of the month following the reporting month on the following: applications received (approved/denied), marketing & outreach (# sessions held/attendance), homebuyer education (scheduled/completed), home closings (scheduled/closed), homebuyer demographic information (AMI, household size, race/ethnicity, female head of household status, disability status, and other data as required).*

**EXHIBIT 1 to ATTACHMENT B
PEOPLETRUST MARKETING PLAN**

Purpose.

This PeopleTrust Marketing Plan for the Travis County FIRST TIME HOMEBUYER'S ASSISTANCE PROGRAM addresses affirmative marketing activities to low to moderate income households with directed activities to encourage populations that commonly experience a cost burden in homeownership (particularly, African-American and Hispanic households).

Marketing Plan Requirements & Strategy:

Outreach:

All outreach efforts will be done in accordance with local, state and federal fair lending regulations to assure nondiscriminatory treatment, outreach and access to the Program. No person shall, on the grounds of race, color, national origin, religion, sex, familial status, or physical or mental disability be excluded, denied benefits or subjected to discrimination under the Program.

Logo:

The Fair Housing Lender logo will be placed on all outreach materials, in accordance with applicable logo graphic requirements.

Materials:

Flyers or other outreach materials, in English and Spanish, will be widely distributed in the Program-eligible area and will be provided to any local social service agency.

Contacts:

PeopleTrust will work closely with local real estate agents and primary lenders to explain the Program requirements for eligible housing units and homebuyers, and to review the Program processes. Local real estate agents and primary lenders will also be encouraged to have their customers participate in the Program. In addition, PeopleTrust will work with builders who are developing in the service area to inform them of the Program and to market the Program to their prospective buyers.

Special Marketing Efforts:

Due to the disproportionate number of African American and Hispanic households in Travis County with a housing problem, special efforts will be made to market the program to these populations in a culturally sensitive manner. Outreach through churches, the Hispanic Chamber and Capital City Chambers will be used to affirmatively market the program. In addition, major employers located within the service area will be utilized to market the program to income eligible employees. Daycare centers and area schools are also sources of marketing and outreach avenues.

ATTACHMENT C**PROGRAM BUDGET****CDBG Homebuyer Assistance Program
Program Years 2009 & 2010**

Unless otherwise noted, this budget may only be modified through a formal written amendment approved by the County and Contractor pursuant to the terms of this Contract.

Full Program Budget

| | |
|--|-------------------|
| Program Delivery: Direct Support Costs (see breakdown below) | \$ 58,927 |
| Down Payment Assistance* | \$ 200,000 |
| Shared Appreciation Gap Financing* | \$ 426,873 |
| Program Delivery: Transaction Fee (see breakdown below) | <u>\$ 64,200</u> |
| Total Budget | <u>\$ 750,000</u> |

*These line items may move fluidly between one another without written permission from the County, however, coordination with the County is needed to ensure line items have appropriate funding levels for closing.

Program Delivery: Direct Costs Breakdown

Costs associated with advertising, program start up and other support costs

| | |
|---|-----------------|
| Salary and Wages | \$30,000 |
| Fringe and Benefit Costs | \$ 6,400 |
| Professional Services Costs | \$ 3,000 |
| Office Supplies & Expense | \$ 500 |
| Employee Training & Seminars | \$ 1,000 |
| Travel Costs | \$ 2,000 |
| Equipment Expense | \$ 200 |
| Telephone Expense | \$ 100 |
| Printing | \$ 500 |
| Vehicle Costs | \$ 1,200 |
| Bus Passes | \$ 100 |
| Insurance | \$ 4,000 |
| Outreach Materials | \$ 6,000 |
| Program Materials | \$ 3,000 |
| Other Miscellaneous Costs | <u>\$ 927</u> |
| Total Direct Cost for Travis County DPA Program estimated = | <u>\$58,927</u> |

*All Direct Costs must have direct tracking system for all direct costs to be charged to the grant. The estimate is a maximum and is not a guaranteed amount of funding to be reimbursed.

Program Delivery: Transaction Fee Costs Breakdown

Costs associated with DPA eligibility and closings

| <u>Task</u> | <u># of Units</u> | <u>\$ Rate/Hr*</u> | <u># Hrs</u> | <u>Total Fee Amount</u> |
|---|-------------------|--------------------|--------------|-------------------------|
| TRANSACTION FEE COST/UNIT | | | | |
| Application Review & Processing | 100 | 50 | 3 | \$15,000 |
| Homebuyer Counseling Coordination | 80 | 100 | 2 | \$16,000 |
| HQS Inspection | 63 | 100 | 1 | \$6,300 |
| Closing Coordination | 63 | 50 | 6 | \$18,900 |
| Compliance Monitoring & Quality Assurance | 80 | 50 | 2 | \$8,000 |
| TOTAL TRANSACTION FEE COST JUSTIFICATION | | | | \$64,200 |

TOTAL TRANSACTION FEE COST/UNIT (assuming 63 units) = \$1,019 per unit closed

ATTACHMENT D
GRANT REPORT FORMS

- (i) Performance Measures/Performance Report
- (ii) HUD 1 Form
- (iii) Administrative Fiscal Review
- (iv) Contractor Eligibility Verification Form
- (v) Information to Assist with CCR and DUNDS Number Registration and Certification,
- (vi) DUNS/CCR Certification
- (vii) Certification Regarding Debarment
- (viii) Homebuyer Assistance Program Application Package
 - Instructions
 - Program Flyer
 - Checklist
 - Application
 - Release Forms
 - Down Payment Assistance Program Agreement
 - Shared Appreciation Gap Financing Program Agreement
 - Borrowers Know Your Rights – English
 - Borrowers Know Your Rights – Spanish
 - Protect Your Family From Lead in Your Home Acknowledgement
 - Certification of Zero Income
- (ix) HUD Housing Quality Standards (HQS)
- (x) Promissory Note
- (xi) Deed of Trust
- (xii) Release of Lien

Travis County CDBG Technical Assistance Bulletin 2008-1

Counting Unduplicated Clients & Adjusting Year-To-Date (YTD) Totals

The following is offered as guidance on how to count unduplicated clients for City of Austin and Travis County contracts, along with advice regarding certain cases where YTD totals may need adjustment:

1. **UNDUPLICATED CLIENTS measure:** The most important concept is that at the beginning of the contract year, ALL clients are counted as New and Unduplicated. Furthermore, each individual client is to be counted only one time within each entire contract year. For most of our contracted programs with a calendar year term, this means that all individuals who were existing clients in September counted in the previous contract year) AND who are continuing into October of the new contract year as "carryover clients" are counted again only once, in the first quarter (Q1) of the new contract term. This "carryover" number is added to the number of additional NEW clients who just started in the program during October through December, to make up the Total Q1 Unduplicated clients count. From then on, only additional NEW clients who are just starting in the program are counted each quarter, therefore Q2, Q3, and Q4 often reflect fewer clients than Q1.

2. Proposed changes to measures always require careful review and advance approval. One of our goals is to keep performance measures and reporting both meaningful and simple, so adding or changing measures is generally discouraged. **Issues such as the following would be appropriate to discuss with your review team during the annual contract application/renewal process, for possible implementation in a future contract year.** Some partner agencies may feel that the above method for counting unduplicated clients alone may not adequately reflect the volume or activity level of services delivered, and their corresponding workloads throughout the year. In such cases, an agency may want to consider whether it makes sense to also count the "raw" number of clients actually served, on an ongoing basis. To do so, they should consider whether it would be meaningful to add a new DUPLICATED client Output measure such as "Total number of clients who received program services during the quarter (Duplicated)".

3. **ADJUSTING "Year To Date" (YTD) TOTALS for AVERAGE COUNTS, etc.** In the performance reporting spreadsheet formulas, by default all quarterly numbers (but not percentages) are set to automatically add cumulatively across the page into a sum for the "YTD Total Program ACTUAL Performance" in column K (and corresponding columns of the Demographics and Zip Code reports). However, certain contracts may have exceptions to this, such as a measure which is intended to capture an Average number over reporting periods, etc. instead. In these cases the agency will need to over-write the total sum formula in the YTD column for each quarterly report, with the actual resulting Average number for YTD, etc. **Be sure to first discuss any such adjustments with your CDBG contract staff, and also include an explanation in the Comments block for the quarter(s) when this is applicable.**

Feel free to contact me if you have questions on the above, or should you need assistance with any other performance-related issues.

Christy Moffett, LMSW
 CDBG Senior Planner
 Travis County Health and Human Services and Veterans' Service
 P.O. Box 1748
 Austin, Texas 78767

P: 512.854.3460
 F: 512.854.4115

Christy.moffett@co.travis.tx.us

INSTRUCTIONS for QUARTERLY PERFORMANCE REPORTING PS120143JW
Travis County CDBG Homebuyer Assistance Housing Projects

Input only your CDBG PROGRAM performance into the green-shaded cells for the current quarter. Each MS Excel® file contains the following spreadsheet tabs, located from left to right:

1. Our Technical Assistance Bulletin on counting Unduplicated Clients and adjusting report calculations when needed,
2. this Instructions Page,
3. the Quarterly & Year-To-Date (YTD) Performance Measures report,
4. the Leverage Funding Report,
5. the Demographics Report,
6. the ZIP Code Report.

For each quarterly report, follow all of the detailed instructions below to input your data into the appropriate quarter's column, along with any required Comments. Then return your completed workbook by email to Martha.Brown@co.travis.tx.us or as directed no later 15 days after the end of the quarter's end date. Normally you will input information only in the green-shaded cells, where you will add your quarterly Actual Performance data along with your Comments. The sections below provide important detail about the features and requirements of your reports.

PROGRAM REPORTING INFORMATION: (located near the top right of the page)

Report for the Quarter Ending: Please add the last day of the month for the quarter which is being reported.

Date of Submission: Please enter the date the report was emailed.

Date of Revision: Please enter the date the revised report was emailed. Leave this cell blank the report is the original submission.

Agency Contact: Include the name and the phone number for the person completing the report, or the person who will be able to answer questions about the quarterly performance data.

OUTPUT and OUTCOME Measures sections

Total Program Actual Quarterly & YTD Performance - Input the Actual performance amounts for the CDBG Program that were achieved during the quarter. FOR EACH MEASURE with data that is missing or incomplete, or if Actual YTD % in column M is +/- 10% or more different from expected levels, you must include an explanation in the Comments section (For example: expected Output performance at the end of Q1 is about 25% of the annual goal, so explain each Output yielding a value in column M of 15% or less, and 35% or greater).

Note that Outcome percentage rate measures require you to input both a numerator (number achieving the outcome) and a denominator (total number counted), from which the resulting percentage rate is automatically calculated by the spreadsheet. The Year-To-Date (YTD) Total Performance is automatically calculated by the sheet.

IMPORTANT: Every time you submit a report, you must verify that all YTD totals. You can over-write the calculations in those cells if needed to input the correct YTD amounts.

YTD % of 12 Month Goal Achieved - This is automatically calculated from the YTD Total Performance compared with the annual Total Program Goal. For Output measures the general expectation is for about 25% of the total 12-month goal to be achieved in each quarter, cumulative. If any YTD Actual Output differs 10% or more from this standard, you must include sufficient explanation for each such measure, in the Agency Comments block for the corresponding quarter. For example, at the end of Q2 (6 months) the YTD Actual % in column M is expected to be about 50% of each Output's Total annual goal, so you must explain each Output with YTD performance that is 40% and less, or 60% and greater, as a % of its total 12 month goal. This may also generally apply for the separate numerators and denominators of each Outcome measure (but not the resulting Outcome Rate %).

In contrast, for each Outcome measure's PERCENTAGE Outcome Rate (the 3rd row - not their numerator and denominator), the YTD % of 12 month Goal Achieved cell compares the percentage rates of the total Program Goal with YTD Actual Performance rates. Therefore, the general expectation for Outcome rates' performance is the same for every quarter: 100% of the Total Goals rate. Again, you **must include sufficient explanation in the Comments block for each Outcome 3rd row having a YTD Outcome Rate performance % in column M of 90% or less and 110% or greater.**

AGENCY COMMENTS sections

Note that there is a separate Comments block for each quarter. Briefly explain the reason for any missing or incomplete data, and for EVERY measure having YTD Actual performance that is +/- 10% different from expected levels. Be concise and direct (e.g.: "Output #1 is higher than expected because..."). Also, if you propose to add or change any data from previous quarters, please explain here. Include any other comments that would be helpful in understanding significant trends or changes in performance levels that may be occurring. **Even if you are unable to expand the cell(s) to fit all of your comments for printing, please include your complete comments here for our review.**

LEVERAGED FUNDING REPORTS

Input data for CDBG CLIENTS regardless of funding source into the appropriate quarter's column in the shaded areas of these spreadsheets. Additional information is provided on the report.

1. Input the number of unduplicated NEW clients for that quarter receiving financial assistance from one of the mentioned funding sources which is a result of a REFERRAL from the CDBG program.
2. Input the total number of unduplicated CDBG clients receiving financial assistance for that quarter regardless if they are new or not.
3. Input the the dollar amount provided during the quarter to CDBG clients.

DEMOGRAPHICS and ZIP CODE REPORTS

Input data for CDBG CLIENTS into the appropriate quarter's column and only in the shaded areas of these spreadsheets. Total number of clients should match between these two reports and with the Quarterly & YTD Performance sheet's unduplicated clients counts, and also should match by quarter and YTD for each section within the Demographics form. Additional information for these reports is included within those spreadsheet tabs.

Program Year 2011 QUARTERLY PROGRAM PERFORMANCE REPORT - Travis County CDBG Public Services

Agency: TBD

Program: Homebuyer Assistance Program

Date of Submission:

CDBG service type: Owner Occupied Housing

CDBG Staff: Martha Brown

Contract term: Oct. 1, 2011 - Sept. 30, 2012

Revised Report Date:

Category: Homebuyer Assistance

Category Priority High

Agency contact: TBD

**** YOU MUST EXPLAIN in the Comments area below ALL YTD VARIANCES which are +/- 10% or more different from expected (EX: at 6 months-Q2 if YTD % column M is 40% or less, 60% or greater) ****

* AGENCY: Input your data ONLY into the green-shaded cells, as appropriate. Refer to adjacent Instructions sheet.
GREEN FONT indicated REQUIRED outputs and outcomes

| TOTAL PROGRAM PERFORMANCE DATA | | TOTAL PROGRAM ACTUAL QUARTERLY PERFORMANCE | | | | YTD PERFORMANCE SUMMARY | | |
|--------------------------------|---|--|-----------------|-----------------|-----------------|--------------------------------------|-----------------------------|-------------------------------|
| | | Q1 Oct - Dec | Q2 Jan - Mar | Q3 Apr - Jun | Q4 Jul - Sep | YTD Total Program ACTUAL Performance | Total Program 12 month GOAL | YTD % of 12 mo. Goal Achieved |
| CDBG Meas. ID | OUTPUT MEASURES: | | | | | | | |
| OP# 1 | Number of unduplicated clients provided down payment assistance | | | | | 0 | TBD | #VALUE! |
| OP# 2 | Number of unduplicated clients provided Shared Appreciation Gap Financing | | | | | 0 | TBD | #VALUE! |
| OP# 3 | Number of unduplicated clients moving out of subsidized housing | | | | | 0 | TBD | #VALUE! |

| CDBG Meas. ID | OUTCOME MEASURES: | Q1 Oct - Dec | Q2 Jan - Mar | Q3 Apr - Jun | Q4 Jul - Sep | YTD Total Prg. ACTUAL Performance | Total Program 12 mo. GOAL | YTD % of 12 mo. Goal Achieved |
|---------------|---|-----------------|-----------------|-----------------|-----------------|-----------------------------------|---------------------------|-------------------------------|
| OC# 1 | Number of unduplicated clients/households who increased affordability to owner occupied housing (numerator) | | | | | 0 | 500 | 0.0% |
| OC# 1 | Total number unduplicated clients/households counted for this measure (denominator) | | | | | 0 | 500 | 0.0% |
| OC# 1 | Percentage of unduplicated clients/households who received increased affordability to owner occupied housing (outcome rate) | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | 100.0% | |

AGENCY COMMENTS for missing/incomplete data, with EXPLANATIONS FOR ALL VARIANCES +/-10% FROM EXPECTED LEVELS for YTD Performance as % of Annual Goals in Outputs or Outcomes.

| | |
|---|--|
| Q1 Comments: | |
| Comments for Q2 & YTD Totals: | |
| Comments for Q3 & YTD Totals: | |
| Comments for Q4 & End of Year (EOY) Final Totals: | |

LEVERAGED FUNDING REPORT

Travis County CDBG Housing Services

Report for period ending:

Agency: TBD

Program: Homebuyer Assistance Program

Instructions: Please input only in the shaded cells the source and amount of additional funding sources used to increase the affordability of the home purchase. This does not include the conventional loan provided to each homeowner through traditional financing mechanisms. *****

IMPORTANT: Proof of the leveraged funding must be included in the case file for documentation purposes. *****

| Leveraged Funding Source | Oct - Dec 2011 | Jan - Mar 2012 | Apr - Jun 2012 | Jul - Sep 2012 | Total YTD |
|--------------------------|----------------|----------------|----------------|----------------|-----------|
| | | | | | 0 |
| | | | | | 0 |
| | | | | | \$ - |

Agency Comments on Leveraged Funding:

Agency, replace this text with details for any significant trends or changes, along with any other explanatory information. Identify which quarter(s) it applies to. Attach additional pages if needed.

CLIENT DEMOGRAPHICS REPORT

PS120143JW

Travis County CDBG

Report for period ending:

Agency: TBD

Program: Homebuyer Assistance Program

Instructions: Please input only in the shaded cells the numbers of new unduplicated clients served by this program each quarter, for each demographic characteristic. The Total for each section should match by quarter and YTD.

| GENDER | Oct - Dec 2011 | Jan - Mar 2012 | Apr - Jun 2012 | Jul - Sep 2012 | Total YTD |
|-------------------------|----------------|----------------|----------------|----------------|-----------|
| Female | | | | | 0 |
| Male | | | | | 0 |
| Balance - not specified | | | | | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

| ETHNICITY | Oct - Dec 2011 | Jan - Mar 2012 | Apr - Jun 2012 | Jul - Sep 2012 | Total YTD |
|-------------------------|----------------|----------------|----------------|----------------|-----------|
| Hispanic or Latino | | | | | 0 |
| Not Hispanic or Latino | | | | | 0 |
| Balance - not specified | | | | | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

| RACE | Oct - Dec 2011 | Jan - Mar 2012 | Apr - Jun 2012 | Jul - Sep 2012 | Total YTD |
|--|----------------|----------------|----------------|----------------|-----------|
| American Indian or Alaska Native | | | | | 0 |
| Asian | | | | | 0 |
| Black or African American | | | | | 0 |
| Native Hawaiian or Other Pacific Islander | | | | | 0 |
| White | | | | | 0 |
| <i>(Multiple Race begin below)</i> | | | | | |
| American Indian or Alaska Native AND White | | | | | 0 |
| Asian AND White | | | | | 0 |
| Black or African American and White | | | | | 0 |
| American Indian or Alaska Native AND Black or African American | | | | | 0 |
| Balance of individuals reporting more than one race (SEE NOTE in Comments below) | | | | | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

| AGE | Oct - Dec 2011 | Jan - Mar 2012 | Apr - Jun 2012 | Jul - Sep 2012 | Total YTD |
|-------------------------|----------------|----------------|----------------|----------------|-----------|
| 5 & Under | | | | | 0 |
| 6 to 12 | | | | | 0 |
| 13 to 17 | | | | | 0 |
| 18 to 24 | | | | | 0 |
| 25 to 36 | | | | | 0 |
| 37 to 55 | | | | | 0 |
| 56 to 74 | | | | | 0 |
| 75 and over | | | | | 0 |
| Balance - not specified | | | | | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

| INCOME STATUS | Oct - Dec 2011 | Jan - Mar 2012 | Apr - Jun 2012 | Jul - Sep 2012 | Total YTD |
|-------------------------|----------------|----------------|----------------|----------------|-----------|
| <30% of MFI | | | | | 0 |
| 30.1 to 50% MFI | | | | | 0 |
| 50.1% to 80% MFI | | | | | 0 |
| > 80% MFI | | | | | 0 |
| Balance - not specified | | | | | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

Agency Comments on Client Demographics:
 Agency replace this text with details for any significant trends or changes, along with any other explanatory information. Identify which quarter(s) it applies to. Attach additional pages if needed. NOTE: For any multiple race other than those listed

CLIENT DISTRIBUTION BY ZIP CODE

Travis County CDBG Public Services

Report for period ending:

Agency: TBD

Program: Homebuyer Assistance Program

Please input only in the shaded cells the number of new, unduplicated clients receiving services by quarter for each ZIP code.

*** IMPORTANT: Please include data below only for Travis County CDBG program clients.***

ZIP CODE REPORT

| ZIP code | Oct-Dec 2011 | Jan-Mar 2012 | Apr - Jun 2012 | Jul-Sep 2012 | Total YTD |
|----------|--------------|--------------|----------------|--------------|-----------|
| 78610 | | | | | 0 |
| 78612 | | | | | 0 |
| 78613 | | | | | 0 |
| 78615 | | | | | 0 |
| 78617 | | | | | 0 |
| 78620 | | | | | 0 |
| 78621 | | | | | 0 |
| 78640 | | | | | 0 |
| 78641 | | | | | 0 |
| 78645 | | | | | 0 |
| 78652 | | | | | 0 |
| 78653 | | | | | 0 |
| 76854 | | | | | 0 |
| 78660 | | | | | 0 |
| 78663 | | | | | 0 |
| 78664 | | | | | 0 |
| 78669 | | | | | 0 |
| 78719 | | | | | 0 |
| 78724 | | | | | 0 |
| 78725 | | | | | 0 |
| 78726 | | | | | 0 |
| 78727 | | | | | 0 |
| 78728 | | | | | 0 |
| 78729 | | | | | 0 |
| 78730 | | | | | 0 |
| 78732 | | | | | 0 |
| 78733 | | | | | 0 |
| 78734 | | | | | 0 |
| 78735 | | | | | 0 |
| 78736 | | | | | 0 |
| 78737 | | | | | 0 |
| 78738 | | | | | 0 |
| 78739 | | | | | 0 |
| 78742 | | | | | 0 |

| ZIP code | Oct-Dec 2011 | Jan-Mar 2012 | Apr - Jun 2012 | Jul-Sep 2012 | Total YTD |
|--|--------------|--------------|----------------|--------------|-----------|
| 78744 | | | | | 0 |
| 78745 | | | | | 0 |
| 78746 | | | | | 0 |
| 78747 | | | | | 0 |
| 78748 | | | | | 0 |
| 78749 | | | | | 0 |
| 78750 | | | | | 0 |
| 78753 | | | | | 0 |
| 78754 | | | | | 0 |
| 78759 | | | | | 0 |
| Zip codes below are incorporated areas, please double check for accuracy for CDBG eligibility | | | | | |
| 78701 | | | | | 0 |
| 78702 | | | | | 0 |
| 78703 | | | | | 0 |
| 78704 | | | | | 0 |
| 78704 | | | | | 0 |
| 78705 | | | | | 0 |
| 78721 | | | | | 0 |
| 78722 | | | | | 0 |
| 78723 | | | | | 0 |
| 78731 | | | | | 0 |
| 78741 | | | | | 0 |
| 78751 | | | | | 0 |
| 78752 | | | | | 0 |
| 78756 | | | | | 0 |
| 78757 | | | | | 0 |
| 78758 | | | | | 0 |
| Other/ Unknown ZIP Codes: (List other ZIPs) | | | | | |
| Homeless | | | | | 0 |
| | | | | | 0 |
| | | | | | 0 |
| | | | | | 0 |
| TOTALS | 0 | 0 | 0 | 0 | 0 |

Agency Comments on Client Distribution by ZIP Code:
 AGENCY: replace this text with details for any significant trends or changes, along with any other explanatory information. Identify which quarter(s) it applies to. Attach additional pages if needed.



A. Settlement Statement (HUD-1)

| B. Type of Loan | | | | | | | |
|---|--|--|------------------------------|-----------------|------------------------------------|------------------------------|--|
| 1. <input type="checkbox"/> FHA | 2. <input type="checkbox"/> RHS | 3. <input type="checkbox"/> Conv. Unins. | 6. File Number: | 7. Loan Number: | 8. Mortgage Insurance Case Number: | | |
| 4. <input type="checkbox"/> VA | 5. <input type="checkbox"/> Conv. Ins. | | | | | | |
| C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "[p.p.c.]" were paid outside the closing; they are shown here for informational purposes and are not included in the totals. | | | | | | | |
| D. Name & Address of Borrower: | | | E. Name & Address of Seller: | | | F. Name & Address of Lender: | |
| G. Property Location: | | | H. Settlement Agent: | | | I. Settlement Date: | |
| | | | Place of Settlement: | | | | |

J. Summary of Borrower's Transaction

| | | |
|---|--|--|
| 100. Gross Amount Due from Borrower | | |
| 101. Contract sales price | | |
| 102. Personal property | | |
| 103. Settlement charges to borrower (line 1400) | | |
| 104. | | |
| 105. | | |
| Adjustment for items paid by seller in advance | | |
| 106. City/town taxes to | | |
| 107. County taxes to | | |
| 108. Assessments to | | |
| 109. | | |
| 110. | | |
| 111. | | |
| 112. | | |
| 120. Gross Amount Due from Borrower | | |
| 200. Amount Paid by or in Behalf of Borrower | | |
| 201. Deposit or earnest money | | |
| 202. Principal amount of new loan(s) | | |
| 203. Existing loan(s) taken subject to | | |
| 204. | | |
| 205. | | |
| 206. | | |
| 207. | | |
| 208. | | |
| 209. | | |
| Adjustments for items unpaid by seller | | |
| 210. City/town taxes to | | |
| 211. County taxes to | | |
| 212. Assessments to | | |
| 213. | | |
| 214. | | |
| 215. | | |
| 216. | | |
| 217. | | |
| 218. | | |
| 219. | | |
| 228. Total Paid by/for Borrower | | |
| 300. Cash at Settlement from/to Borrower | | |
| 301. Gross amount due from borrower (line 120) | | |
| 302. Less: amounts paid by/for borrower (line 220) | | |
| 303. Cash From To Borrower | | |

K. Summary of Seller's Transaction

| | | |
|--|--|--|
| 400. Gross Amount Due to Seller | | |
| 401. Contract sales price | | |
| 402. Personal property | | |
| 403. | | |
| 404. | | |
| 405. | | |
| Adjustment for items paid by seller in advance | | |
| 406. City/town taxes to | | |
| 407. County taxes to | | |
| 408. Assessments to | | |
| 409. | | |
| 410. | | |
| 411. | | |
| 412. | | |
| 420. Gross Amount Due to Seller | | |
| 500. Reductions in Amount Due to Seller | | |
| 501. Excess deposit (see instructions) | | |
| 502. Settlement charges to seller (line 1400) | | |
| 503. Existing loan(s) taken subject to | | |
| 504. Payoff of first mortgage loan | | |
| 505. Payoff of second mortgage loan | | |
| 506. | | |
| 507. | | |
| 508. | | |
| 509. | | |
| Adjustments for items unpaid by seller | | |
| 510. City/town taxes to | | |
| 511. County taxes to | | |
| 512. Assessments to | | |
| 513. | | |
| 514. | | |
| 515. | | |
| 516. | | |
| 517. | | |
| 518. | | |
| 519. | | |
| 520. Total Reduction Amount Due Seller | | |
| 600. Cash at Settlement to/from Seller | | |
| 601. Gross amount due to seller (line 420) | | |
| 602. Less: reductions in amounts due seller (line 520) | | |
| 603. Cash To From Seller | | |

This Public Reporting Burden for this collection of information is estimated to average 27 minutes per response. Including reviewing the instructions and you are not required to complete this form if you are not a party to a residential mortgage transaction. This is designed to provide the parties to a RESPA covered transaction with a clear and concise summary of the settlement process.

| L. Settlement Charges | | | | Paid From Borrower's Funds at Settlement | Paid From Seller's Funds at Settlement |
|--|-------------|------|--------------|--|--|
| 700. Total Real Estate Broker Fees | | | | | |
| Division of commission (line 700) as follows: | | | | | |
| 701. \$ | to | | | | |
| 702. \$ | to | | | | |
| 703. Commission paid at settlement | | | | | |
| 704. | | | | | |
| 800. Items Payable in Connection with Loan | | | | | |
| 801. Our origination charge | \$ | | | (from GFE #1) | |
| 802. Your credit or charge (points) for the specific interest rate chosen | \$ | | | (from GFE #2) | |
| 803. Your adjusted origination charges | | | | (from GFE #A) | |
| 804. Appraisal fee to | | | | (from GFE #3) | |
| 805. Credit report to | | | | (from GFE #3) | |
| 806. Tax service to | | | | (from GFE #3) | |
| 807. Flood certification to | | | | (from GFE #3) | |
| 808. | | | | | |
| 809. | | | | | |
| 810. | | | | | |
| 811. | | | | | |
| 900. Items Required by Lender to be Paid in Advance | | | | | |
| 901. Daily interest charges from | to | @ \$ | day | (from GFE #10) | |
| 902. Mortgage insurance premium for | months to | | | (from GFE #3) | |
| 903. Homeowner's insurance for | years to | | | (from GFE #11) | |
| 904. | | | | | |
| 1000. Reserves Deposited with Lender | | | | | |
| 1001. Initial deposit for your escrow account (from GFE #9) | | | | | |
| 1002. Homeowner's insurance | months @ \$ | | per month \$ | | |
| 1003. Mortgage insurance | months @ \$ | | per month \$ | | |
| 1004. Property Taxes | months @ \$ | | per month \$ | | |
| 1005. | months @ \$ | | per month \$ | | |
| 1006. | months @ \$ | | per month \$ | | |
| 1007. Aggregate Adjustment \$ | | | | | |
| 1100. Title Charges | | | | | |
| 1101. Title services and lender's title insurance (from GFE #4) | | | | | |
| 1102. Settlement or closing fee \$ | | | | | |
| 1103. Owner's title insurance (from GFE #5) | | | | | |
| 1104. Lender's title insurance \$ | | | | | |
| 1105. Lender's title policy limit \$ | | | | | |
| 1106. Owner's title policy limit \$ | | | | | |
| 1107. Agent's portion of the total title insurance premium to \$ | | | | | |
| 1108. Underwriter's portion of the total title insurance premium to \$ | | | | | |
| 1109. | | | | | |
| 1110. | | | | | |
| 1111. | | | | | |
| 1200. Government Recording and Transfer Charges | | | | | |
| 1201. Government recording charges (from GFE #7) | | | | | |
| 1202. Deed \$ | Mortgage \$ | | Release \$ | | |
| 1203. Transfer taxes (from GFE #8) | | | | | |
| 1204. City/County tax/stamps | Deed \$ | | Mortgage \$ | | |
| 1205. State tax/stamps | Deed \$ | | Mortgage \$ | | |
| 1206. | | | | | |
| 1300. Additional Settlement Charges | | | | | |
| 1301. Required services that you can shop for (from GFE #6) | | | | | |
| 1302. \$ | | | | | |
| 1303. \$ | | | | | |
| 1304. | | | | | |
| 1305. | | | | | |
| 1300. Total Settlement Charges (enter on Lines 103, Section J and 502, Section K) | | | | | |



**TRAVIS COUNTY HEALTH & HUMAN SERVICES
& VETERANS SERVICE
100 North I.H. 35
P. O. Box 1748
Austin, Texas 78767**

**2012 AFR PACKET CHECKLIST AND STANDARDS
COMPREHENSIVE**

Agency Name: _____

A completed application packet includes this checklist and the Common Application and all required attachments.

Applicants provide:

An electronic version of the application packet via email to Travis County:

CountyAgencyContact@co.travis.tx.us

If applicant does not have the ability of provide electronic documents, a single-sided hard copy will be accepted and should be mailed to Travis County Health & Human Services & Veterans Service, Attn: Valerie Simms, P.O. Box 1748, Austin, TX 78767, physical address: 100 N. IH 35, Suite 3700, Austin, TX.

Provide one electronic copy of the following items.

- Completed Application Checklist (this page)**
- Completed Common Application

Common Application Required Attachments

- Most recent Board roster with officers identified (include name, address, phone, job title, business affiliation, gender, ethnicity and Board term)
- Board minutes from last three meetings
- Current Articles of Incorporation & Agency Bylaws
- Most recent Independent Audit/Financial Review
- Most recent IRS Form 990
- Financial policies and procedures that outline internal controls including separation of duties, accounts receivable, accounts payable, investments, reconciliation and classification of accounts
- Written personnel and operating procedures

**TRAVIS COUNTY HEALTH & HUMAN SERVICES & VETERANS SERVICE
2012 COMMON INFORMATION
ADMINISTRATIVE & FISCAL**

This application includes general information about 501(c)(3) organizations and is required to be considered for funding from Travis County.

1.

| | |
|---------------------------------|--------------------------------|
| Agency Legal Name: _____ | |
| Street Address: _____ | Mailing Address: _____ |
| City, State, Zip: _____ | City, State, Zip: _____ |
| Phone Number: _____ | Web site: _____ |

| | |
|----------------------------------|--------------------------------|
| Executive Director: _____ | Board Chair: _____ |
| Phone: _____ | Mailing Address: _____ |
| | City, State, Zip: _____ |
| Email: _____ | Phone: _____ |

| | |
|-----------------------------------|---------------------------------|
| Application Contact: _____ | Financial Contact: _____ |
| Title: _____ | Title: _____ |
| Phone: _____ | Phone: _____ |
| Fax: _____ | Fax: _____ |
| Email: _____ | Email: _____ |

| | |
|------------------------------------|---------------------------------|
| Agency's Fiscal Year: _____ | Volunteer Contact: _____ |
| | Phone: _____ |
| | Email: _____ |

We affirm that the information in this application is true and accurate and has been authorized by the board of directors.

| | |
|---------------------------------------|------------------|
| Board Chairperson (typed name) | Signature |
|---------------------------------------|------------------|

| | |
|--|------------------|
| Executive Director/CPO/CEO (typed name) | Signature |
|--|------------------|

2. Please answer each question, if the answer is no, please explain.

a. AGENCY MISSION AND VISION STATEMENTS

Vision: [Enter text]

Mission: [Enter text]

b. AGENCY OVERVIEW

Describe the community issue(s) the agency is attempting to address; please cite independent data sources. Include a description of the target population (the population most at risk of experiencing the issue described) including demographic and geographic characteristics. (500 words max.)

[Enter text]

c. PROGRAMS

Please list the agency's programs and include a brief description of each.

| Program Name | Description (25 words max.) |
|---------------------|------------------------------------|
| [Enter text] | [Enter text] |
| [Enter text] | [Enter text] |
| [Enter text] | [Enter text] |
| [Enter text] | [Enter text] |
| [Enter text] | [Enter text] |
| [Enter text] | [Enter text] |
| [Enter text] | [Enter text] |
| [Enter text] | [Enter text] |
| [Enter text] | [Enter text] |
| [Enter text] | [Enter text] |
| [Enter text] | [Enter text] |
| [Enter text] | [Enter text] |
| [Enter text] | [Enter text] |
| [Enter text] | [Enter text] |
| [Enter text] | [Enter text] |

d. Please list the agency's affiliations, licensures, certifications or accreditations.

[Enter text]

e. Provide agency's number of total clients served last fiscal year.

[Enter number]

3.

BOARD

a. Number of board members: [Enter number]

b. Frequency of board meetings: [Enter text]

c. Please briefly describe the board and volunteer committee structure including functions and activities.

[Enter text]

d. Please briefly describe how the board participates in fundraising activities.

[Enter text]

e. Yes No **Does the board review program performance?**

f. Yes No **Does the board annually approve the budget?**

g. If necessary, please include further explanation for any items in this section.

[Enter text]

4.

FINANCIAL

- a. Yes No **990 forms have been submitted to the IRS.**
- b. Yes No **The agency is current on its payment of payroll taxes.**
- c. **Agency's Current FY Budget: \$[Enter amount]**
(Excluding In-Kind)

Revenue

Expenses

State and Federal Grants: _____%

Management: _____%

City and County Grants/Contracts: _____%

Program: _____%

Fundraising: _____%

Fundraising: _____%

Foundation Grants: _____%

Special Events: _____%

Contributions & Major Gifts: _____%

United Way: _____%

Client Fees: _____%

Interest and Other: _____%

- d. **Please briefly describe and estimate the value of in-kind support the agency receives.**
[Enter text]
- e. Yes No **The agency has operating reserves of at least one month.**
- f. Yes No **The agency has a current strategic plan that addresses sustaining the organization.**
- g. Yes No **The agency's audits from the two previous fiscal years show that the agency kept operating expenses within revenues. If no, please explain in k below.**
- h. **Briefly describe how dollars have been used to leverage other funds.**
[Enter text]
- i. **Are County funds used as match for other funding sources? Please list sources and amount matched.**
- j. **How much money will the agency be bringing into the community through leveraging? Please describe and include amounts and sources.**
[Enter text]
- k. **If necessary, please include further explanation for any items in this section.**
[Enter text]

5.

AGENCY ADMINISTRATION

- a. Yes No **Do financial policies and procedures outline internal controls including separation of duties, accounts receivable, accounts payable, investments, reconciliation and classification of accounts?**
- b. Yes No **The agency has written personnel and operating policies.**
- c. **Number of paid full and part-time staff, please list both:** [Enter number]
-

TRAVIS COUNTY CDBG CONTRACTOR ELIGIBILITY VERIFICATION FORM

Complete one form for each Contractor AND Subcontractor PRIOR to entering into a contractual agreement.

Project Name: _____ Contract Amount \$ _____

The following company is being considered as a possible (check one):

_____ Prime Contractor _____ Subcontractor

The firm is a: (check all that apply):

_____ Sole Proprietorship _____ Partnership _____ Corporation
_____ Owner/Operator _____ Woman Owned Business _____ Section 3 Business Concern*
_____ HUB (Historically Underutilized Business) (include documentation)

Company's full legal name: _____

Company's Tax ID # _____ DUNS # _____

CCR Registration (optional): _____

Business Address: _____

Company's Contact for Wage Compliance questions:

Name: _____ Title: _____
Phone # _____ Fax No. _____
e-mail address: _____

Company Principals:

| Name | Title | Phone Number |
|-------|-------|--------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

Submit completed form to Travis County, Health and Human Services Department (HHS/VS), CDBG Program, P.O. Box 1748, Austin, Texas, 78767, or fax to 512-279-2197 to the attention of the CDBG Program. For questions or to obtain more information regarding the use of this form, contact Christy Moffett at 512-854-3460.

The prime or any subcontractors are prohibited from entering into any formal agreements or have a subcontractor begin work on a project until the Travis County Purchasing Office provides notice that the subcontractor has been cleared.

FOR OFFICE USE ONLY:

Verifications completed:

| | | |
|---|-------------|-----------|
| Not on the GSA "List of Excluded Parties" | Date: _____ | BY: _____ |
| Accurate DUNS Number | Date: _____ | BY: _____ |
| Registered with CCR | Date: _____ | BY: _____ |
| Section 3 Business | Date: _____ | BY: _____ |
| Clearance sent to Purchasing: | Date: _____ | BY: _____ |

**Travis County
Community Development Block Grant (CDBG) Program
Information to Assist with CCR and
D-U-N-S Number Registration**

Travis County requires that all CDBG primary grant awardees and their first tier grant awardees create and/or validate existing Central Contractor Registration (CCR) and Data Universal Numbering System (DUNS) registration data to be eligible for CDBG funds. All primary grant awardees must be registered, and ensure that their first tier awardees register *immediately*, following the guidance outlined below.

- **What is CCR?** The Central Contractor Registration (CCR) is the primary contractor database for the US Federal Government. CCR collects, validates, stores and disseminates data in support of agency acquisition missions. (Since October 1, 2003, it is Federally mandated that any organization wishing to do business with the Federal government under a Federal Acquisition Regulation (FAR)-based contract must be registered in CCR before being awarded a contract.) Because CCR is a Federally mandated and funded program, there is no cost to registrants for registering in CCR. Further detailed information on CCR is available at this URL: <http://www.ccr.gov/FAQ.aspx>

- **What is a D-U-N-S number and who provides it?** Dun & Bradstreet (D&B) maintains a business database containing information on more than 100 million businesses worldwide. D&B provides a D-U-N-S number, a unique 9-digit identification number, for each physical location of a business organization. D-U-N-S Number assignment is free for all businesses required to register with the U.S. Federal government for contracts or grants. The D-U-N-S number is used by the www.FederalReporting.gov solution to identify business organizations. Further detailed information on D&B is available at this URL: <http://fedgov.dnb.com/webform>.

Registering for a DUNS Number

1. To verify or register for a DUNS number, go to the Dun & Bradstreet Web site at: <http://fedgov.dnb.com/webform/displayHomePage.do>
2. The following information will be needed to obtain a DUNS number:
 - a. Name of organization
 - b. Organization address
 - c. Name of CEO/organization owner
 - d. Legal structure of the organization (corporation, partnership, proprietorship)
 - e. Year the organization started
 - f. Primary type of business
 - g. Total number of employees (full and part time)

Registering in CCR

1. To register with CCR, you can apply by phone (1-888-227-2423) or register online at <http://www.ccr.gov>.
2. If your organization is already registered, take note of who is listed as your E-Business Point of Contact (E-Biz POC). For applications being submitted through Grants.gov, this person will be responsible for authorizing who within your organization has the responsibility to submit applications.
3. The following information will be needed to register in CCR:
 - a. DUNS number
 - b. Tax Identification Number (TIN) and Taxpayer name used in federal tax matters
 - c. Statistical information about your organization
 - d. Electronic Funds Transfer (EFT) information for payment of invoices

Frequently Asked Questions

- **How long will it take to receive a DUNS number?** You usually receive a DUNS number within the same day.
- **How long will it take for my information to activate in CCR?** CCR takes one to three days to gather the internal organization information and prepare the application. If your organization already has an Employer Identification Number (EIN) or Taxpayer Identification Number (TIN), then you should allow a minimum of 48 hours to complete the entire CCR registration.

If your organization does not have an EIN or TIN, then you should allow two weeks for obtaining the information from IRS when requesting the EIN or TIN via phone or Internet. The reason for the one-to three-day delay is due to security information that needs to be mailed to the organization.

For More Information on the DUNS and CCR registration process, visit www.Grants.gov

DUNS/CCR Certification (Federally-Funded Projects)

The undersigned is an authorized representative of a contractor or subcontractor performing work on a Travis County project that is partially or wholly funded by the U.S. Department of Housing and Urban Development ("HUD")_ and makes the following certifications:

1. The Federal Funding Accountability and Transparency Act ("the Transparency Act" or "FFATA") requires that all contractors and subcontractors who provide services for federally-funded projects must report at USAspending.gov (www.USAspending.gov).
2. The undersigned understands that the contractor/subcontractor is prohibited from contractually obligating project funds until potential subcontractors are reported to Travis County and the County provides clearance of the subcontractor.
3. The undersigned understands that the contractor/subcontractor has not entered into any contracts with any subcontractors which have not been cleared by the County.
4. The contractor/subcontractor has obtained a DUNS number and is currently registered in the Central Contractor Registration database (www.ccr.gov)
5. The undersigned understands that the County may withhold payment for the contractor/subcontractor's failure to comply with FFATA reporting requirements.
6. The contractor and its subcontractors have the ability to obtain a DUNS number, maintain current registration in the CCR database, and comply with all FFATA reporting requirements.
7. The contractor/subcontractor will furnish all information and reports required by federal and state law.

WARNING: Falsifying information on this certification is a felony. HUD will prosecute false claims and statements. Conviction may result in civil and/or criminal penalties. (18 U.S.C. §§ 1001, 1010, 1012, 3559, 3571; 31 U.S.C. §§ 3729, 3802).

For: PeopleTrust - Kelly Weiss
(Name of Contractor)

By: a Texas 501(c)(3) non-profit corporation
(Typed Name of Authorized Representative - Responsible Corporate Officer, General Partner, or Sole Proprietor)

Signature: [Handwritten Signature]

Date: 8/20/2012

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION FOR COVERED CONTRACTS

Federal Executive Order 12549 requires Travis County to screen each covered potential contractor to determine whether each has a right to obtain a contract in accordance with federal regulations on debarment, suspension, ineligibility, and voluntary exclusion. Each covered contractor must also screen each of its covered subcontractors.

In this certification "contractor" refers to both contractor and subcontractor; "contract" refers to both contract and subcontract.

By signing and submitting this certification, the contractor/potential contractor accepts the following terms:

1. The certification herein below is a material representation of fact upon which reliance was placed when this contract was entered into. If it is later determined that the potential contractor knowingly rendered an erroneous certification, in addition to other remedies available to the federal government or Travis County may pursue available remedies, including suspension and/or debarment.
2. The potential contractor shall provide immediate written notice to the person to which this certification is submitted if at any time the potential contractor learns that the certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
3. The words "covered contract," "debarred," "suspended," "ineligible," "participant," "person," "principle," "proposal," and "voluntarily excluded," as used in this certification have meanings based upon materials in the Definitions and Coverage sections of federal rules implementing Executive Order 12549.
4. The potential contractor agrees by submitting this certification that, should the proposed covered contract be entered into, it shall not knowingly enter into any subcontract with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by a federal department or agency, and/or Travis County, as applicable.

