

Community Development Block Grant

Neighborhood Stabilization Program



Request for Proposals



**VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT**
Partners for Better Communities
www.dhcd.virginia.gov

CDBG NEIGHBORHOOD STABILIZATION PROGRAM – REQUEST FOR PROPOSALS

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INTRODUCTION

The Virginia Neighborhood Stabilization Program (NSP) was authorized under Title III of Division B of the *Housing and Economic Recovery Act of 2008*. The purpose is to assist in the redevelopment of abandoned and foreclosed homes. The Virginia program was developed and presented through a NSP Action Plan which was made available on December 1, 2008. This Request for Proposals should be read in conjunction with the Virginia Neighborhood Stabilization Program Action Plan.

NSP funds will be targeted to proposals that clearly identify neighborhoods that demonstrate a significant need and the ability to significantly impact and stabilize the proposed project area.

DHCD intends to distribute NSP funds in an effective and expedient manner by giving consideration to allowing a quick response to applicants positioned to respond rapidly, while allowing a reasonable amount of time for potential applicants to gain a better understanding of the areas of highest need and develop an implementation strategy. To best provide for immediate action by applicants that are ready to proceed, while also allowing preparation time for less geared-up applicants, four levels of distribution will be employed. These

methods include an Open Submission program, Planning Grants, a Competitive application, and a Performance-Based Pool.

Virginia intends to operate this program in a manner that will target areas of greatest need that also allows applicants to justify the need for NSP funds. The Virginia NSP is a neighborhood-based approach that will require applicants to conduct very specific, on-the-ground research in order to determine priority areas. Because there is not a single, definitive data source that accurately reflects areas of greatest need, applicants must cite the methodology used to identify and target the areas of greatest need. It is expected that applicants will use a variety of resources, ranging from online datasets, real estate records, court filings, and windshield surveying to initiate this process.

NOTE:

DHCD reserves the right to amend this document, as well as the NSP Action Plan, as HUD and other partners clarify the regulations and requirements of the Neighborhood Stabilization Program.

Important Dates:

Planning Grant Applications Accepted.....January 15 – February 20, 2009
Open Submission Proposals Accepted.....January 30 – April 3, 2009
Competitive Proposal Deadline.....June 1, 2009

NOTES ON PROPOSAL PREPARATION:

A completed, SIGNED cover sheet should be the FIRST PAGE of the proposal. Proposal summary and financial summary forms should be included behind this cover sheet. These forms should be followed by responses to common proposal elements and project type proposal elements. Attachments, including certifications and public hearing advertisements should follow these responses. Attachments should be included behind numbered tabs.

All pertinent information and data, whose source document is one of the attachments (e.g. itemized property information) should be extracted from the document and included and highlighted as appropriate as part of the proposal description. Do not assume that because critical information is contained in an attachment that it will be utilized in DHCD'S review. Information that supports your case should be included in the main body of the proposal.

DHCD STRONGLY PREFERS THAT PROPOSALS BE SECURED BY BINDER CLIPS, AND NOT WITH TWO-HOLE PUNCH FASTENERS, THREE-RING BINDERS, GBC BINDERS, PAPER CLIPS, RUBBER BANDS, OR SIMILAR DEVICES. ITEMS SUCH AS VIDEOS, LARGE MAPS, AND SO ON MAY BE SUBMITTED WITH PROPOSALS, BUT SHOULD SERVE ONLY AS SECONDARY SUPPORTING INFORMATION.

All relevant information must be included in the proposal. Contact DHCD in

advance of the due date with any formatting questions.

An ORIGINAL and SIX copies of all proposals and supporting information must be submitted to the Department of Housing and Community Development (DHCD) by 5:00 pm or postmarked by the time and date specified in the respective sections and sent via Federal Express, United Parcel Service, Priority Mail via the U.S. Postal Service or any other carrier for delivery within 2 business days following the proposal deadline. Proposals not delivered or mailed accordingly may be disqualified. The proposal format and forms are included in this document.