Do you have or do you anticipate having subcontractors under this proposed contract? YES NO

5. The potential contractor further agrees by submitting this certification that it will include this certification titled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion for Covered Contracts "without modification, in all covered subcontracts"; and in solicitations for all covered subcontracts.
6. A contractor may rely upon a certification of a potential subcontractor that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered contract, unless it knows that the certification is erroneous. A contractor must at a minimum, obtain certifications from its covered subcontractors upon each subcontract's initiation and upon each renewal.
7. Nothing contained in all the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this certification document. The knowledge and information of a contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
8. Except for contracts authorized under paragraph 4 of these terms, if a contractor in a covered contract knowingly enters into a covered subcontract with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the federal government, any federal agency and/or Travis County may pursue available remedies, including suspension and/or debarment.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION FOR COVERED CONTRACTS

Indicate in the appropriate box which statement applies to the covered contractor/potential contractor:

The contractor/potential contractor certifies, by submission of this certification, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this contract by any federal department or agency, the State of Texas, or Travis County.

The contractor/potential contractor is unable to certify to one or more of the terms in this certification. In this instance, the contractor/potential contractor must attach an explanation for each of the above terms to which he is unable to make certification. Attach the explanation(s) to this certification.

Name of Contractor

Vendor I.D. or Social Security No.

PeopleTrust

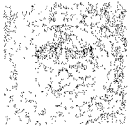
20-4467651

Kelly Weiss 9/20/2012

Kelly Weiss, Executive Director

Signature of Authorized Representative Date

Printed/Typed Name & Title of Authorized Representative



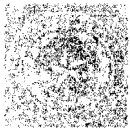
TRAVIS COUNTY CDBG-HOMEBUYER ASSISTANCE PROGRAM APPLICATION PACKAGE FISCAL YEAR 2010-2011

Dear Travis County Homebuyer/Realtor/Lender:

Thank you for your interest in the Travis County CDBG Homebuyer Assistance Program (Travis CDBG-HBA) offered by an agency to be determined.

In order to apply for the assistance through the Travis CDBG-HBA Program, the following steps must be followed:

- Step 1: REVIEW.** Review **PROGRAM DESCRIPTION** guidelines on next page to determine if this may work for you and/or your client.
- Step 2: APPLY AND SUBMIT.** Submit completed Travis County CDBG-HBA APPLICATION PACKAGE to an agency to be determined.
- Step 3: GET PROGRAM APPROVAL LETTER.** If approved, an agency to be determined will issue you a Travis County CDBG-HBA "Pre-Qualification" Letter stating you meet program requirements. This letter will also give you an estimate of your total possible assistance and mortgage underwriting guidelines.
- Step 4: GET MORTGAGE APPROVAL LETTER.** Obtain a Mortgage Pre-Approval letter from a mortgage lender.
- Step 5: SHOP AND MAKE OFFER.** Use a Realtor to help you find and make an offer on a program qualifying house. (Your offer must included program addendum and "Notice to Seller" letter.
- Step 6: CLOSING AND FUNDING.** During the escrow period an agency to be determined will complete Environmental Clearance and HQS inspection on the property as well as calculate the final assistance amount reflected on the HUD-1 settlement statement.



TRAVIS COUNTY CDBG HOME BUYER ASSISTANCE PROGRAM



Travis County Community Development Department

PROGRAM DESCRIPTION

Purpose: The purpose of the Travis CDBG-HBA Program is to provide qualified first time homebuyers with a zero interest forgivable loan and/or shared appreciation GAP financing in amount necessary to make home affordable to household.

DPA/Closing Cost Loan

Zero interest, deferred, forgivable loan (second lien) to cover 1/2 of lender required down payment and allowable closing costs.

Type of Loans: GAP Financing

Zero interest, deferred loan with a shared appreciation provision to cover the difference between the property sales price and amount of financing available at a 45% debt-to-income back-end ratio.

Amount of Assistance DPA/Closing Cost Loan = up to \$8,000 (dependent on need)
GAP Financing = up to \$30,000 (dependent on need)

Repayment: DPA/Closing Cost Loan = Forgiven at a rate of 20% per year. Due and payable upon the first lien payoff, sale, refinancing, home equity loan, lease or transfer of title within 5 years.
GAP Financing = Repayment and shared appreciation provision triggered upon the first lien payoff, sale, refinancing, home equity loan, lease or transfer of title within the 30 year mortgage loan term period.

Financing: First lien loan must be a 30 year, fixed rate loan with an interest rate that does not exceed the current market rates for conforming loans.

Participants: First time Homebuyers (*defined as not owning a home in the last three years*) purchasing a home in the CDBG service area.

Household Income Guidelines:

Gross annual household income may not exceed 80% of the Median Family Income (MFI) for the Travis County Area as established by the U.S. Department of Housing and Urban Development. Effective June 2, 2011

| Household Size | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Income Limit (80%) | \$41,950 | \$47,950 | \$53,950 | \$59,900 | \$64,700 | \$69,500 | \$74,300 | \$79,100 |

Household Asset Guidelines: At the time of application, household assets may not exceed 1/2 of the HUD established income limits for each household size.

Location: Property must be located in the CDBG service area and not in the 100-year flood plain

Inspections: HUD Housing Quality Standards Inspection (HQS)

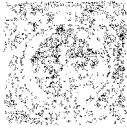
Property: New or existing SINGLE family home, primary residence (townhomes and condos acceptable). If not New, home must have been owner occupied or vacant for 90 days prior to purchase. Manufactured housing acceptable but must have permanent foundation.

Sale Price: Not to exceed 203(b) FHA Mortgage Subsidy Limits \$288,750

Homebuyer Education: REQUIRED from a HUD certified Homeownership Counseling Program Contact an agency to be determined for more information.

Homebuyer Contribution: Homebuyer must at minimum contribute one-half of the lender required down-payment.





TRAVIS COUNTY CDBG-HOMEBUYER ASSISTANCE PROGRAM



TRAVIS COUNTY CDBG-HOMEBUYER ASSISTANCE PROGRAM

Subject to funding availability other restrictions may apply.

For more information, please contact an agency to be determined.

Submit complete TRAVIS COUNTY CDBG-HBA Application Package to our Program Consultant (TBD):

By Mail:
To Be Determined

By Email:
To Be Determined

If you have any questions, please contact either the agency to be determined at the above referenced contact information.

Please allow staff 10-14 business days from application submittal, to thoroughly review and process application packages. Approximate closing dates should be scheduled according to completed application packet submittals.

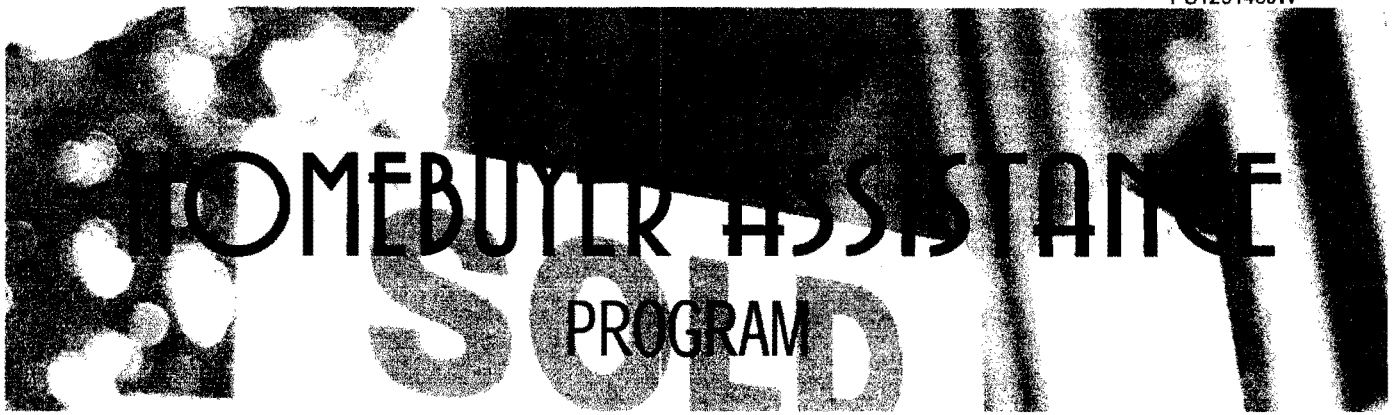
A COMPLETED PACKET DOES NOT ENSURE AN APPROVAL OF FUNDS.

Travis County and an agency to be determined are committed to compliance with the Americans with Disabilities Act (ADA and Section 504 of the Rehabilitation Act of 1973, as amended). Reasonable modifications and equal access to communications will be provided upon request.

Travis County and an agency to be determined do not discriminate on the basis of disability in the admission or access to or treatment or employment in their programs and activities.

PROGRAM DESCRIPTION





program highlights

0% interest loan

5 to 10 year loan term

borrowers must be a 1st time homebuyer

first payment may be deferred up to 5 years from closing.

up to \$10,000 for down payment assistance for the acquisition of a single-family home

borrower profile

Eligible Properties must be:

- Located in CDBG Service Area
- Single Family Homes
- Townhomes
- Condominiums
- Manufactured Housing

(certain restrictions may apply)

Income
May not exceed 80% of Area Medium Family Income (adjusted for family size)

Liquid Assets

Maximum Debt Ratio

mortgage loan details

Program Lien:
Senior Lien Loan:
Fully amortized, fixed-rate loan

Types of Loans:
FHA

Fees/Points (Administrator may charge borrower fees unless senior liens are insured or guaranteed)



TRAVIS COUNTY CDBG HOMEBUYER ASSISTANCE PROGRAM

PROGRAM HIGHLIGHTS

Travis County Health and Human Services &
Veterans Service
502 E. Highland Mall Blvd. P.O. Box 1748
Austin, TX 78767

0% interest loan

5 to 10 year loan term

First payment may be
deferred up to 5 years from
closing

Up to \$10,000 for down payment
assistance for acquisition of a single-
family home

BORROWER PROFILE

MORTGAGE DETAILS

Logo for
consultant goes
here.



EQUAL HOUSING
OPPORTUNITY



Program Lien:

Senior Lien Loan:
Fully amortized, fixed-rate loan

Types of Loans:
FHA

Fees/Points (Administrator may charge borrower fees unless senior
liens are insured or guaranteed)

Eligible Properties must be:
-Located in CDBG service area
-Single Family Homes
-Townhomes
-Condominiums
-Manufactured Housing
(certain restrictions may apply)

Income
May not exceed 80% of Area Medium Family Income (adjusted for family
size)

Liquid Assets

Maximum Debt Ratio

Home Value Limits

Combined Loan-to-Value Ratio

Contact Information for consultant goes here.



TRAVIS COUNTY CDBG-HOMEBUYER ASSISTANCE PROGRAM

PS120143JW

Applicant Name(s):

Current Address:

Home Phone / Email

Lender/Realtor Name/Email

| Form # | Included? | Item Description |
|--------|-----------|--|
| 1 | | Intake Application |
| 2 | | Eligibility Release Form |
| 3 | | Travis County CDBG –HBA Program Applicant Certification |
| 4 | | Program Agreement Down Payment Assistance |
| 5 | | Program Agreement Shared Appreciation GAP Financing |
| 6 | | Description of Shared Appreciation GAP Financing Example |
| 7 | | "Borrowers Know Your Rights" |
| 8 | | "Protect Your Family from Lead in the Home" |
| 9 | | Certification of Zero Income (if applicable) |
| | | \$50.00 Application Fee (<i>cashiers check / money order</i>) to (TBD) 4506T, (even if tax returns provided) |

| Label As | Included? | Item Description |
|----------|-----------|---|
| A | | Pay Stubs—3 months most recent |
| B | | Checking Acct Statement— 6 months most recent |
| C | | Savings Acct. Statements—3 months most recent |
| D | | Tax Returns—2 years most recent |
| E | | Driver's License or Other I.D. |
| F | | Other Asset Statement—401k, IRA, CD accounts |
| G | | Other Income Documentation —SSI award letter, Divorce Decree, child support, etc. |
| H | | Copy of Social Security Card (all household members) |

| Label As | Included? | Item Description |
|----------|-----------|--|
| I | | Universal Residential Loan Application (form 1003) |
| J | | Good Faith Estimate |
| K | | Credit Report (tri-merge) |
| L | | Executed Patriot Act Disclosure |

APPLICATION: Checklist (include with Application)





| | | | |
|------------------------------|--|--------------------------------|--|
| DATE SUBMITTED BY HOUSEHOLD: | | DATE RECEIVED BY (CONSULTANT): | |
|------------------------------|--|--------------------------------|--|

Section A: Applicant Information

APPLICATION: FORM 1—INTAKE APPLICATION (page 1 of 5)

| | Applicant 1 | Applicant 2 |
|--------------------|---|---|
| Applicant Name(s): | | |
| Physical Address: | | |
| City, State, Zip: | | |
| Home Phone: | | |
| Email Address: | | |
| Resident Status: | <input type="checkbox"/> U.S. Citizen <input type="checkbox"/> Permanent Resident Alien <input type="checkbox"/> Non-Resident Alien | <input type="checkbox"/> U.S. Citizen <input type="checkbox"/> Permanent Resident Alien <input type="checkbox"/> Non-Resident Alien |
| Marital Status | Marital Status: <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Divorced | |

| | |
|---|--|
| Mailing Address: <i>(if different)</i> | |
| City, State, Zip: | |



APPLICATION: FORM 1—INTAKE APPLICATION (page 2 of 5)



TRAVIS COUNTY CDBG-HOMEBUYER ASSISTANCE PROGRAM

PS120143JW

Section B: Household Members

| Name (Include all persons living in the household) | Relation to Head of Household | Social Security Number | Date of Birth and Age | Sex M/F | Hispanic Yes/No | Please check as many categories as apply | | | | | |
|---|-------------------------------|------------------------|-----------------------|------------|--------------------|--|-------|---------------------------|--|------------------------|-------|
| | | | | | | Native American/ Alaska Native | Asian | Black or African American | Native Hawaiian/Other Pacific Islander | Other/ Multi-Racial | White |
| 1. | Head of Household | | | | | | | | | | |
| 2. | | | | | | | | | | | |
| 3. | | | | | | | | | | | |
| 4. | | | | | | | | | | | |
| 5. | | | | | | | | | | | |
| 6. | | | | | | | | | | | |
| 7. | | | | | | | | | | | |
| 8. | | | | | | | | | | | |

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THIS INFORMATION IS REQUIRED. It is being collected to ensure compliance with federal Fair Housing and Equal Opportunity regulations. We do business in accordance with federal fair housing laws. It is illegal to discriminate against any person because of race, color, religion, sex, disability, familial status, or national origin. Demographic information will not be used to determine program eligibility.



Section C: Income

All sources of income must be reported, including income from employment, social security, SSI, Veteran's Benefits, TANF, child support etc. Please include wage/employment income for all household members over 18 years old. All other types of income should be reported for all household members, regardless of age.

LIST EACH INCOME SOURCE ON SEPARATE LINE

| Household Member Name | Full Time Student? | Source of Income (include employer name and phone number) | Rate of Pay | Payment Basis (weekly, monthly, etc.) |
|-----------------------|--------------------|---|-------------|---------------------------------------|
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
| 4. | | | | |
| 5. | | | | |
| 6. | | | | |
| 7. | | | | |
| 8. | | | | |
| 9. | | | | |
| 10. | | | | |

APPLICATION: FORM 1—INTAKE APPLICATION (page 3 of 5)





Section D: Assets

Do you own real estate property? Yes No

If Yes,

What is its current market value:

What is the property address:

Type of Property:

Is it currently your Homestead? Yes No

List below the types and sources of any household assets. Provide both the current cash value and the estimated annual income from the asset.

| Household Member Name | Type and Source of Asset <i>(savings/checking accounts, investments, retirement accounts, etc.)</i> | Cash Value of Asset | Annual Income From Asset |
|-----------------------|--|------------------------|--------------------------------|
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| 5. | | | |
| 6. | | | |
| 7. | | | |
| 8. | | | |
| 9. | | | |
| 10. | | | |

APPLICATION: FORM 1—INTAKE APPLICATION (page 4 of 5)





Section E: Expenses

**Indicate the MONTHLY dollar expenditures for your family.
CIRCLE ANY OF THE LISTED EXPENSES THAT ARE DELINQUENT.**

| | | | |
|--------------------|------------------|----------------------|----------------|
| Rent \$ | Phone \$ | Medical \$ | Credit Card \$ |
| Electric \$ | Car Payment \$ | Cable TV \$ | Credit Card \$ |
| Gas \$ | Car Insurance \$ | Medical Insurance \$ | Loan \$ |
| Water \$ | Child Care \$ | Rentals \$ | Loan \$ |
| Other (Specify) \$ | | | |

APPLICATION: FORM 1—INTAKE APPLICATION (page 5 of 5)

APPLICANT CERTIFICATION

Household members age 18 and over must sign this application. I/We understand the information provided above is collected to determine if I/we are eligible to receive Travis CDBG-HBA Program Assistance. I/We hereby certify that all the information provided herein is true and correct. I/We understand that providing false statements or information is grounds for termination of housing assistance and is punishable under federal law. I/We authorize an agency to be determined and/or it's consultant to verify all information provided on this application.

Signature

Date

Signature

Date

Signature

Date

Signature

Date

Warning! Title 18, Section 1001 of the United States Code, states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department or agency of the United States. All information shown above is true and correct to the best of my knowledge.





TRAVIS COUNTY CDBG-HOMEBUYER ASSISTANCE PROGRAM

PS120143JW

Organization requesting release of information: An agency to be determined

Purpose: Your signature on this CDBG Program Eligibility Release Form, and the signatures of each member of your household who is 18 years of age or older, authorizes the above-named organization to obtain information from a third party relative to your eligibility and continued participation in the:

Privacy Act Notice Statement: The Department of Housing and Urban Development (HUD) is requiring the collection of the information derived from this form to determine an applicant's eligibility in a CDBG Program and the amount of assistance necessary using CDBG funds. This information will be used to establish level of benefit on the CDBG Program; to protect the Government's financial interest; and to verify the accuracy of the information furnished. It may be released to appropriate Federal, State, and local agencies when relevant, to civil, criminal, or regulatory investigators, and to prosecutors. Failure to provide any information may result in a delay or rejection of your eligibility approval. The Department is authorized to ask for this information by the Housing and Community Development Act of 1974.

Instructions: Each adult member of the household must sign a CDBG Program Eligibility Release Form prior to the receipt of benefit and on an annual basis to establish continued eligibility. Additional signatures must be obtained from new adult members whenever they join the household or whenever members of the household become 18 years of age.

NOTE: THIS GENERAL CONSENT MAY NOT BE USED TO REQUEST A COPY OF A TAX RETURN. IF A COPY OF A TAX RETURN IS NEEDED, IRS FORM 4506, "REQUEST FOR COPY OF TAX FORM" MUST BE PREPARED AND SIGNED SEPARATELY.

Information Covered: Inquiries may be made about items initialed by applicant/tenant.

| | Verification Required | Initials |
|--|-----------------------|----------|
| Income (all sources) | | |
| Assets (all sources) | | |
| Child Care Expense | | |
| Handicap Assistance Expense (if applicable) | | |
| Medical Expense (if applicable) | | |
| Other (list) _____ | | |
| Dependent Deduction <input type="checkbox"/> Full-Time Student <input type="checkbox"/> Handicap/Disabled Family Member <input type="checkbox"/> Minor Children | | |

Authorization: I authorize the above-named and HUD to obtain information about me and my household that is pertinent to eligibility for participation in the CDBG Program.

I acknowledge that:

- (1) A photocopy of this form is as valid as the original.
- (2) I have the right to review the file and the information received using this form (with a person of my choosing to accompany me).
- (3) I have the right to copy information from this file and to request correction of information I believe inaccurate.
- (4) All adult household members will sign this form and cooperate with the owner in this process.

WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a FELONY for knowingly and willingly making false or fraudulent statements to any department of the U.S. Government.

Applicant Signatures

| | | | |
|--------------------|---------------|--------------------|---------------|
| _____ Signature | _____ Date | _____ Signature | _____ Date |
| _____ Signature | _____ Date | _____ Signature | _____ Date |

APPLICATION: FORM 2—ELIGIBILITY RELEASE FORM





APPLICATION: FORM 3-- Travis CDBG-HBA Program Applicant Certificate

Definition of First Time Homebuyer

A first-time homebuyer is an individual who meets any one of the following criteria:

- An individual or spouse who has had no ownership interest in a principal residence during the previous 3-year period ending on the date of purchase of the property.
- A single parent (must have primary custody of child) who has only owned with a former spouse who now owns the previous residence.
- An individual who is a displaced homemaker and has only owned with a spouse.
- An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.
- An individual who has only owned a property that was not in compliance with State, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

I/We hereby certify:

- I/We meet the definition of a first-time homebuyer as described above.
- If I/we purchase a home under this program, it will be my/our principal residence for the term of the Affordability Period as specified in the Deed of Trust.
- I acknowledge that the resale, refinance, repayment provisions associated with the Travis County Homebuyer Assistance Program loan for which I am applying have been clearly and understandably explained to me, and I fully understand these provisions.
- A copy of the "Travis County Homebuyer Assistance Program Guidelines" has been provided to me.
- A copy of "Protect Your Family from Lead in the Home" was provided to me.
- All information and copies provided to the Program Administrator are true and correct.
- I/We understand that any discrepancies or misstatements may result in my/our disqualification from the Travis County First-Time Homebuyer Assistance Program and any funds I/We have received will have to be repaid as enforced in the Deed of Trust.

Applicant Signatures

Signature

Date

Signature

Date

Signature

Date

Signature

Date

WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a FELONY for knowingly and willingly making false or fraudulent statements to any department of the U.S. Government.





TRAVIS COUNTY HOMEBUYER ASSISTANCE PROGRAM AGREEMENT

DOWNPAYMENT ASSISTANCE

The Homebuyer agreement must conform to the requirements in 24 CFR Part 5. The HOMEBUYER Assistance Program Agreement ("Agreement") is executed by an agency to be determined and _____ and _____ ("Homebuyer(s)").

(a) Homebuyer's Certification of Principal Residency

Homebuyer's Name(s): _____

Homebuyer's Current Address: _____

Address of Home to be purchased: _____

I/We hereby certify that I/we will occupy the above referenced address and it will be my/our principal residence throughout the required affordability period of five (5) years.

I/We understand that my/our acceptance of the down payment and/or closing cost assistance through the Travis County CDBG Homebuyer Assistance program will result in the attachment of a lien in favor of Travis County or its acting agent on the above referenced address.

I/We further certify that all information and copies of documents provided to the Mortgage Company and/or County are true and correct.

I/We understand that any discrepancies or mis-statements may result in my/our disqualification from the Program and possible repayment of the assistance received.

(b) Value of the Property

The purchase price of the Residence is \$ _____

The appraised value of the Residence is \$ _____

(c) Recapture Provisions

The Homebuyer understands and agrees that if Homebuyer fails to comply with the residency requirement or any other requirement of the Deferred Payment Loan, the Homebuyer will be required to repay the County or its acting agent all loan proceeds in accordance with the terms of the loan documents. However, in no event will Homebuyer be required to repay to the County or its acting agent more than the amount of net sales proceeds realized upon a sale of the Residence. Alternatively, the amount to be repaid will be pro-rated against the period of time that the Homebuyer occupied the residence in accordance with all requirements. This remedy of the County is called "recapture - shared net proceeds".

(d) Use and Amount of funds

In order to assist Homebuyer to purchase the Residence, the County is providing Down Payment and Closing Cost Assistance in an amount not to exceed \$8,000.

APPLICATION: FORM 4- Program Agreement Down Payment Assistance





(e) Form of Assistance

The foregoing financial assistance is being provided in the form of a Deferred Payment Forgivable Loan. In Connection with the purchase of the Residence, Homebuyer is executing a Deferred Payment Note and a Second Lien Deed of Trust.

(f) Acquisition Time

Homebuyer represents that Homebuyer intends to purchase the Residence within 60 days of the date of this Agreement. Homebuyer understands and agrees that if Homebuyer does not purchase the Residence within sixty (60) days of the date of this Statement, the County may at its sole option: [1] not provide funding; or [2] extend the date to purchase the Residence for a reasonable period of time, not to exceed an additional thirty (30) days.

Execution of Written Agreement

I/We acknowledge that I/we have received a copy of the foregoing fully executed Agreement and that the requirements, terms and conditions thereof were explained to me/us.

Executed this _____ day of _____ 20_____.

APPLICATION: FORM 4- Program Agreement Down Payment Assistance

WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a FELONY for knowingly and willingly making false or fraudulent statements to any department of the U.S. Government.

| Applicant Signatures | | | |
|-----------------------------|---------------|--------------------|---------------|
| _____ Signature | _____ Date | _____ Signature | _____ Date |
| _____ Signature | _____ Date | _____ Signature | _____ Date |





TRAVIS COUNTY HOMEBUYER ASSISTANCE PROGRAM AGREEMENT

SHARED APPRECIATION GAP FINANCING

The Homebuyer agreement must conform to the requirements in 24 CFR Part 5. The HOMEBUYER Assistance Program Agreement ("Agreement") is executed by an agency to be determined and _____ and _____ ("Homebuyer(s)").

(a) Homebuyer's Certification of Principal Residency

Homebuyer's Name(s): _____

Homebuyer's Current Address: _____

Address of Home to be purchased: _____

I/We hereby certify that I/we will occupy the above referenced address and it will be my/our principal residence throughout the thirty year term of the loan.

I/We understand that my/our acceptance of the Shared Appreciation Gap Financing assistance through the Travis County CDBG Homebuyer Assistance program will result in the attachment of a lien in favor of Travis County or its acting agent on the above referenced address.

I/We further certify that all information and copies of documents provided to the Mortgage Company and/or County are true and correct.

I/We understand that any discrepancies or mis-statements may result in my/our disqualification from the Program and possible repayment of the assistance received.

(b) Value of the Property

The purchase price of the Residence is \$ _____

The appraised value of the Residence is \$ _____

(c) Recapture Provisions

The Homebuyer understands and agrees that if Homebuyer fails to comply with the residency requirement or any other requirement of the Shared Appreciation Gap Financing loan, the Homebuyer will be required to repay the County or its acting agent all loan proceeds in accordance with the terms of the loan documents.

The Homebuyer further understands that the loan repayment will include original loan amount plus a percentage of equity gained that is equal to the percentage of Travis County CDBG-HBA Program's portion of the original sales price.

(d) Use and Amount of funds

In order to assist Homebuyer to purchase the Residence, the County is providing Gap Financing in an amount not to exceed \$30,000.

APPLICATION: FORM 5- Program Agreement Shared Appreciation Gap Financing





(e) Form of Assistance

The foregoing financial assistance is being provided in the form of a Deferred Payment Loan. In Connection with the purchase of the Residence, Homebuyer is executing a Deferred Payment Note and a Second Lien Deed of Trust.

(f) Acquisition Time

Homebuyer represents that Homebuyer intends to purchase the Residence within 60 days of the date of this Agreement. Homebuyer understands and agrees that if Homebuyer does not purchase the Residence within sixty (60) days of the date of this Statement, the County may at its sole option: [1] not provide funding; or [2] extend the date to purchase the Residence for a reasonable period of time, not to exceed an additional thirty (30) days.

(f) Execution of Written Agreement

I/We acknowledge that I/we have received a copy of the foregoing fully executed Agreement and that the requirements, terms and conditions thereof were explained to me/us.

APPLICATION: FORM 5-- Program Agreement Shared Appreciation Gap Financing

WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a FELONY for knowingly and willingly making false or fraudulent statements to any department of the U.S. Government.

| Applicant Signatures | | | |
|----------------------|---------------|--------------------|---------------|
| _____ Signature | _____ Date | _____ Signature | _____ Date |
| _____ Signature | _____ Date | _____ Signature | _____ Date |





TRAVIS COUNTY CDBG-HOMEBUYER ASSISTANCE PROGRAM

PS120143JW

Given the significant amount of assistance through GAP financing; Travis County requires that you share that increase in value (appreciation gained) with Travis County. In turn, Travis County will use those funds to assist another low-to-moderate income home buyer.

The sharing of appreciation is in many ways like a partnership; Travis County partners with you to buy the home by providing GAP financing to help make the home affordable. When you decide to sell the house, the profit is shared with your partner (agency to be determined) who uses it portion to make other loans to low-to-moderate households.

APPLICATION: FORM 6- Description of Shared Appreciation Gap Financing

Part 1: Buying the home

| | |
|--|-----------|
| Total Sales Price of Home | \$115,000 |
| Travis County CDBG-HBA Down payment Assistance Loan (<i>forgivable</i>) | \$1,725 |
| Buyer down payment Contribution at Purchase | \$1,725 |
| Primary Mortgage | \$81,550 |
| Travis County CDBG-HBA GAP Assistance Loan (26% of Purchase Price— <i>Second Lien</i>) | \$30,000 |

Part 2: Reselling the home (*assumed after 5th year*)

| | |
|---|--------------------|
| New appraised value of home | \$155,000 |
| Minus <u>original</u> mortgage loan amount | -\$81,550 |
| Repayment of Owner's Contribution | -\$1,725 |
| Repayment of Travis County CDBG-HBA GAP Assistance Loan (<i>Second Lien</i>) | -\$30,000 |
| Total Equity to be shared | = \$ 41,725 |

Part 3: Amount due to Owner and Travis County

| | | |
|-------------------------------------|-----|----------|
| % of Shared Equity to Owner | 74% | \$30,877 |
| % of Shared Equity to Travis County | 26% | \$10,848 |

* This is an example only. Travis County cannot guarantee that your home will increase in value.

** Repayment of GAP Assistance Loan is only required from "Available Funds" at closing.

*** Selling, Refinancing, renting out your house or defaulting on your primary mortgage may cause the GAP Loan and shared equity to become immediately due and payable.

At closing of the sale of your home, the Title Company will be responsible for making sure that everyone is paid correctly.

1. They will first pay off your primary mortgage.
2. Then they will pay the second lien (GAP Loan) held by Travis County.
3. The Title Company will then pay you back your down payment you paid when you bought the house.
4. The amount left over is the appreciation that will be shared between you and Travis County.

WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a FELONY for knowingly and willingly making false or fraudulent statements to any department of the U.S. Government.

By signing below you indicated that you have reviewed and understand the concept of Shared Appreciation Gap Financing.

Signature

Date

Signature

Date

Signature

Date

Signature

Date





TRAVIS COUNTY CDBG-HOMEBUYER ASSISTANCE PROGRAM

PS120143JW

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20210-8000

BORROWERS-KNOW YOUR RIGHTS!

ATTENTION BORROWER: This may be the largest and most important loan you get during your lifetime. You should be aware of certain rights before you enter into any loan agreement.

- YOU have the **RIGHT** to shop for the best loan for you and compare the charges of different mortgage brokers and lenders.
- YOU have the **RIGHT** to be informed about the total cost of your loan including the interest rate, points and other fees.
- You have the **RIGHT** to ask for a Good Faith Estimate of all loan and settlement charges before you agree to the loan and pay any fees.
- YOU have the **RIGHT** to know what fees are not refundable if you decide to cancel the loan agreement.
- YOU have the **RIGHT** to know what fees are not refundable if you decide to cancel the loan agreement.
- YOU have the **RIGHT** to ask your mortgage broker to explain exactly what the mortgage broker will do for you.
- YOU have the **RIGHT** to know how much the mortgage broker is getting paid by you and the lender for your loan.
- YOU have the **RIGHT** to ask questions about charges and loan terms that you do not understand.
- YOU have the **RIGHT** to a credit decision that is not based on your race, color, religion, national origin, sex marital status, age or whether any income is from public assistance.
- YOU have the **RIGHT** to know the reason if your loan was turned down.
- YOU have the **RIGHT** to ask for the HUD settlement costs booklet "Buying Your Home."

"Buying Your Home" and other helpful information is available at HUD's Website:

http://www.hud.gov/fha/res/respa_hm.html

For other questions call 1.800.217.6970

APPLICATION: FORM 7 - "Borrowers Know Your Rights"

Signature of Borrower(s):

Signature

Date

Signature

Date

Signature

Date

Signature

Date





TRAVIS COUNTY CDBG-HOMEBUYER ASSISTANCE PROGRAM

PS120143JW

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20210-8000

Prestatarios - Conoscan sus derechos!

Atención prestatario: Este puede ser el préstamo más grande e importante de su vida. Por tanto, usted debe conocer ciertos derechos antes de entrar en un acuerdo de préstamo hipotecario.

- Usted tiene el **derecho** de adquirir el préstamo hipotecario que más le convenga y de comparar los cargos de diferentes corredores de hipoteca y prestamistas.
- Usted tiene el **derecho** de estar informado sobre el costo total de su préstamo incluyendo el porcentaje de la tasa de interés, puntos y otros cargos.
- Usted tiene el **derecho** de preguntar por el Estimado de Buena Fe de todo el préstamo hipotecario y los costos de cierre, antes de estar de acuerdo con el préstamo y pagar algún cargo.
- Usted tiene el **derecho** de saber cuáles recargos no serán devueltos si usted decide cancelar el contrato de préstamo.
- Usted tiene el **derecho** de pedir a su corredor de hipoteca que le explique lo que hará por usted.
- Usted tiene el **derecho** de saber cuáles son los honorarios que el corredor de hipoteca está recibiendo de usted y del prestamista.
- Usted tiene el **derecho** de hacer preguntas sobre aquello que no entiende relacionado con los cargos y términos del préstamo.
- Usted tiene el **derecho** a una decisión de crédito que no esté basada en su raza, color de piel, religión, origen nacional, sexo, estado civil, edad, o en caso de que algunos de sus ingresos que vengan de la asistencia pública.
- Usted tiene el **derecho** de saber la razón por la cual el préstamo no le fue concedido.
- Usted tiene el **derecho** de solicitar el folleto de HUD sobre gastos de cierre hipotecarios titulado "Comprando Su Casa".

"Comprando Su Casa" HUD'S WEB site: http://www.hud.gov/fha/res/respa_hm.html

Para más información llame a HUD 1.800.217.6970

APPLICATION: FORM 7 - "Borrowers Know Your Rights" - Spanish

| | | | |
|----------------------------------|-------|-----------|-------|
| Signature of Borrower(s): | | | |
| _____ | _____ | _____ | _____ |
| Signature | Date | Signature | Date |
| _____ | _____ | _____ | _____ |
| Signature | Date | Signature | Date |





Under Title X of the Community and Housing Development Act, certain notifications are required in regard to potential and identified hazards of Lead-Based Paint (LBP). All homeowners, homebuyers, and/or tenants should receive the 17-page booklet "Protect Your Family From Lead in Your Home," which contains information about the hazards of lead-based paint.

APPLICATION: FORM 8- Receipt of Lead-Based Paint Notification

"Protect Your Family From Lead In Your Home" booklet on HUD'S WEB site: http://www.hud.gov/offices/lead/library/enforcement/pyf_eng.pdf

WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a FELONY for knowingly and willingly making false or fraudulent statements to any department of the U.S. Government.

I have received, read and understand the booklet "Protect Your Family From Lead in Your Home"
Signature of Borrower(s):

Signature

Date

Signature

Date

Signature

Date

Signature

Date





TRAVIS COUNTY CDBG-HOMEBUYER ASSISTANCE PROGRAM

PS120143JW

A "Certification of Zero Income" should be completed by adult household members only (if appropriate). If there are any sources of income listed that you (the applicant) need clarification on, please contact the Contract Administrator, Owner or Management Office Personnel.

I _____, hereby certify that:

A. I **do not** individually receive income from **any** of the following sources:

- Wages from employment (including commissions, tips, bonuses, fees, etc.);
- Income from operation of a business;
- Rental income from real or personal property;
- Interest or dividends from assets;
- Social Security payments;
- Supplemental Security Income payments;
- Payments from annuities, insurance policies, retirement funds, pensions, or death benefits;
- Unemployment or disability payments;
- Public assistance payments (other than food stamps);
- Periodic allowances from alimony or child support;
- Gifts received from persons not comprising the household;
- Sales from self-employed resources (Avon, Mary Kay, Pampered Chef, Shaklee, etc.);
- Any other source not named above; **AND**

B. I currently **do not** have income of any kind and there is no imminent change expected in my financial or employment status during the next 12 months; **AND**

C. I will be using the following sources of funds to pay for rent, utilities, and/or other necessities: _____

| | | | |
|--|------|-----------|------|
| APPLICANT CERTIFICATION | | | |
| Under penalty of perjury, I certify, to the best of my knowledge, that the information presented in this certification is true and accurate. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of participation under a Travis County CDBG-HBA Program. | | | |
| | | | |
| Signature of Borrower(s): | | | |
| | | | |
| Signature | Date | Signature | Date |
| | | | |
| Signature | Date | Signature | Date |

Warning: Title 18, Section 1001 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency in the United States as to any matter within its jurisdiction.

APPLICATION: FORM 9-- Certification of Zero Income



CHAPTER 10

HOUSING QUALITY STANDARDS

10.1 CHAPTER OVERVIEW

The goal of the housing choice voucher program is to provide “decent, safe and sanitary” housing at an affordable cost to low-income families. To accomplish this, program regulations set forth basic housing quality standards (HQS) which all units must meet before assistance can be paid on behalf of a family and at least annually throughout the term of the assisted tenancy. HQS defines “standard housing” and establishes the minimum criteria necessary for the health and safety of program participants.

HQS regulations provide performance requirements and acceptability criteria to meet each performance requirement. HQS includes requirements for all housing types, including single and multi-family dwelling units, as well as specific requirements for special housing types such as manufactured homes, congregate housing, single room occupancy (SROs), shared housing and group residences (GRs). Requirements for Special Housing Types are discussed in Chapter 17.

The HUD Housing Inspection Manual for Section 8 Housing, available through the HUD user at 800-245-2691, and the HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD 52580-A (9/00), available through HUDCLIPS website: www.hudclips.org, provide guidance to PHAs in interpreting the standards, as well as HUD regulations.

10.2 HOUSING QUALITY STANDARDS GENERAL REQUIREMENTS

At least annually, it is the responsibility of the PHA to conduct inspections of units to determine compliance with HQS prior to the execution of the entire term of the assisted lease. Inspections may be completed by PHA staff or by contract personnel. HQS consists of the following thirteen (13) performance requirements:

- Sanitary facilities;
- Food preparation and refuse disposal;
- Space and security;
- Thermal environment;
- Illumination and electricity;
- Structure and materials;
- Interior air quality;
- Water supply;
- Lead-based paint;
- Access;
- Site and neighborhood;
- Sanitary condition; and
- Smoke Detectors.

Acceptability criteria for each performance requirement help PHAs determine if the unit meets mandatory minimum standards. For some standard, specific guidance is provided to PHAs, but PHA's must rely upon inspector judgement in the areas. In some instances, family preference should be considered in the determination of acceptability.

HUD may grant approval for a PHA to use acceptability criteria variations which apply standards contained in local housing codes or other codes adopted by the PHA or because of local climatic or geographic conditions.

Acceptability criteria variations may only be approved by HUD, if the variation meets or exceeds the performance requirement and does not unduly limit the amount and type of rental, housing available at or below the fair market rent. HUD will not approve variations if the change is likely to adversely affect the health or safety of participant families or severely restrict housing choice.

PHAs should strive to ensure consistency among staff in areas requiring judgment. Not all areas of HQS are exactly defined while acceptability criteria specifically state the minimum standards necessary to meet HQS, inspector judgment or tenant preference may also need to be considered in determining whether the unit meets minimum standards or desirable. Staff can receive the tools to make sound decisions through training, access to written policy and procedures, and consistent written and oral instruction.

Potential safety hazards that are not specifically addressed in the acceptability criteria, such as damaged kitchen cabinet hardware, may present a cutting hazard to small children is an example of an area that requires judgement. Less than optimal conditions, such as a water heater with a small capacity, is another example. A good practice is to assess potential hazards based on the family residing in the unit. Some potential hazards may only apply when small children are in occupancy. Some less than perfect conditions, such as a water heater that appears too small for optimal use by the tenant, should be discussed with the tenant, but should not lead to denial of program assistance if the family is willing to accept the existing condition.

In order to keep assisted units from having to meet higher standard than units in the unassisted market, PHAs should be cautious and thoughtful when requesting HUD approval of a standard higher standard than HQS. Though adopted into local law, local codes, are often not consistently enforced among all units, or are enforced only when complaints are made. Sometimes, certain aspects of a local code are not enforced at all. If the PHA adopts local code requirements, housing choice may be restricted in these instances.

The PHA administrative plan should include any HUD-approved variations to HQS acceptability criteria that will be used to judge the condition of the unit. This practice formalizes the PHA's inspection standards for inspection staff, as well as for owners and tenants. For example, if the PHA has received HUD approval to require that assisted units must have deadbolt locks on all doors leading from the unit to the exterior or public areas, the requirement should be included in the PHA administrative plan as an addition to HQS standards.

10.3 PERFORMANCE REQUIREMENTS AND ACCEPTABILITY STANDARDS

Each of the 13 HQS performance requirements and acceptability criteria is identified below. A discussion of how PHAs should interpret the requirements and tenant preference options follows. Refer to the inspection checklists contained in Form HUD-52580 and Form HUD-52580-A and the *Housing Inspection Manual for the Section 8 Existing Housing Program* for more detailed explanation and guidance.

Sanitary Facilities

Performance Requirement

- The dwelling unit must include sanitary facilities within the unit.
- The sanitary facilities must be in proper operating condition and adequate for personal cleanliness and disposal of human waste.
- The sanitary facilities must be usable in privacy.

Acceptability Criteria

- The bathroom must be located in a separate room and have a flush toilet in proper operating condition.
- The unit must have a fixed basin (lavatory) with a sink trap and hot and cold running water in proper operating condition.
- The unit must have a shower or tub with hot and cold running water in proper operating condition.
- The facilities must utilize an approved public or private disposal system, including a locally approved septic system.

The bathroom must be contained within the dwelling unit, afford privacy (usually meaning a door, although no lock is required), and be for the exclusive use of the occupants.

All public or private waste disposal systems servicing the unit or facilities must be either state or local agency approved.

The tub/shower, toilet, and basin/lavatory must have a proper sewer trap, drain, and vents to prevent the escape of sewer gases or severe leakage of water. Drains must not be clogged and the toilet must flush. Hot and cold water must be available at the tub, shower, and lavatory taps. The definition of hot water (temperature) required at the lavatory, tub, or shower should be determined from local health standards or applicable local code.

The PHA must determine if the bathroom facilities are free of hazards which may endanger the occupants such as damaged or broken fixtures and plumbing leaks. Conditions which do not affect the acceptability of the bathroom include tenant preference items (listed below) and minor faucets drips.

EXAMPLE:

What are bathroom hazards that may endanger occupants?

- Broken ceramic, metal, or glass fixtures that may pose a hazard. This includes towel racks, soap dishes, medicine cabinets, and mirrors as well
- A leaking hot water faucet may pose a scalding threat.

Only one bathroom is required to meet HQS. Additional bathrooms do not have to contain all plumbing fixtures (tub/shower, toilet or lavatory), but if present, they must not create any unsanitary conditions, be properly plumbed, and be free of sewer gases.

Other room standards that apply to bathroom facilities, such as illumination and electricity, are discussed under those performance requirements.

Tenant Preference

The tenant may determine acceptability of the cosmetic condition and quality of the sanitary facilities, including the size of the lavatory, tub, or shower, condition of faucets, minor leaks, scratches, or worn enamel on fixtures, and the location of the sanitary facilities within the dwelling unit.

Food Preparation and Refuse Disposal

Performance Requirement

- The dwelling unit must have suitable space and equipment to store, prepare, and serve food in a sanitary manner.

Acceptability Criteria

- The dwelling unit must have an oven and a stove or range. A microwave oven may be substituted for a tenant-supplied oven and stove or range. A microwave may be substituted for an owner-supplied oven and stove or range if the tenant agrees and microwave ovens are furnished to both subsidized and unsubsidized tenants in the same building or premises.
- The dwelling unit must have a refrigerator of appropriate size for the family.

- All required equipment must be in proper operating condition. According to the lease, equipment may be supplied by either the owner or the family.
- The dwelling unit must have a kitchen sink in proper operating condition, with a sink trap and hot and cold running water. The sink must drain into an approved public or private system.
- The dwelling unit must have space for storage, preparation, and serving of food.
- Facilities and services for the sanitary disposal of food waste and refuse, including temporary storage facilities where necessary, are required.

Hot plates are not acceptable substitutes for stoves or ranges. The oven must heat and all burners on the stove or range must work. All stove or range knobs must be present. The stove or range must be free of hazardous gas hook-ups, gas leaks, or electrical hazards.

The refrigerator must be of adequate size for the family and capable of maintaining a temperature low enough to keep food from spoiling. The PHA may reject the size of the refrigerator only if it clearly cannot serve the needs of the family. For example, a counter-top or compact type would not meet the needs of a family of four. The freezer space must be present and working, and the equipment must present an electrical hazard.

EXAMPLE:

What temperature must a refrigerator maintain to keep food from spoiling?

- Above 32° F, but generally below 40° F.
- Consider how often the refrigerator will be opened. Proper temperatures are difficult to maintain if the refrigerator is frequently opened during warm weather, door seals are removed or broken, or the door sits open.

The sink must have hot and cold running water from the faucets and a proper working sink drain with gas trap. It must also be hooked to an approved water and sewer system. The definition of hot water should be determined by the local health department or applicable local code.

Space for storage, preparation, and serving of food must be present. Built-in space, equipment, table(s), or portable storage facilities are acceptable.

Waste and refuse storage facilities are determined by local practice and may include trash cans or dumpster facilities.

Other room standards apply to the food preparation area and are discussed under those specific requirements below.

Tenant Preference

The family selects a unit with the size and type of equipment it finds acceptable and may choose to accept a microwave oven in place of a conventional oven, stove, or range if the oven/stove/range are tenant supplied or if microwaves are furnished in both subsidized and unsubsidized units in the building or premises. The amount and type of storage space, the cosmetic conditions of all equipment, and the size and location of the kitchen are all determined by the family.

Space and Security

Performance Requirement

- The dwelling unit must provide adequate space and security for the family.

Acceptability Criteria

- At a minimum, the dwelling unit must have a living room, a kitchen and a bathroom.
- The dwelling unit must have a least one bedroom or living/sleeping room for every two persons. Other than very young children, children of opposite sex, may not be required to occupy the same bedroom or living/sleeping room.
- Dwelling unit windows that are accessible from the outside must be lockable.
- Exterior doors to the unit must be lockable.

A living room may be used as sleeping (bedroom) space, but no more than two persons may occupy the space.

Unit windows located on the first floor, at the basement level, on a fire escape, porch, or other outside space that can be reached from the ground and that are designed to be opened must have a locking device. (Windows with sills less than six feet off the ground are considered accessible.) Traditional window locks, those provided by storm/screen combination windows, window pins, and nails are acceptable. Windows leading to a fire escape or required to meet ventilation requirements may not be permanently nailed shut.

Doors leading to the outside and common hallways, fire escapes, and porches or otherwise accessible from the ground must have locks. No specific type of lock is required.

Window and door surfaces (including the door frame) must be in sufficient condition to support the installation and proper operation of window and door locks.

Tenant Preference

The family may determine the adequacy of room sizes and room locations. The family is also responsible for deciding the acceptability of the type of door and window locks.

Thermal Environment

Performance Requirement

- The dwelling unit must be able to provide a thermal environment that is healthy for the human body.

Acceptability Criteria

- There must be a safe system for heating the dwelling unit, such as electric baseboard, radiator, or forced air systems. In order to ensure a healthy living environment appropriate for the climate the system must be able to provide adequate heat either directly or indirectly to each room.
- If present, the air conditioning system or evaporative cooler, must safely provide adequate cooling to each room.
- The heating and/or air conditioning system must be in proper operating condition.
- The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Electric heaters are acceptable.

The PHA must define “a healthy living environment” for the local climate. Local or state codes will help the PHA determine when and how much heat is adequate. For example, a PHA may define a heating system capable of maintaining an interior temperature of 65° between October 1 and May 1 as adequate.

Adequate heat is required in all rooms used for living; the heat source does not have to be located in each room as long as the heat can pass to the appropriate space and meet the definition of adequate. Portable electric room heaters or kitchen stoves with built-in heating units are not acceptable as a primary source of heat for units located in climatic areas where permanent heat systems are required.

Improper operating conditions, including all conditions that may be unsafe, such as broken or damaged source vents, flues, exhausts, gas or oil lines that create a potential fire hazard or threats to health and safety are not permitted. Heating unit safety devices must be present, and the heating equipment must have proper clearance from combustible materials and location of oil storage tanks. There must be proper gas and oil connections. Local plumbing, fire, or mechanical codes are instructive in providing details about acceptable materials for furnace and water heater hookups and required clearances appropriate to the jurisdiction where units are

located. Seek assistance from local code enforcement offices to determine health and safety standards for equipment hook-up and clearance requirements.

Heating system inspections are often required by local or state authorities especially for large multi-family buildings. If the heating system has passed inspection from the inspecting authority within the past two years, the PHA may accept this as proof of heating equipment safety.

Working cooling equipment refers to a central ventilation system, evaporative cooling system, room or central air conditioning. These systems are not required by HQS, but if present, must be operating safely so as not to create a potential fire hazard or other threat to health and safety.

Tenant Preference

The PHA has no control over energy conservation measures, such as dwelling insulation or installation of storm windows and doors. The family must assess whether a dwelling without these items is acceptable; the family must take into account the cost of utilities billed to the family and personal feelings about adequate heat. Dwellings that are poorly insulated or lack storm windows are generally drafty and more difficult to heat and cool.

Illumination and Electricity

- Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants.
- The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances.
- Electrical fixtures and wiring must not pose a fire hazard.

Acceptability Criteria

- There must be at least one window in both the living room and each sleeping room.
- The kitchen area and the bathroom must have a permanent ceiling or wall-mounted fixture in proper operating condition.
- The kitchen must have at least one electrical outlet in proper operating condition.
- The living room and each sleeping space must have at least two electrical outlets in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets.

The PHA must be satisfied that the electrical system is free of hazardous conditions, including: exposed, uninsulated, or frayed wires, improper connections, improper insulation or grounding of

any component of the system, overloading of capacity, or wires lying in or located near standing water or other unsafe places.

Outlets must be properly installed in the baseboard, wall, or floor. Hanging light fixtures or outlets from electric wiring, missing cover plates on switches and outlets, badly cracked outlets or cover plates, exposed fuse box connections and, overloaded circuits are unacceptable.

Tenant Preference

The family may determine whether the location and the number of outlets and fixtures (over and above those required for acceptability standards) are acceptable or if the amount of electrical service is adequate for the use of appliances, computers, or stereo equipment.

Structure and Materials

Performance Requirement

- The dwelling unit must be structurally sound.
- The structure must not present any threat to the health and safety of the occupants and must protect the occupants from the environment.

Acceptability Criteria

- Ceilings, walls, and floors must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing parts, or other serious damage.
- The roof must be structurally sound and weather-proof.
- The foundation and exterior wall structure and surface must not have any serious defects such as serious leaning, buckling, sagging, large holes, or defects that may result in air infiltration or vermin infestation.
- The condition and equipment of interior and exterior stairs, halls, porches, and walkways must not present the danger of tripping and falling.
- Elevators must be working safely.

The PHA must examine each of the elements listed in the acceptability criteria to determine that each is structurally sound, will not collapse, and does not present a danger to residents through falling or missing parts, or tripping hazards. The PHA must determine that the unit is free from water, excessive air, and vermin infiltration.

Handrails are required when four or more steps (risers) are present, and protective railings are required when porches, balconies, and stoops are thirty inches off the ground.

The elevator servicing the unit must be working. A current city or state inspection certificate suffices to determine working condition of the elevator.

Manufactured homes must have proper tie-down devices capable of surviving wind loads common to the area.

Tenant Preference

Families may determine whether minor defects, such as lack of paint, or worn flooring or carpeting will affect the livability of the unit.

Interior Air Quality

Performance Requirement

- The dwelling unit must be free of air pollutant levels that threaten the occupants' health.

Acceptability Criteria

- The dwelling unit must be free from dangerous air pollution levels from carbon monoxide, sewer gas, fuel gas, dust, and other harmful pollutants.
- There must be adequate air circulation in the dwelling unit.
- Bathroom areas must have one openable window or other adequate ventilation.
- Any sleeping room must have at least one window. If the window was designed to be opened, it must be in proper working order.

The PHA must be satisfied that air pollutants such as gas leaks, industrial outputs, and heavy traffic would not present a health hazard.

Air circulation should be checked to determine adequate ventilation. Air conditioning (A/C) provides adequate circulation as do ceiling and vent fans.

The windows must adequately protect the unit's interior from the weather. Windows designed to open must not be painted or nailed shut. The ventilating bathroom fan in the bathroom must operate as intended.

Tenant Preference

Tenants may determine whether window and door screens, filters, fans, or other devices for proper ventilation are adequate to meet personal needs.

Water Supply

Performance Requirement

- The water supply must be free of contamination.

Acceptability Criteria

- The dwelling unit must be served by an approved public or private water supply that is sanitary and free from contamination.

The PHA should be satisfied that the water supply is approved by the State or local jurisdiction.

Clean water must be distributed to all unit fixtures and waste water must leave the unit to an approved area without presence of sewer gas and backups.

Plumbing fixtures and pipes must be free of leaks and threats to health and safety.

Water-heating equipment must be installed safely and must not any present safety hazards to families. All water heaters must be free of leaks, have temperature/pressure relief valves, and a discharge line. Unless safety dividers or shields are installed water heaters must not be located in bedrooms or living areas where safety hazards may exist. Fuel burning equipment must have proper clearance from combustible materials and be properly vented.

Tenant Preference

The family may decide if the water heater has a large enough capacity for personal family use.

Lead-Based Paint

- The Lead-Based Paint Poisoning Prevention Act as amended (42 U.S.C. 4821 - 4846) and the Residential Lead-Based Paint Hazard Reduction Act of 1992 and implementing regulations 24 CFR Part 35 Subparts A, B, M, and R apply to the housing choice voucher program.

Acceptability Criteria

- The requirements apply to dwelling units built prior to 1978 that are occupied or can be occupied by families with children under six years of age, excluding zero bedroom dwellings.

- During initial and annual inspections of pre-1978 units that are occupied or will be occupied by families with children under 6 years of age, the inspector must conduct a visual assessment for deteriorated paint surfaces and the owner must stabilize deteriorated surfaces. Applicable areas include painted surfaces within the dwelling unit, exterior painted surfaces associated with the dwelling unit, and common areas of the building through which residents must pass to gain access to the unit and areas frequented by resident children under six years of age, including play areas and child care facilities.
- For units occupied by environmental intervention blood lead level (lead poisoned) children under six years of age, a risk assessment must be conducted (paid for by the PHA), and the owner must complete hazard reduction activities if lead hazards are identified during the risk assessment.

Section 10.4 of this Chapter discusses all PHA responsibilities.

Tenant Preference

Families with children under 6 years of age have no decision-making authority related to the presence of lead-based paint.

Access

- Use and maintenance of the unit must be possible without unauthorized use of other private properties.
- The building must provide an alternate means of exit in case of fire.

Acceptability Criteria

- The unit must have private access.
- In case of fire, the building must contain an alternate means of exit such as fire stairs, or windows, including use of a ladder for windows above the second floor.

The PHA must determine that the unit has private access without unauthorized passage through another dwelling unit or private property.

The emergency (alternate) exit from the building (not the unit) may consist of fire stairs, a second door, fire ladders, or exit through windows. The emergency exit must not be blocked. It must be appropriate for the family and considered adequate by local officials. Guidance from the local fire agency is advisable.

Tenant Preference

The tenant should assist the PHA in determining if the type of emergency exit is acceptable.

Site and Neighborhood*Performance Requirement*

- The site and neighborhood must be reasonably free from disturbing noises and reverberations or other dangers to the health, safety, and general welfare of the occupants.

Acceptability Criteria

- The site and neighborhood may not be subject to serious adverse natural or manmade environmental conditions, such as dangerous walks or steps, instability, flooding, poor drainage, septic tank back-ups or sewer hazards, mudslides, abnormal air pollution, smoke or dust, excessive noise, vibration, or vehicular traffic, excessive accumulations of trash, vermin, or rodent infestation, or fire hazards.

The PHA determines whether any of the above conditions seriously and continually affect the health or safety of the residents. PHAs should be careful not to restrict housing choice in deciding acceptability. Failing a unit because the neighborhood is considered “bad” is not appropriate. Take into account whether private unassisted residents are living in the same neighborhood.

Tenant Preference

Taking into consideration the type of neighborhood, presence of drug activity, commercial enterprises, and convenience to shopping and other facilities, the family selects a unit.

Sanitary Condition*Performance Requirement*

- The dwelling unit and its equipment must be in sanitary condition.

Acceptability Criteria

- The dwelling unit and its equipment must be free of vermin and rodent infestation.

The PHA must ensure that the unit is free of rodents and heavy accumulations of trash, garbage, or other debris that may harbor vermin. Infestation by mice, roaches, or other vermin particular to the climate must also be considered. The unit must have adequate barriers to prevent infestation.

EXAMPLE:

What is infestation of rodents or vermin?

- By definition infestation means more than one bug or mouse. It is easily identified by observing mouse and/or rodent droppings or gnaw marks. If no visible evidence exists, there is probably no infestation. Based on the type of pest, PHAs must decide for themselves what the limits are for determining infestation and be consistent. Is one rat or roach too much?

Tenant Preference

Provided the minimum standards required by the acceptability criteria have been met, the tenant must determine whether the unit is in an adequate sanitary condition. Occasional mice and roaches may be acceptable to the tenant.

Smoke Detectors

- On each level of the dwelling unit including basements, but excluding spaces and unfinished attics at least one battery-operated or hard-wired smoke detector in proper operating condition must be present.
- Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standards (NFPA) 74 or its successor standards.
- If a hearing-impaired person is occupying the dwelling unit, the smoke detectors must have an alarm system designed for hearing-impaired persons as specified in NFPA 74.

Acceptability Criteria

The PHA must insure that the location of smoke detectors conforms with local and/or State Fire Marshall's requirements.

The PHA must determine that smoke detectors are located and installed in accordance with NFPA Standards. All smoke detectors must be in operating condition.

Local codes, such as housing or fire codes, often address responsibilities between owners and tenants for installation and maintenance of smoke detector batteries. At initial, inspection smoke detectors must have good batteries and be operable. PHAs may follow local codes to determine if missing or dead smoke detector batteries constitute a tenant or owner-caused failure in occupied units.

Consultation with the local fire officials is recommended regarding acceptable types and location of smoke detectors.

Tenant Preference

The family is not permitted to exercise any tenant preference regarding smoke detector requirements.

10.4 LEAD-BASED PAINT REQUIREMENTS AND RESPONSIBILITIES

Regulation Background

Lead-based paint requirements were originally written to implement Section 302 of the Lead-based Paint Poisoning and Prevention Act. In the late 1970s, Code of Federal Regulations, Title 24, Part 35 was promulgated, setting forth the general procedures for inspection and treatment of defective paint surfaces in HUD assisted housing.

Under Part 35, Assistant Secretaries were given authority to develop regulations pertaining to their specific areas of responsibility, and varying program regulations were issued. The regulations have been amended several times. A major change that occurred in 1995 amended housing quality standards that applied to tenant-based programs.

New lead-based paint regulations effective September 15, 2000 have been implemented to incorporate Title X of the Housing and Community Development Act of 1992. These regulations consolidate all lead-based paint requirements under one section of the Code of Federal Regulations (24 CFR Part 35), stress identification of lead-paint hazards, notification to occupants of the existence of these hazards, and control of lead-based paint hazards to reduce lead poisoning among young children.

Housing choice voucher program units are subject to the following subparts of 24 CFR Part 35:

- Subpart A, Disclosure;
- Subpart B, General Lead-Based Paint Requirements and Definitions for All Programs;
- Subpart M, Tenant-Based Rental Assistance; and
- Subpart R, Methods and Standards for Performing Lead Hazard Evaluation and Reduction Activities.

The Section 8 moderate rehabilitation program and the project-based housing choice voucher or certificate program units are subject to requirements under 24 CFR Subparts A, B, H, and R. Those requirements are not discussed in this Guidebook.

Exempt Units

Exempt housing includes:

- Units built after December 31, 1977;
- Zero (0) bedroom and SRO units;
- Housing built for the elderly or persons with disabilities, unless a child of under age six (6) resides or is expected to reside in such housing;
- Property for which a paint inspection was completed in accordance with the new regulations and certified to have no lead-based paint;
- Property in which all lead-based paint was identified, was removed, and received clearance in accordance with the new regulations.

For dwellings built before January 1, 1978, *and* occupied or to be occupied by assisted families with one or more children under age six, lead-based paint requirements apply to:

- The unit interior and exterior paint surfaces associated with the assisted unit; and
- The common areas servicing the unit, including those areas through which residents must pass to gain access to the unit, and other areas frequented by resident children less than six such as play areas, and child care facilities. Common areas also include garages and fences on the assisted property.

Basic Lead-Based Paint Requirements

The PHA is the responsible party for the following activities:

- Visual assessment for deteriorated paint (i.e., peeling, chipping, flaking) surfaces at initial and annual inspections;
- Assuring that clearance examination is conducted when required;
- Carrying out special requirements for children under age six who have environmental intervention blood lead levels as verified by a medical health care provider;
- Collecting data from the local health department on program participants under age six who have identified environmental intervention blood lead levels; and
- Record keeping.

Unit owners have responsibilities to:

- Disclose known lead-based paint hazards to all potential residents prior to execution of a lease;
- The owner must also provide all prospective families with a copy of *Protect Your Family From Lead in Your Home* or other EPA approved document;
- When necessary, perform paint stabilization to correct deteriorated paint;
- Each time such an activity is performed, notify tenants about the conduct of lead hazard reduction activities and clearance (if required);
- Conduct lead hazard reduction activities when required by the PHA;
- Perform all work in accordance with HUD prescribed safe work practices and conduct clearance activities when required; and
- Perform ongoing maintenance. As part of ongoing maintenance, the owner must provide written notice to each assisted family asking occupants to report deteriorated paint. The notice must include the name, address, and phone number of the person responsible for accepting the occupant's complaint.

10.5 NOTIFICATION AND DISCLOSURE OF LEAD-BASED PAINT HAZARDS PRIOR TO OCCUPANCY

Before the execution of the lease the owner or owner's agent is required to disclose any knowledge of lead-based paint or lead-based paint hazards in housing built prior to 1978, to all prospective residents (See Exhibit 10-1, *Sample Disclosure Notice*.) The PHA must keep a copy of the disclosure notice executed by the owner and tenant in the tenant file. The owner should not send the PHA the original disclosure notice executed by the owner and tenant.

Visual Assessment for Deteriorated Paint

During the conduct of initial and annual inspections of pre-1978 units that are occupied or will be occupied by families with children under 6 years of age, the PHA must conduct a visual inspection for deteriorated paint surfaces at these locations:

- All unit interior and exterior painted surfaces associated with the assisted unit; and
- Common areas such as common hallways, access and egress areas, playgrounds, child-care facilities, or other areas including fences and garages frequented by children under age six.

Deteriorated paint surfaces are defined as interior or exterior paint or other coating that is peeling, chipping, flaking, cracking, is otherwise damaged or has separated from the substrate of the surface or fixture.

The inspection may be conducted by an HQS inspector or other party designated by the PHA, but all inspectors must be trained in visual assessment in accordance with procedures established by HUD. A visual assessment training course is available on the Office of Healthy Homes and Lead Hazard Control's website.

Stabilization of Deteriorated Paint Surfaces

When the visual inspector identifies deteriorated paint surfaces, the PHA must notify and require the owner to perform stabilization of the surfaces within thirty (30) days of notification in occupied units and before commencement of an assisted tenancy. When weather conditions prevent stabilization of deteriorated paint surfaces on exterior surfaces within 30-day period, stabilization may be delayed for a reasonable time.

Owner requirements for compliance with a PHA's paint stabilization notice differ, depending upon the amount of deteriorated paint surface to be corrected. The use of lead-safe work practices during paint stabilization activities are characterized as above or below de minimis levels. De minimis deteriorated paint surfaces are as follows:

- 20 square feet on exterior surfaces;
- 2 square feet on an interior surface in a single room or interior space; or
- 10 percent of individual small components (e.g., window skills) on the interior or exterior.

Owners must perform paint stabilization on all deteriorated paint surfaces *regardless of the size of the deteriorated surface*. Paint stabilization is defined as:

- Repair of any physical defect in the substrate of the painted surface or building component. Examples of defective substrate conditions include dry-rot, rust, moisture-related defects, crumbling plaster, missing siding, or other components not securely fastened;
- Removal of all loose paint and other loose material from the surface being treated; and
- Application of a new protective coat of paint to the stabilized surface.

If the amount of deteriorated paint is below the de minimis level, the owner must perform paint stabilization. Owners are not required to perform lead-safe work practices and clearance.

Correction of deteriorated paint above de minimis levels requires owners to perform additional activities to gain compliance with HUD lead-based paint requirements, including:

- Conducting the stabilization activities with trained staff;
- Employing acceptable methods for preparing the surface to be treated, including wet scraping, wet sanding, and power sanding performed in conjunction with a HEPA filtered local exhaust attachment operated according to manufacturer's instruction;
- Dry sanding and dry scraping is not permitted except within one (1) square foot of electrical outlets.
- Protecting the occupants and their belongings from contamination;
- Notifying the occupants within fifteen (15) calendar days of the stabilization activity and providing the results of the clearance examination (See Exhibit 10-3, *Summary Notice of Completion of Lead-Based Paint Hazard Reduction Activity*); and
- HUD has provided funds to PHAs to cover the cost of the first clearance examination. The owner covers funds for the cost of subsequent tests.
- The PHA is responsible for clearance activities. Clearance examinations must be performed by persons who have EPA or state-approved training and are licensed or certified to perform clearance examinations.

In no instance may an owner employ any paint stabilization methods that are strictly prohibited by federal, state, or local law such as:

- Open flame burning and torching;
- Machine-sanding or grinding without a high-efficiency particulate air (HEPA) local exhaust control;
- Heat guns operating above 1,100 degrees Fahrenheit;
- Abrasive blasting or sandblasting without HEPA exhaust control;
- Dry sanding and scraping except limited conditions stated above for limited areas; and
- Paint stripping in poorly ventilated space using a volatile stripper or a hazardous chemical as defined by Occupational Safety and Health Administration (OSHA).

Failure to comply with paint stabilization requirements, regardless of the amount of deteriorated surface, results in disapproval of the tenancy, abatement of payment to the owner, and/or termination of the HAP contract. The HQS violation for paint stabilization is considered closed when the PHA receives an executed copy of the Lead Based Paint Owner's Certification. (See Exhibit 10-2, *Sample Certification*.)

Requirements for Children with Environmental Intervention Blood Lead Level

HUD has defined environmental intervention blood lead level as a confirmed concentration of lead in whole blood equal or greater than 20 ug/dL (micrograms of lead per deciliter) for a single test or 15-19 ug/dL in two tests taken at least three (3) months apart in children under age six.

Notification

A medical health care provider, public health department, the family, owner, or outside source may notify the PHA of an environmental intervention blood lead level child living in a program unit.

When information regarding an environmental intervention blood lead level child under age six is received from the family, owner, or other sources not associated with the medical health community, the PHA must immediately verify the information with a public health department or other medical health care provider.

If either the public health department or a private medical health agency provides verification that the child has an environmental intervention blood lead level, the PHA must proceed to complete a risk assessment of the unit, common areas and exterior surfaces. This requirement does not apply if the public health department has already conducted an evaluation between the date the child's blood was last sampled and the receipt of notification of the child's condition.

When a PHA receives a report of an environmental intervention blood lead level child from any source other than the public health department, the PHA must notify the health department within five (5) working days.

Risk Assessment

Within 15 days of notification by a public health department or medical health care provider, the PHA must complete a risk assessment of the dwelling unit, including common areas servicing the dwelling unit, if the child lived in the unit at the time the child's blood was sampled. In most areas of the country, the local health department will complete the risk assessment free of charge to the PHA. In areas where this is not possible, the PHA must hire and pay for a certified risk assessor and, upon completion of the risk assessment, the PHA must provide the report to the owner.

Persons trained and certified by an EPA or state-approved agency must complete risk assessments.

Risk assessments involve on-site investigations to determine the existence, nature, severity, and location of lead-based paint hazards. The investigation includes dust and soil sampling, and visual evaluation, and may include paint inspections (tests for lead in paint). The assessor issues a report explaining the results of the investigation, as well as options and requirements for reducing lead-based paint hazards.

The owner must notify the building residents of the results of the risk assessment within 15 days of receipt from the PHA. (See Exhibit 10-4, *Summary Notice of Lead-Based Paint Risk Assessment*.)

Hazard Reduction

The owner must complete reduction of identified lead-based paint hazards as identified in the risk assessment within 30 days (or date specified by PHA if an extension is granted for exterior surfaces).

Hazard reduction activities may include paint stabilization, abatement, interim controls, or dust and soil contamination control. The appropriate method of correction should be identified in the risk assessment.

Hazard reduction is considered complete when a clearance examination has been completed and the report indicates that all identified hazards have been treated and clearance has been achieved, or when the public health department certifies that the hazard reduction is complete.

The owner must notify all building residents of any hazard reduction activities within 15 days of completion of activities. (See Exhibit 10-3, *Summary Notice of Completion of Lead-Based Paint Hazard Reduction Activities*.)

Like paint stabilization compliance, PHA receipt of the owner's certification signals compliance with lead hazard reduction activities. (See Exhibit 10-2, *Owner's Certification*.)

Failure to complete hazard reduction activities (including clearance) within 30 days (or later if PHA grants an extension for exterior surfaces) of notification constitutes a violation of HQS, and appropriate action against the owner must be taken if a program family occupies the unit. If the unit is vacant when the PHA notifies the owner, the unit may not be reoccupied by another assisted family, regardless of the ages of children in the family, until compliance with the lead-based paint requirement.

Ongoing Maintenance

In addition to the visual assessment completed by the HQS inspector, the owner is required to conduct a visual assessment for deteriorated paint and failure of any hazard reduction measures at unit turnover and every 12 months of continued occupancy.

The owner is required to make corrections of deteriorated paint and any failed lead hazard reduction measures. Correction methods are the same as those for paint stabilization activities discussed earlier.

The owner must provide written notice to each assisted family asking occupants to report deteriorated paint. The notice must include the name, address, and phone number of the person responsible for accepting the occupant's complaint.

The owner certifies that this requirement is being met by presenting the owner's certification to the PHA before the execution of the lease and at annual inspection. (See Exhibit 10-2, *Owner's Certification*.)

PHA Data Collection and Record Keeping

Quarterly, the PHA must attempt to obtain from the public health department having jurisdiction in the same area as the PHA, the names and addresses of children under age six with an identified environmental intervention blood lead level.

The PHA must match information received from the health department with information about program families. If a match occurs, the PHA must follow all procedures for notifying owners and conducting risk assessments as stated above.

Quarterly, the PHA must report a list of addresses of units occupied by children under age six, receiving assistance to the public health department, unless the health department indicates that such a report is not necessary.

Staff should be thoroughly trained about the requirements for lead-based paint so inspection activities are properly done and questions from owners about processes and requirements can be adequately addressed.

The PHA is responsible to inform owners of lead-based paint regulations especially those related to prohibited and safe work practices, tenant protection during lead-based paint activities, and notification requirements. Many owners do not know about the new regulations and requirements that were effective September 15, 2000. The PHA may wish to include information about these requirements in HQS notices and other mailings to owners. If the PHA routinely conducts owner workshops or owner meetings, lead-based paint is a good topic to place on the agenda.

Risk assessors and public health departments conducting risk assessments involving environmental intervention blood lead level children will issue a report on any needed corrections and appropriate methods to correct lead hazards. The PHA must notify the owner of the deadline for completing the corrections.

To carry out its responsibilities for matching PHA and public health records, PHA staff may need to develop a closer working relationship with staff at the public health department.

PHAs should also develop a tracking report to track known environmental intervention blood lead level children until the child reaches age six. This will assure that all PHA required activities are addressed in a timely manner and that inspections conducted on behalf of the family will include the inspection for deteriorated paint. If the PHA is using a computerized inspection system with hand-held units, information about the child's condition should be entered into the system.

Units that have been certified to be clear of lead paint hazards may be placed on a list and affirmatively marketed to families with children under six.

10.6 HQS INSPECTION PROCESSES AND PROCEDURES

Overview

The purpose of HQS inspections is to ensure that housing is decent, safe and sanitary. This section discusses types of HQS program inspections PHAs are required to conduct, methods for conducting inspections, inspection scheduling, and HQS enforcement. Sample letters and notices are provided to help PHAs carry out inspections. (See Exhibit 10-4a, *Annual Inspection Appointment Letter*, and Exhibit 10-4b, *Second Notice of Inspection Appointment*.)

PHAs are required to conduct three types of inspections: initial, annual, and special inspections, including quality control inspections. Inspections result in pass, fail, or inconclusive reports. Pass inspections require no further action by the PHA. Fail or inconclusive inspections require follow-up reinspections or PHA verification to confirm the correction of the HQS infractions.

Depending upon the nature of the item responsibility for correction of fail or inconclusive items may be the responsibility of the owner or tenant. Failure to comply with correction notices results in owner or tenant sanctions.

Scheduling Inspections

Program Requirements

The PHA must schedule initial inspections in accordance with program requirements. Annual inspections, quality control inspections, and all resulting reinspections must be scheduled to comply with SEMAP requirements as discussed in Section 10.7 of this Chapter. Other special inspections, such as complaint inspections, should be scheduled as quickly as possible after receipt of request.

Efficiently scheduling inspections that comply with SEMAP requirements can be challenging and complex, especially for PHAs with large programs. PHAs are allowed to determine their own procedures for scheduling inspections and may choose to complete the task manually or use of computer programs.

PHAs should plan efficient and cost effective inspection procedures that produce the best results, as well as good customer service for both families and owners. The size of the PHA's program plays a big part in determining scheduling details.

Annual inspections must be scheduled so that all units are inspected every 12 months. Annual inspections are likely to be the largest part of the PHA's inspection workload, followed by reinspections of units that fail HQS. Since many PHAs coordinate the scheduling of annual inspections with annual reexaminations, the number of inspections is not constant from month to

month, with more inspections required in the heavy leasing months (e.g., the summer months). This may also be the period with the greatest number of initial inspections.

The PHA should consider the following factors to determine how many total inspections will need to be scheduled and completed each year:

- Number of units under contract;
- Anticipated number of requests for expected tenancy approvals (new families and transfers) in the coming year;
- Unit fail rates for initial and annual inspections;
- Reinspection fail rates for annual inspections;
- Number of complaint inspections anticipated annually; and
- Number of quality control inspections required.

After estimating the number of required unit inspections, the PHA should determine the number of staff needed to complete required inspections. The PHA should take into account the following factors:

- Number of days employees actually conduct inspections each year (exclude time in office, training days, vacation, sick days, and approximate number of days lost to weather conditions for the area); and
- Number of inspections each employee completes per day.

This analysis will indicate the number of inspections each inspector must have scheduled and completed each day. The PHA should determine the amount of time required for an inspector to complete thorough inspections, taking into account the type of unit and the number of bedrooms. The PHA should also consider travel time.

Automated Inspection Systems

In order to meet all HQS requirements, inspections must be conducted and recorded using form HUD 52580-A or 52580. If the PHA has received HUD approval to include additional requirements, these changes must be reflected on the inspection instrument.

PHAs may conduct inspections using paper forms, checklists, or computer devices. Several automated HQS products are available on the private market. The PHA's program size will dictate the most cost effective and efficient method.

Computer inspection hardware comes in many forms; most are Windows-based. The computer, often referred to as a “hand-held,” is available in various sizes and weights, and is available with printing devices that can be used in the field. Data entry can also take many forms, including use of a stylus to enter comments on the computer screen, typing comments into the system, or using programmed codes to describe fail items.

Most hand-held systems can be connected to the office computer system. Inspection results are then uploaded to the office computer to produce required letters to owners and/or tenants. Some systems will allow for the inspections data to be “tied” to other PHA computer mainframe applications to fill in tenant data fields for date of inspection, record inspection results to track and monitor SEMAP requirements, and perform other tasks.

PHAs considering the use of hand-held systems should consult several companies to determine the best and most cost effective system. Careful planning and programming of the hand-held system should occur.

Initial Inspection Process and Procedure

The PHA’s established tenancy approval process triggers an initial inspection. The PHA may deny a request to inspect a unit of behalf of a tenant as discussed in Chapter 6. (See Exhibit 10-5, *Sample Notice Denying Request for Inspection.*)

Program Requirements

- The PHA is required to conduct an initial inspection for each unit as part of the tenancy approval process discussed in Chapter 6. The family and owner must be notified of the inspection results.
- The unit must pass the HQS inspection before the execution of the assisted lease and housing assistance payments (HAP) contract and the initiation of payments.
- PHAs with up to 1,250 budgeted units must conduct the inspection within 15 days after the family or owner submits a request for tenancy approval.
- PHAs with more than 1,250 budgeted units must conduct the inspection within a reasonable time after the family submits a request for tenancy approval. If possible, the inspection should be completed within 15 days.
- The 15-day period is suspended when the unit is not unavailable for inspection. For example, if a family and owner submit a request for tenancy approval on the 15th of month but the owner indicates that unit will not be available until 1st of next month, the 15-day clock starts on the 1st of the next month.

A thorough unit inspection is required for the PHA to determine compliance with HQS and to determine the reasonableness of the rent. (Rent Reasonableness is discussed in Chapter 9.)

Regardless of how inspection results are recorded the PHA must produce and retain a facsimile that includes PHA-adopted standards. Form HUD-52580, *Inspection Checklist*.

The family and the owner must receive inspection results. (See Exhibit 10-6, *Sample Notice, Initial Unit Inspection*.) The owner must receive detailed information for all failed and inconclusive inspection items so that he or she is fully aware of the work necessary to pass the HQS inspection.

If the unit does not comply with HQS requirements within the PHA specified time frame, the PHA may cancel the tenancy approval and instruct the family to search for another unit.

The PHA is responsible for establishing a tenancy approval procedure. The procedure should clearly describe the process for the tenant and owner to request an inspection, keeping in mind:

- The requirement to conduct inspections within 15 days or as quickly as possible.
- The PHA may set a deadline for completion of repairs which, if not met, will result in cancellation of the tenancy approval.
- If the time to complete repairs is expected to be lengthy, the tenant may wish to find another unit, or the PHA may decide that the unit is unacceptable for leasing because the owner is non-responsive or has failed to comply with HQS within a reasonable period of time.

The PHA should request that the owner disclose the date the unit will be ready for inspection, as well as all phone numbers where the owner can be reached.

The PHA may either ask the owner to schedule unit inspection or may accept this responsibility itself. In either instance, the PHA should determine its policy and procedure for cases where owner requests are not timely, one or more appointments are cancelled, access is denied or the unit does not pass inspection after a reasonable time.

PHAs with a large number of tenancy approval requests may monitor their processing through a manual or computerized tracking system, which records actions from the time of the request through the execution of the HAP contract. This lets the PHA know where each unit stands in the scheduling and approval process, and provides management data on time frames from request for tenancy approval to HAP execution.

Prior to inspection, PHAs can use several methods to inform owners about HQS requirements: owner briefing materials, telephone discussion, inclusion of HQS requirements in tenancy approval materials, monthly newsletters to owners in the program, owner workshops, and public meetings with current and prospective owners. It is advantageous to the PHA and the prospective tenant if the unit passes inspection on the first attempt. The PHA should have a system to track units requiring reinspection to determine HQS compliance for all fail and inconclusive items.

Annual Inspection Process and Procedure

The annual inspection process includes scheduling the unit for inspection, notifying owners and tenants of the inspection date and time, conducting the inspection, enforcing HQS requirements, and when necessary, taking action to abate payments and terminate HAP contracts and program assistance.

- The unit must be in compliance with HQS requirements throughout the assisted tenancy.
- Each unit must be inspected annually during assisted tenancy to determine if the unit meets HQS. The inspection must be conducted within twelve months of the previous inspection to meet SEMAP requirements discussed in Section 10.7.
- The PHA must notify owners and tenants of HQS deficiencies in writing, and indicate a time period in which to make HQS corrections of that the PHA complies with SEMAP requirements discussed in Section 10.7.
- The PHA must abate housing assistance payments to the owner for failure to correct an HQS violation under the following circumstances:
 - An emergency (life-threatening) violation is not corrected within 24 hours of inspection and the PHA did not extend the time for compliance;
 - A routine violation is not corrected within 30 days of the inspection and the PHA did not extend the time for compliance.
- Abatements must begin on the first of the month following the failure to comply.
- The PHA must terminate the HAP contract if repairs are not made. The PHA must decide how long abatement will continue prior to contract termination. The PHA should not terminate the contract until the family finds another unit provided the family does so in a reasonable time.
- The PHA must terminate program assistance to families who fail to correct HQS deficiencies that they caused. The PHA should notify the owner of its intent to terminate the family's program assistance so the owner can begin eviction procedures. The PHA should continue to pay the owner until the eviction is completed.

The PHA may set policy regarding tenant and owner presence at the inspection.

The inspector conducts the unit inspection. Each item on the inspection checklist must receive a rating of pass, fail, or inconclusive. The inspector should make clear notes about the nature of all fail and inconclusive items. For the unit to receive a pass rating, no fail or inconclusive items can be noted on the inspection checklist.

Improvements which have occurred since the previous unit inspection, addition of amenities or services, and changes in type of or responsibility for utilities should be noted and reported to appropriate PHA staff.

The inspector may record recommended improvements or items that should be brought to the attention of the owner or tenant, but are not HQS deficiencies.

Written notification to the owner and/or tenant is required for all items for which fail or are inconclusive. The notice must include a list of HQS deficiencies and the correcting deadline. (See Exhibit 10-7a and Exhibit 10-7b, *Sample Notice, Owner and Tenant HQS Deficiencies*.) Reinspection or PHA verification that failed and/or inconclusive items are corrected is required.

Any time an inspector is present in an assisted unit, the inspector has the right to conduct a full inspection. If new HQS items are discovered during the time of a reinspection, the new items must be noted and the owner and/or tenant must be notified to correct the deficiencies.

Owners are responsible to the PHA for compliance with all HQS items except those specifically assigned to tenants.

Tenants are responsible to correct HQS fail and inconclusive items resulting from:

- Failure to pay for tenant-supplied utilities;
- Failure to supply appliance(s) required by the lease; or
- Damage to the unit.

10.7 COMPLAINT INSPECTIONS

The PHA must investigate complaints about HQS matters that are registered by tenants, owners or the general public.

Violations resulting from complaint inspections are treated in the same manner as annual inspection violations. Failure to comply with violation notices issued from complaint inspections result in abatement of payment to owners and/or termination of program assistance for tenants.

PHAs should schedule complaint inspections based upon the nature of the complaint. Staff that receive complaints should distinguish between emergency (life threatening) and routine matters and act accordingly.

Abatement of Payments

The PHA must abate HAP payments to owners who do not comply with notifications to correct HQS deficiencies within the specified time period: 24 hours or 30-days depending upon the

nature of the deficiency. For valid reasons, the PHA may extend the time period. Placement of abatement must occur by the first of the month following expiration of the notice.

Except in the case of life threatening violations requiring corrections within 24 hours, the owner must receive 30-day written notification of the abatement. Therefore, it is important that PHAs include the 30-day notice to abate in the original violations notice. (See sample notice, Sample Notice of HQS Deficiency; Exhibit 10-7b.) If this does not occur, a separate Notice of Abatement, Sample Notice Exhibit 10-8, which delays the placement of abatement and has implications under SEMAP compliance, must be sent to the owner. (See Section 10.7.3.)

Following a failure to comply with a notice of deficiency owners are not entitled to HAP payments from the first of the month until the day the unit passes HQS. Examples include:

- The owner receives a notice of violation in May to correct deficiencies by June 20 or abatement of payment will occur on July 1. The owner does not comply on June 20th. An abatement is placed on July 1 unless the owner complies prior to July 1. (The PHA may allow the owner to request a reinspection of the unit for compliance with HQS before or after the abatement has been placed.) If the unit passes re-inspection, the PHA may reinstate HAP payments on the day the owner complies and reverse any notice of abatement or cancellation of HAP contract that may have been issued.
- The owner receives a notice of violation in May to correct deficiencies by June 20, but the notice does not contain language that abatement of payment will occur on July 1. The owner must be given a 30-day notice before the abatement can occur. Abatement may not be placed before August 1.
- In May, the owner receives a notice of violation requesting a correction of deficiencies by June 20 and the notice contains language that failure to comply will result in abatement of payment July 1. The owner does not comply and abatement is placed on July 1. The owner requests a re-inspection following abatement and passes the reinspection on July 10. HAP payments may be re-instated on July 10, resulting in a nine-day sanction. The PHA may not withhold HAP payments to recover the time the unit was out of compliance with HQS from June 20 through June 30.

Termination of HAP Contract

The PHA may terminate the HAP contract for an owner's failure to comply with its terms and conditions, including non-compliance with HQS. Both the owner and the tenant must be notified of intent to terminate. (See Exhibit 15-1, *Sample Notice of Termination*.)

The PHA may issue a voucher to the family to move, provided the family is eligible (not in violation of the terms of assistance, including HQS responsibilities). The family should be reminded of its responsibility to the owner to give notice of intent to move, and must continue to pay its portion of the rent as long as the family remains in the unit. Procedures for terminating

the HAP contract should be stated in the PHA administrative plan. (See Guidebook Chapter 15, Termination of Assistance and Housing Assistance Payment Contracts.)

Termination of Assistance

Termination of program assistance is discussed in Chapter 15. (See Exhibit 15-2, *Sample Notice of Termination of Program Assistance*.)

Special Inspection Process and Procedure

Special inspections include inspections in response to complaints registered with the PHA by families, owners or other sources regarding the unit's condition, quality control inspections, or any other inspection the PHA may deem appropriate to conduct.

PHAs are obligated to investigate complaints which may indicate non-compliance with HQS requirements. When repeated complaints about an assisted property are received, the PHA may wish to conduct regular or routine inspections more often than annually.

Quality control inspections are a second type of special inspection and are required by program regulations. See the discussion on quality control inspections in Section 10.7 of this Chapter.

Special inspections resulting in a fail or inconclusive HQS determination require the same notification actions and enforcement processes described above for annual inspections.

As discussed in Section 10.7 of this Chapter, the PHA should use tracking systems to monitor compliance with deadlines for correction of HQS violations, abatements, and terminations resulting from annual and special inspections.

The PHA should develop a procedure and tracking system to record, track, and schedule all unit inspections to ensure that inspection-related SEMAP requirements are met. These methods will assist staff to schedule and conduct the unit inspection within the required time frames. Frequent monitoring is necessary to assure that rescheduling of unit inspection is pursued diligently.

10.8 PHA-OWNED UNITS

A unit that is owned by the PHA that administers the housing choice voucher program (including a unit owned by an entity substantially controlled by the PHA) may not be inspected for HQS compliance by PHA staff.

- The PHA must obtain the services of an independent entity to perform HQS inspections and to communicate the results of these inspections to the family and the PHA.
- The independent agency must be approved by HUD.

- Administrative fee income may be used to compensate the independent agency. Other program receipts may not be used.
- Neither the PHA nor the inspecting agency may charge the family any fee for the inspection service.

The PHA may select a government, nonprofit, or private group to conduct the independent HQS inspections. The independent agency may be a unit of general local government, but it may not be the PHA. Other local government agencies such as the local code enforcement agency, the Community Development Agency, or the Health Department may be acceptable. A neighboring PHA or a consultant are also possibilities.

After the PHA receives HUD approval of an independent inspection entity, the PHA should establish a system to report addresses and inspections schedules, receive information from the inspection entity, and manage the information flow. PHA owned units are also subject to SEMAP requirements.

10.9 SEMAP INDICATORS RELATED TO INSPECTIONS AND HQS

Introduction

The following five SEMAP Indicators, totaling 50 points, are directly or indirectly related to PHA compliance with program inspection requirements:

- Indicator 2, Rent reasonableness;
- Indicator 5, HQS quality control inspections;
- Indicator 6, HQS enforcement;
- Indicator 11, Precontract HQS inspections; and
- Indicator 12, Annual HQS inspections.

SEMAP Certifications and Scoring are discussed in Chapter 1, Introduction.

Certification of Indicators 2, 5, and 6 is audited by the PHA through quality control sampling. Sample size varies depending upon the universe, as shown in Table 10-1, *Minimum Size of the PHA's Quality Control Sample*. The scores resulting from the PHA quality control process and certified by the PHA to HUD will be verified by the PHA independent auditor.

TABLE 10-1
MINIMUM SIZE OF THE PHA'S QUALITY CONTROL SAMPLE

| Universe | Minimum number of files or records to be sampled |
|------------|---|
| 50 or less | 5 |
| 51-600 | 5 plus 1 for each 50 (or part of 50) over 50 |
| 601-2000 | 16 plus 1 for each 100 (or part of 100) over 600 |
| Over 2000 | 30 plus 1 for each 200 (or part of 200) over 2000 |

The universe is determined as follows:

- SEMAP Indicator 2, Rent reasonableness: number of families assisted;
- SEMAP Indicator 5, HQS quality control inspections: number of units under HAP contract during the last completed PHA fiscal year;
- SEMAP Indicator 6, HQS enforcement: number of failed HQS inspections in the last year.

The scores for SEMAP Indicators 11 and 12 are determined by data submitted by the PHA to HUD through MTCS.

Indicator 2, Rent Reasonableness

Program requirements for this indicator are discussed in detail in Chapter 9, Rent Reasonableness.

When determining the rent to owner, data must be gathered on a variety of units in order to allow the PHA to make a comparability determination. PHA staff conducting the initial pre-contract inspection are the most likely candidates to gather or verify the data, using the nine factors in the rent reasonableness procedure.

See Sample Data Collection Form for Program Unit provided in Chapter 9.

Indicator 5, HQS Quality Control Inspections

- A PHA supervisor or other qualified person must reinspect a sample of units under contract during the last PHA fiscal year. The guidelines included in Table 10-1 determine the required sample size.
- The universe referred to in Table 10-1 is the number of units under HAP contract at the end of the PHA's previous fiscal year. Example: The PHA fiscal year ends December 31, 2000. The SEMAP 2000 rating year for this PHA is January 1- December 31, 2000. The universe for this indicator is the number of units under HAP contract on December 31, 1999.
- Completed HQS inspections included in the sample must be no older than three months at the time of the reinspection. The sample must represent a cross section of neighborhoods where program units are located and inspections completed by all HQS inspectors. The sample should also include a cross-section of initial and annual inspections.
- Quality control reinspections should be conducted by staff trained in the PHA's inspection standards and should receive the same guidance as other PHA inspectors on inspection policies and procedures.