Proposals should be sent to:

Denise Ambrose
Associate Director
Virginia Department of Housing and Community Development
501 North Second Street
Richmond, Virginia 23219

Definitions

The following are definitions of words and phrases used throughout this Request for Proposals (RFP):

- “Grant” refers to a grant award under the NSP,
- “Grantee” refers to the unit of local government or other eligible applicant awarded a grant,
- “Project” refers to all of the activities undertaken that result in meeting the terms and conditions of the Grant Agreement,
- “Abandoned Home” refers to when mortgage or tax foreclosure proceedings have been initiated, no mortgage or tax payments have been made by the property owner for at least 90 days,

AND the property has been vacant for at least 90 days,

- “Foreclosed Property” refers to when mortgage or tax foreclosure is complete, and title from the property has been transferred from the former owner under foreclosure proceeding or deed in lieu of foreclosure,
- “Grant Agreement” refers to the DHCD contract offered to the Grantee for NSP funds,
- “Beneficiaries” refers to the eligible individuals or households who choose to participate in, or are directly affected by, a CDBG-funded project and, as a result, receive direct or indirect assistance,
- “Leverage funds” are all non-CDBG funds that have been committed to the project by the Grantee,
- “Local Governing Body” refers to the City Council, Board of Supervisors, or Board of Directors, as appropriate for the applicant,
- LMMI refers to low, moderate, and middle income which is defined as at or below 120% of area median household income based on the size of the household.
- “Program year” refers to the twelve-month period following the effective date of the CDBG Grant Agreement,
- “HQS” refers to Housing Quality Standards,
- “HUD” refers to the U. S. Department of Housing and Urban Development; and
- “DHR” refers to the Virginia Department of Historic Resources.

Questions regarding proposal development or about this RFP should be directed to:

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VIRGINIA CDBG PROGRAM GENERAL POLICIES

There are a number of policies which are applicable to all assistance available under the Virginia Community Development Block Grant (CDBG) Program, including the Neighborhood Stabilization Program (NSP). The following policies will all apply to the NSP, except where noted otherwise.

NATIONAL OBJECTIVES

All proposals and all project activities must address one of the three CDBG national objectives. CDBG funding was established by the *Housing and Community Development Act of 1974*. In accordance with Section 104(b)(3) of the Act, the use of CDBG funding must:

1. *Give maximum feasible priority to activities which will benefit low- and moderate-income families,*
2. *Aid in the prevention or elimination of slums and blight, and*
3. *May also include activities which are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the community.*

See page 8 for a description of how the NSP addresses the CDBG national objectives.

CONTRACT NEGOTIATION

Following announcement of the award of a grant, DHCD will schedule a Contract Negotiation Meeting with a locality to further discuss the terms of the grant offer

and to identify actions which must be taken by a locality, generally within a 60 day period, in order to receive a contract from DHCD. Failure on the part of a locality to complete identified actions will result in revocation of a grant offer by DHCD. Such actions typically include, but are not limited to, completion of Federal requirements, drafting and execution of other contracts and agreements, resolution of issues from previous contracts with DHCD, and completion of certain management planning activities.

ANTI-DISPLACEMENT

Localities must minimize the displacement of individuals, families, businesses, organizations, and farms in implementing projects using CDBG funding. This includes direct displacement resulting from real property acquisition, rehabilitation, demolition, and conversion and any indirect displacement.

Localities targeting CDBG funding must certify that displacement will be minimized at the local level and that a Residential Anti-displacement and Relocation Assistance Plan. Each recipient of CDBG funding must provide financial benefits and advisory services to any individual or entity involuntarily and permanently displaced as a result of a CDBG-assisted activity. This assistance must be provided on an equitable basis.

PAYMENT FOR PERFORMANCE

All CDBG Grant Agreements are performance-based contracts. The administrative section of the Project Budget must be based on activities completed or milestones achieved rather than for time and materials. These payment thresholds are negotiated between DHCD and the Grantee and will outline the respective tasks and how much DHCD will pay upon the completion of each task.

CONTRACTS AND PAYMENTS

DHCD reserves the option of funding projects under more than one performance-based contract and from more than one year's CDBG allocation. DHCD reserves the option of canceling additional contracts due to non-performance on initial contracts.

DHCD will make prompt payments under current contracts pending confirmation that performance expectations are being met. DHCD reserves the option of withholding payments for non-performance under any particular CDBG project and for non-performance under any other DHCD programs.