In addition to monitoring SEMAP compliance, quality control inspections provide feedback on inspectors' work, which can be used to determine if individual performance or general HQS training issues need to be addressed. For SEMAP purposes, an HQS deficiency found at the time of the quality control reinspection represents a "fail" quality control inspection. When rating an individual inspector's performance, the quality control inspector should take into account whether the failed item occurred since the previous inspector was on site. Often the tenant can describe when the deficiency occurred and will be helpful in making this determination. Deficiencies that occurred after the original inspection should not be held against the inspector's performance record.

The PHA should maintain a quality control tracking system for each SEMAP year, which indicates, the address of the units, date of original inspection and inspector, date of the quality control inspection, results of the quality control inspection, and location of the unit by neighborhood, zip code, census tract, etc. (See Exhibit 10-9, *Documenting Quality Control Inspections.*)

Indicator 6, HQS Enforcement

- All life-threatening HQS deficiencies must be corrected within twenty-four (24) hours of inspection and all other cited HQS deficiencies must be corrected no more than 30 calendar days from the inspection unless the PHA approved an extension of time for correction.
- For HQS deficiencies that are the owner's responsibility and are not corrected within the prescribed time frames, the PHA must abate housing assistance payments beginning no later than the first of the month following expiration of the PHA violation notice. Violation notices should contain language regarding abatement of payment for owner failure to make corrections.
- For HQS deficiencies that are the responsibility of the tenant and are not corrected within the prescribed time frames, the PHA must take prompt and vigorous action to enforce family obligations following program requirements.
- Compliance with this indicator is determined through quality control of files and records, in accordance with Table 10-1. The number of failed units in the PHA's past fiscal year establishes the universe.

The PHA should establish the definition of deficiencies that will be considered emergency fail items and should put a procedure in place to record, track, and close violations within 24 hours of inspection or take abatement action.

Promptly following inspection, PHAs should issue violations letters for emergency fails to the responsible party. This may be done by fax, courier, overnight mail, or regular mail and should be followed by personal contact. PHAs should have a system to cover these circumstances on weekends and holidays when staff are not readily available to conduct reinspections. Potential approaches include: phone calls to the tenant or owner within the 24 hour period to verbally

determine compliance, followed by a site reinspection the next business day; rotation of inspectors to cover holiday and Saturday reinspections; receipt by fax of owner/tenant certifications that corrections are made within the required time frame, or telephone confirmation to a voice mail system followed by a reinspection on the next business day.

Promptly following inspection, notices to correct routine violations should be issued and should state a date for compliance that allows time for corrections to be made and a reinspection to be conducted within the 30-day time frame. Letters of violation should clearly state that failure to gain entry to the unit or failure to comply will result in abatement of assistance payments on the first of the month following the correction period.

Inspectors must identify the party responsible for each HQS violation listed on the inspection instrument so that proper notice can be sent to the owner and/or tenant for the appropriate items. This precludes abatement of owner rent when the violation(s) is the responsibility of the tenant. Housing assistance payments are never abated for tenant deficiencies.

The PHA must have a system to promptly identify units for which deficiencies have not been corrected within the required timeframe, in order to indicate abatement of rent and/or termination of assistance to the family. (See Exhibit 10-10, *Sample Tracking Log for Emergency Inspections*.) Termination of assistance procedures should be stated in the PHA administrative plan. In order to meet the SEMAP requirement to “take prompt and vigorous action” for tenant violations the PHA should strictly follow these procedures when the family fails to correct HQS violations.

PHAs should monitor HQS enforcement on a regular basis (daily, weekly, or monthly) to guarantee that reinspections occur within the proper time frames. PHAs may not penalize owners for PHA failure to conduct the reinspections on time. However, if owners fail to comply or allow entry into the unit, the PHA should notify the owner that it will begin abatement in 30 days.

For fairness and consistency, PHAs should have an established policy and procedure for receiving and processing requests for HQS compliance deadline, including the conditions under which extensions will be granted. It is not advisable to grant extensions without just cause, or to grant verbal extensions; this can be construed as circumvention of the SEMAP requirement.

The PHA must have a system to record the results of SEMAP quality control reviews of inspections. At a minimum, the system should provide: the address of the unit, date of original failed inspection, responsibility for the deficiency (tenant or owner), date of reinspection, result(s) of the reinspection, date owner notified of abatement, actual date of abatement, any extensions to that date, and initiation and status of termination of tenancy. The PHA should regularly monitor the tracking system to assure compliance.

Indicator 11, Pre-Contract Inspections

- PHAs must conduct initial inspections to determine that a unit passes HQS requirements on or before the effective date of the assisted lease and HAP contract.
- Scoring of this indicator is based upon the date of the passed inspection reported on the form HUD 50058 transmitted through MTCS.

The PHA should routinely ensure that all new units pass HQS inspection prior to lease and HAP execution. The staff person responsible for signing the HAP contract should review the file to determine whether the unit passed before the HAP contract effective date.

Monthly MTCS reports should be monitored by the PHA to ensure that the system accurately reflects the PHA's performance.

Indicator 12, Annual Inspections

- Each unit under HAP contract must be inspected at least annually and no more than 12 months following the most recent inspection.
- Scoring for this indicator is determined by data submitted to HUD for reporting in MTCS.

Following procedures described earlier in this chapter, the PHA should carefully determine the number of units to be scheduled for inspection in the upcoming SEMAP year.

Tracking systems and management reports should be in place to ensure that units are being inspected within the required 12-month period.

For purposes of this indicator, MTCS monitors the date of the last inspection of the unit to determine if it occurred within twelve months. PHAs should exercise caution that the correct date is placed into the system. The unit does not have to pass inspection within the time frame, but an inspection must occur.

Prompt scheduling is essential to getting all unit inspections conducted within required time frames. PHAs should review their scheduling procedures to determine if other processes that may result in inspections not being completed on time, are linked to annual inspection, such as the recertification process or families that are searching for new units. PHAs are also encouraged to streamline procedures and increase owner/tenant education to limit the number of units which are ready for inspection when scheduled. This requires a rescheduled or follow-up inspection.

PHAs should consider decoupling inspection from recertifications to balance monthly inspector workload. Annual inspections do not have to coincide with the recertification process. Inspections may be de-coupled from the recertification process and conducted by other methods such as by zip code, specific buildings or apartment complexes, census track or ownership.

SAMPLE

EXHIBIT 10-1

Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

Lead Warning Statement

Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive a federally approved pamphlet on lead poisoning prevention.

Lessor's Disclosure

(a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):

(i) _____ Known lead-based paint and/or lead-based paint hazards are present in the housing. (Explain.)

(ii) _____ Lessor has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the lessor (check (i) or (ii) below):

(i) _____ Lessor has provided the lessee with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).

(ii) _____ Lessor has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Lessee's Acknowledgement (initial)

(c) _____ Lessee has received copies of all information listed above.

(d) _____ Lessee has received the pamphlet *Protect Your Family from Lead in Your Home*.

Agent's Acknowledgement (initial)

(e) _____ Agent has informed the lessor of the lessee's obligations under 42 U.S.C. 4852(d) and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

| | | | |
|--------|------|--------|------|
| _____ | Date | _____ | Date |
| Lessor | | Lessor | |
| _____ | Date | _____ | Date |
| Lessee | | Lessee | |
| _____ | Date | _____ | Date |
| Agent | | Agent | |

EXHIBIT 10-2

**Sample Lead Paint Owner's Certification
Housing Choice Voucher Program**

The undersigned hereby certifies that the property located at: (give full address, include apartment number)

is in compliance with all housing quality standard (HQS) requirements related to lead-based paint as indicated below.

(Mark ALL appropriate boxes)

The described property, including dwelling units, common areas and exterior painted surfaces, has been found to be free of lead-based paint by a certified lead-based paint inspector. The lead-based paint inspector's report is either attached or has already been provided to the PHA.

The described property was inspected by a certified lead-based paint inspector and lead-based paint was identified. All identified lead-based paint has been removed from the property, and the reports of the lead-based paint inspector and the certified lead-based paint abatement supervisor are attached or have already been provided to the PHA.

Ongoing lead-based paint maintenance activities have been incorporated into regular building operations in accordance with 24 CFR 35.1355(a).

Corrective action to address lead-based paint hazards at the described property that were required by the PHA to meet HQS have been completed in accordance with all requirements established by 24 CFR Part 35, including:

The boxes below do not apply when paint stabilization is below de minimis levels.

The work was completed by person(s) trained to conduct lead-based reduction activities or was supervised by a certified lead-based paint abatement supervisor.

Occupants of the dwelling unit(s) and their belongings were protected during the course of the work.

The lead hazard worksite was properly prepared and maintained during the course of their work.

A person certified to conduct clearance examinations performed a clearance test and the results indicate that clearance was achieved. Occupants have been properly notified of the results of any lead-based paint hazard evaluation and reduction, including the results of the clearance examination.

(Owner's Signature): _____

(Type or Print Name): _____

(Date): _____

EXHIBIT 10-3

**SAMPLE HAZARD REDUCTION NOTICE
(From Federal Register dated 9/15/99)**

Summary Notice of Completion of Lead-Based Paint Hazard Reduction Activity

Address/location of property or structure(s) this summary notice applies to:

Summary of hazard reduction activity:

Start and completion dates(s): _____

Activity locations and types: List at least the housing unit numbers and common areas (for multi-family housing), bare soil locations, dust-lead locations, and/or building components (including type of room or space, and the material underneath the paint), and types of hazard reduction activities performed at the locations listed:

Date(s) of clearance testing and/or soil analyses: _____

Locations of building components with lead-based paint remaining in the rooms, spaces or areas where activities were conducted:

Summary of results of clearance testing and soil analyses:

- (a) _____ No clearance testing was performed.
- (b) _____ Clearance testing showed clearance was achieved.
- (c) _____ Clearance testing showed clearance was not achieved.

Contact person for more information about the hazard reduction:

Printed name: _____

Organization: _____

Street and city: _____

State: _____ ZIP: _____ Phone number: _____

Person who prepared this summary notice:

Printed name: _____

Signature: _____

Date: _____

Organization: _____

Street and city: _____

State: _____ ZIP: _____ Phone number: _____

EXHIBIT 10-4

SUMMARY NOTICE OF LEAD-BASED PAINT RISK ASSESSMENT
(From Federal Register dated 9/15/99)

Address/location of property or structures(s) this summary notice applies:

Lead-based paint risk assessment description:

Date(s) of risk assessment: _____

Summary of risk assessment results: (Check all that apply)

- (a) No Lead-based hazards were found.
 (b) Lead-based paint hazards were found.
 (c) A brief summary of the findings of the assessment.

Summary of types and locations of lead-based paint hazards. List at least the housing unit numbers and common areas (for multi-family housing), bare soil locations, dust-lead locations and/or building components (including type of room or space, and the material underneath the paint), and types of lead-based paint hazards found:

Contact person for more information about the risk assessment:

Printed name: _____
 Organization: _____
 Street and City: _____
 State: _____ ZIP: _____ Phone number: _____

Person who prepared this Summary Notice:

Printed name: _____
 Signature: _____
 Date: _____
 Organization: _____
 Street and city: _____
 State: _____ ZIP: _____ Phone number: _____

EXHIBIT 10-4a

SAMPLE LETTER

ANNUAL INSPECTION APPOINTMENT LETTER

Dear Owner:

In accordance with the housing choice voucher program requirements, the unit that you own at _____, City and State, must be inspected annually to continue participation in the program.

Name of PHA has scheduled this inspection for date and time. It is your responsibility to make certain entry can be gained to the unit, common area spaces and heating facilities at the appointed time. You or your tenant may be present for the inspection.

If you find it necessary to re-schedule this appointment, please do so number of days, in advance of the appointed date and notify your tenant of the changed date. Please be advised that failure to allow the inspection or to reschedule the unit within a reasonable time period may result in the abatement of HAP payments and/or termination of the unit from the program.

It is very important that inspections be completed timely. We recommend that you inspect your unit in advance of the scheduled inspection and correct any deficiencies which may cause the unit to fail inspection.

If you have any questions, please telephone _____ at _____ during the hours of _____ and _____ Monday through Friday.

Sincerely,

PHA Staff

cc: Tenant

EXHIBIT 10-4b

SAMPLE LETTER

SECOND NOTICE OF INSPECTION APPOINTMENT

Dear Owner:

By letter of _____ we notified you that the unit you own at _____ was scheduled for the required annual inspection under the terms of your housing assistance payments (HAP) contract for the housing choice voucher program.

The inspection was not made for the following reasons:

_____ No one was present to allow entry by the inspector.

_____ You canceled the inspection, and have failed to re-schedule the unit.

You must contact _____ at _____ to reschedule the inspection of the unit by no later than _____. Failure to re-schedule the unit or to allow entry on the appointed date will result in abatement of your HAP payments effective _____ and termination of the unit from the program on _____.

If you have any questions, please contact _____ at _____ during the hours of _____ and _____, Monday through Friday.

Sincerely,

PHA Staff

cc: Tenant
Any other PHA staff needing this information

EXHIBIT 10-5

SAMPLE LETTER
DENYING REQUEST FOR INSPECTION

Dear Owner:

Name of Authority has received a request to inspect the unit you own at _____ for participation in the housing choice voucher program. This request is denied for the following reasons:

____ Records indicate you have a repeated history of violations of program rules and regulations including repeated violations of HQS at properties you own.

____ Records indicate that you were notified to correct deficiencies related to lead-based paint at this unit and they were not made. This unit may not be occupied by another assisted family until the terms of the previous notice have been met.

If you have questions, you may contact _____ at _____ during the hours of _____ and _____ Monday through Friday.

Sincerely,

PHA Staff

cc: Prospective tenant

EXHIBIT 10-6

SAMPLE LETTER

NOTICE - INITIAL INSPECTIONS

Dear Owner:

Please be advised that an inspection was made at the property that you own located at _____ . The unit has been proposed for participation in the housing choice voucher program.

The result of the inspection was:

_____ The unit meets HQS and has been approved for inclusion in the program. You will be notified by _____ shortly of the procedures which must be followed in order to execute the lease and housing assistance payments contract.

_____ The unit needs repairs to meet HQS. A list of those repairs is attached. We are unable to process this unit for lease under the program until all HQS requirements have been met.

Please contact this office at _____ when the unit is ready for reinspection or if you have questions about this letter.

If we have not heard from you by _____, we will assume you do not intend to make the needed repairs and we will notify the prospective tenant to locate another suitable dwelling unit.

Sincerely,

PHA Staff

cc: Prospective tenant

EXHIBIT 10-7a

SAMPLE LETTER

**NOTICE OF HQS DEFICIENCIES - TENANT
(Annual or Special Inspections)**

Dear Tenant:

Please be advised that on _____ an HQS inspection was made at the property where you reside.

The unit requires repairs to meet HQS. A list of required repairs is attached.

These repairs must be completed by _____ and you must telephone _____ to schedule a re-inspection of the unit by _____. Failure to make the corrections and/or schedule a re-inspection within the required time frames will result in the termination of your program assistance effective _____.

NOTICE: The PHA reserves the right to cite additional violations upon re-inspection of the unit should conditions at the time of re-inspection warrant this.

Thank you for your cooperation.

Sincerely,

PHA Staff

cc: Owner
(Other PHA staff needing to have this information)

EXHIBIT 10-7b

SAMPLE LETTER

**SAMPLE NOTICE OF HQS DEFICIENCY - Owner
(Annual, or Special Inspections)**

Dear Owner:

Please be advised that on _____ an inspection was made at the property you own located at _____.

The unit needs repairs to correct HQS deficiencies. A list of required repairs is attached. These repairs must be completed by _____. You must telephone _____ to schedule a re-inspection of the unit by _____.

Please be advised that failure to complete these repairs and/or have a re-inspection conducted by the specified time frames will result in abatement of your housing assistance payments on _____ and termination of the HAP contract on _____.

NOTICE: The PHA reserves the right to cite additional HQS violations upon re-inspection of the unit should conditions at the time of re-inspection warrant.

Thank you for your cooperation.

Sincerely,

PHA Staff

cc: Tenant

EXHIBIT 10-8

**SAMPLE LETTER
NOTICE OF ABATEMENT**

Dear Owner:

On _____ you received a notice to correct HQS deficiencies at the unit you own located at _____.

To date, you have not complied with the terms of the notice of violation. Effective _____ your housing assistance payments for this unit will be abated. Termination of the HAP contract will occur on _____.

If you have made the repairs and wish to have a re-inspection of the unit, you must do so by _____. Provided the unit passes inspection by the date established in this paragraph, we will resume your payments on _____ and cancel the termination of the HAP contract.

If you have any questions or we can be of assistance, please telephone _____ between the hours of ___ and _____ Monday through Friday.

Sincerely,

PHA Staff

cc: Tenant
(PHA staff that need to know this).

EXHIBIT 10-9

DOCUMENTING QUALITY CONTROL INSPECTIONS

| Address of Unit | Neighborhood or Zip Code | Date of Original Inspection | Original Inspector | Date of Quality Control Inspection | Inspections Result |
|-----------------|--------------------------|-----------------------------|--------------------|------------------------------------|--------------------|
| | | | | | |
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EMERGENCY INSPECTION LOG

| Unit Address | Date of Inspection | Inspection Result | Tenant or Owner Violation | Date Written Notice Sent | Reinspection Date | Reinspection Result | Date of Abatement | Date Tenant Termination Processed |
|---|--------------------|-------------------|---------------------------|--------------------------|-------------------|---------------------|-------------------|-----------------------------------|
| (These columns are necessary to track Emergency Inspection) | | | | | | | | |
| | | | | | | | | |
| Optional columns include: | | | | | | | | |
| Unit or Tenant ID # | Zip Code | Owner Name | Owner Address | Owner Telephone | Tenant Name | Tenant Telephone | | |
| | | | | | | | | |

Inspection Checklist

Housing Choice Voucher Program

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

OMB Approval No. 2577-0169
PS 120743
(Exp. 9/30/2012)

Public reporting burden for this collection of information is estimated to average 0.50 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. 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.

This collection of information is authorized under Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f). The information is used to determine if a unit meets the housing quality standards of the section 8 rental assistance program.

| | | | |
|---|--|--------------------------------------|---------------------------------|
| Name of Family | | Tenant ID Number | Date of Request (mm/dd/yyyy) |
| Inspector | | Neighborhood/Census Tract | Date of Inspection (mm/dd/yyyy) |
| Type of Inspection <input type="checkbox"/> Initial <input type="checkbox"/> Special <input type="checkbox"/> Reinspection | | Date of Last Inspection (mm/dd/yyyy) | PHA |

| | | |
|---|-------------------------|--|
| A. General Information | | Housing Type (check as appropriate) <input type="checkbox"/> Single Family Detached <input type="checkbox"/> Duplex or Two Family <input type="checkbox"/> Row House or Town House <input type="checkbox"/> Low Rise: 3, 4 Stories, Including Garden Apartment <input type="checkbox"/> High Rise; 5 or More Stories <input type="checkbox"/> Manufactured Home <input type="checkbox"/> Congregate <input type="checkbox"/> Cooperative <input type="checkbox"/> Independent Group Residence <input type="checkbox"/> Single Room Occupancy <input type="checkbox"/> Shared Housing <input type="checkbox"/> Other |
| Inspected Unit | Year Constructed (yyyy) | |
| Full Address (including Street, City, County, State, Zip) | | |
| Number of Children in Family Under 6 | | |
| Owner | | |
| Name of Owner or Agent Authorized to Lease Unit Inspected | | Phone Number |
| Address of Owner or Agent | | |

| | | | |
|---|--|--------------------------|--|
| B. Summary Decision On Unit (To be completed after form has been filled out) | | | |
| <input type="checkbox"/> Pass | Number of Bedrooms for Purposes of the FMR or Payment Standard | Number of Sleeping Rooms | |
| <input type="checkbox"/> Fail | | | |
| <input type="checkbox"/> Inconclusive | | | |

| Inspection Checklist | | | | | | |
|----------------------|---------------------|----------|---------|----------|---------|----------------------------------|
| Item No. | 1. Living Room | Yes Pass | No Fail | In-Conc. | Comment | Final Approval Date (mm/dd/yyyy) |
| 1.1 | Living Room Present | | | | | |
| 1.2 | Electricity | | | | | |
| 1.3 | Electrical Hazards | | | | | |
| 1.4 | Security | | | | | |
| 1.5 | Window Condition | | | | | |
| 1.6 | Ceiling Condition | | | | | |
| 1.7 | Wall Condition | | | | | |
| 1.8 | Floor Condition | | | | | |

* Room Codes: 1 = Bedroom or Any Other Room Used for Sleeping (regardless of type of room); 2 = Dining Room or Dining Area; 3 = Second Living Room, Family Room, Den, Playroom, TV Room; 4 = Entrance Halls, Corridors, Halls, Staircases; 5 = Additional Bathroom; 6 = Other

| Item No. | 1. Living Room (Continued) | Yes Pass | No Fail | In-Conc. | Comment | Final Approval Date (mm/dd/yyyy) |
|--------------------|---|----------|---------|----------|---|----------------------------------|
| 1.9 | Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component? | | | | <input type="checkbox"/> Not Applicable | |
| 2. Kitchen | | | | | | |
| 2.1 | Kitchen Area Present | | | | | |
| 2.2 | Electricity | | | | | |
| 2.3 | Electrical Hazards | | | | | |
| 2.4 | Security | | | | | |
| 2.5 | Window Condition | | | | | |
| 2.6 | Ceiling Condition | | | | | |
| 2.7 | Wall Condition | | | | | |
| 2.8 | Floor Condition | | | | | |
| 2.9 | Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component? | | | | <input type="checkbox"/> Not Applicable | |
| 2.10 | Stove or Range with Oven | | | | | |
| 2.11 | Refrigerator | | | | | |
| 2.12 | Sink | | | | | |
| 2.13 | Space for Storage, Preparation, and Serving of Food | | | | | |
| 3. Bathroom | | | | | | |
| 3.1 | Bathroom Present | | | | | |
| 3.2 | Electricity | | | | | |
| 3.3 | Electrical Hazards | | | | | |
| 3.4 | Security | | | | | |
| 3.5 | Window Condition | | | | | |
| 3.6 | Ceiling Condition | | | | | |
| 3.7 | Wall Condition | | | | | |
| 3.8 | Floor Condition | | | | | |
| 3.9 | Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component? | | | | <input type="checkbox"/> Not Applicable | |
| 3.10 | Flush Toilet in Enclosed Room in Unit | | | | | |
| 3.11 | Fixed Wash Basin or Lavatory in Unit | | | | | |
| 3.12 | Tub or Shower in Unit | | | | | |
| 3.13 | Ventilation | | | | | |

| Item No. | 4. Other Rooms Used For Living and Halls | Yes Pass | No Fail | In-Conc. | Comment | PS120143 | Final Approval Date (mm/dd/yyyy) |
|----------|--|----------|---------|----------|---|-----------------------------------|----------------------------------|
| 4.1 | Room Code* and Room Location <input type="checkbox"/> | | | | (Circle One) Right/Center/Left | (Circle One) Front/Center/Rear | ____ Floor Level |
| 4.2 | Electricity/Illumination | | | | | | |
| 4.3 | Electrical Hazards | | | | | | |
| 4.4 | Security | | | | | | |
| 4.5 | Window Condition | | | | | | |
| 4.6 | Ceiling Condition | | | | | | |
| 4.7 | Wall Condition | | | | | | |
| 4.8 | Floor Condition | | | | | | |
| 4.9 | Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component? | | | | <input type="checkbox"/> Not Applicable | | |
| 4.10 | Smoke Detectors | | | | | | |
| 4.1 | Room Code* and Room Location <input type="checkbox"/> | | | | (Circle One) Right/Center/Left | (Circle One) Front/Center/Rear | ____ Floor Level |
| 4.2 | Electricity/Illumination | | | | | | |
| 4.3 | Electrical Hazards | | | | | | |
| 4.4 | Security | | | | | | |
| 4.5 | Window Condition | | | | | | |
| 4.6 | Ceiling Condition | | | | | | |
| 4.7 | Wall Condition | | | | | | |
| 4.8 | Floor Condition | | | | | | |
| 4.9 | Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component? | | | | <input type="checkbox"/> Not Applicable | | |
| 4.10 | Smoke Detectors | | | | | | |
| 4.1 | Room Code* and Room Location <input type="checkbox"/> | | | | (Circle One) Right/Center/Left | (Circle One) Front/Center/Rear | ____ Floor Level |
| 4.2 | Electricity/Illumination | | | | | | |
| 4.3 | Electrical Hazards | | | | | | |
| 4.4 | Security | | | | | | |
| 4.5 | Window Condition | | | | | | |
| 4.6 | Ceiling Condition | | | | | | |
| 4.7 | Wall Condition | | | | | | |
| 4.8 | Floor Condition | | | | | | |
| 4.9 | Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component? | | | | <input type="checkbox"/> Not Applicable | | |
| 4.10 | Smoke Detectors | | | | | | |

| Item No. | 4. Other Rooms Used For Living and Halls | Yes Pass | No Fail | In-Conc. | Comment | Final Approval Date (mm/dd/yyyy) |
|---|--|-----------------------------------|---------|-----------------------------------|---|----------------------------------|
| 4.1 | Room Code* and Room Location <input type="checkbox"/> | (Circle One) Right/Center/Left | | (Circle One) Front/Center/Rear | | ___ Floor Level |
| 4.2 | Electricity/Illumination | | | | | |
| 4.3 | Electrical Hazards | | | | | |
| 4.4 | Security | | | | | |
| 4.5 | Window Condition | | | | | |
| 4.6 | Ceiling Condition | | | | | |
| 4.7 | Wall Condition | | | | | |
| 4.8 | Floor Condition | | | | | |
| 4.9 | Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component? | | | | <input type="checkbox"/> Not Applicable | |
| 4.10 | Smoke Detectors | | | | | |
| 4.1 | Room Code* and Room Location <input type="checkbox"/> | (Circle One) Right/Center/Left | | (Circle One) Front/Center/Rear | | ___ Floor Level |
| 4.2 | Electricity/Illumination | | | | | |
| 4.3 | Electrical Hazards | | | | | |
| 4.4 | Security | | | | | |
| 4.5 | Window Condition | | | | | |
| 4.6 | Ceiling Condition | | | | | |
| 4.7 | Wall Condition | | | | | |
| 4.8 | Floor Condition | | | | | |
| 4.9 | Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component? | | | | <input type="checkbox"/> Not Applicable | |
| 4.10 | Smoke Detectors | | | | | |
| 5. All Secondary Rooms (Rooms not used for living) | | | | | | |
| 5.1 | None Go to Part 6 | | | | | |
| 5.2 | Security | | | | | |
| 5.3 | Electrical Hazards | | | | | |
| 5.4 | Other Potentially Hazardous Features in these Rooms | | | | | |

| Item No. | 6. Building Exterior | Yes Pass | No Fail | In-Conc. | Comment | Final Approval Date (mm/dd/yyyy) |
|-------------------------------------|---|----------|---------|----------|---|----------------------------------|
| 6.1 | Condition of Foundation | | | | | |
| 6.2 | Condition of Stairs, Rails, and Porches | | | | | |
| 6.3 | Condition of Roof/Gutters | | | | | |
| 6.4 | Condition of Exterior Surfaces | | | | | |
| 6.5 | Condition of Chimney | | | | | |
| 6.6 | Lead Paint: Exterior Surfaces Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed 20 square feet of total exterior surface area? | | | | <input type="checkbox"/> Not Applicable | |
| 6.7 | Manufactured Home: Tie Downs | | | | | |
| 7. Heating and Plumbing | | | | | | |
| 7.1 | Adequacy of Heating Equipment | | | | | |
| 7.2 | Safety of Heating Equipment | | | | | |
| 7.3 | Ventilation/Cooling | | | | | |
| 7.4 | Water Heater | | | | | |
| 7.5 | Approvable Water Supply | | | | | |
| 7.6 | Plumbing | | | | | |
| 7.7 | Sewer Connection | | | | | |
| 8. General Health and Safety | | | | | | |
| 8.1 | Access to Unit | | | | | |
| 8.2 | Fire Exits | | | | | |
| 8.3 | Evidence of Infestation | | | | | |
| 8.4 | Garbage and Debris | | | | | |
| 8.5 | Refuse Disposal | | | | | |
| 8.6 | Interior Stairs and Common Halls | | | | | |
| 8.7 | Other Interior Hazards | | | | | |
| 8.8 | Elevators | | | | | |
| 8.9 | Interior Air Quality | | | | | |
| 8.10 | Site and Neighborhood Conditions | | | | | |
| 8.11 | Lead-Based Paint: Owner's Certification | | | | <input type="checkbox"/> Not Applicable | |

If the owner is required to correct any lead-based paint hazards at the property including deteriorated paint or other hazards identified by a visual assessor, a certified lead-based paint risk assessor, or certified lead-based paint inspector, the PHA must obtain certification that the work has been done in accordance with all applicable requirements of 24 CFR Part 35. The Lead-Based Paint Owner Certification must be received by the PHA before the execution of the HAP contract or within the time period stated by the PHA in the owner HQS violation notice. Receipt of the completed and signed Lead-Based Paint Owner Certification signifies that all HQS lead-based paint requirements have been met and no re-inspection by the HQS inspector is required.

C. Special Amenities (Optional)

PS120143JW

This Section is for optional use of the HA. It is designed to collect additional information about other positive features of the unit that may be present. Although the features listed below are not included in the Housing Quality Standards, the tenant and HA may wish to take them into consideration in decisions about renting the unit and the reasonableness of the rent. Check/list any positive features found in relation to the unit.

1. Living Room

- High quality floors or wall coverings
- Working fireplace or stove
- Balcony, patio, deck, porch
- Special windows or doors
- Exceptional size relative to needs of family
- Other: (Specify)

2. Kitchen

- Dishwasher
- Separate freezer
- Garbage disposal
- Eating counter/breakfast nook
- Pantry or abundant shelving or cabinets
- Double oven/self cleaning oven, microwave
- Double sink
- High quality cabinets
- Abundant counter-top space
- Modern appliance(s)
- Exceptional size relative to needs of family
- Other: (Specify)

3. Other Rooms Used for Living

- High quality floors or wall coverings
- Working fireplace or stove
- Balcony, patio, deck, porch
- Special windows or doors
- Exceptional size relative to needs of family
- Other: (Specify)

4. Bath

- Special feature shower head
- Built-in heat lamp
- Large mirrors
- Glass door on shower/tub
- Separate dressing room
- Double sink or special lavatory
- Exceptional size relative to needs of family
- Other: (Specify)

5. Overall Characteristics

- Storm windows and doors
- Other forms of weatherization (e.g., insulation, weather stripping)
- Screen doors or windows
- Good upkeep of grounds (i.e., site cleanliness, landscaping, condition of lawn)
- Garage or parking facilities
- Driveway
- Large yard
- Good maintenance of building exterior
- Other: (Specify)

6. Disabled Accessibility

Unit is accessible to a particular disability. Yes No
Disability _____

D. Questions to ask the Tenant (Optional)

1. Does the owner make repairs when asked? Yes No
2. How many people live there? _____
3. How much money do you pay to the owner/agent for rent? \$ _____
4. Do you pay for anything else? (specify) _____
5. Who owns the range and refrigerator? (insert O = Owner or T = Tenant) Range _____ Refrigerator _____ Microwave _____
6. Is there anything else you want to tell us? (specify) Yes No

E. Inspection Summary/Comments (Optional)

PS120143JW

Provide a summary description of each item which resulted in a rating of "Fail" or "Pass with Comments."

| | | | |
|--------------------|---|----------------------------------|---------------------------------------|
| Tenant ID Number | Inspector | Date of Inspection (mm/dd/yyyy) | Address of Inspected Unit |
| Type of Inspection | Initial <input type="checkbox"/> | Special <input type="checkbox"/> | Reinspection <input type="checkbox"/> |
| Item Number | Reason for "Fail" or "Pass with Comments" | | Rating |

Continued on additional page Yes No

Previous editions are obsolete

PROMISSORY NOTE
[Shared Appreciation Gap Financing Program - Shared Equity]

Date:

Borrower:

Borrower's Mailing Address:

Lender: Travis County, a political subdivision of the State of Texas

Lender's Mailing Address and Place for Payment:
Travis County Health & Human Services and Veterans Service
CDBG Program
P.O. Box 1748
Austin, TX 78767

or any other place that Lender may designate in writing.

- 1. **Principal Amount of Note:**
Principal Amount of Mortgage Assistance: US _____ **AND**
_____/100 **DOLLARS (US\$** _____ **).**
Principal Amount of Shared Equity: The amount as determined by the formula as set forth in **Exhibit "A"**, attached hereto.
- 2. **Annual Interest Rate on Unpaid Principal from Date:** ZERO AND 00/100 PERCENT (0.00%) interest will be charged on this Note unless and until a Default has been declared by the Note Holder as stated in section 10 of this Note.
- 3. **Annual Interest Rate on Matured, Unpaid Amounts:** TEN AND 00/100 PERCENT (10.00%) (the rate charged on judgments in Texas) interest will be charged on the then outstanding principal balance of this Note from the date of maturity until paid.
- 4. **Maturity Date:** _____ 20
- 5. **Terms of Payment (principal, interest and shared equity):** Borrower promises to pay the Principal Amount of Note, and any interest to the order of Lender pursuant to this section 5. The Principal Amount of Mortgage Assistance may be prepaid as stated in

section 9. Payment of the Principal Amount of Note and any interest is deferred until the first to occur of a sale or transfer of the Property, an Event of Default, or the date set forth in section 5.02. If the Principal Amount of Mortgage Assistance is not prepaid and no default under section 10 has occurred, then:

5.01 Upon the sale or transfer of the Property, Borrower shall pay the Principal Amount of Mortgage Assistance and the Principal Amount of Shared Equity, along with any interest due under this Note, to Lender.

5.02 Payment of the Principal Amount of Note will be initially deferred, then the remaining balance, if any, will be payable as stated in section 5.03. The Principal Amount of Note that remains outstanding will be due and payable on the date of an event of Default, as stated in section 10.

5.03 If payment is not yet due under section 5.01 or section 10:

- A. the outstanding Principal Amount of Note will remain the same until _____;
- B. if the property is sold or transferred prior to _____ 20 _____ the outstanding Principal Amount of Note and accrued interest and other charges are immediately payable in full; and
- C. Following reduction of the Principal Amount of Note to zero, Borrower will be due a release under section 15.

6. Security for Payment and Obligations:

6.01 In addition to the protections given to the Note Holder under this Note, this Note is secured by a subordinated deed of trust, which is dated of even date with this Note, from Borrower to CHRISTOPHER C. GILMORE, Trustee, that conveys the Property as described below in trust (collectively, the "Subordinate Security Instrument").

6.02 The lien securing this Note shall remain subordinate to the indebtedness evidenced by one or more notes payable to the Senior Lienholder, which notes are secured by the Senior Lien, and as renewed, extended, re-amortized, or otherwise adjusted from time to time; provided, however, that the renewal, extension, or other credit extension does not constitute an increase in the unpaid principal balance of the Senior Lien.

6.03 The Subordinate Security Instrument describes the conditions under which Borrower may be required to make immediate payment in full of all amounts Borrower owes under this Note. One of those conditions set forth therein is that if the Property, or any interest therein, equitable or legal, is sold or transferred without compliance with the terms of this Note and the Subordinate Security Instrument or any lien or encumbrance is created against the Property without the prior written consent of Lender, this Note may, at the option of Lender, be accelerated and the entire amount shall be then immediately due and payable and Lender shall be entitled to foreclose the liens securing this Note if it is not paid in full upon acceleration in accordance with the Subordinate Security Instrument.

7. Additional Definitions:

7.01 Appraisal means a determination of the value of the Property which must a residential appraisal standards for the State of Texas and be prepared by an Appraiser licensed in the State of Texas.

7.02 Appraised Value means a value determined in an Appraisal done by an Appraiser licensed in the State of Texas.

7.03 Closing Date means the date of closing of Borrower's sale of the Property to a buyer, or if there is no formal closing, the date on which the conveyance (deed) is recorded.

7.04 CDBG means the Community Development Block Grant program.

7.05 HUD means the United States Department of Housing and Urban Development.

7.06 Mortgage Assistance means any loan made by Lender using either CDBG funds or other funds to assist a borrower with shared appreciation gap financing Travis County Homebuyer Assistance Program.

7.07 Note means this Promissory Note.

7.08 Note Holder means the Lender or any authorized party who takes this Note by assignment and is entitled to receive amounts due under this Note.

7.09 Property means the certain real property described on Exhibit "A" of the Subordinate Security Instrument, all fixtures and improvements situated thereon and all rights, titles and interests appurtenant thereto. The property is also known as _____, _____ County, Texas _____.

7.10 Purchase Price means the total amount paid by Borrower to purchase the Property.

7.11 Senior Lien Note means another note in the original principal amount of US _____ AND ___/100 DOLLARS (US\$ _____), which is dated _____ executed by Borrower, payable to the order of Senior Lienholder, and fully described in the Senior Lien.

7.12 Senior Lien means a deed of trust to be recorded in the Official Public Records of Real Property of Travis County, Texas which secures the Senior Lien Note.

7.13 Senior Lienholder means _____ and any subsequent holder of the Senior Lien.

7.14 Shared Equity means the amount of equity Borrower shares with Lender pursuant to Exhibit "A" attached to this Note and by this reference incorporated in it.

7.15 Subordinate Security Instrument means the security identified in section 6.01.

7.16 Transfer of the Property means any sale, lease, or trade of all or any part of the Property, any refinancing of any mortgage lien on the Property without

Leader's prior written consent, any home equity loan financing or refinancing of the Property, or any other transfer of the Property.

8. Borrower's Promise to Pay

8.01 Purpose. This Note implements requirements applicable to assistance furnished by Lender to Borrower under the Homebuyer Assistance Program to help eligible families become homeowners, and authorizes the use of grant funds furnished by HUD pursuant to 24 CFR Part 570. The Lender has assisted the Borrower with respect to the purchase of the Property, for use as the Borrower's principal residence.

8.02 Promise to Pay. Borrower promises to pay to the order of Lender at Lender's Mailing Address and according to the terms of payment the Principal Amount of Note and interest and other charges at the rates stated above. All unpaid amounts shall be due by the final scheduled Maturity Date.

8.03 Non-recourse Note/Recapture. Payment of this Note may be enforced solely out of the proceeds of sale of the Property (except in the event of fraud or misrepresentation by the Borrower described in section 10.01G). The Note Holder may not seek or obtain a deficiency judgment or any other recovery from the Borrower personally in the event that the proceeds of sale are insufficient to fully satisfy the amounts due on this Note. If the net proceeds are not sufficient to recapture the full amount of CDBG funds invested plus allow Borrower to recover the amount of Borrower's down-payment and capital improvement investment, including in, but not limited to, cases of foreclosure or deed-lieu of foreclosure, the amount due to Lender is limited to the net proceeds, if any. If there are no net proceeds Lender will receive no share of net proceeds. (Net proceeds are the sales prices minus loan repayment, other than CDBG funds, and closing costs). However, the Note Holder may, at its option, seek and obtain a personal judgment for all amounts payable under this Note in the event of an uncured Default under subsections 10.01E or 10.01G. This right shall be in addition to any other remedies available to the Note Holder.

9. Borrower's Right to Prepay

9.01 Mortgage Assistance. Borrower may make a full prepayment or partial prepayments of the Principal Amount of Mortgage Assistance only. In the event of prepayment, the Note Holder will use all of Borrower's prepayments first to pay any unpaid taxes owing on the Property and then to reduce the Principal Amount of Note that Borrower owes under this Note.

9.02 Shared Equity. Borrower may not prepay the Principal Amount of Shared Equity.

10. Default

10.01 Events of Default. Any of the following events shall constitute a Default under this Note, as of the date of the Notice of Default under section 11:

- A. Failure of Borrower to Occupy as Borrower's Primary Place of Residence.** If Borrower ceases to occupy the Property as

Borrower's primary residence for 30 or more consecutive days or rents or leases (including an oral lease) all or any part of the Property to any person or entity during the Affordability Period without the prior written consent of Lender.

- B. Any Transfer of the Property during the term of the notewithout the prior written consent of Lender.** If Borrower sells, transfers, refinances or otherwise encumbers the Property during the Affordability Period or any interest in the Property without the prior written consent of Lender. Borrower authorizes the Note Holder to determine, in its sole discretion, whether a transfer of a portion of the Property, or a partial interest in the Property, or any other reason has an effect on the value of the Note Holder's interest substantial enough to be considered a transfer for purposes of this section 10.01B. Borrower must mail, certified mail, return receipt requested, or deliver notice of any proposed transfer and a copy of the sales contract to the Note Holder at least fourteen (14) calendar days before the proposed Closing Date, at the Lender's Mailing Address.
- C. The Property did not qualify or Borrower is not Eligible under CDBG.** If at the time Borrower purchased the Property, the Property did not qualify because the Property (a) did not become the principal residence of the Borrower; or (b) was in an area identified by the Federal Emergency Management Agency as having a special flood hazard, or, if the Property is in a flood hazard area, flood insurance had not been obtained by Borrower; or (c) was not in the current Travis County CDBG service area. Borrower had owned a home during the three-year period immediately preceding the Date of this Note and was not a first-time homebuyer as described in Lender's homebuyer assistance program guidelines. The Property was a single-family residence (detached house, townhouse or condominium) built before 1978 that does not comply with HUD regulations regarding lead-based paint. Borrower's household was not a low or moderate income family as described at 24 CFR Part 570.201(n) at the later of (a) Borrower's occupancy of the Property, or (b) at the time the Principal Amount of Note is advanced; or any Travis County employee, agent, consultant, officer, or elected or appointed official who exercises or has exercised any functions or responsibilities with respect to activities assisted with Homebuyer Assistance Program funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities, has obtained a financial interest or benefit from this Note under this Homebuyer Assistance Program activity, or has an interest in any contract, subcontract, or agreement with respect hereto, or the proceeds under the contract, subcontract or agreement, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter as stated at the conflict of interest provisions of 24 CFR 84.42 and 570.611.

- D. Any Default under the Note or the Senior Lien Note. If:**

(1) there is an uncured default in payment of any part of principal or interest of the Senior Lien Note or in observance of any obligations or covenants of any instruments securing it, the debt evidenced by this Note shall immediately become payable at the option of Lender at the end of the cure period;

(2) Borrower defaults in the payment of this Note or in the performance of any obligation in any instrument securing or collateral to it, and the default continues after Lender gives Borrower notice of the default and the time within which it must be cured by Borrower, as may be required by law or by written agreement; or

(3) Borrower fails to perform any of Borrower's obligations in this Note or in any instruments securing it, Lender may perform those obligations and be reimbursed by Borrower, on demand, at the Place for Payable for any amounts so paid, including attorney's fees, plus interest on those amounts from the date of payment at the annual interest rate on the matured, unpaid amount. The amount to be reimbursed shall be secured by all instruments securing this Note.

E. Any Refinancing of the Senior Lien Note. If either the Senior Lien Note is refinanced or the Borrower's equity interest in the Property pursuant to Art. 16 §50(a)(6) of the Texas Constitution is financed and the refinancing or financing is without Lender's prior written approval.

G. Borrower's Fraud or Misrepresentation. Any willful misstatement of, or failure to disclose, a material fact or fraudulent act made by Borrower relating to Borrower's eligibility for assistance with respect to the Property under the Lender's homebuyer assistance program.

10.02 Notice of Default and Amount Due. If Borrower is in Default, the Note Holder may send Borrower a written notice stating the reason Borrower is in Default and telling Borrower to pay immediately: (i) the full amount of Principal then due on this Note, (ii) all of the interest that Borrower owes, and that will accrue until paid, on that amount, and (iii) all of the Note Holder's costs and expenses reimbursable under subsection 10.03. Recovery against the Borrower responsible for the fraud or misrepresentation is not limited to the proceeds of sale of the Property, but may include personal judgment and execution thereon to the full extent authorized by law.

10.03 Payment of Note Holder's Costs and Expenses. If the Note Holder has notified Borrower to pay immediately in full under subsection 10.02 and this Note or any instrument securing or collateral to it is given to an attorney for collection or enforcement, or if suit is brought for collection or enforcement, or if it is collected or enforced through probate, bankruptcy, or other judicial proceeding, then Note Holder has the right to be repaid from the proceeds of foreclosure for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, all costs of collection and enforcement, including reasonable attorney's fees and court costs, in addition to other amounts due. These expenses will bear interest from the date of advance at the Annual Interest Rate on Matured, Unpaid Amounts. Borrower will pay Lender these expenses and interest on demand at the Place for Payment. These

expenses and interest will become part of the debt evidenced by the note and will be secured by any security for payment.

10.04 No Waiver By Note Holder. Even if, at a time when Borrower is in Default, the Note Holder does not require Borrower to pay immediately in full under subsection 10.02, the Note Holder will still have the right to do so if Borrower is in Default for the same reason, or for another reason, at a later time.

11. Giving of Notices

11.01 Unless applicable law requires a different method, any notice that must be given to Borrower under this Note will be given by mailing it by certified mail, return receipt requested to Borrower at Borrower's Mailing Address, or at a different address if Borrower gives the Note Holder a notice of Borrower's different address.

11.02 Any notice that must be given to the Note Holder under this Note will be given by mailing it by certified mail, return receipt requested, to the Note Holder at Place for Payment, or at a different address if Note Holder gives the Borrower a notice of Note Holder's different address.

12. Obligations of Persons under this Note. If more than one person signs this Note, each person is fully obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed from the proceeds of sale of the Property. Any person who is a guarantor, surety or endorser of the Note is also obligated to the same extent. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of the persons signing the Note together.

13. Maximum Interest on the Debt. Interest on the debt evidenced by this Note shall not exceed the maximum amount of non-usurious interest that may be contracted for, taken, reserved, charged, or received under law; any interest in excess of that maximum amount shall be credited on the principal of the debt or, if that has been paid, refunded. On any acceleration or required or permitted prepayment, any such excess shall be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the debt or, if the principal of the debt has been paid, refunded. This provision overrides other provisions in this and all other instruments concerning the debt.

14. Waivers. Borrower and any person who has obligations under this Note waive all demands for payment, presentations for payment, notices of intention to accelerate maturity, notices of acceleration of maturity, protests, notices of protest, the rights of presentment, and notice of dishonor to the extent not prohibited by applicable law. "Presentment" means Borrower's right to require the Note Holder formally to demand payment of amounts due. "Notice of dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

15. Release and Satisfaction. This Note shall be deemed satisfied and Borrower shall be entitled to a release of the Subordinate Security Instrument upon payment of a

reasonable fee, as determined by the Note Holder, for preparation and recordation of the release upon payment in full of all amounts due under this Note.

16. Assignment/Assumption. This Note is not assignable by Borrower and may not be assumed by a third party, except upon approval thereof by Lender.

17. Governing Law. This Note and the Subordinate Security Instrument shall be in accordance with 42 USC 5301 *et seq.* and 24 CFR Part 570 and shall be construed in accordance therewith. To the extent not inconsistent therewith, these documents shall be governed by the law of the State and local jurisdiction in which the Property is located.

18. Land Covenants. In regard to the purchase of the Property, a covenant running with the land has been inserted in the deed of trust prohibiting discrimination as defined in the Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, in the sale, lease or rental or in the use or occupancy of such Property, or in any improvements erected or to be erected thereon, providing that the Lender and the United States are beneficiaries of and entitled to enforce such covenants. This Covenant Running with the Land shall be binding on the Owner of the Property, his/her heirs, successors, and assigns during the term of the note, and after such period, shall automatically terminate and be of no further force or effect..

Each Borrower is responsible for all obligations represented by this Note.

When the context requires singular nouns and pronouns include the plural.

EXECUTED AND DELIVERED as of the day and year first above written.

Borrower:

ATTACHED EXHIBIT A - Calculation of Shared Equity Formula

EXHIBIT A

Calculation of Shared Equity formula

The Parties agree that the Shared Equity shall be calculated as follows:

Borrower's Purchase Price of the Property is US\$ _____.

Mortgage Assistance Amount: US\$ _____

Calculation of Shared Equity Percentage: The parties agree that the Mortgage Assistance Amount provided to Borrower by Travis County represents _____% of Borrower's Purchase Price of the Property, calculated as follows:

| | |
|---------------------------------------|-----------|
| Mortgage Assistance Amount | \$ |
| Divided by Purchase Price of Property | / \$ |
| Equals Shared-equity percentage | = _____ % |

Borrower's Annual Interest Rate on Unpaid Principal under the TRAVIS COUNTY Note

is: 0% Borrower's Maturity Date under the _____ 20 _____.

TRAVIS COUNTY Note is:

Borrower's Closing Costs and Downpayment: The parties agree that Borrower has spent a total of \$ _____ in their own funds in order to purchase the Property. Borrower's Costs are to include all items paid directly by the Borrower as they appear on the HUD-1 Settlement Statement, including Earnest Money and any items listed as "Paid Outside of Closing".

Senior Lien Note Amount: The parties agree that the original principal amount of the Senior Lien Note is US\$ _____.

Senior Lien Annual Interest Rate: The parties agree that the Senior Lien Annual Interest Rate is _____%.

Senior Lien Amortization: The parties agree that the amortization of the Senior Lien Note will use the formula provided by the Senior Lien Holder, as follows: 30-year fully amortized, fixed rate mortgage. The first payment on the Senior Lien Note is due on _____ and the monthly principal and interest payment amount is \$ _____.

Calculation of equity to be shared at resale of Property: The amount of Shared Equity at resale of Property due Note Holder shall be calculated as follows:

Appraised Value of Property: The value of the property determined by an appraiser licensed in the State of Texas, according to the terms contained in the Note.

Principal Balance of Senior Lien Note: The principal balance of the Senior Lien Note Amount will be calculated as the amount equal to the principal balance based on the Senior Lien Amortization formula on the date of calculation, regardless of prepayment, refinancing, interest, penalties or past due amounts.

Equity to be shared: The Appraised Value of the Property at time of resale, less the total of the Principal Balance of the Senior Lien Note, the Original Principal Amount of Mortgage Assistance under the TRAVIS COUNTY Mortgage Assistance Note and Borrower's Closing Costs and Downpayment, calculated as follows:

| | |
|--|----------|
| Appraised Value of Property | |
| Principal Balance of Senior Lien Note | - |
| TRAVIS COUNTY Mortgage Assistance Amount | - \$ |
| Borrower's Closing Costs and Downpayment | - |
| Equity to be Shared | \$ _____ |

Calculation of Shared Equity Percentage: Percentage shall remain the same as calculated at initial purchase (as set forth above).

Shared Equity Payment Due to Note Holder: Shall be (Equity to be shared) x (Shared Equity Percentage), calculated as follows:

| | |
|--|------------|
| Equity to be shared | |
| Shared Equity Percentage | % |
| Shared Equity Payment Due to Note Holder | = \$ _____ |

Total Due to Note Holder: Shall be the total of all amounts due to Note Holder under paragraph 7b. , calculated as follows:

| | |
|----------------------------|--------|
| Mortgage Assistance Amount | \$ |
| Interest and Penalties | + \$. |
| Shared Equity Payment | + . |
| Total Due to Note Holder | _____ |

PROMISSORY NOTE
[Down Payment Assistance]

Date:

Borrower:

Borrower's Mailing Address:

Lender: Travis County, a political subdivision of the State of Texas

Lender's Mailing Address and Place for Payment:

Travis County Health & Human Services and Veterans Service
CDBG Program
P.O. Box 1748
Austin, TX 78767

or any other place that Lender may designate in writing.

1. Principal Amount of Note:

Principal Amount of Mortgage Assistance: US _____ AND
_____/100 DOLLARS (US\$ _____).

2. Annual Interest Rate on Unpaid Principal from Date: ZERO AND 00/100 PERCENT (0.00%) interest will be charged on this Note unless and until a Default has been declared by the holder of this Note ("Note Holder") as stated in section 10 of this Note.

3. Annual Interest Rate on Matured, Unpaid Amounts: TEN AND 00/100 PERCENT (10.00%) (the rate charged on judgments in Texas) interest will be charged on the then outstanding principal balance of this Note from the date of maturity until paid.

4 Maturity Date: _____ 20

5. Terms of Payment: Borrower promises to pay the Principal Amount of Note, and any interest to the order of Lender pursuant to this section 5. The Principal Amount of Mortgage Assistance may be prepaid as stated in section 8. Payment of the Principal Amount of Note and any interest shall be due and payable in 5 equal annual installments of \$ _____ beginning on the first of each year and shall continue annually

until _____ the expiration of 5 years (“the Maturity Date”). At Maturity Date, the unpaid and un-forgiven amounts owing under this Note shall be due and payable in full. Each payment installment will be applied first to accrued interest, if any, and the remainder to reduction of the Principal Amount. After Maturity Date, Borrower promises to pay any unpaid principal balance plus interest at the Annual Interest Rate on Mature, Unpaid Amounts. Provided that Borrower complies with the terms of this Note and any and all other documents evidencing, securing or executed in connection with this note, the Principal Amount due and payable under this Note shall be deferred and waived annually at a rate of 20% of Principal Amount per year beginning on the first anniversary of the date of this Note and continuing annually until Maturity Date.

6. Security for Payment and Obligations:

6.01 In addition to the protections given to the Note Holder under this Note, this Note is secured by a subordinated deed of trust, which is dated of even date with this Note, from Borrower to CHRISTOPHER C. GILMORE, Trustee, that conveys property (“Property”) described in the Subordinate Security Instrument in trust (the “Subordinate Security Instrument”).

6.02 The lien securing this Note shall remain subordinate to the indebtedness evidenced by one or more notes payable to _____ (“Senior Lienholder”), which notes are secured by a deed of trust (“Senior Lien”) securing the note to the Senior Lienholder, and as renewed, extended, re-amortized, or otherwise adjusted from time to time; provided, however, that the renewal, extension, or other credit extension does not constitute an increase in the unpaid principal balance of the Senior Lien.

6.03 The Subordinate Security Instrument describes the conditions under which Borrower may be required to make immediate payment in full of all amounts Borrower owes under this Note. One of those conditions set forth therein is that if the Property, or any interest therein, equitable or legal, is sold or transferred without compliance with the terms of this Note and the Subordinate Security Instrument or any lien or encumbrance is created against the Property without the prior written consent of Lender, this Note may, at the option of Lender, be accelerated and the entire amount shall be then immediately due and payable and Lender shall be entitled to foreclose the liens securing this Note if it is not paid in full upon acceleration in accordance with the Subordinate Security Instrument.

7. Borrower's Promise to Pay

7.01 Purpose. This Note implements requirements applicable to assistance furnished by Lender to Borrower under the Homebuyer Assistance Program to help eligible families become homeowners, and authorizes the use of grant funds furnished by the United States Department of Housing and Community Development (“HUD”) pursuant to 24 CFR Part 570. The Lender has assisted the Borrower with respect to the purchase of the Property, for use as the Borrower's principal residence.

7.02 Promise to Pay. Borrower promises to pay to the order of Lender at Lender's Mailing Address and according to the terms of payment the Principal

Amount of Note and interest and other charges at the rates stated above. All unpaid amounts shall be due by the final scheduled Maturity Date.

7.03 Non-recourse Note/Recapture. Payment of this Note may be enforced solely out of the proceeds of sale of the Property (except in the event of fraud or misrepresentation by the Borrower described in section 10.01G). The Note Holder may not seek or obtain a deficiency judgment or any other recovery from the Borrower personally in the event that the proceeds of sale are insufficient to fully satisfy the amounts due on this Note. If the net proceeds are not sufficient to recapture the full amount of CDBG funds invested plus allow Borrower to recover the amount of Borrower's down-payment and capital improvement investment, including in, but not limited to, cases of foreclosure or deed-lieu of foreclosure, the amount due to Lender is limited to the net proceeds, if any. If there are no net proceeds Lender will receive no share of net proceeds. (Net proceeds are the sales prices minus loan repayment, other than CDBG funds, and closing costs). However, the Note Holder may, at its option, seek and obtain a personal judgment for all amounts payable under this Note in the event of an uncured Default under subsections 10.01E or 10.01G. This right shall be in addition to any other remedies available to the Note Holder.

8. Borrower's Right to Prepay

8.01 Mortgage Assistance. Borrower may make a full prepayment or partial prepayments of the Principal Amount of Mortgage Assistance only. In the event of prepayment, the Note Holder will use all of Borrower's prepayments first to pay any unpaid taxes owing on the Property and then to reduce the Principal Amount of Note that Borrower owes under this Note.

9. Default

9.01 Events of Default. Any of the following events shall constitute a Default under this Note, as of the date of the Notice of Default under section 10:

- A. Failure of Borrower to Occupy as Borrower's Primary Place of Residence.** If Borrower ceases to occupy the Property as Borrower's primary residence for 30 or more consecutive days or rents or leases (including an oral lease) all or any part of the Property to any person or entity during the term of the note without the prior written consent of Lender.
- B. Any Transfer of the Property during the term of the note without the prior written consent of Lender.** If Borrower sells, transfers, refinances or otherwise encumbers the Property during the term of the note or any interest in the Property without the prior written consent of Lender. Borrower authorizes the Note Holder to determine, in its sole discretion, whether a transfer of a portion of the Property, or a partial interest in the Property, or any other reason has an effect on the value of the Note Holder's interest substantial enough to be considered a transfer for purposes of this section 9.01B. Borrower must mail, certified mail, return receipt requested, or deliver notice of any proposed transfer and a copy of the sales contract to the Note Holder

at least fourteen (14) calendar days before the proposed closing date, at the Lender's Mailing Address.

- C. The Property did not qualify or Borrower is not Eligible under CDBG.** If at the time Borrower purchased the Property, the Property did not qualify because the Property (a) did not become the principal residence of the Borrower; or (b) was in an area identified by the Federal Emergency Management Agency as having a special flood hazard, or, if the Property is in a flood hazard area, flood insurance had not been obtained by Borrower; or (c) was not in the current Travis County CDBG service area. Borrower had owned a home during the three-year period immediately preceding the Date of this Note and was not a first-time homebuyer as described in Lender's homebuyer assistance program guidelines. The Property was a single-family residence (detached house, townhouse or condominium) built before 1978 that does not comply with HUD regulations regarding lead-based paint. Borrower's household was not a low or moderate income family as described at 24 CFR Part 570.201(n) at the later of (a) Borrower's occupancy of the Property, or (b) at the time the Principal Amount of Note is advanced; or any Travis County employee, agent, consultant, officer, or elected or appointed official who exercises or has exercised any functions or responsibilities with respect to activities assisted with Homebuyer Assistance Program funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities, has obtained a financial interest or benefit from this Note under this Homebuyer Assistance Program activity, or has an interest in any contract, subcontract, or agreement with respect hereto, or the proceeds under the contract, subcontract or agreement, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter as stated at the conflict of interest provisions of 24 CFR 84.42 and 570.611.

D. Any Default under the Note or the Senior Lien Note. If:

- (1) there is an uncured default in payment of any part of principal or interest of the Senior Lien Note or in observance of any obligations or covenants of any instruments securing it, the debt evidenced by this Note shall immediately become payable at the option of Lender at the end of the cure period;
- (2) Borrower defaults in the payment of this Note or in the performance of any obligation in any instrument securing or collateral to it, and the default continues after Lender gives Borrower notice of the default and the time within which it must be cured by Borrower, as may be required by law or by written agreement; or
- (3) Borrower fails to perform any of Borrower's obligations in this Note or in any instruments securing it, Lender may perform those obligations and be reimbursed by Borrower, on demand, at the Place for Payable for any amounts so paid, including attorney's fees, plus interest on those amounts from the date of payment at the annual interest rate on the

matured, unpaid amount. The amount to be reimbursed shall be secured by all instruments securing this Note.

G. Borrower's Fraud or Misrepresentation. Any willful misstatement of, or failure to disclose, a material fact or fraudulent act made by Borrower relating to Borrower's eligibility for assistance with respect to the Property under the Lender's homebuyer assistance program.

9.02 Notice of Default and Amount Due. If Borrower is in Default, the Note Holder may send Borrower a written notice stating the reason Borrower is in Default and telling Borrower to pay immediately: (i) the full amount of Principal then due on this Note, (ii) all of the interest that Borrower owes, and that will accrue until paid, on that amount, and (iii) all of the Note Holder's costs and expenses reimbursable under subsection 9.03. Recovery against the Borrower responsible for the fraud or misrepresentation is not limited to the proceeds of sale of the Property, but may include personal judgment and execution thereon to the full extent authorized by law.

9.03 Payment of Note Holder's Costs and Expenses. If the Note Holder has notified Borrower to pay immediately in full under subsection 9.02 and this Note or any instrument securing or collateral to it is given to an attorney for collection or enforcement, or if suit is brought for collection or enforcement, or if it is collected or enforced through probate, bankruptcy, or other judicial proceeding, then Note Holder has the right to be repaid from the proceeds of foreclosure for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, all costs of collection and enforcement, including reasonable attorney's fees and court costs, in addition to other amounts due. These expenses will bear interest from the date of advance at the Annual Interest Rate on Matured, Unpaid Amounts. Borrower will pay Lender these expenses and interest on demand at the Place for Payment. These expenses and interest will become part of the debt evidenced by the note and will be secured by any security for payment.

9.04 No Waiver By Note Holder. Even if, at a time when Borrower is in Default, the Note Holder does not require Borrower to pay immediately in full under subsection 10.02, the Note Holder will still have the right to do so if Borrower is in Default for the same reason, or for another reason, at a later time.

10. Giving of Notices

10.01 Unless applicable law requires a different method, any notice that must be given to Borrower under this Note will be given by mailing it by certified mail, return receipt requested to Borrower at Borrower's Mailing Address, or at a different address if Borrower gives the Note Holder a notice of Borrower's different address.

10.02 Any notice that must be given to the Note Holder under this Note will be given by mailing it by certified mail, return receipt requested, to the Note Holder at Place for Payment, or at a different address if Note Holder gives the Borrower a notice of Note Holder's different address.

11. Obligations of Persons under this Note. If more than one person signs this

Note, each person is fully obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed from the proceeds of sale of the Property. Any person who is a guarantor, surety or endorser of the Note is also obligated to the same extent. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of the persons signing the Note together.

12. Maximum Interest on the Debt. Interest on the debt evidenced by this Note shall not exceed the maximum amount of non-usurious interest that may be contracted for, taken, reserved, charged, or received under law; any interest in excess of that maximum amount shall be credited on the principal of the debt or, if that has been paid, refunded. On any acceleration or required or permitted prepayment, any such excess shall be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the debt or, if the principal of the debt has been paid, refunded. This provision overrides other provisions in this and all other instruments concerning the debt.

13. Waivers. Borrower and any person who has obligations under this Note waive all demands for payment, presentations for payment, notices of intention to accelerate maturity, notices of acceleration of maturity, protests, notices of protest, the rights of presentment, and notice of dishonor to the extent not prohibited by applicable law. "Presentment" means Borrower's right to require the Note Holder formally to demand payment of amounts due. "Notice of dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

14. Release and Satisfaction. This Note shall be deemed satisfied and Borrower shall be entitled to a release of the Subordinate Security Instrument upon payment of a reasonable fee, as determined by the Note Holder, for preparation and recordation of the release upon payment in full of all amounts due under this Note.

15. Assignment/Assumption. This Note is not assignable by Borrower and may not be assumed by a third party, except upon approval thereof by Lender.

16. Governing Law. This Note and the Subordinate Security Instrument shall be in accordance with 42 USC 5301 *et seq.* and 24 CFR Part 570 and shall be construed in accordance therewith. To the extent not inconsistent therewith, these documents shall be governed by the law of the State and local jurisdiction in which the Property is located.

17. Land Covenants. In regard to the purchase of the Property, a covenant running with the land has been inserted in the deed of trust prohibiting discrimination as defined in the Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, in the sale, lease or rental or in the use or occupancy of such Property, or in any improvements erected or to be erected thereon, providing that the Lender and the United States are beneficiaries of and entitled to enforce such covenants. This Covenant Running with the Land shall be binding on the Owner of the Property, his/her heirs, successors, and assigns during the term of the note, and after such period, shall automatically terminate and be of no further force or effect.

Each Borrower is responsible for all obligations represented by this Note.

When the context requires singular nouns and pronouns include the plural.

EXECUTED AND DELIVERED as of the day and year first above written.

Borrower:

EXHIBIT A**Down Payment Assistance Repayment Schedule**

The parties agree that the loan will be forgiven at the following pro rata method at a 5 year term:

1. From the date of purchase through the end of year one - 100% of the principal amount of this note is due and payable to Payee;
2. During year two- 80% of the principal amount of the note is due and payable to Payee;
3. During year three- 60% of the principal amount of the note is due and payable to Payee;
4. During year four- 40% of the principal amount of the note is due and payable to Payee;
5. During year five- 20% of the principal amount of the note is due and payable to Payee; and,
6. After the completion of year five - the principal amount of this note is forgiven.

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

**Deed of Trust Securing Note, and
Obligations Contained in Note
[Shared Appreciation Gap Financing – Shared Equity]**

Terms

Date:

Grantor:

Grantor's Mailing Address:

Trustee:

**Trustee's Mailing
Address:**

Lender: Travis County, a political subdivision of the State of
Texas

Lender's Mailing Address:

Obligation:

Note:

Date:

Original Principal Amount:

PRINCIPAL AMOUNT OF MORTGAGE ASSISTANCE: US
_____ AND _____ /100 DOLLARS
(\$ _____).

PRINCIPAL AMOUNT OF SHARED EQUITY: The amount as determined by the formula set out in **Exhibit "A"** attached to the Note.

Borrower:

Lender: Travis County, a political subdivision of the State of Texas

Maturity Date: As stated in the Note.

Terms of Payment: As stated in the Note.

Property (including any improvements): That certain real property more particularly described in **Exhibit "A"** attached to this deed of trust and by this reference incorporated in it, all fixtures and improvements situated thereon and all rights, titles and interests appurtenant thereto. The Property is also known as _____, _____, Texas 787 _____.

Prior Lien: The liens securing this note are subordinate to the lien securing another note in the original principal amount of US _____ and _____/100 Dollars (\$ _____), dated _____ 20____, executed by Grantor, payable to the order of _____ (the "**Senior Lienholder**"), which is described in a deed of trust, dated _____ 20____, executed by Grantor in favor of Senior Lienholder and to be recorded in the Official Public Records of Real Property of Travis County, Texas.

Other Exceptions to Conveyance and Warranty:

For value received and to secure payment of the Obligation and performance of all obligations in the note, Grantor conveys the Property to Trustee in trust. Grantor warrants and agrees to defend the title to the Property, subject to the Other Exceptions to Conveyance and Warranty. On payment of the Obligation and all other amounts securing this deed of trust, including payment of both the principal amount of mortgage assistance and the principal amount of shared equity in the note according to its terms, and performance of all performance obligations and covenants in the Obligation, including performance obligations in the Note, this deed of trust shall have no further effect, and Lender shall release it at Grantor's expense. This deed of trust shall not be released upon any partial performance thereof.

Clauses and Covenants

(1) Grantor's Obligations. Grantor agrees to:

1.01 keep the Property in good repair and condition;

1.02 pay all taxes and assessments on the Property before delinquency;

1.03 defend title to the Property subject to the Other Exceptions to Conveyance and Warranty and preserve the lien's priority as it is established in this deed of trust;

1.04 maintain all insurance coverages with respect to the Property, revenues generated by the property, and operations on the property that Lender reasonably requires (the "**Insurance Requirements**"), issued by insurers and written on policy forms acceptable to Lender, and deliver evidence of the Insurance Requirements in a form acceptable to Lender at least ten (10) calendar days before the expiration of the Insurance Requirements;

1.05 keep any buildings occupied as required by the Insurance Requirements;

1.06 if the lien of this deed of trust is not a first lien, pay or cause to be paid all prior lien notes and abide by or cause to be abided by all prior lien instruments;

1.07 if all or any part of the Property or an interest in it (including a beneficial interest) is sold or transferred without compliance with the terms of the note and this deed of trust, immediately pay in full to Lender all sums secured by this deed of trust;

1.08 comply at all times with the terms, representations, and conditions of the Note, and obey all laws, ordinances and restrictive covenants applicable to the Property; and

1.09 notify Lender of any change of address.

1.10 ensure prohibition from discrimination, as defined in the Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, in the sale, lease or rental or in the use or occupancy of the Property, or in any improvements erected or to be erected thereon, and Travis County and the United States are beneficiaries of and entitled to enforce this Restrictive Covenant Running With the Land. This Covenant Running with the Land shall be binding on the Owner of the Property, his/her heirs, successors, and assigns during the term of the note, and after such period, shall automatically terminate and be of no further force or effect.

(2) Lender's Rights

2.01 Lender or Lender's mortgage servicer may appoint in writing a substitute, succeeding to all rights and responsibilities of Trustee.

2.02 If the proceeds of the Obligation are used to pay any debt secured by prior liens, Lender is subrogated to all of the rights and liens of the holders of any debt so paid.

2.03 Lender may apply any proceeds received under the property insurance policies covering the property either to reduce the Obligation or to repair or replace damaged or destroyed improvements covered by the policies. If the Property is grantor's primary residence and lender reasonably determines that repairs to the improvements are economically feasible, Lender will make the Property insurance proceeds available to grantor for repairs.

2.04 If Grantor fails to perform any of Grantor's obligations, Lender may perform those obligations and be reimbursed by Grantor on demand for any amounts so paid, including attorney's fees, plus interest on those amounts from the dates of payment at the rate stated in the Note for matured, unpaid amounts. The amount to

be reimbursed will be secured by this deed of trust.

2.05 If there is a default on the Obligation, or if Grantor fails to perform any of Grantor's obligations, or if default occurs on a prior lien note or other instrument, and the default continues after notice of the default and the time allowed to cure, Lender may:

- A. declare the unpaid principal balance and earned interest on the Obligation immediately due;
- B. direct Trustee to foreclose this lien, in which case Lender or Lender's agent will cause notice of the foreclosure sale to be given as provided by the Texas Property Code as then in effect; and
- C. purchase the Property at any foreclosure sale by offering the highest bid and then have the bid credited on the Obligation.

2.06 If the Grantor defaults on the Note or fails to perform any of Grantor's obligations under Note, or this Deed of Trust, the Lender may provide the Senior Lienholder with copies of all correspondence transmitted to Grantor regarding the default or notice of acceleration.

2.07 Lender may remedy any default without waiving it and may waive any default without waiving any prior or subsequent default.

(3) Trustee's Rights and Duties

3.01 If directed by Lender to foreclose this lien, Trustee will:

- A. either personally or by agent give notice of the foreclosure sale as required by the Texas Property Code as then in effect;
- B. sell and convey all or part of the Property "AS IS" to the highest bidder for cash with a general warranty binding Grantor, subject to the Prior Lien and to the Other Exceptions to Conveyance and Warranty and without representation or warranty express or implied by Trustee;
- C. from the proceeds of the sale, pay, in this order:
 - (1) expenses of foreclosure, including a reasonable commission to Trustee;
 - (2) to Lender, the full amount of principal, interest, attorney's fees, and other charges due and unpaid;
 - (3) any amounts required by law to be paid before payment to Grantor; and
 - (4) to Grantor, any balance; and
- D. be indemnified, held harmless and defended by Lender to the extent permitted by law against all costs, expenses, and liabilities incurred by Trustee for acting in the execution or enforcement of the trust created by this deed of trust, which includes all court and other costs, including attorney's fees, incurred by Trustee in defense of

any action or proceeding taken against Trustee in such capacity.

(4) Additional Provisions

4.01 The debt secured by this deed of trust was incurred to finance all or part of the purchase price of the property. This deed of trust is given as additional security for the payment of such indebtedness.

4.02 If the Property, or any interest therein, equitable or legal, is sold or transferred or any lien or encumbrance is created against the Property without the prior written consent of the Lender, the note secured by this deed of trust may, at the option of the holder thereof, be accelerated and the entire amount thereof shall be then immediately due and payable and Lender shall be entitled to foreclose the liens securing the note if it is not paid in full upon acceleration.

4.03 If the Prior Lien has not been released, give written notice to Senior Lienholder that Grantor is in default under this deed of trust and provide a copy of the notice of foreclosure sale given Grantor.

(5) General Provisions

5.01 If any of the Property is sold under this deed of trust, Grantor must immediately surrender possession to the purchaser. If Grantor fails to do so, Grantor will become a tenant at sufferance of the purchaser, subject to an action for forcible detainer.

5.02 Recitals in any trustee's deed conveying the Property will be presumed to be true.

5.03 Proceeding under this deed of trust, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies.

5.04 This lien shall remain superior to liens later created even if the time of payment of all or part of the Obligation is extended or part of the Property is released.

5.05 If any portion of the Obligation cannot be lawfully secured by this deed of trust, payments shall be applied first to discharge that portion.

5.06 Grantor assigns to Lender all amounts payable to or received by Grantor from condemnation of all or part of the Property, from private sale in lieu of condemnation, and from damages caused by public works or construction on or near the Property. After deducting any expenses incurred, including attorney's fees and court and other costs, Lender will either release any remaining amounts to Grantor or apply such amounts to reduce the Obligation. Lender will not be liable for failure to collect or to exercise diligence in collecting any such amounts. Grantor will immediately give Lender notice of any actual or threatened proceeding for condemnation of all or part of the Property.

5.07 Grantor assigns to Lender absolutely, not only as collateral, all present and future rent and other income and receipts from the Property except to the extent such items have been assigned to the beneficiary of the Prior Lien described herein. Prior to maturity of the Prior Lien Borrower's rights shall

not arise under this subsection 5.07. Grantor warrants the validity and enforceability of the assignment. Grantor may as Lender's licensee collect rent and other income and receipts as long as Grantor is not in default with respect to the Obligation or this deed of trust. Grantor will apply all rent and other income and receipts to payment of the Obligation and performance of this deed of trust, but if the rent and other income and receipts exceed the amount due with respect to the Obligation and this deed of trust, Grantor may retain the excess. If Grantor defaults in payment of the Obligation or performance of this deed of trust, Lender may terminate Grantor's license to collect rent and other income and then as Grantor's agent may rent the Property and collect all rent and other income and receipts. Lender neither has nor assumes any obligations as lessor or landlord with respect to any occupant of the Property. Lender may exercise Lender's rights and remedies under this subsection 5.07 without taking possession of the Property. Lender will apply all rent and other income and receipts collected under this subsection 5.07 first to expenses incurred in exercising Lender's rights and remedies and then to Grantor's obligations with respect to the Obligation and this deed of trust in the order determined by Lender. Lender is not required to act under this subsection 5.07, and acting under this subsection 5.07 does not waive any of Lender's other rights or remedies. If Grantor becomes a voluntary or involuntary debtor in bankruptcy, Lender's filing a proof of claim in bankruptcy will be deemed equivalent to the appointment of a receiver under Texas law.

5.08 Interest on the debt secured by this deed of trust will not exceed the maximum amount of non-usurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount shall be credited on the principal of the debt or, if that has been paid, refunded. On any acceleration or required or permitted prepayment, any such excess will be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the debt or, if the principal of the debt has been paid, refunded. This provision overrides any conflicting provisions in this and all other instruments concerning the debt.

5.09 If Grantor fails to pay any part of principal or interest secured by a prior lien or liens on the Property when it becomes payable or defaults on any prior lien instrument, the debt secured by this deed of trust shall immediately become payable at the option of Lender.

5.10 Lender and Grantor acknowledge and agree that this deed of trust is subject and subordinate in all respects to the liens, terms, covenants and conditions of the Prior Lien and to all advances heretofore made or which may hereafter be made pursuant to the Prior Lien, including all sums advanced for the purpose of protecting or further securing the lien of the Prior Lien. The terms and provisions of the Prior Lien are paramount and controlling, and they supersede any other terms and provisions of this deed of trust in conflict therewith. In the event of a foreclosure or deed in lieu of foreclosure of the Prior Lien, any provisions herein or any provision in any collateral agreement restricting the use of the Property to low or moderate income households or otherwise restricting the Grantor's ability to sell the Property shall have no further

force or effect on subsequent owners or purchasers of the Property. Any person, including his successors or assigns (other than the Grantor or a person or entity related to the Grantor), receiving title to the Property through foreclosure or deed in lieu of foreclosure of the Prior Lien shall receive title to the Property free and clear from such restrictions. Further, if the Senior Lienholder acquires title to the Property pursuant to a deed in lieu of foreclosure, the lien of this deed of trust shall automatically terminate upon the Senior Lienholder's acquisition of title, provided that (i) the Lender has been given written notice of a default under the Prior Lien and (ii) the Lender (or another party acting on its behalf) shall not have cured the default under the Prior Lien, or diligently pursued during the default as determined by the Senior Lienholder within the sixty-day period provided in such notice sent to the Lender.

5.11 In no event may this deed of trust secure payment of any debt that may not lawfully be secured by a lien on real estate or create a lien otherwise prohibited by law.

5.12 If grantor transfers any part of the property without Lender's prior written consent, Lender may declare the Obligation immediately payable and invoke any remedies provided by this deed of trust for default.

5.13 The note and this deed of trust may not be assumed.

5.14 This deed of trust and the note implement 42 USC 5301 *et seq.* and 24 CFR 570 and shall be construed in accordance therewith. To the extent not inconsistent therewith, these documents shall be governed by the laws of Texas and the local jurisdiction in which the Property is located.

5.15 When the context requires, singular nouns and pronouns include the plural.

5.16 The term "note" includes all extensions, modifications, and renewals of the Note and all amounts secured by this deed of trust.

5.17 This deed of trust binds, benefits, and may be enforced by the successors in interest of all parties.

5.18 If Grantor and Borrower are not the same person, the term "Grantor" includes Borrower.

5.19 Grantor and each surety, endorser, and guarantor of the Obligation waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.

5.20 Grantor agrees to pay reasonable attorney's fees, trustee's fees, and court and other costs of enforcing Lender's rights under this deed of trust if this deed of trust is placed in the hands of an attorney for enforcement.

5.21 If any provision of this deed of trust is determined to be invalid or unenforceable, the validity or enforceability of any other provision will not be affected.

5.22 The term "Lender" includes any mortgage servicer for Lender.

EXECUTED AND DELIVERED as of the day and year first above
written.

Grantor:

ATTACHED EXHIBIT A - Legal Description of Property
(Acknowledgment)

STATE OF TEXAS

§
§
§

COUNTY OF TRAVIS

This instrument was acknowledged before me on _____, 20__, by

_____.

AFTER RECORDING RETURN TO:

Travis County Health and Human Services
CDBG Program
Attn: Christy Moffett
P.O. B 1748
Austin, TX 78767

EXHIBIT A

Legal Description of Property

The Property (including any improvements) referred to in this agreement is described as follows:

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

**Deed of Trust Securing Note, and
Obligations Contained in Note
[Down Payment Assistance]**

Terms

Date:

Grantor:

Grantor's Mailing Address:

Trustee:

**Trustee's Mailing
Address:**

Lender: Travis County, a political subdivision of the State of
Texas

Lender's Mailing Address:

Obligation:

Note:

Date:

Original Principal Amount:

PRINCIPAL AMOUNT OF MORTGAGE ASSISTANCE: _____ US
(\$ _____) AND _____ /100 DOLLARS

Borrower:**Lender:** Travis County, a political subdivision of the State of Texas**Maturity Date:** As stated in the Note.**Terms of Payment:** As stated in the Note.

Property (including any improvements): That certain real property more particularly described in **Exhibit "A"** attached to this deed of trust and by this reference incorporated in it, all fixtures and improvements situated thereon and all rights, titles and interests appurtenant thereto. The Property is also known as _____, _____, Texas 787 _____.

Prior Lien: The liens securing this note are subordinate to the lien securing another note in the original principal amount of US _____ and _____/100 Dollars (\$ _____), dated _____ 20____, executed by Grantor, payable to the order of _____ (the "**Senior Lienholder**"), which is described in a deed of trust, dated _____ 20____, executed by Grantor in favor of Senior Lienholder and to be recorded in the Official Public Records of Real Property of Travis County, Texas.

Other Exceptions to Conveyance and Warranty:

For value received and to secure payment of the Obligation and performance of all obligations in the note, Grantor conveys the Property to Trustee in trust. Grantor warrants and agrees to defend the title to the Property, subject to the Other Exceptions to Conveyance and Warranty. On payment of the Obligation and all other amounts securing this deed of trust, and performance of all performance obligations and covenants in the Obligation, including performance obligations in the Note, this deed of trust shall have no further effect, and Lender shall release it at Grantor's expense. This deed of trust shall not be released upon any partial performance thereof.

Clauses and Covenants**(1) Grantor's Obligations.** Grantor agrees to:**1.01** keep the Property in good repair and condition;**1.02** pay all taxes and assessments on the Property before delinquency;**1.03** defend title to the Property subject to the Other Exceptions to Conveyance and Warranty and preserve the lien's priority as it is established in this deed of trust;**1.04** maintain all insurance coverages with respect to the Property, revenues generated by the property, and operations on the property that Lender reasonably requires (the "**Insurance Requirements**"), issued by insurers and written on policy forms acceptable to Lender, and deliver evidence of the Insurance Requirements in a form acceptable to Lender at least ten (10) calendar days before

the expiration of the Insurance Requirements;

1.05 keep any buildings occupied as required by the Insurance Requirements;

1.06 if the lien of this deed of trust is not a first lien, pay or cause to be paid all prior lien notes and abide by or cause to be abided by all prior lien instruments;

1.07 if all or any part of the Property or an interest in it (including a beneficial interest) is sold or transferred without compliance with the terms of the note and this deed of trust, immediately pay in full to Lender all sums secured by this deed of trust;

1.08 comply at all times with the terms, representations, and conditions of the Note, and obey all laws, ordinances and restrictive covenants applicable to the Property;

1.09 notify Lender of any change of address;

1.10 ensure prohibition from discrimination, as defined in the Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, in the sale, lease or rental or in the use or occupancy of the Property, or in any improvements erected or to be erected thereon, and Travis County and the United States are beneficiaries of and entitled to enforce this Restrictive Covenant Running With the Land. This Covenant Running with the Land shall be binding on the Owner of the Property, his/her heirs, successors, and assigns during the term of the note, and after such period, shall automatically terminate and be of no further force or effect.

(2) Lender's Rights

2.01 Lender or Lender's mortgage servicer may appoint in writing a substitute, succeeding to all rights and responsibilities of Trustee.

2.02 If the proceeds of the Obligation are used to pay any debt secured by prior liens, Lender is subrogated to all of the rights and liens of the holders of any debt so paid.

2.03 Lender may apply any proceeds received under the property insurance policies covering the property either to reduce the Obligation or to repair or replace damaged or destroyed improvements covered by the policies. If the Property is grantor's primary residence and lender reasonably determines that repairs to the improvements are economically feasible, Lender will make the Property insurance proceeds available to grantor for repairs.

2.04 If Grantor fails to perform any of Grantor's obligations, Lender may perform those obligations and be reimbursed by Grantor on demand for any amounts so paid, including attorney's fees, plus interest on those amounts from the dates of payment at the rate stated in the Note for matured, unpaid amounts. The amount to be reimbursed will be secured by this deed of trust.

2.05 If there is a default on the Obligation, or if Grantor fails to perform any of Grantor's obligations, or if default occurs on a prior lien note or other instrument, and the default continues after notice of the default and the time allowed to cure, Lender may:

- A. declare the unpaid principal balance and earned interest on the Obligation immediately due;
- B. direct Trustee to foreclose this lien, in which case Lender or Lender's agent will cause notice of the foreclosure sale to be given as provided by the Texas Property Code as then in effect; and
- C. purchase the Property at any foreclosure sale by offering the highest bid and then have the bid credited on the Obligation.

2.06 If the Grantor defaults on the Note or fails to perform any of Grantor's obligations under Note, or this Deed of Trust, the Lender may provide the Senior Lienholder with copies of all correspondence transmitted to Grantor regarding the default or notice of acceleration.

2.07 Lender may remedy any default without waiving it and may waive any default without waiving any prior or subsequent default.

(3) Trustee's Rights and Duties

3.01 If directed by Lender to foreclose this lien, Trustee will:

- A. either personally or by agent give notice of the foreclosure sale as required by the Texas Property Code as then in effect;
- B. sell and convey all or part of the Property "AS IS" to the highest bidder for cash with a general warranty binding Grantor, subject to the Prior Lien and to the Other Exceptions to Conveyance and Warranty and without representation or warranty express or implied by Trustee;
- C. from the proceeds of the sale, pay, in this order:
 - (1) expenses of foreclosure, including a reasonable commission to Trustee;
 - (2) to Lender, the full amount of principal, interest, attorney's fees, and other charges due and unpaid;
 - (3) any amounts required by law to be paid before payment to Grantor; and
 - (4) to Grantor, any balance; and
- D. be indemnified, held harmless and defended by Lender to the extent permitted by law against all costs, expenses, and liabilities incurred by Trustee for acting in the execution or enforcement of the trust created by this deed of trust, which includes all court and other costs, including attorney's fees, incurred by Trustee in defense of any action or proceeding taken against Trustee in such capacity.

(4) Additional Provisions

4.01 The debt secured by this deed of trust was incurred to finance all or part of the purchase price of the property. This deed of trust is given as additional security for the payment of such indebtedness.

4.02 If the Property, or any interest therein, equitable or legal, is sold or transferred or any lien or encumbrance is created against the Property without the prior written consent of the Lender, the note secured by this deed of trust may, at the option of the holder thereof, be accelerated and the entire amount thereof shall be then immediately due and payable and Lender shall be entitled to foreclose the liens securing the note if it is not paid in full upon acceleration.

4.03 If the Prior Lien has not been released, give written notice to Senior Lienholder that Grantor is in default under this deed of trust and provide a copy of the notice of foreclosure sale given Grantor.

(5) General Provisions

5.01 If any of the Property is sold under this deed of trust, Grantor must immediately surrender possession to the purchaser. If Grantor fails to do so, Grantor will become a tenant at sufferance of the purchaser, subject to an action for forcible detainer.

5.02 Recitals in any trustee's deed conveying the Property will be presumed to be true.

5.03 Proceeding under this deed of trust, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies.

5.04 This lien shall remain superior to liens later created even if the time of payment of all or part of the Obligation is extended or part of the Property is released.

5.05 If any portion of the Obligation cannot be lawfully secured by this deed of trust, payments shall be applied first to discharge that portion.

5.06 Interest on the debt secured by this deed of trust will not exceed the maximum amount of non-usurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount shall be credited on the principal of the debt or, if that has been paid, refunded. On any acceleration or required or permitted prepayment, any such excess will be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the debt or, if the principal of the debt has been paid, refunded. This provision overrides any conflicting provisions in this and all other instruments concerning the debt.

5.09 If Grantor fails to pay any part of principal or interest secured by a prior lien or liens on the Property when it becomes payable or defaults on any prior lien instrument, the debt secured by this deed of trust shall immediately become payable at the option of Lender.

5.07 Lender and Grantor acknowledge and agree that this deed of trust is subject and subordinate in all respects to the liens, terms, covenants and conditions of the Prior Lien and to all advances heretofore made or which may hereafter be made pursuant to the Prior Lien, including all sums advanced for the purpose of protecting or further securing the lien of the Prior Lien. The terms and provisions of the Prior Lien are paramount and controlling, and they

supersede any other terms and provisions of this deed of trust in conflict therewith. In the event of a foreclosure or deed in lieu of foreclosure of the Prior Lien, any provisions herein or any provision in any collateral agreement restricting the use of the Property to low or moderate income households or otherwise restricting the Grantor's ability to sell the Property shall have no further force or effect on subsequent owners or purchasers of the Property. Any person, including his successors or assigns (other than the Grantor or a person or entity related to the Grantor), receiving title to the Property through foreclosure or deed in lieu of foreclosure of the Prior Lien shall receive title to the Property free and clear from such restrictions. Further, if the Senior Lienholder acquires title to the Property pursuant to a deed in lieu of foreclosure, the lien of this deed of trust shall automatically terminate upon the Senior Lienholder's acquisition of title, provided that (i) the Lender has been given written notice of a default under the Prior Lien and (ii) the Lender (or another party acting on its behalf) shall not have cured the default under the Prior Lien, or diligently pursued during the default as determined by the Senior Lienholder within the sixty-day period provided in such notice sent to the Lender.

5.08 In no event may this deed of trust secure payment of any debt that may not lawfully be secured by a lien on real estate or create a lien otherwise prohibited by law.

5.09 If grantor transfers any part of the property without Lender's prior written consent, Lender may declare the Obligation immediately payable and invoke any remedies provided by this deed of trust for default.

5.10 The note and this deed of trust may not be assumed.

5.11 This deed of trust and the note implement 42 USC 5301 *et seq.* and 24 CFR 570 and shall be construed in accordance therewith. To the extent not inconsistent therewith, these documents shall be governed by the laws of Texas and the local jurisdiction in which the Property is located.

5.12 When the context requires, singular nouns and pronouns include the plural.

5.13 The term "note" includes all extensions, modifications, and renewals of the Note and all amounts secured by this deed of trust.

5.14 This deed of trust binds, benefits, and may be enforced by the successors in interest of all parties.

5.15 If Grantor and Borrower are not the same person, the term "Grantor" includes Borrower.

5.16 Grantor and each surety, endorser, and guarantor of the Obligation waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.

5.17 Grantor agrees to pay reasonable attorney's fees, trustee's fees, and court and other costs of enforcing Lender's rights under this deed of trust if this deed of trust is placed in the hands of an attorney for enforcement.

5.18 If any provision of this deed of trust is determined to be invalid or

unenforceable, the validity or enforceability of any other provision will not be affected.

5.19 The term "Lender" includes any mortgage servicer for Lender.

EXECUTED AND DELIVERED as of the day and year first above written.

Grantor:

ATTACHED EXHIBIT A - Legal Description of Property

(Acknowledgment)

STATE OF TEXAS

§
§
§

COUNTY OF TRAVIS

This instrument was acknowledged before me on _____, 20__, by

_____.

AFTER RECORDING RETURN TO:

Travis County Health and Human Services
CDBG Program
Attn: Christy Moffett
P.O. B 1748
Austin, TX 78767

EXHIBIT A

Legal Description of Property

The Property (including any improvements) referred to in this agreement is described as follows:

Release of Lien

Date:

Holder of Note and Lien:

Holder's Mailing Address: [**include county**]

Note

Date:

Original principal amount:

Borrower:

Lender:

[Maturity date:]

Note and Lien Are Described in the Following Documents: [**include recording information**]

Property (including any improvements):

Holder of Note and Lien is the owner and holder of the Note and Lien described above.

For value received, Holder of Note and Lien releases the Property from the Lien.

When the context requires, singular nouns and pronouns include the plural.

[Name of holder]

ATTACHMENT E

FINANCIAL FORMS

- (i) Compliance Certification Form
- (ii) Payment Request Form
- (iii) Expenditure Report Form
- (iv) Budget Revisions Request Form
- (v) Travel Form
- (vi) Time and Attendance Report
- (vii) Instructions for County Invoicing

Compliance Certification form – Grant Contracts

IMPORTANT: this completed form must be submitted with each monthly invoice.



Agency: _____ Program: Homebuyer Assistance Program
 Payment requested: month, 2012 Payment requested from: X TRAVIS COUNTY

The following items must be itemized in the current approved program budget. OR written prior approval by TCHHS&VS Executive Director regarding these items must be attached to the Payment Request. (Mark any that apply to this month)

- Purchase of any non-expendable property *
 * (agency must also complete the Equipment Purchased table, below)
- Alteration or relocation of facilities
- Out of County Travel/ Conferences/ Seminars/ Training
- Consultant/professional services or subcontracts
- Budget transfers over the 10% rule per contract
- None of the above apply to this month

- Compliance with Special Conditions/ Corrective Action Plan.
- Overtime expenditures if any followed contract requirements
- Audit expenditures if any were allocated per agency funding sources per contract
- Annual Audit submitted by Service Agency per contract.
- Transfer of Funds/Budget adjustments less than 10% made by agency **
 ** (agency must attach Budget Revision request form)

Equipment Purchased:

| Purchase Date | Item | Cost | Model Number | Serial Number | Location |
|---------------|------|------|--------------|---------------|----------|
| | | | | | |
| | | | | | |
| | | | | | |

Travis County Purchasing Office employee, _____ was notified of above purchases on _____
(name) (date)

I certify the information reported herein and attached hereto is true, correct, and complete. Please process the attached payment(s). (Certification required for processing of payment.)

Executive Director _____ Date _____

For Travis County staff use only:

- County funds calculated accurately (to two decimals)
- County program budget not over-spent, per contract
- Fiscal year limitation not over-spent, per contract (75% Rule)
- Annual Audit submission by Service Agency per contract has been verified
- Compliance with Special Conditions/ Corrective Action Plan is confirmed

Attach copies of the following to this sheet and mark all that apply
 Payment Request (verified and approved)
 Expenditure Report (verified and approved)
 Budget Revision form (if applicable)
 Revised/ Modified Payment Request (if applicable)
 Any required prior approval documents

I certify the information reported herein and attached hereto is true, correct, and complete. Please process the attached payment(s). (Certification required for processing of payment.)

Travis County contract manager _____ Date _____

Travis County director (or designee) _____ Date _____

For TC HHS&VS Admin./Finance use only:

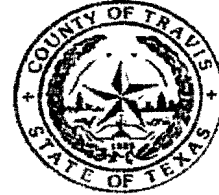
- Service has been received in the HTE system
- Payment Request reviewed for: 1) reporting accuracy 2) expenditures verified and 3) contract compliance
- Annual Audit submission by Service Agency per contract has been verified

I hereby certify that the information reported on this compliance certification form by all parties is true, correct and complete. I understand that the legality of the payment is dependent on the accuracy of these statements. Please process the attached payment(s). (Please note: payment will not be processed without this signed certification attached to request for payment.)

 Date
 (signature of Executive Manager or Director HHS&VS Administrative Services Division)

Grant Approval (County Auditor) _____ Date _____

Travis County Grant Contract
PAYMENT REQUEST



Invoice Number: **TBD-CDBG #1**

IMPORTANT: Both an Expenditure Report and a Compliance Certification form must be provided with this invoice

| SECTION I - CURRENT PAYMENT DATA | | |
|----------------------------------|---------------------------------------|------------------------|
| Agency | Program | Month/Year |
| TBD | CDBG: Homebuyer Assistance Program | February 2012 |
| | Contract Term | PAYMENT REQUEST AMOUNT |
| | | \$0.00 |

| SECTION II - PROGRAM BUDGET AND PAYMENT SUMMARY | |
|--|---------------------|
| Item | Travis County Funds |
| 1. Grant Funded Program Budget | |
| 2. Previous Payments Requested | \$0.00 |
| 3. AMOUNT OF THIS PAYMENT REQUEST | \$0.00 |
| 4. Total Payments Requested (Item 2 plus Item 3) | \$0.00 |
| 5. Balance (Item 1, minus Item 4) | \$0.00 |

| SECTION III - CERTIFICATION <i>(Must be completed by Contractor)</i> | | |
|---|-------|------|
| I certify that this Payment Request and the corresponding Expenditure Report have been made in accordance with the terms and conditions of the Contract. I also certify that all information provided is correct and that the amounts are not in excess of current needs. | | |
| Preparer's Signature | Title | Date |
| | | |
| Authorized Signature | Title | Date |
| | | |

| SECTION IV - PAYMENT APPROVAL - (TRAVIS CO. Staff) | | |
|--|--------------------------------------|------|
| Contract Manager's Signature | Name and Title | Date |
| | Cristy Monet, LMSW Senior Planner | |

| SECTION V - PAYMENT APPROVAL - (Travis County FINANCE) | | | |
|--|----------------|------------------|-----------------------|
| TC HHS & VS Financial Approval | Name and Title | Date | AMOUNT APPROVED |
| | | | |
| County Account Number | Issue Area | Vendor ID Number | Purchase Order Number |
| | | | |

Staff Comments:

TRAVIS COUNTY CONTRACT EXPENDITURE REPORT

Inv. #: **TBD-CDBG #1**

Report Period: Feb-12

Agency: **Travis County HFC**
 Agency contact: First and Last Names
 E-mail: name@address.org

Program: **Homebuyer Assistance Program**
 Phone: number, ext Current contract term:
 Fax: number, ext.

| Line | Approved Budget | | Actual Expenditures & Balance | | |
|--|---|-----------------|-------------------------------|-------------------------|----------------|
| | Item | Approved Budget | Expenditures Nov. 2010 | Cumulative Expenditures | Budget Balance |
| PERSONNEL | | | | | |
| 1 | Salaries - REGULAR time | 0.00 | 0.00 | 0.00 | 0.00 |
| 2 | Salaries-OVERTIME (Trav.Co. only) | 0.00 | 0.00 | 0.00 | 0.00 |
| 3 | Benefits | 0.00 | 0.00 | 0.00 | 0.00 |
| 4 | Other (Specify) | 0.00 | 0.00 | 0.00 | 0.00 |
| A | SUBTOTAL - PERSONNEL | 0.00 | 0.00 | 0.00 | 0.00 |
| OPERATING EXPENSES | | | | | |
| 5 | General Operating Expenses | 0.00 | 0.00 | 0.00 | 0.00 |
| 6 | Insurance/Bonding | 0.00 | 0.00 | 0.00 | 0.00 |
| 7 | Audit Expenses (for Travis Co. funds, include pro-rata share only) | 0.00 | 0.00 | 0.00 | 0.00 |
| 8 | Consultants / Contractual | 0.00 | 0.00 | 0.00 | 0.00 |
| 9 | Staff Travel - within Travis County | 0.00 | 0.00 | 0.00 | 0.00 |
| 10 | Conference/Seminars/Trng. within Travis Co. | 0.00 | 0.00 | 0.00 | 0.00 |
| 11 | Staff Travel - out of Travis Co. | 0.00 | 0.00 | 0.00 | 0.00 |
| 12 | Travis County | 0.00 | 0.00 | 0.00 | 0.00 |
| 13 | Other (specify) | 0.00 | 0.00 | 0.00 | 0.00 |
| 14 | | 0.00 | 0.00 | 0.00 | 0.00 |
| B | SUBTOTAL - OP. EXPENSES | 0.00 | 0.00 | 0.00 | 0.00 |
| DIRECT ASSISTANCE | | | | | |
| 15 | Food / Beverage - for clients | 0.00 | 0.00 | 0.00 | 0.00 |
| 16 | Financial Assistance to Individuals (e.g., rent, mortgage, utilities) | 0.00 | 0.00 | 0.00 | 0.00 |
| 17 | | 0.00 | 0.00 | 0.00 | 0.00 |
| 18 | | 0.00 | 0.00 | 0.00 | 0.00 |
| C | SUBTOTAL: DIRECT ASSIST. | 0.00 | 0.00 | 0.00 | 0.00 |
| EQUIPMT./CAPITAL OUTLAY | | | | | |
| 19 | Other (Specify) | 0.00 | 0.00 | 0.00 | 0.00 |
| 20 | | 0.00 | 0.00 | 0.00 | 0.00 |
| D | SUBTOTAL - EQPMT/ CAPITAL | 0.00 | 0.00 | 0.00 | 0.00 |
| RECOVERED ADVANCE PAYMENTS | | | | | |
| Note: any amounts on line E must be input as negative dollars (reimbursed) | | | | | |
| E | SUBTOTAL: RECOVERED ADVANCE PAYMENTS | 0.00 | 0.00 | 0.00 | 0.00 |
| 21 | TOTALS (A+B+C+D+E) | 0.00 | 0.00 | 0.00 | 0.00 |
| | Maximums Allowable | 0.00 | 0.00 | 0.00 | 0.00 |

Preparer's Signature: _____

Date: _____

Authorized Signature: _____

Date: _____

| | |
|------------------------------|-------------|
| Travis Co. USE ONLY: | |
| Reviewed & approved by _____ | Date: _____ |

BUDGET REVISION REQUEST - GRANT CONTRACTS

Travis County Health and Human Services & Veterans Services Department

Agency Name: Travis County Housing Finance Corporation

Revision for: TRAVIS COUNTY CDBG Funding On

Program Name: Homebuyer Assistance Program

AGENCY: Refer to any applicable contracts and/or letters of attachment when using this form.

Revision Number: (No.)

Contract Term:

Effective Date for Revision: (date to be effective)

Notice: the line items in this form are NOT directly linked to the monthly "...Exp Rpt" forms - you must still input your revised budget line items (when approved) into the next applicable monthly "...Exp Rpt" form as usual.

| Line | Item | Approved Budget | Prior Approval Required ? | Adjustment Amt. (indicate + or -) | Revised Budget |
|--------------------------------|---|-----------------|---------------------------|-------------------------------------|----------------|
| PERSONNEL | | | | | |
| 1 | Salaries - REGULAR time | | | | 0.00 |
| 2 | Salaries-OVERTIME (Trav.Co. only) | | | | 0.00 |
| 3 | Benefits | | | | 0.00 |
| 4 | Other (specify) | | YES | | 0.00 |
| A | SUBTOTAL - PERSONNEL | 0.00 | | 0.00 | 0.00 |
| OPERATING EXPENSES | | | | | |
| 5 | General Operating Expenses | | | | 0.00 |
| 6 | Insurance/Bonding | | | | 0.00 |
| 7 | Audit Expenses (for Travis Co. funds, include pro-rata share only) | | | | 0.00 |
| 8 | Consultants / Contractual | | | | 0.00 |
| 9 | Staff Travel - within Travis County | | | | 0.00 |
| 10 | Conference/Seminars/Trng. within Travis Co. | | | | 0.00 |
| 11 | Staff Travel - out of Travis Co. | | YES | | 0.00 |
| 12 | County | | YES | | 0.00 |
| 13 | Other (specify) | | YES | | 0.00 |
| B | SUBTOTAL - OPER. EXPENSES | 0.00 | | 0.00 | 0.00 |
| DIRECT ASSISTANCE | | | | | |
| 15 | Food / Beverage - for clients | | | | 0.00 |
| 16 | Financial Assistance to Individuals (e.g., rent, mortgage, utilities) | | | | 0.00 |
| 17 | Other (specify) | | YES | | 0.00 |
| C | SUBTOTAL: DIRECT ASSIST. | 0.00 | | 0.00 | 0.00 |
| EQUIPMT./CAPITAL OUTLAY | | | | | |
| 19 | List Items (specify) | | YES | | 0.00 |
| D | SUBTOTAL - EQPMT./ CAPITAL | 0.00 | | 0.00 | 0.00 |
| 21 | TOTALS (A+B+C+D+E) | 0.00 | | 0.00 | 0.00 |

Preparer's Signature: _____

Date: _____

Authorized Signature: _____

Date: _____

| | |
|-------------------------------|-------------|
| Travis Co. USE ONLY: | |
| Reviewed & approved by: _____ | Date: _____ |

OUT OF TOWN TRAVEL FORM

NAME OF CONTRACTOR: _____

DATE OF SUBMISSION: _____

PURPOSE OF TRAVEL AND RELATIONSHIP TO COUNTY BUSINESS:

DESTINATION: _____

DATE: From _____ To _____

INDIVIDUALS PARTICIPATING:

RELATIONSHIP TO CONTRACT PURPOSE

| | |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

COSTS:

Lodging (Total): \$ _____

Details: _____

Meals (Total): \$ _____

Details: _____

Transportation (Total): \$ _____

Details: _____

SIGNATURE: _____

Printed Name: _____

Title: _____

Date: _____

Instructions for Time Tracking

Purpose: The purpose of the form is to provide support documentation to for personnel grant expenditures.

| Field | Data |
|------------------------------|---|
| Name | Enter the employee's name as it appears on the time sheet |
| Title | Enter employee's title. |
| Dates: | Enter the pay period which matches the employee's time sheet. For Example: 5/1/08-5/15/08 |
| Project Name Grant Name | Enter the official title of the project. Located on the project description provided by the CDBG Office. If multiple projects, enter multiple and add in detail in the Daily Activity Section. Enter CDBG |
| Grant Number Calendar Day | Enter the project number. This number is provided by the CDBG office and will change annually with funding. A new time sheet tracking sheet will be provided by the CDBG Office at the beginning of each new project period. If you are funded through multiple project numbers or sources, enter multiple and list in the daily activities section. Time sheets are coded with the full pay period. |
| Daily Activities | The tasks allowable by each grant are listed. Assign the number of hours in fifteen minute increments to each activity completed. The totals will automatically calculate at the bottom. |
| Other Time: | For any sick, personal, vacation or other types of leave, enter the number of hours used for the corresponding day. The sheet will automatically total. |
| Signature | Sign and send PDF copy to CDBG by Noon each pay day. |

Please do not change any of the formulas on the spreadsheet. If you have questions or if the spreadsheet is not working correctly, contact Christy Moffett at 854-3460.

Name:
 Title:
 Dates:
 Project Name:
 Grant Name: CDBG
 Grant Number: Multiple

| | Calendar Day (corresponds with the timesheet) | | | | | | | | | | | | | | | | Totals |
|------------------------------------|---|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|--------|
| Daily Activities: | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | |
| | | | | | | | | | | | | | | | | | 0.00 |
| | | | | | | | | | | | | | | | | | 0.00 |
| | | | | | | | | | | | | | | | | | 0.00 |
| | | | | | | | | | | | | | | | | | 0.00 |
| | | | | | | | | | | | | | | | | | 0.00 |
| LEAVE TIME | | | | | | | | | | | | | | | | | |
| Sick Leave | | | | | | | | | | | | | | | | | 0.00 |
| Vacation | | | | | | | | | | | | | | | | | 0.00 |
| Holiday | | | | | | | | | | | | | | | | | 0.00 |
| Personal Holiday | | | | | | | | | | | | | | | | | 0.00 |
| Subtotal of LEAVE TIME: | | | | | | | | | | | | | | | | | |
| Subtotal of Leave/Holidays: | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Subtotal of Project Activities: | | | | | | | | | | | | | | | | | |
| CDBG | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Totals: | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Employee Signature

Date

Supervisor's Signature

Date

INSTRUCTIONS for TRAVIS COUNTY INVOICING:

PS120143JW

Using the Payment Request/ Expenditure Report and related forms for Social Service Contracts

***** IMPORTANT: Please carefully read and follow the steps below in the order indicated to prepare and submit monthly invoices using the electronic invoicing spreadsheet forms located in the adjacent tabs of this file *****

GENERAL INFORMATION. This file contains the following spreadsheet tabs, listed from left to right:

Tab 1. This Instructions page - please print this and refer to it often as you prepare your invoices;

Tab 2. Budget Revision Request form, which must be completed and submitted any time such revision is needed;

Tab 3. Compliance Certification form - this completed form must be submitted with every invoice; and

Tabs 4 & above. The Expenditure Reports and Payment Requests (follow the detailed instructions below), comprised of 24 linked monthly spreadsheet tabs (12 "Exp Rpt" & 12 "Pay Req"), beginning with January. **NOTE:** (Subject to any changes in County requirements) if you have any unexpended funds remaining after your last regular monthly invoice and for which you will request payment, there will be a Supplemental "13th payment request" form provided separately, along with your Contract Annual Summary (formerly Close-Out) forms.

MAINTAINING the INTEGRITY of FORMS/ LINKS: The cell formulas and embedded links among the forms have been carefully constructed - do NOT change them without consulting us first. The forms may also be password-protected, allowing you to input required data into appropriate cells only. If your invoice forms need any changes, please contact your Travis County contract manager or City HHSD Research Analyst David Garza for assistance by email David.Garza@ci.austin.tx.us or by phone (512) 972-5008. Your assigned Travis County contract manager and the City Research Analyst are also available should you have any questions or need technical assistance.

MONTHLY EXPENDITURE REPORT (Complete this form FIRST)

1) In the "Jan07 Exp Rpt" spreadsheet tab, review and if needed add/correct the appropriate program and agency information near the top. Be sure to include your agency's contact person name/phone/extension.

2) For the Approved Budget column F, review and if needed, add/correct your TRAVIS COUNTY total 12-month (January 1 through December 31) program budget amount for each line item. Note that all subtotals and totals will calculate automatically. The resulting bottom line total in line 21 (cell F42) should equal the corresponding total COUNTY-only program budget amount for the current contract term.

3) Then in the Expenditures January 2007 column, input the actual amount for each eligible expenditure line item (total for the January 1st through January 31st period). Then check all amounts on the sheet for accuracy, and make sure that the correct amounts and other information are carried forward into the remaining monthly "...Exp Rpt" spreadsheets. As each new month is completed in the contract term, you will repeat this step for the corresponding month's Expenditure Report. Be sure to verify the accuracy of all calculations and cumulative amounts, every time you invoice.

PAYMENT REQUEST (Check/correct this form only AFTER completing the Expenditure Report)

These spreadsheets are designed so that the amounts in each of the 12 Payment Request forms automatically calculate directly from the corresponding Expenditure Report - this means that the two January forms are linked, as are the two February forms, etc. In addition, all of the "...Exp Rpt" and "...Pay Req" forms are linked so that the correct cumulative amounts should automatically be carried forward into the appropriate cells for subsequent months. **IMPORTANT: All amounts in the Payment Requests should be calculated automatically** - your main task for Payment Requests is to verify that all of the amounts are calculated and printed correctly.

5) Verify that each "...Pay Req" spreadsheet includes a unique Invoice Number in the shaded block near the top - this number is also linked to the invoice number of the corresponding month's Exp Rpt form. This Number is a code representing your agency and program, the month invoiced, and ends in " 1 " to indicate it is the first or original invoice for that month. **Important: if for any reason you later submit a different, revised or corrected, etc. invoice for that same month (which replaces or supplements the original invoice), change the ending number to " 2 " on that second invoice, then to " 3 " on the third one as needed, etc.**

***** Reminder for steps 6, 7 and 8 below: Most items on the Payment Request should be input or corrected by first adjusting the corresponding linked data in that month's Expenditure Report. *****

6) Next, review and (if needed) add/correct the appropriate agency and program information in section I, including the Payment Request Amount for the month being invoiced.

7) Check and correct (if needed) the amounts in Section II, ensuring that they are consistent with the corresponding amounts in the monthly "... Exp Rpt" spreadsheets.

8) Review the other "...Pay Req" spreadsheets to ensure that all of the information is accurately carried forward also.

9) To invoice for each upcoming month, repeat steps 3 and 5-8 listed above for the appropriate pair of monthly sheets, print both sheets, obtain the required signatures, and submit as usual with a completed Compliance Certification form.

Note - NOT included here: Supplemental "13th Payment" forms - If you have any unexpended funds remaining after your last monthly invoice and for which you will request payment, the appropriate Supplemental / 13th Payment forms should be provided after December for your action. Otherwise, you will release any remaining unexpended funds back to the County as part of the separate "Contract Annual Summary" (formerly known as "Close-Out") process.

ATTACHMENT G

ETHICS AFFIDAVIT

STATE OF TEXAS}
COUNTY OF TRAVIS}

Date: _____

Name of Affiant: _____

Title of Affiant: _____

Business Name of Contractor _____

County of Contractor: _____

Affiant on oath swears that the following statements are true:

1. Affiant is authorized by Contractor to make this affidavit for Offeror.
2. Affiant is fully aware of the facts stated in this affidavit.
3. Affiant can read the English language.
4. Affiant has received the list of key contracting persons associated with this Contract which is attached to this affidavit as Exhibit A.
5. Affiant has personally read Exhibit A to this Affidavit.
6. Affiant has no knowledge of any key contracting person on Exhibit A with whom Contractor is doing business or has done business during the 365 day period immediately before the date of this affidavit.

KJ Weis
Signature of Affiant

300 Camel, Ste. 100

Austin, TX 78702
Address

SUBSCRIBED AND SWORN TO before me by Kelly Weis on Aug 20, 2012

Notary Public, State of Texas



Typed or printed name of notary

Kimberly J Kestner

My commission expires:

09-27-15

EXHIBIT A
LIST OF KEY CONTRACTING PERSONS
August 13, 2012

CURRENT

| <u>Position Held</u> | <u>Name of Individual Holding Office/Position</u> | <u>Name of Business Individual is Associated</u> |
|---|---|--|
| County Judge | Samuel T. Biscoe | |
| County Judge (Spouse) | Donalyn Thompson-Biscoe.... | |
| Executive Assistant | Cheryl Brown | |
| Executive Assistant | Melissa Velásquez | |
| Executive Assistant | Josie Z. Zavala | |
| Executive Assistant | Cheryl Aker | |
| Commissioner, Precinct 1 | Ron Davis | |
| Commissioner, Precinct 1 (Spouse)..... | Annie Davis | Seton Hospital |
| Executive Assistant | Deone Wilhite | |
| Executive Assistant | Felicitas Chavez | |
| Commissioner, Precinct 2 | Sarah Eckhardt | |
| Commissioner, Precinct 2 (Spouse)..... | Kurt Sauer | Daffer McDaniel, LLP |
| Executive Assistant | Loretta Farb | |
| Executive Assistant | Joe Hon | |
| Executive Assistant | Peter Einhorn | |
| Commissioner, Precinct 3 | Karen Huber | |
| Commissioner, Precinct 3 (Spouse) | Leonard Huber | Retired |
| Executive Assistant | Garry Brown | |
| Executive Assistant | Julie Wheeler* | |
| Executive Assistant | Jacob Cottingham* | |
| Commissioner, Precinct 4 | Margaret Gomez | |
| Executive Assistant | Edith Moreida | |
| Executive Assistant | Norma Guerra | |
| County Treasurer..... | Dolores Ortega-Carter | |
| County Auditor | Susan Spataro, CPA | |
| County Executive, Administrative..... | Vacant | |
| County Executive, Planning & Budget.... | Leslie Browder* | |
| County Executive, Emergency Services. | Danny Hobby | |
| County Executive, Health/Human Services | Sherri E. Fleming | |
| County Executive, TNR | Steven M. Manilla, P.E.* | |
| County Executive, Justice and Public Safety | Roger Jefferies | |
| Chief Information Officer..... | Joe Harlow | |
| Director, Facilities Management..... | Roger El Khoury, M.S., P.E. | |
| Director, Records Mgmt & Communications | Steven Broberg | |
| Travis County Attorney | David Escamilla | |
| First Assistant County Attorney | Steve Capella | |
| Executive Assistant, County Attorney..... | James Collins | |
| Director, Land Use Division | Tom Nuckols* | |
| Attorney, Land Use Division..... | Christopher Gilmore | |
| Attorney, Land Use Division..... | Julie Joe | |
| Director, Transactions Division | John Hille | |
| Attorney, Transactions Division..... | Vacant | |
| Attorney, Transactions Division..... | Daniel Bradford | |
| Attorney, Transactions Division..... | Mary Etta Gerhardt | |
| Attorney, Transactions Division..... | Barbara Wilson | |
| Attorney, Transactions Division..... | Jim Connolly | |
| Attorney, Transactions Division..... | Tenley Aldredge | |
| Director, Health Services Division | Vacant | |
| Health Services Division | Prema Gregerson | |
| Purchasing Agent | Cyd Grimes, C.P.M., CPPO | |
| Assistant Purchasing Agent | Marvin Brice, CPPB | |
| Assistant Purchasing Agent | Bonnie Floyd, CPPO, CPPB, CTPM | |

CURRENT - continued

| | |
|-------------------------------------|----------------------------------|
| Purchasing Agent Assistant IV..... | Vacant |
| Purchasing Agent Assistant IV..... | Lee Perry |
| Purchasing Agent Assistant IV..... | Jason Walker |
| Purchasing Agent Assistant IV..... | Richard Villareal |
| Purchasing Agent Assistant IV..... | Patrick Strittmatter* |
| Purchasing Agent Assistant IV..... | Lori Clyde, CPPO, CPPB |
| Purchasing Agent Assistant IV..... | Scott Wilson, CPPB |
| Purchasing Agent Assistant IV..... | Jorge Talavera, CPPO, CPPB |
| Purchasing Agent Assistant IV..... | George R. Monnat, C.P.M., A.P.P. |
| Purchasing Agent Assistant IV..... | John E. Pena, CTPM |
| Purchasing Agent Assistant IV..... | Rosalinda Garcia |
| Purchasing Agent Assistant III..... | Shannon Pleasant, CTPM* |
| Purchasing Agent Assistant III..... | Michael Long, CPPB |
| Purchasing Agent Assistant III..... | Loren Breland, CPPB |
| Purchasing Agent Assistant III..... | David Walch |
| Purchasing Agent Assistant III..... | Nancy Barchus, CPPB |
| Purchasing Agent Assistant III..... | Jesse Herrera, CTP, CTPM, CTCM* |
| Purchasing Agent Assistant III..... | C.W. Bruner, CTP |
| Purchasing Agent Assistant II..... | Jayne Rybak, CTP* |
| HUB Coordinator..... | Sylvia Lopez |
| HUB Specialist..... | Betty Chapa |
| HUB Specialist..... | Jerome Guerrero |
| Purchasing Business Analyst..... | Scott Worthington |
| Purchasing Business Analyst..... | Jennifer Francis |
| HHS-CDBG..... |Christy Moffett |

FORMER EMPLOYEES

| <u>Position Held</u> | <u>Name of Individual</u> <u>Holding Office/Position</u> | <u>Date of Expiration</u> |
|---|---|---------------------------|
| Purchasing Agent Assistant IV..... | Oralia Jones, CPPB..... | 07/31/12 |
| County Executive, Planning & Budget.... | Rodney Rhoades..... | 08/19/12 |
| Purchasing Agent Assistant IV..... | Purchasing Agent Assistant IV.. | 12/16/12 |
| Director, Health Services Division..... | Beth Devery..... | 03/09/13 |
| Purchasing Agent Assistant III..... | Elizabeth Corey, C.P.M. | 03/14/13 |
| Attorney, Transactions Division..... | Tamara Armstrong..... | 03/30/13 |
| Executive Assistant..... | Lori Duarte..... | 06/15/13 |

* - Identifies employees who have been in that position less than a year.

ATTACHMENT F
INSURANCE REQUIREMENTS

Contractor shall have, and shall require all subcontractors providing services under this Contract to have, Standard Insurance meeting the General Requirements as set forth below and sufficient to cover the needs of Contractor and/or Subcontractor pursuant to applicable generally accepted business standards. Depending on services provided by Contractor and/or Subcontractor(s), Supplemental Insurance Requirements or alternate insurance options shall be imposed as follows:

I. General Requirements Applicable to All Contractors' Insurance.

The following requirements apply to the Contractor and to Subcontractor(s) performing services or activities pursuant to the terms of this Contract. Contractor acknowledges and agrees to the following concerning insurance requirements applicable to Contractor and subcontractor(s):

A. The minimum types and limits of insurance indicated below shall be maintained throughout the duration of the Contract.

B. Insurance shall be written by companies licensed in the State of Texas with an A.M. Best rating of B+ VIII or higher.

C. Prior to commencing work under this Contract, the required insurance shall be in force as evidenced by a Certificate of Insurance issued by the writing agent or carrier. A copy of the Certificate of Insurance shall be forwarded to County immediately upon execution of this Contract.

D. Certificates of Insurance shall include the endorsements outlined below and shall be submitted to the Travis County Purchasing Agent within ten (10) working days of execution of the contract by both parties or the effective date of the Contract, whichever comes first. The Certificate(s) shall show the Travis County contract number and all endorsements by number.

E. Insurance required under this Contract which names Travis County as Additional Insured shall be considered primary for all claims.

F. Insurance limits shown below may be written as Combined Single Limits or structured using primary and excess or umbrella coverage that follows the form of the primary policy.

G. County shall be entitled, upon its request and without expense, to receive certified copies of policies and endorsements.

H. County reserves the right to review insurance requirements during any term of the Contract and to require that Contractor make reasonable adjustments when the scope of services has been expanded.

I. Contractor shall not allow any insurance to be cancelled or lapse during any term of this Contract. Contractor shall not permit the minimum limits of coverage to erode or otherwise be reduced. Contractor shall be responsible for all premiums, deductibles and self-insured retention. All deductibles and self-insured retention shall be shown on the Certificates of Insurance.

J. Insurance coverage specified in this Contract is not intended and will not be interpreted to limit the responsibility or liability of the Contractor or subcontractor(s).

II. Specific Requirements

The following requirements (II.A - II.E, inclusive) apply to the Contractor and Subcontractor(s) performing services or activities pursuant to the terms of this Contract. Contractor acknowledges and agrees to the following concerning insurance requirements applicable to Contractor and subcontractor(s):

A. Workers' Compensation and Employers' Liability Insurance

1. Coverage shall be consistent with statutory benefits outlined in the Texas Workers' Compensation Act.
2. Employers' Liability limits are
 - \$500,000 bodily injury each accident
 - \$500,000 bodily injury by disease
 - \$500,000 policy limit
3. Policies under this Section shall apply to State of Texas and include the following endorsements in favor of Travis County :
 - a. Waiver of Subrogation (Form 420304)
 - b. Thirty (30) day Notice of Cancellation (Form 420601)

B. Commercial General Liability Insurance

1. Minimum limit:
\$1,000,000* per occurrence for coverage A and B with a \$1,000,000 policy aggregate
2. The Policy shall contain or be endorsed as follows:
 - a. Blanket contractual liability for this Contract
 - b. Independent Contractor Coverage
3. The Policy shall also include the following endorsements in favor of Travis County
4.
 - a. Waiver of Subrogation (Form CG 2404)
 - b. Thirty (30) day Notice of Cancellation (Form CG 0205)
 - c. Travis County named as additional insured (Form CG 2010)

* **Supplement Insurance Requirement** If child care, or housing arrangements for clients is provided, the required limits shall be:

- \$ 1,000,000 per occurrence with a
- \$ 2,000,000 policy aggregate

C. Business Automobile Liability Insurance†

1. If any form of transportation for clients is provided, coverage for all owned, non-owned, and hired vehicles shall be maintained with a combined single limit of \$300,000* per occurrence
2. Policy shall also include the following endorsements in favor of Travis County
 - a. Waiver of Subrogation (Form TE 2046A)
 - b. Thirty (30) day Notice of Cancellation (Form TE 0202A)
 - c. Travis County named as additional insured (Form TE 9901B)

† **Alternative Insurance Requirement**

If NO transportation services of any type is provided, and use of a motor vehicle is strictly limited to travel to and from work or work sites, evidence of Personal Auto Policy coverage with limits of

\$ 100,000/\$300,000/\$50,000

may be provided in lieu of Business Automobile Liability Insurance

D. Professional Liability and/or E & O Insurance

1. Minimum Limit: \$ 1,000,000 per Occurrence
2. If coverage is written on a claims made policy, the retroactive date shall be prior to the date services begin under this Contract or the effective date of this Contract, whichever comes first. Coverage shall include a three- (3) year extended reporting period from the date this Contract expires or is terminated. Certificate of Insurance shall clarify coverage is claims made and shall contain both the retroactive date of coverage and the extended reporting period date.
3. Additional insured status for Travis County is **not** required

E. Blanket Crime Policy Insurance

1. If an advance against Contract Funds is requested or received in an amount greater than \$5,000, a Blanket Crime Policy shall be required with limits of the Contract Funds allocated in the Contract or the amount of scheduled advances.
2. If coverage is written on a claims made policy, the retroactive date shall be prior to the date services begin under this Contract or the effective date of this Contract, whichever comes first. Coverage shall include a three- (3) year extended reporting period from the date this Contract expires or is terminated. Certificate of Insurance shall clarify coverage is claims made and shall contain both the retroactive date of coverage and the extended reporting period date.
3. Additional Insured status for Travis County is **not** required

ATTACHMENT H

GRANT REQUIREMENTS

Grant Requirements

In an effort to reduce paper, the following grant requirements can be located on the internet at the following links:

24 CFR Part 570

http://www.gpo.gov/nara/cfr/waisidx_04/24cfr570_04.html

Link to HUD Crosscutting Issues for Environmental Review, Fair Housing and Non-Discrimination, Acquisition and Relocation and Financial Management and Procurement

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/toolkit

2006-2010 Consolidated Plan & 2011-2013 Consolidated Plan

http://www.co.travis.tx.us/health_human_services/cdbg/plans_reports/plans.asp

Program Year 2009 Action Plan

http://www.co.travis.tx.us/health_human_services/cdbg/plans_reports/plans.asp

Program Year 2010 Action Plan

http://www.co.travis.tx.us/health_human_services/cdbg/plans_reports/plans.asp

Program Year 2009 Substantial Amendment

http://www.co.travis.tx.us/health_human_services/cdbg/plans_reports/plans.asp

Program Year 2010 Substantial Amendment

http://www.co.travis.tx.us/health_human_services/cdbg/plans_reports/plans.asp

OMB Circulars

http://www.whitehouse.gov/omb/circulars_default

ATTACHMENT I

HUD MONITORING EXHIBITS

Attachment I

HUD Monitoring Checklists:

In an effort to reduce paper, the following HUD Monitoring Checklists can be located on the internet at the following link:

<http://www.hud.gov/offices/cpd/library/monitoring/handbook.cfm#3>

Please review the following checklists as they will be used as a guide for monitoring this contract:

- Exhibit 3-4 Guide for Review of National Objective of Low Mod Housing
- Exhibit 3-17 Guide for Review of Overall Management Systems
- Exhibit 3-18 Guide for Review of Financial Management
- Exhibit 3-19 Guide for Review of Cost Allowability
- Exhibit 3-20 Guide for Review of Procurement
- Exhibit 3-22 Guide for Review of CDBG Funded Homeownership Assistance -
Program Management and Individual Activities
- Exhibit 22-1 Guide for Review of Civil Rights Related Program Requirements for the
CDBG Program
- Exhibit 25-7 Guide for Review of Real Property Acquisition

ATTACHMENT J

TRAVIS COUNTY'S CDBG ANTI-DISPLACEMENT AND RELOCATION PLAN

**TRAVIS COUNTY
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
RESIDENTIAL ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN**

As an urban entitlement county receiving Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Community Development (HUD), Travis County is required to develop and follow a Residential Anti-displacement and Relocation Assistance Plan. This document has been developed to comply with such requirement, in conformity with the provisions established in the following laws and regulations:

- 1) The acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended ("URA"), as required under Section 570.606(a), and as implemented in 49 CFR Part 24;
- 2) The provisions of Section 104(d) of the Housing and Community Development Act of 1974, as amended (the Act) and the implementing regulations at 24 CFR Part 42; and
- 3) The requirements in 24 CFR Part 570.606.

This Plan includes six sections: 1) definitions, 2) a description of the steps Travis County will take to minimize displacement; 3) relocation assistance for displaced persons; 4) provisions for one for one replacement of low income dwellings; 5) monitoring of subrecipients; and 6) appeals.

I. DEFINITIONS

The definitions used in this section are excerpts from the applicable legislation. For more comprehensive definitions, please review the above the mentioned laws and regulations.

Comparable Housing - A dwelling that is functionally similar to the present unit, is decent, safe, and sanitary, and is currently available on the private market.

Displacement - The involuntary movement of a person or household from a project as a direct result of a CDBG assisted acquisition, demolition or rehabilitation activity.

Decent, safe and sanitary dwelling: dwelling which meets local housing and occupancy codes and meets the codes established in the URA.

Displaced person: A lower-income person, who, in connection with an activity assisted under any CDBG program activity, permanently moves from real property or permanently moves personal property from real property as a direct result of the demolition or conversion of a lower-income dwelling.

Low /Moderate Income Person (Household) - A person or household whose gross income (adjusted by family size) is under 80% of median income.

Low/Moderate Unit - A dwelling unit with a market rent that does not exceed Fair Market Rent for published Section 8 Existing Housing (in effect at the time the project inception). A unit that rents above the Fair Market Rent that is occupied by a low and moderate income household is not a low/mod unit.

Standard condition: means units that at a minimum meet the Existing Housing Quality Standards of the Section 8 rental subsidy program.

Substandard condition suitable for rehabilitation: units with code violations that can be brought to Section 8 Housing Quality Standards within reasonable monetary amounts.

Vacant occupiable dwelling unit: a dwelling unit that is in a standard condition; a vacant dwelling unit that is in substandard condition, but is suitable for rehabilitation; or a dwelling unit in any condition that has been occupied (except by a squatter) at any time within the period beginning 3 months before the date of execution of the agreement by the County covering the rehabilitation or demolition.

II. EFFORTS TO MINIMIZE DISPLACEMENT

Travis County's policy is to make all reasonable efforts to insure activities undertaken through the use of Community Development Block Grant (CDBG) program funds will not cause displacement or relocation. Displacement of any nature will be reserved as a last resort action necessitated only when no other alternative is available.

Careful consideration will be given during the planning phase of CDBG projects with regard to avoiding displacement. Proposed projects will be carefully reviewed to determine whether involuntary displacement is likely to occur. All practical alternatives to any proposed project that may result in residential displacement will be considered including the alternatives for other sites, and the costs and benefits, both financial and non-financial of each alternative. Projects that may result in displacement will receive a lower priority recommendation for funding, unless it can be shown that alternatives are not available. CDBG projects that involve acquisition of property will be expected to be conducted through the purchase of vacant land or with structures that have been vacant for at least 90 days.

III. RELOCATION ASSISTANCE FOR DISPLACED PERSONS

If after careful scrutiny 1) the benefits of a proposed project that may result in residential displacement are considered to outweigh the costs associated with displacement, and 2) no alternative sites are found, and 3) displacement is deemed necessary, then occupants will be assisted with relocation in compliance with federal regulations. In such cases, Travis County will replace all occupied and vacant occupiable low/moderate income dwellings units demolished or converted to a use other than as low/moderate income housing as a direct result of activities assisted with CDBG.

A. NOTIFICATION PROCESSES

Tenants or residents at risk of displacement through Travis County CDBG funded activities will be notified in a timely manner of the nature of the activity which may cause temporary or permanent displacement, the expected date of such displacement, and the rights of occupants.

1. For projects in which displacement may be permanent, notification will consist of written notice of eligibility for relocation assistance upon execution of the contract which authorizes acquisition and/or rehabilitation of the property. Such notice will be followed by a move-out notice made at least 90 days prior to the anticipated move-out date.
2. For projects in which displacement will be temporary, notification will consist of a general information notice as soon as feasible, cautioning the tenant not to move and explaining the proposed rehabilitation activity. This general notice will be followed by a Notice of Non-Displacement specifying the terms and conditions under which the tenant may re-occupy the property following project completion. In all instances of temporary displacement due to rehabilitation activity, the tenant/occupant will be notified as far in advance of the move-out date as is feasible. Notification will include information regarding replacement housing, the anticipated duration of construction/rehabilitation, and procedures for obtaining reimbursements.

B. RELOCATION ASSISTANCE

If relocation is determined to be necessary, Travis County's CDBG Office will be responsible in assisting any low/moderate income person displaced by the demolition of any housing or the conversion of lower income housing to another use by: 1) determining the specifics for providing relocation assistance and payments for both temporary and permanent relocation of tenants or owners 2)

determining the appropriate means for tracking the replacement of low/moderate income dwelling units; and 3) ensuring that it is provided within the required period.

1. **Temporary Displacement**

Tenants/residents involuntarily and temporarily displaced through rehabilitation activity will be reimbursed for all reasonable out-of-pocket expenses as required by the Act. These expenses will include moving expenses, rent and utility costs which exceed the tenants' original rents, and other justifiable and documented incidental expenses.

2. **Permanent Displacement**

Persons who are involuntarily and permanently displaced through acquisition or redevelopment of properties are to receive a Notice of Eligibility for Relocation Assistance at the time negotiations are initiated to provide assistance as required by the Act. Following notification and referral to suitable replacement housing, a ninety day written notice must be given prior to the required move-out date.

3. **Economic Displacement**

Economic displacement occurs if temporarily displaced tenants are required to pay "excessive" rents upon returning to their original housing units after rehabilitation, and therefore move permanently from the housing project. In order to prevent such economic displacement, returning tenants shall not be required to pay rents in excess of 30% of their income following rehabilitation activity.

4. **Conditions of Replacement Housing**

All persons displaced by CDBG activity either permanently or temporarily shall be relocated into housing that is:

1. Decent, safe and sanitary;
2. Adequate in size to accommodate the occupants;
3. Functionally equivalent;
4. In an area not subject to adverse environmental conditions; and

5. Affordable to the tenant/occupant (i.e., rent levels no higher than 30% of income).

5. Minimization of Impact

Consistent with the goals and objectives of activities assisted under the Act, Travis County will take the following steps to minimize the impact to direct and indirect displacement of persons:

1. Provide counseling and referral services to assist those displaced find alternative housing in the community.
2. Work with area landlords and real estate brokers to locate vacancies for households facing displacement.
3. Evaluate housing codes and rehabilitation standards in reinvestment areas to prevent undue financial burden on established owners and tenants.
4. Stage rehabilitation of apartment units to allow tenants to remain in the building/complex during and after the rehabilitation, working with empty units first.
5. Arrange for facilities to house persons who must be relocated temporarily during rehabilitation.
6. Adopt policies to identify and mitigate displacement resulting from intensive public investment in neighborhoods.
7. Adopt policies which provide reasonable protections for tenants faced with conversion to a condominium or cooperative.

6. Areas of Minority Concentration

Travis County's 2006-2010 Consolidated Plan identified specific "areas of minority concentration" within the jurisdiction. Minority persons temporarily or permanently displaced by housing activities in these areas shall be offered options for comparable replacement housing located both outside and inside these identified areas.

IV. PROVISIONS FOR ONE-FOR-ONE REPLACEMENT OF LOWER-INCOME DWELLING UNITS

Travis County will replace all occupied and vacant low/moderate-income dwelling units demolished or converted to a use other than as low/moderate income housing as a direct result of activities assisted with funds provided under the Housing and Community Development Act of 1974, as amended, and as described in 24 CFR Part 570.606(b). Low/moderate income replacement units may include public housing or existing housing receiving Section 8 certificate or voucher assistance.

All replacement housing will be provided within three years after the commencement of the demolition or rehabilitation relating to conversion, and will meet the following requirements:

1. The units will be located within the county;
2. The units will meet all applicable County Housing, building, and zoning ordinances;
3. The units will be designed (in terms of fiscal structure and building structure) to remain low/moderate income dwelling units for at least 10 years from the date of initial occupancy.

Before obligating or expending funds that will directly result in such demolition or conversion, Travis County will make public and submit to HUD the following information in writing:

1. Description of the proposed assisted project;
2. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as low/moderate income dwelling units as a direct result of the assisted activity;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. To the extent known, the general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement units;
5. The source of funding and a time schedule for the provision of the replacement dwelling units;
6. The basis for concluding that the replacement housing will remain in a low/moderate income dwelling unit for at least 10 years from the date of initial occupancy.

To the extent that the specific location of the replacement housing and other data in items 1 through 6 are not available at the time of the general submission, Travis County will identify the general location of such housing on a map and complete the disclosure and submission requirements as soon as the specific data are available.

V. MONITORING OF SUBRECIPIENTS/ RECORD KEEPING REQUIREMENTS

Subrecipients of Travis County's CDBG funds must obtain prior written approval from the Executive Manager of Travis County Health and Human Services and Veterans Service before initiating any displacement or relocation activity. In addition, non-profit organizations or subrecipients which involuntarily displace persons (temporarily or permanently) while developing affordable housing with assistance from Travis County

CDBG funds will be required to keep complete records of all relocation activity. These records will include but not be limited to:

- 1) A list of all affected tenants, with race/ethnicity/gender information and all relevant move-in and move-out dates;
- 2) Copies of official notifications to tenants/occupants;
- 3) Copies of documentation for reasonable moving expenses paid to persons temporarily or permanently displaced;
- 4) Copies of all contracts pertaining to the project, specifying the dates of initiation of negotiations and initiation and duration of rehabilitation/construction work;
- 5) For tenants who elect to relocate permanently but are ruled ineligible for relocation assistance, documentation indicating the reason for the move and demonstrating the subrecipient's process for explaining ineligibility and available housing alternatives;
- 6) Copies of all appeals or complaints, and their responses; and .
- 7) Copies of any other documentation required by applicable law or reasonably requested by County.

VI. APPEALS

A person who disagrees with the County's determination concerning whether the person qualifies as a "displaced person," or with the amount of relocation assistance for which the person is eligible, may file a written appeal of that determination with the County through Travis County Health, Human Services and Veterans Services. A person who is dissatisfied with the County's determination on his or her appeal may submit a written request for review of that determination to the HUD field office. If the full relief is not granted, the County shall advise the person of his or her right to seek judicial review.

ATTACHMENT K

TRAVIS COUNTY'S LEAD BASED PAINT HOMEBUYER ASSISTANCE PROGRAM GUIDELINES

Lead-Based Paint Requirements for CDBG Homebuyers Assistance Programs

Travis County
Community Development Block Grant (CDBG) Program
March 22, 2010

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1. Overview of Document

Lead is a highly toxic metal that may cause a range of health problems especially in young children and pregnant women. When lead is absorbed into the body, it can cause damage to the brain and other vital organs like the kidneys, nerves and blood. Both inside and outside the home, deteriorated lead-paint mixes with household dust and soil and becomes tracked in the body. For these reasons, the federal government banned the use of lead-based paint for residential use in 1978 and since then has developed a series of regulations to abate the risks of homes that still contain lead-based paint.

Activities supported with Community Development Block Grant (CDBG) funds have to be in full compliance with the Lead Safe Housing Rule (24 CFR Part 35) of the U.S. Department of Housing and Urban Development (HUD). The Lead Safe Housing Rule outlines the steps that must be taken to address lead-based paint hazards.

This document provides information for use by CDBG program administrators of homebuyer assistance programs including subrecipients, contracted administrators or grantee staff administrators. The document provides instructions on general steps to follow and forms to include as part of the documentation to comply with the CDBG lead hazard control requirements. If a program administrator is unsure how to carry out any of the requirements, they should refer to the resources listed throughout this document or contact the Travis County CDBG staff for clarification.

This guide contains the following sections:

- A list of exemptions from the Lead Safe Housing Rule
- A list of lead-based paint requirements for homebuyer assistance programs
- A list of references material (Exhibit 1),
- A list of glossary terms (Exhibit 2),
- Forms to be used to document compliance with the lead-based paint requirements (Exhibits 3 – 5), and
- Examples of Safe Treatment methods (Exhibits 6).

2. Exemptions

Properties may be exempt from the Lead Safe Housing Rule if they meet any of the criteria listed below:

- Housing units are constructed after 1978.
- Housing is “exclusively” for the elderly or persons with disabilities, with the provision that children less than six years of age will not reside in the dwelling unit (Refer to Exhibit 2 for a definition Housing for the Elderly).
- An inspection performed according to HUD standards found the property contained no lead-based paint.
- According to documented methodologies, lead-based paint has been identified and removed, and the property has achieved clearance.

Although not directly applicable to Homebuyer Assistance Programs, the following criteria also call for exemptions for the Lead Safe Housing Rule:

- Home rehabilitation will not disturb any painted surface.
- Emergency repairs to the property are being performed to safeguard against imminent danger to human life, health or safety, or to protect the property from further structural damage due to natural disaster, fire or structural collapse. The exemption applies only to repairs necessary to respond to the emergency.
- The property will not be used for human residential habitation. This does not apply to common areas such as hallways and stairways of residential and mixed-use properties.
- The property has no bedrooms.
- The property is currently vacant and will remain vacant until demolition.

When a property is exempted from the Lead Safe Housing Rule for any of the reasons listed above, the project administrator must fill out the “Lead Safe Housing Requirements Screening Worksheet” (Exhibit 3) and keep it on the program files.

❖ **In summary - all exemptions must be documented by filling out a “Lead Safe Housing Requirements Screening Worksheet” found in Exhibit 3, indicating the reason for exemption from the Lead Safe Housing Rule.**

3. Requirements for houses built prior to 1978

When homebuyer assistance is undertaken on units built before 1978, the Lead Safe Housing Rule applies and the following requirements must be followed by the program administrator.

3.1 The Application Process: Educating the Homebuyer

- Program administrators must distribute to purchasers the lead hazard information pamphlet titled *Protect Your Family From Lead in Your Home* issued by the Environmental Protection Agency (EPA), the U.S Department of Housing and Urban Development (HUD), and the Consumer Product Safety Commission (CPSC). This brochure uses pictures and simple language to describe the dangers of lead and suggest steps to prevent lead hazards.
- The pamphlet can be downloaded in English or Spanish from EPA's Website.
- The pamphlet can be distributed during the intake or screening of the program participants or as a module as part of the pre-purchase education and counseling process.
- If the program administrator decides to include a module as part of the pre-purchase education and counseling process, the module should aim 1) to provide lead hazard identification information which will help the buyer make an informed decision about choosing a property; 2) help the buyer understand lead hazard reduction including safe practices for work preparation and cleanup; and 3) outline program requirements and responsibilities regarding notification and lead hazard reduction activity.
- Even if the homebuyer is deemed unqualified or their loan application is rejected, they will have received valuable information on lead hazards and homeownership that they can use if they pursue other programs or financing assistance.

❖ In summary – program administrators must ensure that homebuyers receive a *Protect Your Family From Lead in Your Home* pamphlet. They should also ensure homebuyers receive the necessary lead-based paint education to be better equipped when evaluating potential homes.

3.2 Home Selection and Purchase Contract

- Program administrators and homebuyers should understand that if the identified home was built prior to 1978, a visual assessment for deteriorated paint must be included as well as stabilization, clean-up and clearance of any identified deteriorated paint. A Visual Assessment is a visual search for cracking, scaling, peeling or chipping paint. These activities usually occur during home inspection and purchase negotiation phase.
- Before signing the contract, the program administrator should make sure that homebuyers have received the *Protect Your Family From Lead in Your Home* pamphlet and a Disclosure Form for Target Sale from the seller. This form will document the homebuyers have received and understood the *Protect Your Family From Lead in Your Home* pamphlet and have received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards. English and Spanish versions of the Disclosure Form for Target Sales are found on Exhibits 4 and 5.
- A copy of the disclosure notice must be placed in the project file for each housing units that is part of the Homebuyer Assistance Program.

❖ In summary, program administrators must ensure that homebuyers receive a Disclosure Form for Target Sales form. They must keep a copy of this form in the program files.

3.3 Visual Assessment during the Home Inspection

- Since the Travis County Homebuyer assistance program provides inspection services as part of its assistance, the visual assessment for deteriorated paint should be included as part of the inspection.
- The assessment can be incorporated into the inspector's work to check for conditions that do not meet housing quality standards (HQS) or local codes.

- Inspectors typically record information on a checklist or form. This checklist or form will likely have a section for each area of the home (living room, kitchen, etc. as well as common areas if the unit is located in a multifamily building, such as a condo building).
- Within each section there should be a sub-section on lead-based paint for pre-1978 units which asks if the painted surfaces are either free of cracking, scaling, peeling, chipping, and loose paint or adequately treated and covered to prevent exposure of the occupants to lead-based paint hazards.
- If program standards do not include a check for deteriorated paint, program administrators must add it to the inspection items.

Review/Revise Inspection Procedures

- Program administrators must ensure that the inspection procedures and forms include specific lead-based paint information and instructions.
- Procedures should be revised, if necessary, to include training for conducting a proper visual assessment, including what to look for and how to record the repair instructions. A short, self-administered interactive training module on visual assessment is available on the web site of the HUD Office of Healthy Homes and Lead Hazard Control <http://www.hud.gov/offices/lead/training/visualassessment/h00101.htm>
- Inspection forms should be evaluated to ensure that they have specific instructions for the evaluation and a place to record the results and recommended repairs.

Record Inspection Results

- If the inspector finds deteriorated paint during the inspection, he or she must record these findings on the inspection form along with a description of the repairs required to correct the problem.
- Repair instructions should be specific and specify the use of safe work practices. For example, "fix paint surface" is inadequate. A more appropriate instruction would be: "Correct deteriorated paint surfaces on the living room in accordance with Federal lead-based requirements for safe treatment."
- A copy of the complete inspection report and the detailed repair instruction should be provided to the homebuyer and the program administrators.

❖ **In summary, program administrators will be required to conduct a Visual Assessment test for deteriorated paint.**

3.4. Option to Obtain an Evaluation

- If requested, sellers must allow homebuyers a ten-day opportunity to inspect the dwelling for lead-based paint or lead-based paint hazards. If the seller and homebuyer agree, this time frame may be negotiated.
- If the homebuyer chooses to evaluate the home for lead-based paint, he or she must hire a certified paint inspector or risk assessor or negotiate with the seller to hire one. Because the Travis County Homebuyers Assistance Program currently does not have funds to conduct an evaluation, the costs associated with an evaluation must be borne by the homebuyer.
- Program administrators should educate program staff on lead-based paint evaluations so that they can assist homebuyers in identifying a certified inspector or risk assessor, if they choose to obtain a lead-based paint evaluation. This will also enable staff to assist the homebuyer, after results are known, to understand options and help make difficult choices.
- If lead-based paint hazards are found, they are treated like any other defect found during an inspection. These options are constrained by the lead-based paint contingency in the contract:
 - The homebuyer may elect to withdraw from the contract and select another home. **Note:** Unless the contract includes contingencies for lead hazards, sellers' are not required by law to allow homebuyers to void their contract based on the results of the lead-based paint evaluation.
 - The homebuyer may re-negotiate the contract requiring the seller to conduct the necessary repairs.
 - The homebuyer may request to re-negotiate the contract requiring a lower purchase price in exchange for conducting the repairs themselves.
 - If lead is identified, program administrators can only move forward with the homebuyer assistance program if the necessary repairs are conducted by either the homeseller or the homebuyer. CDBG homebuyer assistance programs can not support the purchase of a home that is identified to contain lead without its proper removal and clearance.

- In cases where the evaluations reveal there are lead-based paint hazards and the homebuyer or homeseller does not want to conduct the repairs, the program administrator may assist the homebuyer in selecting another home.

- ❖ In summary – program administrators must ensure that homebuyers understand they will have to bear the cost, should they choose to conduct a lead-based paint evaluation.
- ❖ If the evaluation reveals there is lead-based paint and neither the homebuyer nor the homeseller can cover the cost, the homebuyer will have to select another home to continue to be eligible to participate in the CDBG Homebuyer Assistance program. This is because CDBG-funded Homebuyer Assistance programs cannot support the purchase of a home with known lead-based paint without remediating them, and currently the Travis County Homebuyer Assistance program does not have any funds to conduct any lead-based paint remediation.

3.5 Paint Stabilization & Clearance

- If the visual assessment conducted by program administrators shows deteriorated paint, the paint must be stabilized and clearance must be achieved. The program administrator is responsible for ensuring that the work is performed using safe work practices and that the dwelling passes clearance before occupancy.
- Paint stabilization is the treatment of paint surfaces that are cracking, scaling, chipping, peeling or loose. Paint stabilization must include the following activities:
 - **Repair Deteriorated Surface.** Any physical defect on a painted surface must be repaired before treating the surface.
 - **Remove Loose Paint.** All loose paint or other loose material should be removed from the surface to be treated.
 - **Apply New Paint.** Paint stabilization includes the application of a new protective coating or paint. The surface must be dry and protected from future moisture damage before applying a new protective coating or paint.

- **Training/Supervision.** Workers performing paint stabilization must be trained in accordance with Occupational Safety and Health Administration (OSHA) regulations at 29 CFR 1926.59. In addition, they must meet one of the following:
 - Supervision by a certified abatement supervisor;
 - Successful completion of an accredited abatement supervisor course in accordance with 40 CFR 745.225;
 - Successful completion of an accredited lead-based paint abatement worker course in accordance with 40 CFR 745.225;
 - Successful completion of the Lead-Based Paint Maintenance Training Program developed by the National Environmental Training Association for EPA and HUD;
 - Successful completion of The Remodeler's and Renovator's Lead-Based Paint Training Program developed by HUD and the National Association of the Remodeling Industry available on the HUD web site, www.hud.gov/offices/lead; **OR**
 - Successful completion of an equivalent course approved by HUD.

- The program administrator may decide to create a form for the worker to sign certifying that they have successfully completed one of the approved training courses.

- **Safe Work Practices.** Safe work practices must be used during paint stabilization and cleanup. Safe work practices help minimize the production and spread lead-contaminated dust and protect workers and residents from exposure to lead. There are four elements to safe work practice requirements that must be met:
 - **Occupant Protection.** Work should be performed in a vacant unit if possible. If residents must remain inside the dwelling during work, a barrier to the room where stabilization is taking place should be erected and residents should not be allowed to enter the work area until clearance has been completed.
 - **Worksite Preparation.** The worksite should be contained using plastic sheeting extending five feet beyond the perimeter of the treated area in all directions on the floor. Ventilation systems should be turned off until work is completed.
 - **Cleanup.** After paint stabilization is complete, the worksite should be cleaned to remove all lead-based paint dust. Cleanup must be accomplished by wet washing surfaces with a lead-specific detergent or

- its equivalent. Other cleaning devices, such as vacuum cleaners with HEPA filters, can be used during cleanup. Waste and debris must be disposed of in sealed containers in accordance with Federal and state waste disposal requirements.
- **Use of Safe Treatment Methods.** Exhibit 6 lists examples of safe and prohibited treatment methods.
 - Program administrators should educate program staff on the fundamentals of safe work practices. They may want to send staff to a training course. As a result, program staff will be able to accomplish the following:
 - Determine whether the worker or supervisor has completed one of the approved training courses programs;
 - Direct workers or supervisors to the appropriate resources if it is determined that they do not have adequate training to work with lead based paint;
 - Supervise the work; and
 - Provide guidance and answer the homebuyers' questions regarding safe work practices.
 - **Exemptions to Safe Work Practices.** Safe work practices are not required when treated areas are tested and found to be free of lead-based paint, or if the surface area being treated is smaller than a total of 20 square feet on exterior surfaces, 2 square feet per interior room, or 10 percent of the total surface area of small interior components, such as window sills.

Clearance

- Clearance must take place following paint stabilization. Clearance helps ensure that lead-based paint hazards are controlled and the unit is safe for habitation.
- Paint stabilization and other lead hazard reduction efforts are considered complete when clearance is conducted. Clearance must be performed to ensure that lead-based paint hazards have been controlled and dust-lead standards have been met.
- Clearance consists of a visual examination, collection of dust samples, and laboratory analysis of the samples for lead. It is performed after lead hazard reduction and clean-up are complete.

- Dwellings must meet clearance standards prior to occupancy. If the test results equal or exceed the designated standards presented below, the dwelling unit, worksite, or common area fails the clearance examination.

FEDERAL LEAD CLEARANCE STANDARDS
[35 CFR 745.227(e)(8)(viii)]

| | Floors ($\mu\text{g}/\text{ft}^2$) | Interior Windows Sills ($\mu\text{g}/\text{ft}^2$) | Window Troughs ($\mu\text{g}/\text{ft}^2$) |
|--|---|---|---|
| Lead in Dust (as measured by a dust wipe sample) | 40 | 250 | 400 |

- **Clearance Exemption.** Clearance is not required if the work in the unit involved surfaces less than 20 square feet on exterior surfaces, 2 square feet in any interior room or less than 10% of the surface area of a small interior or exterior component, such as a window sill.
- **Clearance Examiner.** The program administrator is responsible for hiring a certified professional to conduct clearance. This professional may be a certified risk assessor, lead-based paint inspector, or lead sampling technician.
- The clearance examiner must be independent from the individual or entity who conducted the paint stabilization or other lead hazard reduction, unless they are employees of the administering agency. If agency employees are used, the same individual who conducted paint stabilization is not permitted to conduct clearance.
- **Clearance Report.** Prior to closing, and within 15 calendar days of the completion of lead hazard reduction activities, the homebuyer must be notified of the results of the clearance examination. This notice is part of the required notice of lead hazard reduction activity. The program administrator should ensure that the report is prepared and sent to the homebuyer. This report should include:
 - Beginning and ending dates of the lead hazard reduction activities.
 - Name and address of the firm conducting lead hazard reduction activities and the name of the supervisor assigned to the lead hazard reduction activities.
 - The name, address and signature of each person conducting clearance sampling, the date of clearance testing, and the certification number for each certified risk assessor or inspector who conducted sampling.

- The results of clearance testing and the name of each laboratory that conducted the analyses and the identification number of the laboratory.
 - A detailed written description of the lead hazard reduction activities including methods used (usually paint stabilization), location of rooms where activity occurred, and any suggested monitoring.
- All surfaces that fail the clearance examination must be re-cleaned and retested until the area passes clearance.
 - **Staff Training.** All program staff should have a basic understanding of the proper clearance procedures.
 - Staff conducting the clearance examination must complete the requirements for certification in the state of Texas.
 - Program administrators should understand the components of the clearance report and understand procedures for notifying the buyer of the results.

❖ In summary, if the visual assessment shows deteriorated paint, the paint must be stabilized and clearance must be achieved. The program administrator is responsible for ensuring that the work is performed using safe work practices and that the dwelling passes clearance before occupancy.

3.6 Loan Closing

- Closing is the final step in the home purchase process. At closing, the homebuyer obtains loan proceeds and presents a certified check to cover the balance of the down payment and the closing costs. The loan closes, and the homebuyer assumes ownership and can move into the new home.
- The closing documents should include documents indicating that the borrower received the lead pamphlet, the disclosure statement and the clearance results.

3.7 Recordkeeping

- HUD Field Offices are responsible for monitoring administering agencies and their subrecipients to make sure that they are in compliance with

applicable regulations. It is good practice to incorporate lead-based paint documents into existing record keeping policies.

- Records must be kept for at least three years, but it is recommended that lead-based paint records be kept indefinitely.
- The table below summarizes a list of lead-based paint related forms required to be kept on file for the homebuyer assistance program.

3.8 Checklist for Recordkeeping

| √ | Forms | Requirements |
|---|---|--|
| | Lead Safe Housing Requirements Screening Worksheet | <ul style="list-style-type: none"> - If a house is built after 1978 – fill out a “Screening Worksheet” documenting exemption from the Lead Safe Housing Rule. |
| | Protect your Family from Lead in your Home Pamphlet | <ul style="list-style-type: none"> - Documentation that the pamphlet was handed to a homebuyer can be achieved by keeping a copy of the “Disclosure Form for Target Sales” in the program files. |
| | Disclosure Form for Target Sales | <ul style="list-style-type: none"> - Keep a copy of this form in the program files. |
| | Inspection Form: Visual Assessment Documentation | <ul style="list-style-type: none"> - The Inspection Form should include a section with a lead-based paint checklist to determine if there is any deteriorated paint in any area of the home. - A copy of the complete visual assessment inspection report and the detailed repair instruction (if applicable) should be kept on the program files. |
| | Paint Stabilization Documentation | <ul style="list-style-type: none"> - If visual assessment reveals deteriorated paint, documentation that the worker conducting paint stabilization has successfully completed one of the approved training course. - Copy of the paint stabilization report. |
| | Clearance Documentation | <ul style="list-style-type: none"> - Documentation that the Clearance Examiner is a certified risk-assessor, lead-based paint inspector or lead sampling technician. - Copy of report sent to homebuyer with clearance report. |

4. Exhibits

Exhibit 1: Reference Material

- 24 CFR Part 25, Lead-Based Paint Hazards in Federally owned and Assisted Housing (Lead Safe Housing Rule), effective September 15, 2000.
- Making it Work: Implementing the Lead Safe Housing Rule Interpretive Guidance on HUD's Lead Safe Housing Rule – March 2002
- Call the Leadlisting at (888) LEADLIST or (888) 532-3547 to locate qualified lead professionals including inspectors, risk assessors, abatement contractors and analytical laboratories nationwide. You can also obtain information on training providers and some of their course schedules on the Leadlisting either by phone, website <<http://www.leadlisting.org>> or from HUD's OHHLHC website, <<http://www.hud.gov/offices/lead>>.

Exhibit 2: Glossary of Terms

- **Clearance Examination:** Clearance is performed after hazard reduction, rehabilitation or maintenance activities to determine if a unit is safe for occupancy. It involves a visual assessment, analysis of dust samples, and preparation of report. The certified risk assessor, paint inspector, or lead sampling technician (called a clearance technician in the HUD regulation) performing clearance must be independent from the entity/individual conducting paint stabilization or hazard reduction.
- **Evaluation** means a risk assessment, a lead hazard screen, a lead-based paint inspection, paint testing, or a combination of these to determine the presence of lead-based paint hazards or lead-based paint.
- **Hazard reduction** means measures designed to reduce or eliminate human exposure to lead-based paint hazards through methods including interim controls or abatement or a combination of the two.
- **HUD** means the United States Department of Housing and Urban Development.
- **Housing for the Elderly** means retirement communities or similar types of housing reserved for households composed of one or more 62 years of age or more at the time of the initial occupancy.
- **Inspection** means: (1) A surface-by-surface investigation to determine the presence of lead-based paint as provided in section 302(c) of the Lead-Based Paint Poisoning and Prevention Act [42 U.S.C. 4822], and (2) The provision of a report explaining the results of the investigation.
- **Lead-Based Paint:** Paint or other surface coatings that contain lead equal to or exceeding 1.0 milligram per square centimeter or 0.5 percent by weight or 5,000 parts per million (ppm) by weight.
- **Lead-based paint free housing** means target housing that has been found to be free of paint or other surface coatings that contain lead equal to or in excess of 1.0 milligram per square centimeter or 0.5 percent by weight.

- **Lead-based paint hazard** means any condition that causes exposure to lead from lead-contaminated dust, lead-contaminated soil, or lead-contaminated paint that is deteriorated or present in accessible surfaces, friction surfaces, or impact surfaces that would result in adverse human health effects as established by the appropriate Federal agency.
- **Lead Hazard Screen:** a lead hazard screen is similar to a risk assessment. The sampling is less extensive, but the requirements are more stringent. If the screen fails, a full risk assessment must be conducted.
- **Lead Safe Housing Rule.** The Lead Safe Housing Rule, implementing sections 1012 and 1013 of Title X, is designed to help ensure that Federally assisted housing, and Federally owned housing being disposed of, does not pose lead-based paint hazards to young children.
- **Paint Stabilization** means repairing any physical defect in the substrate of a painted surface that is causing paint deterioration, removing loose paint and other material from the surface to be treated, and applying a new protective coating or paint.
- **Risk Assessment.** A risk assessment is a comprehensive investigation of a dwelling to determine the existence, nature, severity, and location of lead-based paint hazards. It includes paint testing, dust and soil sampling, and a visual evaluation. Risk assessment results are summarized in a written report with recommendations for actions.
- **Subrecipient** means any nonprofit organization selected by the grantee or participating jurisdiction to administer all or a portion of the Federal rehabilitation assistance or other non-rehabilitation assistance, or any such organization selected by a subrecipient of the grantee or participating jurisdiction. An owner or developer receiving Federal rehabilitation assistance or other assistance for a residential property is not considered a subrecipient for the purposes of carrying out that project.
- **Target Housing:** Title X defines target housing as any housing constructed prior to 1978, except housing designated for the elderly or disabled (unless a child under age six resides or is expected to reside in such housing for the elderly or disabled) or any zero-bedroom dwelling.

- **Visual Assessment.** A visual assessment for deteriorated paint consists of a visual search for cracking, scaling, peeling, or chipping paint. A visual assessment does not provide any information about whether or not there is lead-based paint. HUD recommends that visual assessments also include a search for visible dust and debris, including paint chips.

Exhibit 3: Lead Safe Housing Requirements Screening Worksheet

This worksheet¹ should be placed in the project file for any residential property that is assisted with Federal funds. Parts 1 and 2 should be completed for all projects.

Property Owner and Address: _____

Part 1: Exemptions from All Requirements of 24 CFR Part 35

If the answer to any of the following questions is yes, the property is exempt from the requirements of 24CFR Part 35. The regulatory citation of each exemption is cited as additional guidance.

- ❖ Was the property constructed after January 1, 1978? [35.115(a)(1)] YES
 NO
- ❖ Is this a zero-bedroom unit? (e.g. SRO, efficiency) [35.115(a)(2)] YES
 NO
- ❖ Is this dedicated elderly² housing? (i.e. over age 62) [35.115(a)(3)] YES
 NO
- ❖ Is this housing dedicated for the disabled³? [35.115(a)(3)] YES
 NO
- ❖ Has a paint inspection conducted in accordance with 35.1320(a) established that the property is free of lead-based paint? [35.115(a)(4)] YES
 NO
 - The date of the original paint inspection was _____. An optional paint inspection conducted on _____ confirmed this prior finding.
- ❖ Has all lead-based paint in the property been identified and removed, and has clearance been achieved as cited below? [35.115(a)(5)] YES
 NO
 - Clearance was achieved prior to September 15, 2000, and the work was done in accordance with 40CFR Part 745.227(b). YES
 NO
 - Clearance was achieved after September 15, 2000, and the work was done in accordance with 24CFR Part 35.1320, 1325 and 1340. YES
 NO
- ❖ Will a currently vacant unit remain vacant until it is demolished? YES
 NO
[35.115(a)(6)]

- ❖ Is the property used for non-residential purposes?⁴ [35.115(a)(7)] YES
 NO
- ❖ Will any rehab **exclude** disturbing painted surfaces? [35.115(a)(8)] YES
 NO
- ❖ Are emergency actions immediately necessary to safeguard against imminent danger to human life, health or safety, or, to protect the property from further structural damage? (e.g. after natural disaster or fire) [35.115(a)(9)] YES
 NO
- ❖ Will the unit be occupied for less than 100 days under emergency leasing assistance to an eligible household?⁵ [35.115(a)(11)] YES
 NO

Part 2: Limited Exemptions from Specific Hazard Reduction Requirements

The HUD Final Rule allows for limited exemptions from specific requirements due to the characteristics of the rehabilitation work, the structure or the occupants. If the answer to any of the following questions is yes, the grantee and/or occupant may waive certain requirements as described below.

- ❖ Is the amount of painted surface that is being disturbed below "de minimis" levels, as defined below? If so, safe work practices and clearance are not required in that work area.
 - Less than 20 square feet on an exterior surface [35.1350(d)(1)] YES
 NO
 - Less than 2 square feet in any single interior room [35.1350(d)(2)] YES
 NO
 - Less than 10% of surface area of an interior/exterior component YES
 NO
[35.1350(d)(3)]
- ❖ Is the unit occupied by an elderly person(s)? If so, relocation of the elderly occupant(s) is not required if complete disclosure of the nature of the work is provided and informed consent is obtained prior to rehabilitation.⁵ YES
 NO
- ❖ Is a unit that is subject to abatement requirements listed or eligible for listing on the National Register of Historic Places, or does it contribute to a National Register Historic District? If so, the State Historic Preservation Office may request that interim controls be implemented rather than abatement. On-going maintenance and re-evaluation is required. [35.115(13)] YES
 NO

I have evaluated the site and property, the work specifications, and interviewed the occupants. In my professional opinion, this unit qualifies for the indicated exemption(s).

Signature

Date

Footnotes

¹ Source: Making it Work: Implementing the Lead Safe Housing Rule in CPD-funded Programs, Student Manual, Part 2, Form # 5: http://www.hud.gov/offices/lead/training/MIWStudent_c.pdf

² Defined as retirement communities or similar types of housing reserved for households composed of one or more persons over age 62, or other age if recognized by a specific Federal housing assistance program. However, if a child under age 6 resides or is expected to reside in such a unit, the unit is not exempt.

³ The housing must be a residential property designated exclusively for persons with disabilities, defined as any person who has a physical or mental impairment that substantially limits one or more major life activities, has a record of impairment, or is regarded by others as having such an impairment. However, if a child under age 6 resides or is expected to reside in such a unit, the unit is not exempt.

⁴ Except that spaces such as entryways, hallways, stairways, etc. serving both residential and non-residential uses in a mixed-use property are not exempt.

⁵ When a household is provided short-term emergency leasing assistance and will occupy a unit for less than 100 days, the unit is exempt from lead paint regulations. This emergency leasing exemption is attached to the unit, not the family, and is a one-time exemption. After being assisted for a total of 100 consecutive days, the unit becomes subject to regular Subpart K requirements. Multiple families cannot be cycled through the same unit at intervals of less than 100 days under this exemption.

⁶ HUD Interpretive Guidance, April 16, 2001, question # J-24.

Exhibit 4: Disclosure Form for Target Housing Sales

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure (initial) _____

_____ (a) Presence of lead-based paint and/or lead-based paint hazards (check one below):

- Known lead-based paint and/or lead-based paint hazards are present in the housing (explain). _____
- Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

_____ (b) Records and reports available to the seller (check one below):

- Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below). _____
- Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

_____ (c) Purchaser has received copies of all information listed above.

_____ (d) Purchaser has received the pamphlet **Protect Your Family From Lead in Your Home**.

_____ (e) Purchaser has (check one below):

- Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
- Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment (initial)

_____ (f) Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

| | | | |
|-----------|------|-----------|------|
| Seller | Date | Seller | Date |
| Purchaser | Date | Purchaser | Date |

Exhibit 5: Disclosure Form for Target Housing Sales (Spanish version)

Declaración de Información sobre Pintura a Base de Plomo y/o Peligros de la Pintura a Base de Plomo

Declaración sobre los Peligros del Plomo

Se notifica a todo comprador de cualquier interés en propiedad real residencial en la cual fue construida una vivienda residencial antes del año 1978, que dicha propiedad puede presentar una exposición a plomo de la pintura a base de plomo que podría poner a niños jóvenes en situación de riesgo de desarrollar envenenamiento de plomo. El envenenamiento de plomo en niños jóvenes puede producir daños neurológicos permanentes, incluyendo incapacidad para el aprendizaje, cociente de inteligencia reducido, problemas de comportamiento y memoria dañada. El envenenamiento de plomo también representa un peligro especial para las mujeres embarazadas. El vendedor de cualquier interés en una propiedad privada real residencial tiene la obligación de proporcionarle al comprador toda la información que posea sobre los peligros de la pintura a base de plomo que se hayan determinado en evaluaciones o inspecciones de riesgo y de notificarle al comprador sobre cualquier peligro que conozca de la pintura a base de plomo. Se recomienda realizar una evaluación o inspección de posibles peligros de la pintura a base de plomo antes de la compra.

Declaración del Vendedor

(a) Presencia de pintura a base de plomo y/o peligros de pintura a base de plomo

(marque (i) ó (ii) abajo):

(i) _____ Confirmado que hay pintura a base de plomo y/o peligro de pintura a base de plomo en la vivienda (explique).

(ii) _____ El vendedor no tiene ningún conocimiento de que haya pintura a base de plomo y/o peligro de pintura a base de plomo en la vivienda.

(b) Archivos e informes disponibles para el vendedor (marque (i) ó (ii) abajo):

(i) _____ El vendedor le ha proporcionado al comprador todos los archivos e informes disponibles relacionados con pintura a base de plomo y/o peligro de pintura a base de plomo en la vivienda (anote los documentos abajo).

(ii) _____ El vendedor no tiene archivos ni informes relacionados con pintura a base de plomo y/o peligro de pintura a base de plomo en la vivienda.

Acuse de Recibo del Comprador (inicial)

(c) _____ El comprador ha recibido copias de toda la información indicada arriba.

(d) _____ El comprador ha recibido el folleto titulado *Proteja a Su Familia del Plomo en Su Casa*.

(e) El comprador ha (marque (i) ó (ii) abajo):

(i) _____ recibido una oportunidad por 10 días (o un período de tiempo de mutuo acuerdo) para hacer una evaluación o inspección de riesgo de presencia de pintura a base de plomo o de peligros de pintura a base de plomo; o

(ii) _____ renunciado a la oportunidad de hacer una evaluación o inspección de riesgo de presencia de pintura a base de plomo o de peligros de pintura a base de plomo.

Acuse de Recibo del Agente (inicial)

(f) _____ El agente le ha informado al vendedor de las obligaciones del vendedor de acuerdo con 42 U.S.C. 4852(d) y está consciente de su responsabilidad de asegurar su cumplimiento.

Certificación de Exactitud

Las partes siguientes han revisado la información que aparece arriba y certifican que, según su entender, toda la información que han proporcionado es verdadera y exacta.

Vendedor Fecha

Vendedor Fecha

Comprador Fecha

Comprador Fecha

Agente Fecha

Agente Fecha

Exhibit 6: Examples of Safe Treatment Methods

Removal of deteriorated paint by:

- Wet scraping;
- Wet sanding;
- Chemical stripping on or off site;
- Replacing painted components;
- Scraping with an infrared or coil-type heat gun with temperatures below 1,100°F;
- HEPA vacuum sanding;
- HEPA vacuum needle gun;
- Abrasive sanding with HEPA vacuum; and
- Specialized cleaning to remove lead dust.
- Covering of deteriorated paint surface with:
- Durable materials (such as wallboard or vinyl siding) with joint sealed and caulked.

Prohibited Treatment Methods

- Open flame burning or torching;
- Machine sanding or grinding without a HEPA local exhaust;
- Abrasive blasting or sandblasting without a HEPA exhaust;
- Heat guns operating above 1,100°F or charring paint;
- Dry scraping or dry sanding except in conjunction with heat guns or within one foot of electrical outlets; and
- Paint stripping in a poorly ventilated space using a volatile stripper that is a hazardous substance.

ATTACHMENT L

SECTION 3

- (i) Section 3 Certification
- (ii) Section 3 Guidelines
- (iii) Section 3 Report

Section 3 Certification

- A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). 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.
- B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
- C. The contractor agrees to send to each labor organization or representative or 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, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- D. 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.
- E. 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.
- F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
- G. 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 .
- H. (25 U.S.C. 450e) 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 Enterprises. Parties to this contract that are subject to the

provisions of Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

- I. The contractor also agrees to adopt a Local Opportunity Plan, maintain documentation to support its implementation and report not less than a quarterly basis the results of their Section 3 efforts.

Certification

"I certify that I understand and will follow the Section 3 requirements presented above and have the capacity to comply, document, and report as necessary."

WARNING: Falsifying information on this certification is a felony. HUD will prosecute false claims and statements. Conviction may result in civil and/or criminal penalties. (18 U.S.C. §§ 1001, 1010, 1012, 3559, 3571; 31 U.S.C. §§ 3729, 3802).

Name of Contractor: Y&J Services

By: Kelly Wiss

Title: Executive Director

Date: 8/20/2012

Compliance with Section 3 Travis County Community Development Block Grant (CDBG) Program Section 3 Overview

Section 3 Overview

Section 3 of the Housing and Urban Development Act of 1968, as amended, requires that recipients of financial assistance provided by the U.S. Department of Housing and Urban Development (HUD), including developers, owners, and contractors and their subcontractors, provide, "to the greatest extent feasible", training and employment opportunities for low income area residents and contract opportunities for the performance of work by local businesses owned by and/or employing low income residents.

Applicability

Section 3 preference requirements apply to recipients of CDBG for a covered project for which the amount of assistance exceeds \$200,000. Contractors and subcontractors are subject to Section 3 requirements when the amount of assistance exceeds \$200,000 and the amount of the contract or subcontract exceeds \$100,000. If the amount of assistance exceeds \$200,000, but no contract exceeds \$100,000, the Section 3 preference requirements apply only to the recipients. Section 3 applies to subrecipients, professional services or construction work for housing rehabilitation, housing construction or other public construction projects.

Section 3 Residents and Business Concerns

A "section 3 resident" is: 1) a public housing resident; or 2) a low- or very low-income person residing in the metropolitan area or Non-metropolitan County in which the Section 3 covered assistance is expended. Refer to Exhibit 1 for a definition of low and very low income resident.

A "Section 3 business concerns" are businesses that can provide evidence that they meet one of the following: 1) 51 percent or more owned by Section 3 residents; or 2) At least 30 percent of its fully time employees include persons that are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; or 3) Provides evidence, as required, of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications in the above two paragraphs.

Section 3 Compliance

To comply with Section 3 requirements, the Travis County CDBG program will examine and consider amongst other factors the contractor's or vendor's potential for success by providing

employment and business opportunities to low- and very low-income residents prior to acting on any proposed contract award. Towards this end, the County will include a local opportunity plan for CDBG-sponsored projects. As part of the response to bid solicitations, request for proposals, services or qualifications, businesses will be required to certify that a Section 3 Local Opportunity Plan will be submitted to the County if they are awarded a CDBG-funded contract.

Section 3 Local Opportunity Plan

A sample local opportunity plan is attached as Exhibit 2 along with Section 3 definitions on Exhibit 3. Recipients will be expected to maintain documentation of activities and outreach attempts. Recipients can use the form in Exhibit 4 to document the eligibility of their workers as Section 3 eligible residents. Additional information about Section 3 can be found on HUD's website at the following URL:

<http://www.hud.gov/offices/fheo/section3/section3.cfm> .

Reporting

Contractors, consultants, subrecipients and subcontractors will be expected to complete the "Section 3 Report" found in Exhibit 5 to document efforts made to direct the employment toward low-and very low income persons and to document whether Section 3 residents were hired to fill any available positions. Reports must be submitted to the County on a quarterly basis throughout the contract period and a final report will be due 5 days after the project/contract close-out date. The quarterly reports will be due according to the following schedule:

- January 5th for activities undertaken from October through December;
- April 5^h for activities undertaken from January through March;
- July 5th for activities undertaken from April through June; and
- October 5th for activities undertaken from July through September.

If the 5th falls on a weekend or a holiday, the quarterly reports are due to Travis County on the next business day.

Exhibit 1: Section 3 Income Limits

| All residents of public housing developments of the Travis County Housing Authority qualify as Section 3 residents. Additionally, individuals residing in Travis County who meet the low income limits set forth below can also qualify for Section 3 status. | |
|---|------------|
| Eligibility Guideline (Effective February 2012) | |
| Number in Household | Low Income |
| 1 individual | \$42,500 |
| 2 individuals | \$48,600 |
| 3 individuals | \$54,650 |
| 4 individuals | \$60,700 |
| 5 individuals | \$65,600 |
| 6 individuals | \$70,450 |
| 7 individuals | \$75,300 |
| 8 individuals | \$80,150 |

Exhibit 2: Section 3 Local Opportunity Plan

(Name of Contractor), hereby agrees to implement the following specific affirmative action steps to increase the utilization of business concerns located within the Travis County boundaries.

1. Implement procedures to notify Section 3 residents and business concerns about training and employment opportunities generated by Section 3 covered assistance.
2. Implement procedures to notify Section 3 business concerns about the availability of contracting and subcontracting opportunities generated by Section 3 covered assistance.
3. Use notification methods to reach a broad segment of Section 3 residents that may include advertising in local advertising media, placing signs at the project site, contacting the Travis County Housing Authority, and contacting community organizations, employment agencies, and other public or private institutions operating and servicing the project area.
4. Notify potential contractors and subcontractors contemplating work on Section 3 covered projects of their responsibilities.
5. Incorporate the Section 3 Clause (verbatim) into all covered solicitations and contracts as per Section 24 CFR Part 135.38.
6. Refrain from entering into contracts with contractors or subcontractors that are in violation of the Section 3 regulations.
7. Appoint or recruit a staff member to act as Equal Opportunity Officer to coordinate the implementation of this plan.
8. Submit quarterly reports as required by the Travis County CDBG program reporting Section 3 employment activities.
9. Maintain records, including copies of correspondence, memoranda, etc., which document that all of the above affirmative action steps have been taken.

We, the officers / representatives of PeopleTrust, have read and fully agree to this plan, and agree to become a party to the full implementation of this program.

IN WITNESS WHEREOF, the undersigned, being duly authorized, has caused this document to be executed in its name on the 20th day of August, 2012

| | |
|--|---------------------------|
| <u>[Signature]</u> | <u>Executive Director</u> |
| Signature of Authorized Representative | Title |

Exhibit 3: Section 3 Definitions

Employment Opportunities Generated by Section 3 Covered Assistance – all employment opportunities generated by the expenditure of Section 3 covered projects including management and administrative jobs. Management and administrative jobs include architectural, engineering, or related professional services required to prepare plans, drawings, specifications, or work write-ups; and jobs directly related to administrative support of these activities, e.g. construction manager, relocation specialist, payroll clerk, etc.

Low Income Person – families (including single persons) whose incomes do not exceed 80% of the area median family income, with adjustments for smaller and larger families.

New Hires – full-time employees for permanent, temporary, or seasonal employment opportunities.

Section 3 – Section 3 of the Housing and Urban Development Act of 1968, as amended (12 USC 1701u)

Section 3 Business Concern – a business concern,

- a. That is 51% or more owned by Section 3 residents; or
- b. Whose permanent, full-time employees include persons, at least 30-percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; or
- c. That provides evidence of a commitment to subcontract in excess of 25% of the dollar award of all subcontractors to be awarded to business concerns that meet the qualifications set forth in paragraph “a” or “b” above.

Section 3 Definitions (continued)

Section 3 Covered Assistance –

- a. Assistance provided under any HUD housing or community development program that is expended for work arising in connection with the construction, reconstruction, conversion, or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development funds.
- b. Public housing development assistance provided pursuant to Section 4 of the 1937 Act;
- c. Public housing operating assistance provided pursuant to Section 9 of the 1937 Act;
- d. Public housing modernization assistance provided pursuant to Section 14 of the 1937 Act;

Section 3 Covered Contracts – a contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of Section 3 covered assistance, or for work generated by the expenditures of Section 3 covered assistance, or for work arising in connection with a Section 3 covered project. Section 3 covered contracts do not include contracts for the purchase of supplies and materials. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a Section 3 covered contract.

Section 3 Resident – a public housing resident or an individual who resides in the metropolitan area or non-metropolitan county in which the Section 3 covered assistance is expended and who is considered to be a low to very-low income person.

Subcontractor – any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor's obligation for the performance of work generated by the expenditure of Section 3 covered assistance, or arising in connection with a Section 3 covered project.

Very low-income person – families (including eligible single persons) whose income does not exceed 50% of the area median family income, with adjustments for smaller and larger families.

Exhibit 4: Resident Employment Opportunity Data

Eligibility for Preference

A section 3 resident seeking the preference in training and employment provided by this part shall certify, or submit evidence to the recipient contractor or subcontractor, if requested, that the person is a Section 3 resident, as defined in Section 135.5. (An example of evidence of eligibility for the preference is evidence of receipt of public assistance, or evidence of participation in a public assistance program).

Certification for Resident Seeking Section 3 Preference in Training and Employment

I, _____, am a legal resident of the _____ and meet the income eligibility guidelines for a low- or very-low-income person as published on the reverse.
 My permanent address is: _____

- I have attached the following documentation as evidence of my status:
- Copy of lease
 - Copy of Evidence of participation in a public assistance program.
 - Copy of receipt of public assistance
 - Other evidence

Signature _____

Print Name Date _____

Exhibit 5: Section 3 Report

Part I Agency and Contractor Information

| | |
|--|---------------------------------------|
| Subrecipient /Contractor/Subcontractor Name: | Project Name: |
| | Contract Amount: |
| Report Date: | Contact Person Name: Phone Number: |

Indicate the efforts you made to direct the employment and other economic opportunities generated by the CDBG financial assistance to the greatest extent feasible, toward low-and very low income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

- _____ Attempted to recruit low income residents through: local advertising media, signs prominently displayed at the project site, contacts with community organizations and public or private agencies operating within the metropolitan area (or non-metropolitan county) in which the Section 3 covered project is located or similar methods
- _____ Participated in a HUD program or other program which promotes the training or employment of Section 3 residents
- _____ Participated in a HUD program or other program that promotes the award of contracts to businesses that meet the definition of a Section 3 business.
- _____ Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered projects is located.
- _____ Other; describe below.

Part II Information Regarding Agency/ Contractor Employment

| Subrecipient / Contractor/Subcontractor Name: | | Project Name: | | | |
|--|---------------------|--|--|---|--|
| | | Contact Person Name: | | | |
| Report Date: | | Phone Number: | | | |
| For Subrecipients: Did your agency receive \$200,000 or more of CDBG funds for this project? For Contractors/Consultants: Is your contract in excess of \$100,000? If yes continue, if no then stop. (note for subcontractors: Section 3 applies if the primary contract exceeds \$100,000) | | Yes | No | | |
| Were there any new hires by your organization that were generated in connection with the CDBG award/project? "New hire" is defined as full time positions that are either permanent, temporary or seasonal. A new hire can be for a new position or replacement of an existing position that became vacant. If yes, please complete the following table in its entirety. If no, then stop. | | Yes | No | | |
| Job Category | Number of New Hires | Number of New Hires that are Sec 3 Residents | % of Aggregate Number of Staff Hours of New Hires that are Section 3 Residents | % of Total Staff Hours for Section 3 Employees and Trainees | Number of Section 3 Employees and Trainees |
| Professionals | | | | | |
| Technicians | | | | | |
| Office/Clerical | | | | | |
| Construction by Trade (List) | | | | | |
| Trade | | | | | |
| Trade | | | | | |
| Trade | | | | | |
| Other (List) | | | | | |
| | | | | | |
| Total | | | | | |

Section 3 resident/employee definition: A resident of public housing (regardless of income), or an individual residing in the metropolitan area or non metropolitan county in which the CDBG assistance is expended and whose income is below 80% of the metropolitan or county median income as published by HUD.

ATTACHMENT M

ENVIRONMENTAL REVIEW

- (i) Environmental Review Certification
- (ii) Environmental Review Guidelines
- (iii) Categorical Exclusion Not Subject To 58.36
- (iv) Sales Contract Addendum, Disclosures to Seller with Voluntary, Arm's Length, Purchase Offer



**Travis County Community Development Block Grant (CDBG)
Homebuyer Assistance Program
Environmental Certification**

This form is to be completed by a representative of TBD and placed on top of the documentation for each house to be cleared from environmental review. Prior to a house being cleared for use of Home Buyer Assistance Funds, the CDBG office must review and agree with the determination.

Property Address: _____

Applicant Name: _____

Program/Activity Name: **Owner Occupied Housing:
Homebuyer Assistance Program**

Based upon information provided, the house is **NOT**: (check all that apply)

- A FEMA Identified Special Flood Hazard
- Located in a costal barrier resource area
- Located in a Civil Airport's Runway Clear Zone or a Military Installation's Clear Zone
- A Pre 1978 with Lead Based Paint Hazards (refer to lead based paint materials provided)

I certify that the information I gathered on behalf of Travis County is true and correct.

Warning: Title 18, Section 10001 of the U.S. code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.

Consultant's Printed Name

Signature

Date

For CDBG Office Use Only

I agree with the environmental determination information provided. House is Cleared
 Not Cleared

Reviewer's Signature: _____ Date: _____

Printed Reviewer Name: XXXXXXXX

Sent review determination to XXX on: _____ via Email In-Person Fax



**Travis County Community Development Block Grant (CDBG)
Homebuyer Assistance Program
Environmental Review Guidelines**

Each house must be cleared prior to purchase to ensure environmental compliance. For this purpose three documents must be completed and turned to Travis County CDBG Office. Failure to complete this paperwork prior to purchase will cause the transaction to be ineligible for reimbursement.

Sales Contract Addendum, Disclosures to Seller with Voluntary, Arm's Length, Purchase Offer

For each sales contract placed on a home, this Addendum must be completed and attached to ensure the Federal Funds have not been committed prior to environmental clearance. If the addendum is not attached to the sales contract, the transaction may not continue.

Certificate of Categorical Exclusion (not subject to 58.5)

Fill out Page 2 (Compliance Documentation Checklist) along with supporting documentation for each property to be considered for the Program.

Environmental Certification Form

Complete this form certifying the results of the environmental items and lead based paint. This form needs to be signed by the same person filling out page 2 of the certificate of categorical exclusion or the Executive Director of the agency.

Submission of Environmental Review Documents

After completion of these documents, submit the Certification Form, page 2 of the Certificate of Categorical Exclusion and Addendum to the CDBG Office via email followed up by the original. The Office will review the packet and return a response within XX days. After the house is cleared, the transaction may proceed.

Grant recipient: _____ Project Name: _____

Project Description (Include all actions which are either geographically or functionally related):

Location: _____

Funding Source: CDBG HOME ESG HOPWA EDI Capital Fund Operating Subsidy Hope IV Other

Funding amount: _____ Grant Number: _____

I hereby certify that the above mentioned project has been reviewed and determined to be a Categorically Excluded activity (not subject to 58.5) per 24 CFR 58.35 (b) as follows:

| | |
|--------------------------|--|
| <input type="checkbox"/> | 1. Tenant based rental assistance; |
| <input type="checkbox"/> | 2. Supportive services including, but not limited to, health care, housing services, permanent housing placement, day care, nutritional services, short-term payments for rent/mortgages/utility costs, and assistance in gaining access to local, State, and Federal government benefits and services; |
| <input type="checkbox"/> | 3. Operating costs including maintenance, security, operation, utilities, furnishings, equipment, supplies, staff training and recruitment and other incidental costs; |
| <input type="checkbox"/> | 4. Economic development activities, including but not limited to, equipment purchase, inventory financing, interest subsidy, operating expenses and similar costs not associated with construction or expansion of existing operations; |
| <input type="checkbox"/> | 5. Activities to assist homebuyers to purchase existing dwelling units or dwelling units under construction, including closing costs and down payment assistance, interest buy downs, and similar activities that result in the transfer of title; |
| <input type="checkbox"/> | 6. Affordable housing pre-development costs including legal, consulting, developer and other costs related to obtaining site options, project financing, administrative costs and fees for loan commitments, zoning approvals, and other related activities which do not have a physical impact; |
| <input type="checkbox"/> | 7. Approval of supplemental assistance (including insurance or guarantee) to a project previously approved under this part, if the approval is made by the same responsible entity that conducted the environmental review on the original project and re-evaluation of the environmental findings is not required under Sec. 58.47. |

If your project falls into any of the above categories, no Request for Release of Funds (RROF) is required, and no further environmental approval from HUD will be needed by the recipient for the draw-down of funds to carry out the above activities and projects. The responsible entity must maintain this document as a written record of the environmental review undertaken under this part for each project.

By signing below the Responsible Entity certifies in writing that each activity or project is Categorically Excluded (not subject to 58.5) and meets the conditions specified for such determination per section 24 CFR 58.35 (b). Please keep a copy of this determination in your project files.

Responsible Entity Certifying Official Name & Title (please print)

Responsible Entity Certifying Official Signature

Date

Grant Recipient: _____ Project Name: _____

Project Description (Include all actions which are either geographically or functionally related):

Level of Environmental Review Determination: _____

Select One: (1) Exempt per 24 CFR 58.34, or (2) Categorically Excluded not subject to statutes per 58.35(b), or (3) Categorically Excluded subject to statutes per 58.35 (a), or (4) Environmental Assessment per 58.36, or (5) EIS per 40 CFR 1500

STATUTES and REGULATIONS listed at 24 CFR 58.6

FLOOD DISASTER PROTECTION ACT

1. Does the project involve acquisition, construction or rehabilitation of structures located in a FEMA-identified Special Flood Hazard?

No; Cite Source Document: _____ (This element is completed.)

Yes; Source Document: _____ (If "yes," proceed to number 2.)

2. Is the community participating in the National Insurance Program (or has less than one year passed since FEMA notification of Special Flood Hazards)?

Yes (Flood Insurance under the National Flood Insurance Program must be obtained and maintained for the economic life of the project, in the amount of the total project cost. A copy of the flood insurance policy declaration must be kept on file.) (Appendix I)

No (Federal assistance may not be used in the Special Flood Hazards Area.)

COASTAL BARRIERS RESOURCES ACT

1. Is the project located in a coastal barrier resource area?

No; Cite Source Documentation: _____ (This element is completed.)

Yes-Federal assistance may not be used in such an area.

AIRPORTS RUNWAY CLEAR ZONES AND CLEAR ZONES DISCLOSURES

1. Does the project involve the sale or acquisition of existing property within a Civil Airport's Runway Clear Zone or a Military Installation's Clear Zone?

No; Source Document: _____ (Project complies with 24 CFR 51.303 (a)(3))

Yes; Disclosure statement must be provided to buyer and a copy of the signed disclosure must be maintained in this Environmental Review Record (Appendix II)

Prepared by (name and title, please print): _____

Signature: _____

Date: _____

**ADDENDUM A
(PAGE 1 OF 3)**

**Travis County Homebuyer Assistance Program
Sales Contract Addendum, Disclosures to Seller with Voluntary, Arm's Length, Purchase Offer**

NOTICE: THIS ADDENDUM MUST BE EXECUTED AS PART OF THE SALES CONTRACT FOR THE PROPERTY OF INTEREST IN ORDER TO USE FEDERAL FUNDS FOR THE PURCHASE.

Owner(s)/Seller: _____ Date: _____

Buyer(s): _____

Address of Property Under Consideration: _____

Dear Owner/Seller:

Property believed to be owned by you is being considered for purchase, as referenced above. Because Federal funds in the form of down payment, closing cost and/or GAP financing assistance to the Buyer may be used in the purchase of your property, we are required to disclose the following information by the U.S. Department of Housing and Urban Development (HUD):

ENVIRONMENTAL REVIEW AND CLEARANCE:

1. Notwithstanding any provision of this contract, Buyer and Seller agree and acknowledge, that this contract does not constitute a commitment of funds or site approval of Property, and that such commitment of funds or approval of funds may occur only upon satisfactory completion of environmental review and receipt of a release of funds from the U. S. Department of Housing and Urban Development ("HUD") or Travis County, Texas under 24 CFR Part 58.
2. Within 30 days after the effective date of this contract, Buyer may terminate the contract by furnishing Seller a copy of (1) any report noted above that (a) adversely affects the use of the Property, and/or (b) prohibits the release of funds by Travis County or HUD for the third party financing pursuant to 24 CFR Part 58, and (2) a notice of termination of the contract. Upon termination, any earnest money, if applicable, will be refunded to Buyer.
3. Buyer and Seller further agree that any financing provided by Lender to this purchase transaction is condition upon the Buyer's determination to proceed with, modify or cancel this purchase transaction based on the results of an environmental review.

HUD - HOUSING QUALITY STANDARDS (HQS) INSPECTION:

1. Notwithstanding any provision of this contract, Buyer and Seller agree and acknowledge that this contract does not constitute a commitment of funds or site approval of Property, and that such commitment of funds or approval of funds may occur only upon satisfactory completion of a "no deficiencies" HQS property inspection.

ADDENDUM A
(PAGE 2 OF 3)

2. Within 30 days after the effective date of this contract, Buyer may terminate the contract by furnishing Seller a copy of an HQS inspection report listing HQS deficiencies. Upon termination, any earnest money, if applicable, will be refunded to Buyer.

THIRD PARTY FINANCING CONTINGENCY & CONDITIONS

1. Notwithstanding any dates that may be set forth in the contract or any third party financing addendum to the contract, if applicable, the date for buyer to give written notice to Seller that buyer cannot obtain CDBG-HBA financing approval is 30 days after the effective date of this contract. If Buyer cannot obtain financing approval, upon Buyer's timely notice of such to Seller, this contract will terminate and the earnest money, if applicable, will be refunded to Buyer. If Buyer does not give such notice within the time required, this contract will no longer be subject to financing approval.

TENANTS RIGHTS

1. Seller and Buyer acknowledge the rights and protection of tenants who rent property that is subject to purchase using federal funds are protected under the Uniform Relocation Act Policies of 1970 and Section 104(d) of the Housing and Community Development Act of 1974. Seller and Buyer further acknowledge that the funding of this transaction under the CDBG program is contingent upon compliance with said tenant right protections.
2. Seller and Buyer acknowledge the rights and protection of tenants who rent property that is subject to foreclosure under the "Protecting Tenants at Foreclosure Act of 2009" (Public Law 111-22, Title VII). Seller and Buyer further acknowledge that the funding of this transaction under the CDBG program is contingent upon compliance with said tenant right protections.

As the Seller, I/we understand that under the Travis County CDBG-HBA program, the property must be currently owner-occupied, vacant for three months at the time of submission of purchase offer, new (never occupied), or renter purchasing the unit. I/we hereby certify that the property is:

- Vacant at least 3 months; Owner-occupied;
 New; or Being Purchased by Occupant

**COMPLETED BY
SELLER**

NO POWER OF EMINENT DOMAIN

1. The sale is voluntary. If you do not wish to sell, the buyer(s), _____, thru the agency, TRAVIS COUNTY will not acquire your property. The buyer does not have the power of eminent domain to acquire your property by condemnation and the agency/Sponsor TRAVIS COUNTY will not use the power of eminent domain to acquire the property.

**ADDENDUM A
(PAGE 3 OF 3)**

- 2. The fair market value of the property is estimated to be \$ _____. However, since this transaction is voluntary, current or future negotiations may result in a price that could be (a) commensurate with this estimate or, (b) for an amount that exceeds or is less than this estimate.

An owner-occupant who conveys his or her property under these terms does not qualify as a displaced person. Additionally, any person who occupies the property for the purpose of obtaining assistance under the URA does not qualify as a displaced person. However, tenant-occupants displaced as a result of a voluntary acquisition may be entitled to URA relocation assistance and must be informed in writing as soon as feasible. In accordance with HUD requirements, if the information provided above is disclosed after an option to purchase or contract has been executed between the Buyer(s) and Seller(s), the Seller(s) must be provided the opportunity to withdraw from the agreement.

Any title deficiencies, liens, or encumbrances on the property must be cleared prior to closing. Generally this is a cost that is borne by the Seller(s) of the property; however, payment of these costs may be negotiated between the Seller(s) and the Buyer(s). **No federal funds can be used to pay these costs.**

If you have any questions about this matter, please contact XXXXXX at XXXXXX.

LEAD-BASED PAINT DISCLOSURE

As the Seller I/we understand that the (affiliation and title of inspector) _____ will inspect the property for health and safety deficiencies. I/we also understand that public funds may be involved in this transaction and, as such, if the property was built before 1978, a lead-based paint disclosure must be signed by both the buyer and seller, and that a Visual Assessment will be conducted to determine the presence of deteriorated paint.

I/we hereby certify that I have read and understand this "Declaration" and a copy of said Notice was given to me prior to the offer to purchase. If received after presentation of the purchase offer, I/We choose to withdraw or not to withdraw, from the Purchase Agreement.

Receipt acknowledged this _____ day of _____, 20_____

Owner/Seller

Buyer

Owner/Seller

Buyer

Warning: Title 18, Section 1001 of the United States Code, states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department or agency of the United States. All information shown above is true and correct to the best of my knowledge.

ATTACHMENT N

ASSURANCES AND CERTIFICATIONS

CDBG Certifications

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the subrecipient certifies that:

Affirmatively Further Fair Housing -- The subrecipient will affirmatively further fair housing, which means it will, take appropriate actions to overcome the effects of any impediments identified through that analysis of impediments, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following Travis County's antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG program.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about --
 - o The dangers of drug abuse in the workplace;
 - o The grantee's policy of maintaining a drug-free workplace;
 - o Any available drug counseling, rehabilitation, and employee assistance programs; and
 - o The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will --
 - o Abide by the terms of the statement; and
 - o Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

-
6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted –
 - Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
 7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

Anti-Lobbying -- To the best of the sub-recipient's knowledge and belief:

8. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, 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 any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
9. If any funds other than Federal 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 this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
10. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Consistency with plan -- The housing activities to be undertaken with CDBG funds are consistent with the PY 2006-2012 and PY 2011 – 2013 strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Lead-Based Paint -- Its activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K and R, of title 24;

Compliance with Laws -- It will comply with applicable laws.

[Handwritten Signature]

8/20/2012

Signature/Authorized Official

Date

Relly Weiss

Name

Executive Director

Title

310 Conrod, #100

Address

Austin, TX 78702

City/State/Zip

(512) 472-8788 ext. 105

Telephone Number

APPENDIX TO CERTIFICATIONS

Instructions Concerning Lobbying and Drug-Free Workplace Requirements**Lobbying Certification**

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.
2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
4. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).
5. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph three).

The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant: Place of Performance (Street address, city, county, state, zip code) Check if there are workplaces on file that are not identified here. The certification with regard to the drug-free workplace is required by 24 CFR part 21.

| Place Name | Street | City | County | State | Zip |
|------------|--------|------|--------|-------|-----|
| | | | | | |
| | | | | | |
| | | | | | |

6. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules: "Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15); "Conviction" means a finding of guilt (including a plea of *nolo contendere*) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes; "Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance; "Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including:
- All "direct charge" employees;
 - all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and
 - temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

[Handwritten Signature]

8/29/2012

Signature/Authorized Official

Date

Kelly Weiss

Name

Executive Director

Title

310 Central, #100

Address

Houston, TX 78702

City/State/Zip

(512) 472-8788 ext. 105

Telephone Number

ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.


PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

- 9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
- 10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
- 11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
- 12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
- 13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
- 14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
- 15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
- 16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
- 17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
- 18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

| | |
|--|------------------------------------|
| SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL  | TITLE <i>Executive Director</i> |
| APPLICANT ORGANIZATION <i>People Trust</i> | DATE SUBMITTED <i>8/20/2012</i> |

CERTIFICATION REGARDING MAINTENANCE OF EFFORT
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT

In accordance with the applicable program statute(s) and regulation(s), the undersigned certifies that financial assistance provided by the Community Development Block Grant for the specific contracted activities to be performed by Austin Habitat for Humanity, Inc. will be in addition to, and not in substitution for, comparable activities previously carried on without Federal assistance.

Kelly Weiss
Signature of Authorized Certifying Official

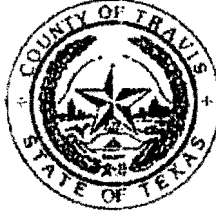
8/20/2012
Date

Kelly Weiss
Printed Name

Executive Director
Title

ATTACHMENT O

TRAVIS COUNTY AUDITOR AUTHORIZATION AGREEMENT FOR DIRECT DEPOSIT
(ACH CREDITS)



TRAVIS COUNTY AUDITOR
AUTHORIZATION AGREEMENT FOR DIRECT DEPOSIT (ACH CREDITS)

Company Name: People Trust - AKA Austin Community Land Trust
Tax ID Number: 20-4467651

This form authorizes Travis County to initiate credit entries to the account and depository financial institution named below. Origination of ACH transactions to this account must comply with the provisions of U.S. law. Travis County is also authorized to direct the financial institution to return any monies deposited in error.

Depository Name Wells Fargo Branch: Austin-Downtown
Address: 111 Congress Ave, Ste. 2200
City: Austin State: Texas Zip: 78701
Routing Number: 111900659 Account Number: 3138102557

This authorization is to remain in full force and effect until Travis County has received written notification of its termination in such time and in such manner as required by Travis County.

Name: Kim Kestner Title: Bookkeeper
Phone: 512-472-8788 Fax: 512-472-8789 Email: KKestner@ahfh.org
Date: 8-20-12 ^{X109} Signature: [Handwritten Signature]

PRENOTIFICATION POLICY - All additions or changes to the EFT payment system will result in a prenotification being sent to the financial institution. This may result in a paper check being issued until verification is received from the financial institution.

NOTE: WRITTEN CREDIT AUTHORIZATIONS MUST PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION

Print Form

ATTACHMENT P
PROGRAM GUIDELINES

Travis County



CDBG Homebuyer Assistance Program

Program Guidelines

Version 1, DRAFT 2012

HOMEBUYER ASSISTANCE PROGRAM GUIDELINES

Travis County Department of Health and Human Services

1.0. GENERAL

The Travis County Department of Health and Human Services, hereinafter referred to as the "Sponsor" has entered into a contractual relationship with the U.S. Department of Housing and Urban Development (HUD) to administer a Community Development Block Grant (CDGB) funded homebuyer assistance program. The homebuyer assistance program described herein (the "Program") is designed to provide assistance to eligible homebuyers in purchasing homes, also referred to herein as "housing units", located within the Program's eligible area, as described in Section 3.1. The Program provides this assistance in the form of forgivable, second priority loans to be used for down payment assistance and as deferred payment, shared appreciation loans to be used as "Gap" financing toward the purchase of housing units that will be occupied by the homebuyers. The Program will be administered by Travis County Housing Finance Corporation, (the "Program Operator").

1.1. PROGRAM OUTREACH AND MARKETING

All outreach efforts will be done in accordance with state and federal fair lending regulations to assure nondiscriminatory treatment, outreach and access to the Program. No person shall, on the grounds of race, color, national origin, religion, sex, familial status, or physical or mental disability be excluded, denied benefits or subjected to discrimination under the Program.

- A. The Fair Housing Lender logo will be placed on all outreach materials.
- B. Flyers or other outreach materials, in English and Spanish, will be widely distributed in the Program-eligible area and will be provided to any local social service agencies.
- C. The Program Operator will work closely with local real estate agents and primary lenders to explain the Program requirements for eligible housing units and homebuyers, and to review Program processes. Local real estate agents and primary lenders will also be encouraged to have their customers participate in the Program.

1.2. CONFLICT OF INTEREST REQUIREMENTS

In accordance with title 24, Section 570.611 of the Code of Federal Regulations, no member of the governing body and no official, employee

or agent of the local government, nor any other person who exercises policy or decision-making responsibilities (including members of the loan committee and officers, employees, and agents of the loan committee, the administrative agent, contractors and similar agencies) in connection with the planning and implementation of the Program shall directly or indirectly be eligible for this Program. Exceptions to this policy can be made only after public disclosure and formal approval by the governing body of the locality.

1.3. NON-DISCRIMINATION REQUIREMENTS

The Program will be implemented in ways consistent with the Sponsor's commitment to non-discrimination. No person shall, on the grounds of race, color, national origin, religion, sex, familial status, or physical or mental disability be excluded, denied benefits or subjected to discrimination under the Program.

1.4 APPLICATION PROCESS

- A. Prospective Participants obtain the First-Time Homebuyer application and information packet to determine if they meet basic program qualifications.
- B. Participant works with a qualified lender to apply for a first mortgage and complete the application package.
- C. The housing unit selection process will be conducted by the participant.
- D. Completed application packets must be delivered to XXXX:
- E. Complete application packets are date and time stamped and assistance is given on a **first-come-first-served basis**. Applications are only deemed complete if all information is complete, required back-up documentation is attached and the application is signed and dated. Incomplete applications will be returned to the applicant and will not be date/ time stamped until complete.
- F. **The Program Operator requires a thirty (30) day processing time, which will begin only after ALL documents are received.**
- G. Program Operator verifies applicant eligibility, housing unit and loan eligibility and amount of assistance to be provided consistent with these guidelines.

- H. The processing period includes completion of all required property inspections/ surveys, appraisals, title commitment, document preparation, and etc. to prepare for closing.
- I. The Program Operator will determine the applicant's eligibility, and will provide written notification to the Applicant of approval or denial with reason and, if denied, a copy of the Program's appeal procedures.
- J. When Primary Lender requirements are met, Program funds are deposited into escrow, with required closing instructions and loan documents.

2.0 APPLICANT QUALIFICATIONS

2.1. CURRENT INCOME LIMITS FOR THE AREA, BY HOUSEHOLD SIZE

All applicants must certify that they meet the household income eligibility requirements and have their household income documented. The income limits in place at the time of loan approval will apply when determining applicant income eligibility. All applicants must have incomes at or below 80% of the County's area median income (AMI), adjusted for household size, as published by HUD each year.

Household: means one or more persons who will occupy a housing unit.

Annual Income: Generally, the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period.

2.2. INCOME QUALIFICATION CRITERIA

Income eligibility will be determined using HUD's Part 5 definition of annual income. Projected annual gross income of the applicant household will be used to determine whether they are above or below the income limits. Income qualification criteria will be followed to independently determine and certify the household's annual gross income. Income will be verified by reviewing and documenting tax returns, copies of wage receipts, subsidy checks, and bank statements. All documentation shall be dated within six months prior to loan closing and kept in the applicant file and held in strict confidence.

A. HOUSEHOLD INCOME DEFINITION:

Household income is the annual gross income of all adult household members that is projected to be received during the coming 12-month period, and will be used to determine program eligibility. For those types of income counted, gross amounts (before any deductions have been taken) are used; and the types of income that are not considered would be income of minors or live-in aides. Certain other household members living apart from the household also require special consideration. The household's projected ability to pay must be used, rather than past earnings, when calculating income.

See Attachment A: 24 CFR Part 5 Annual Income Inclusions and Exclusions

B. ASSETS:

1. Assets are recognized as part of annual income under the Part 5 definition. It is the income earned – e.g. interest on a saving's account – not the asset value, which is counted in annual income. An asset is a cash or non-cash item that can be converted to cash. The value of necessary items such as furniture and automobiles are not included.

An asset's cash value is the market value less reasonable expenses required to convert the asset to cash, including: Penalties or fees for converting financial holdings and costs for selling real property. The cash value (rather than the market value) of an item is counted as an asset.

See Attachment B: Part 5 Assets Inclusions and Exclusions

2.3. HOUSEHOLD ASSETS

At the time of application to the program, household assets may not exceed half of the HUD established income limits for each household size.

2.4. FIRST-TIME HOMEBUYER

- A. All Program Participant(s) must meet the definition of a First-Time Homebuyer, described in section 2.4.B.

- B. "First-time homebuyer" means an individual or individuals or an individual and his or her spouse who have not owned a home during the three-year period before the purchase of a home with subsidy assistance, except that the following individual or individuals may not be excluded from consideration as a first-time homebuyer under this definition:
- 1) a displaced homemaker who, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse. A displaced homemaker is an adult who has not, within the preceding two years, worked on a full-time basis as a member of the labor force for a consecutive twelve-month period and who has been unemployed or underemployed, experienced difficulty in obtaining or upgrading employment and worked primarily without remuneration to care for his or her home and family;
 - 2) a single parent who, while married, owned a home with his or her spouse or resided in a home owned by the spouse. A single parent is an individual who is unmarried or legally separated from a spouse and has one or more minor children for whom the individual has custody or joint custody or is pregnant; and
 - 3) an individual or individuals who owns or owned, as a principal residence during the three-year period before the purchase of a home with assistance, a dwelling unit whose structure is:
 - a) not permanently affixed to a permanent foundation in accordance with local or state regulations; or
 - b) not in compliance with state, local, or model building codes and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.

2.5. HOMEBUYER EDUCATION

All Program participants must complete at least eight (8) hours of homebuyer counseling from a HUD-approved housing counseling agency prior to participating in the program. Certificate of completion must be submitted to the Program Operator as part of the loan application packet.

2.6. HOMEBUYER FUNDS REQUIREMENT

A minimum down payment of **five hundred dollars (\$500)** will be required from all homebuyers receiving financing through the Program.

2.7. CREDITWORTHINESS

All Program Participants must meet credit and underwriting criteria to secure a loan from a commercial lender. The terms and conditions of the commercial lender's loan will be evaluated by the Program Operator to determine if it meets program guidelines.

2.8. OWNER OCCUPANCY

Participants must occupy the property as a principal residence for the entire term of Program loan(s).

3.0. HOUSING UNIT ELIGIBILITY

The Program Operator will review each proposed housing unit to ensure that it meets all eligibility criteria before funding.

3.1. LOCATION AND CHARACTERISTICS

- A. Housing units to be purchased must be located within the Travis County Service Area.
- B. Eligible homes will be those that are currently owner occupied, currently under construction, or have been vacant for three months prior to the acceptance of a contract to purchase.
- C. No occupied rental units are eligible unless the existing tenant is purchasing the property.
- D. The property may be a single family home, a condominium or manufactured housing on its own lot and affixed to a permanent foundation.
- E. All housing units must be in compliance with State and local codes and ordinances.
- F. The property (structure) must be outside the flood plain as designated in the most recent FEMA 100 Year Flood Plain Map(s).

3.2. CONDITION

- A. Housing Quality Standards
All properties purchased with Program financing assistance must meet

the Program's Housing Quality Standards (HQS).

B. Construction Inspection and Determining Need for Repairs

Once the participating homebuyer has executed a purchase agreement for a housing unit, and prior to a commitment of Program funds, the following steps must be taken for the housing unit to be eligible for purchase under the Program:

- 1) The Program Operator will contract with an inspector who will inspect the property to ensure it meets the Program's Housing Quality Standards. The Program Operator will bear the cost of the HQS Inspection. The inspector will identify any code related and health and safety deficiencies that need to be corrected. A list of repair items will be given to the homebuyers and their Realtor to be negotiated with the seller.
- 2) If the housing unit was constructed prior to 1978 then the lead-based paint requirements of Section 3.2.B will apply.
- 3) Smoke detectors will be installed if there are none in place.
- 4) Upon completion of all work required by the inspector, a final inspection will be conducted prior to close of escrow. The inspector will sign off on all required work assuring that each housing unit receiving Program assistance is in compliance with local codes and health and safety requirements at the time of purchase and prior to occupancy.

C. Lead Based Paint Hazards:

For all homes built prior to 1978 following requirements must be met:

- 1) **Notification:** All Program applicants will be given a copy of and asked to read the EPA pamphlet "*Protect Your family From Lead in Your Home*". (EPA 747-K-94-001, **September 2001**) A signed receipt of the pamphlet will be kept in the Sponsor's homebuyer file.
- 2) **Disclosure:** The HUD disclosure, "Seller's Lead-based Paint Disclosure" notice must be provided by the seller to the homebuyer. A signed copy of the form will be kept in the Sponsor's Homebuyer file.

- 3) **Exemptions:** Certain properties may be exempt from Lead Safe Housing requirements. These exemptions must be documented on the "Lead Safe Housing Requirements Screening Worksheet" and appropriate documentation supplied.
- 4) **Inspections:** A "Visual Assessment" of all the dwelling unit's painted surfaces must be conducted as part of the required HQS Inspection in order to identify deteriorated paint. All deteriorated paint must be stabilized in accordance with CFR 35.1330 (a) and (b); and a Clearance shall be made in accordance with CFR 35.1340.
- 5) **Mitigation:** If stabilization is required, all costs will be borne by the seller and/ or buyer.
- 6) If lead based paint hazards have been identified in a property, proof of corrections and clearance must be provided to the Program Operator prior to the participant signing Program loan documents. If such proof cannot be provided, the property will be deemed ineligible for program funds.

4.0. HOME PURCHASE DISCLOSURES

Prior to making an offer to purchase an eligible housing unit (see Section 3.0), homebuyer shall provide seller with a disclosure containing the following provisions:

- 1) All housing units built prior to January 1, 1978 will require a lead paint disclosure to be signed by both the homebuyer and Seller;
- 2) The purchaser has no power of eminent domain and, therefore will not acquire the property if negotiations fail to result in an amicable agreement;
- 3) An estimate of the fair market value of the property;
- 4) The purchase and sale agreement will be contingent on the household and housing unit meeting Program eligibility requirements and receiving Program loan approval;
- 5) A certification of owner-occupancy or property vacancy (for a minimum of three months).

The homebuyer must have read and signed all Program disclosure forms. Any and all Property disclosures must be reviewed and signed by the homebuyer and seller.

5.0. THE PRIMARY LOAN

Prior to obtaining a loan from the Sponsor, a homebuyer must provide evidence of financing for the maximum amount the Primary Lender is willing to loan (the "primary loan"). The terms and conditions of the primary loan will be evaluated by the Program Operator to determine if it meets program guidelines.

5.1. QUALIFYING RATIOS

Primary loans underwritten by FHA, USDA Rural Development, Fannie Mae, Freddie Mac, will be acceptable to establish creditworthiness, repayment ability, and dependability of income.

- A. The front-end ratio shall be not exceed 33% and is the percentage of a borrower's gross monthly income (before deductions) that would cover the cost of PITI (loan principal and interest payment + property taxes + property insurance).

- B. The back-end ratio shall not exceed 45% and is the percentage of a borrower's gross monthly income that would cover the cost of PITI plus any other monthly debt payments like car or personal loans and credit card debt.

5.2. INTEREST RATE

The rate of interest shall be fixed (not an adjustable rate mortgage, ARM) and not exceed 2% above the prevailing market rate.

5.3. LOAN TERM

The primary loan shall be fully amortized and have a term "all due and payable" of up to 30 years. There shall not be a balloon payment due before the maturity date of the Program loan.

5.4 LIEN POSITION

First lien is held by the lender, the Program Sponsor is the second lien holder.

5.5. IMPOUND ACCOUNT

All households will be required to have impound accounts for the payment of taxes and insurance to ensure they remain current.

6.0. THE PROGRAM LOAN

6.1. NON-RECURRING CLOSING COSTS

Non-recurring costs such as credit report, escrow, closing and recording fees, and title report and title insurance, title updates and/ or related costs may be included in the Program loan.

6.2. AFFORDABILITY PARAMETERS FOR BUYERS

The actual amount of a buyer's Program subsidy shall be computed according to the housing ratio parameters specified in Section 5.1. Each borrower shall receive only the subsidy needed to allow them to become homeowners ("the Gap") while keeping their housing costs affordable. The primary lender will use the "front-end ratio" of housing-expense-to-income to determining the amount of the primary loan and, ultimately, the program subsidy amount required, bridging the gap between the purchase price (less down payment) and the amount of the primary loan.

6.3. RATE AND TERMS FOR PROGRAM LOANS

A. Down Payment Assistance

1. The maximum loan amount for down payment assistance is **\$8,000**.
2. The maximum loan amount cannot exceed fifty percent (50%) of the required down payment.
3. A second lien for the amount of assistance will be placed on the property by Travis County. In cases where the borrower is also receiving a Shared Appreciation Gap Financing Loan from Travis County HFC, the Down payment Assistance loan will take third position.
4. The interest rate will be set at 0%.
5. There will be no required monthly or annual payments.
6. The loan will be forgiven at the following pro rata method at a 5 year term:
 - a) from the date of purchase through the end of year one - 100% of the principal amount of this note is due and payable to Payee;
 - b) during year two- 80% of the principal amount of the note is due and payable to Payee;
 - c) during year three- 60% of the principal amount of the note is due and payable to Payee;
 - d) during year four- 40% of the principal amount of the note is due and payable to Payee;
 - e) during year five- 20% of the principal amount of the note is due and payable to Payee; and,

f) after the completion of year five - the principal amount of this note is forgiven.

7. During the five year term of the loan, any outstanding loan amount will be immediately due and payable upon the sale, transfer or refinancing of the property, or when the property is no longer used as the principal residence of the borrower.

B. Shared Appreciation Gap Financing

1. The maximum loan amount for gap financing shall not exceed **\$30,000**.
2. A second lien for the amount of assistance will be placed on the property by Travis County.
3. The interest rate will be set at 0%.
4. There will be no required monthly or annual payments.
5. The loan plus appreciation will be due and payable in full, 31 years from the state of the secured Promissory Note. The loan plus appreciation will be immediately due and payable upon the sale, transfer or refinancing of the property, or when the property is no longer used as the principal residence of the borrower.
6. Gross appreciation is calculated by subtracting the original sales price from the current sales price or the current appraised value if the loan accelerating event is other than sale of the property;
7. Net appreciation is calculated by subtracting the seller's applicable closing costs, seller's cash contribution in the original purchase transaction, and the documented value of capital improvements from the gross appreciation amount;
8. The Sponsor may only claim repayment of the principal and a portion of the net appreciation. That maximum portion of the net appreciation which may be claimed by the Sponsor is equal to the percentage of the value of the home financed by the Program loan. That is, if the loan equals 20% of the initial value of the home, a maximum of 20% of the net appreciation may be charged by the sponsor.

6.4 LOAN-TO-VALUE RATIO

The combined loan-to-value ratio shall not exceed 105 percent of the sales price.

7.0. PROGRAM LOAN REPAYMENT

7.1. PAYMENTS ARE VOLUNTARY

Borrowers may begin making voluntary payments at any time, upon notification to and approval of the Sponsor.

7.2. RECEIVING LOAN PAYMENTS

A. Program loan payments will be made to:

XXXX

B. XXXX will be the receiver of loan payments or recapture funds and will maintain a financial record-keeping system to record payments and file statements on payment status. Payments shall be deposited and accounted for in the XXXX Program Income Account. The Program lender will accept loan payments from borrowers prepaying deferred loans, and from borrowers making payments in full upon sale or transfer of the property. All loan payments are payable to XXXX. XXXX may at its discretion, enter into an agreement with a third party to collect and distribute payments and/or complete all loan servicing aspects of the Program.

7.3. DUE UPON SALE, TRANSFER, REFINANCING

Loans are due upon sale or transfer of title, refinancing, or when borrower no longer occupies the home as his/ her principal residence or upon the loan maturity date.

7.4. LOAN MONITORING PROCEDURES

Sponsor will monitor Borrowers and their housing units annually to ensure adherence to the owner-occupancy Program requirements.

8.0. PRIMARY AND PROGRAM LOAN DOCUMENT SIGNING

The homebuyer(s) sign promissory notes, deeds of trust, and statutory lending notices; the deeds of trust are recorded with the County Clerk/ Recorder at the same time, and the request(s) for copy of notice of default are also recorded with the County Clerk/ Recorder.

8.1. ESCROW PROCEDURES

The escrow/ title company shall review the escrow instruction provided by the Program lender and shall issue the American Land Title Association (ALTA) after closing. The ALTA is issued to each lender

providing additional coverage for the physical aspects of the property as well as the homebuyer's title failure. These aspects include anything which can be determined only by physical inspection, such as correct survey lines; encroachments; mechanics liens; mining claims and water rights. The Program lender instructs the escrow/ title company in the escrow instructions as to what may show on the policy; the amount of insurance on the policy (all liens should be covered) and the loss payee (each lender should be listed as a loss payee and receive an original ALTA).

9.0. DISPUTE RESOLUTION AND APPEALS PROCEDURE

All applicants will be notified in writing of a denial decision. Any applicant denied assistance from the Program has the right to appeal within seven (7) days of receipt of a denial decision. The appeal must be made in writing.

An Appeals Committee consisting of one representative of the Program Operator who did not previously review the client file and one representative of the Program Sponsor who did not previously review the client file will review the appeal. The Appeals Committee will have fourteen (14) days to review the appeal and respond in writing to the applicant. The decision of the Appeals Committee will be final.

ATTACHMENT A

24 CFR Part 5 ANNUAL INCOME INCLUSIONS AND EXCLUSIONS

Part 5 Inclusions

This table presents the Part 5 income inclusions as stated in the Code of Federal regulations.

| General Category | Statement from 24 CFR 5.609 paragraph (b) (April 1, 2004) |
|--|---|
| 1. Income from wages, salaries, tips, etc. | The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services. |
| 2. Business Income | <p>The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.</p> <p>Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 (above). Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.</p> |
| 3. Interest & Dividend Income | |
| 4. Retirement & Insurance Income | The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in number 14 of Income Exclusions). |
| 5. Unemployment & Disability Income | <p>Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay (except as provided in number 3 of Income Exclusions).</p> <p>Welfare Assistance. Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income:</p> <ul style="list-style-type: none"> ▶ Qualify as assistance under the TANF program definition at 45 CFR 260.31; and ▶ Are otherwise excluded from the calculation of annual income per 24 CFR 5.609(c). |
| 6. Welfare Assistance | <p>If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:</p> <ul style="list-style-type: none"> ▶ the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; <i>plus</i> ▶ the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is reduced from the standard of need by applying a percentage, the amount calculated under 24 CFR 5.609 shall be the amount resulting from one application of the percentage. |
| 7. Alimony, Child Support, & Gift Income | Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling. |
| 8. Armed Forces Income | All regular pay, special day and allowances of a member of the Armed Forces (except as provided in number 7 of Income Exclusions). |

Part 5 exclusions

This table presents the Part 5 income exclusions as stated in the Code of Federal Regulations.

| General Category | Statement from 24 CFR 5.609 paragraph (c) (April 1, 2004) |
|-------------------------------------|---|
| 1. Income of Children | Income from employment of children (including foster children) under the age of 18 years. |
| 2. Foster Care Payments | Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone). |
| 3. Inheritance and Insurance Income | Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in number 5 of Income Inclusions). |
| 4. Medical Expense Reimbursements | Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member. |
| 5. Income of Live-in Aides | Income of a live-in aide (as defined in 24 CFR 5.403). |
| 6. Disabled Persons | Certain increases in income of a disabled member of qualified families residing in HOME-assisted housing or receiving HOME tenant-based rental assistance (24 CFR 5.671(a)). |
| 7. Student Financial Aid | The full amount of student financial assistance paid directly to the student or to the educational institution. |
| 8. Armed Forces Hostile Fire Pay | The special pay to a family member serving in the Armed Forces who is exposed to hostile fire. |
| 9. Self-Sufficiency Program Income | <ul style="list-style-type: none"> a. Amounts received under training programs funded by HUD. b. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS). c. Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program. d. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time. e. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program. |
| 10. Gifts | Temporary, nonrecurring, or sporadic income (including gifts). |
| 11. Reparations | Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era. |
| 12. Income from Full-time Students | Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household or spouse). |
| 13. Adoption Assistance Payments | Adoption assistance payments in excess of \$480 per adopted child. |
| 14. Social Security & SSI Income | Deferred periodic amounts from SSI and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts. |
| 15. Property Tax Refunds | Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit. |

16. Home Care Assistance Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.
17. Other Federal Exclusions Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions of 24 CFR 5.609(c) apply, including:
- ▶ The value of the allotment made under the Food Stamp Act of 1977;
 - ▶ Payments received under the Domestic Volunteer Service Act of 1973 (employment through VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions);
 - ▶ Payments received under the Alaskan Native Claims Settlement Act;
 - ▶ Income derived from the disposition of funds to the Grand River Band of Ottawa Indians;
 - ▶ Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes;
 - ▶ Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program;
 - ▶ Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721);
 - ▶ The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court and the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands;
 - ▶ Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work study program or under the Bureau of Indian Affairs student assistance programs;
 - ▶ Payments received from programs funded under Title V of the Older Americans Act of 1985 (Green Thumb, Senior Aides, Older-American Community Service Employment Program);
 - ▶ Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.);
 - ▶ Earned income tax credit refund payments received on or after January 1, 1991, including advanced earned income credit payments;
 - ▶ The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990;
 - ▶ Payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, veterans employment programs, state job training programs and career intern programs, AmeriCorps);
 - ▶ Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation;
 - ▶ Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990;
 - ▶ Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran;
 - ▶ Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act; and
 - ▶ Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998.

ATTACHMENT B

24 CFR Part 5 ASSETS INCLUSIONS AND EXCLUSIONS

This presents the Part 5 asset inclusions and exclusions as stated in the Code of Federal Regulations.

Statements from 24 CFR Part 5 - April 1, 1998

Inclusions

1. Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average 6-month balance.
2. Cash value of revocable trusts available to the applicant.
3. Equity in rental property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g., broker fees) that would be incurred in selling the asset. Under HOME, equity in the family's primary residence is not considered in the calculation of assets for owner-occupied rehabilitation projects.
4. Cash value of stocks, bonds, Treasury bills, certificates of deposit and money market accounts.
5. Individual retirement and Keogh accounts (even though withdrawal would result in a penalty).
6. Retirement and pension funds.
7. Cash value of life insurance policies available to the individual before death (e.g., surrender value of a whole life or universal life policy).
8. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
9. Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.
10. Mortgages or deeds of trust held by an applicant.

Exclusions

1. Necessary personal property, except as noted in number 8 of Inclusions, such as clothing, furniture, cars and vehicles specially equipped for persons with disabilities.
2. Interest in Indian trust lands.
3. Assets not effectively owned by the applicant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated by the asset.
4. Equity in cooperatives in which the family lives.
5. Assets not accessible to and that provide no income for the applicant.
6. Term life insurance policies (i.e., where there is no cash value).
7. Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.

ATTACHMENT Q

HUB FORMS

- (i) Notice of Intent to Subcontract with HUB
- (ii) Travis County HUB Subcontractor Payment Report
- (iii) HUB Subcontractor/Subconsultant Change Form

Attachment Q-ii:

TRAVIS COUNTY
HISTORICALLY UNDERUTILIZED BUSINESS (HUB) - SUBCONTRACTOR PAYMENT REPORT

PRIME CONTRACTOR/CONSULTANT NAME: _____ AMOUNT OF PRIME CONTRACT: _____

PROJECT TITLE/NO. : _____ AMOUNT OF ALL SUBCONTRACTS: _____

TOTAL CONTRACT PERIOD: From: _____ To: _____ PAYMENTS REPORTED FOR THE MONTH OF: _____ 20__

| A | B | C | D | E | F | G |
|-----------------------------|---------------------|-------------------------------------|---|-----------------------------------|------------------------|------------------------|
| NAME OF HUB SUB-CONTRACTOR* | DESCRIPTION OF WORK | ORIGINAL SUB- CONTRACT AMOUNT | INCREASE OR DECREASE (MODIFICATION) | REVISED SUB-CONTRACT AMOUNT | PAYMENT THIS PERIOD | CUMULATIVE PAYMENTS |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

Instructions for completing this form:

- SECTION A:** Name all HUB Subcontractors performing on this project.
- SECTION B:** State the work being performed by the HUB Subcontractors.
- SECTION C:** State the original HUB Subcontractor amount.
- SECTION D:** State any increases or decrease, as a result of contract modifications or change orders, to the original HUB Subcontract (Section C) amount.
- SECTION E:** State the amended HUB Subcontract amount, to the Initial HUB Subcontract amount, as a result of any increase and/or decrease (Section D).
- SECTION F:** State the amount paid to each HUB Subcontractor during this reporting period.
- SECTION G:** State the total amount of payments made to-date (including amount from Section F) to the HUB Subcontractor.

I certify that the information listed on this report is true and accurate to the best of my knowledge. I fully understand that intentionally falsifying information on this document may result in TERMINATION OF MY CONTRACT.

 Printed Name of Contractor Representative

 Signature of Contractor Representative

 Date

 Report Number

PLEASE SUBMIT THIS FORM WITH YOUR MONTHLY INVOICES, PER THE TERMS OF YOUR CONTRACT.

Attachment Q-iii:

HUB SUBCONTRACTOR/SUBCONSULTANT CHANGE FORM
(ADDITION, SUBSTITUTION, DELETION, REDUCTION, INCREASE)

| | |
|-----------------------------|------------------|
| CONTRACT #: _____ | |
| CONTRACT DESCRIPTION: _____ | |
| PRIME CONTRACTOR: _____ | |
| REQUESTED BY: _____ | CONTACT #: _____ |
| DATE: _____ | E-mail: _____ |

- *OBTAIN PRE-APPROVAL FROM THE TRAVIS COUNTY PURCHASING AGENT AND/OR THE HUB COORDINATOR OF ALL CHANGES INVOLVING CERTIFIED HUB SUBCONTRACTORS.*
- **IF BIDDER HAS DIFFICULTY IN LOCATING CERTIFIED HUB SUBCONTRACTORS CONTACT THE TRAVIS COUNTY HUB COORDINATOR AT (512) 845-4561 OR HUB SPECIALIST AT (512) 854-9914, FOR ASSISTANCE.**

Check reason: _____ Addition _____ Substitution _____ Deletion _____ Reduction _____ Increase

REASON FOR ACTION:

- _____ Unavailable after receipt of reasonable notice to proceed.
- _____ Failure of performance.
- _____ Financial capacity.
- _____ Refusal by the subcontractor to honor the bid of proposal price.
- _____ Mistake of fact or law about the elements of the scope of work of a solicitation where a reasonable price cannot be agreed upon.
- _____ Failure of the subcontractor to meet insurance, licensing, or bonding requirements.
- _____ The subcontractor's withdrawal of his bid or proposal.

_____ Please provide me with a HUB Subcontractor listing.
 _____ I have already selected a potential HUB Subcontractor for this project. (List below)

SUB TO BE REPLACED: _____

REPLACEMENT: _____

REPLACEMENT'S STATUS:

Certified: HUB _____ M/WBE _____ DBE _____ Non-HUB _____ Unknown _____

INCREASED/DECREASED AMOUNT: Original Amt. \$ _____ New Amt. \$ _____

OTHER COMMENTS:

FAX TO: 512.854.9185 ATTN: HUB OFFICE

REVIEWED BY HUB PROGRAM OFFICE: Initials: _____ Date: _____