DHCD TECHNICAL ASSISTANCE

DHCD will provide technical assistance to local governments and their agents in preparing and submitting proposals and otherwise pursuing assistance under the Virginia CDBG Program. This assistance will generally occur via telephone, facsimile transmission, electronic mail, formal meetings, and occasional site visitation.

ENVIRONMENTAL CONSIDERATION FOR CONSTRUCTION PROJECTS

Applicants will be advised to contact the Department of Historic Resources (DHR) early in the project planning process.

The *National Environmental Policy Act* and related acts require an evaluation of the proposed project's impact on the environment. Projects that involve acquisition, rehabilitation, transfer, or a combination of those activities, are most often Categorically Excluded from the National Environmental Policy Act. These projects still require the completion of an Environmental Review Record (including submission of a Project Review form to Department of Historic Resources and contact with several other agencies), publication of a Notice of Intent to Request the Release of Funds, and waiting periods.

For projects that will involve demolition and new construction, an Environmental Assessment will be required. The requirements for publications and waiting periods for projects following an Environmental Assessment are more extensive than for those that are Categorically Excluded.

 The ERR process can take over sixty (60) days to complete as it involves review and comment periods, publication of an ad and preparation of the record. Therefore, it is imperative that the Grantee start this process immediately.

 For entitlement communities that receive CDBG funds directly from HUD and will be using State NSP funds to supplement existing CDBG projects, the Environmental Review Record must be updated to include

these new NSP activities, a Notice of Intent to Request the Release of Funds must be published, and a Request for release of Funds must be submitted to DHCD.

PLANNING DISTRICT COMMISSION REVIEW

Local governments must comply with the *Code of Virginia* §15.2-4213. This section of the Regional Cooperation Act requires that Planning District Commissions be notified by local governments of applications for state or federal aid. As this notification is for informational purposes only, it may take many forms during the pursuit of CDBG assistance. Notification may be more standardized for those CDBG assistance offerings with formal proposal submission requirements.

SURVEY GUIDANCE

HUD provides recommendations for applicants to follow when conducting income surveys. This guidance includes an overview of the types of acceptable surveying methods, recommendations for improving research techniques, procedures for conducting random sample surveys, and a review of acceptable rates of return for

surveys. This guidance is available from DHCD and should be utilized to the extent possible.

CONFLICT OF INTEREST

In accordance with Virginia and federal conflict of interest requirements (including Title 24 CFR Part 570.611) no work can be done on the property of any person, or his/her immediate family, who has or had decision-making power in the CDBG program from the time the application was planned, developed and submitted to DHCD to the grant's execution and implemented without DHCD's prior written approval regardless of any prior approval of a Program Design. This includes any elected and appointed officials, employees of the grantee, and Housing or Façade Board Members.

PROJECT MODIFICATIONS

DHCD reserves the right to adjust requests for NSP assistance and the terms of this assistance to optimize the provision of benefits, ensure that activities and improvements are eligible for NSP assistance, and otherwise promote efficient utilization of available funding.

VIRGINIA NEIGHBORHOOD STABILIZATION PROGRAM POLICIES

DEFINITIONS AND DESCRIPTIONS

Abandoned:

A home is abandoned when mortgage or tax foreclosure proceedings have been initiated, no mortgage or tax payments have been made by the property owner for at least 90 days, AND the property has been vacant for at least 90 days.

Foreclosed:

A property is foreclosed at the point mortgage or tax foreclosure is complete, and title from the property has been transferred from the former owner under foreclosure proceeding or deed in lieu of foreclosure.

Blighted:

Per Virginia Code, *blighted area* means any area that endangers the public health, safety or welfare; or any area that is detrimental to the public health, safety, or welfare because commercial, industrial, or residential structures or improvements are dilapidated, or deteriorated or because such structures or improvements violate minimum health and safety standards. This definition includes, without limitation, areas previously designated as blighted areas pursuant to the provisions of Chapter 1 (§ 36-1 et seq.) of this title.

Blighted property means any individual commercial, industrial, or residential structure or improvement that endangers the public's health, safety, or welfare because the structure or improvement upon the property is dilapidated, deteriorated, or violates minimum health and safety

standards, or any structure or improvement previously designated as blighted pursuant to § 36-49.1:1, under the process for determination of "spot blight."

Affordable Rent:

The minimum standards for affordability of rents will be the guidelines established by the HOME program.

LMMI:

Low, moderate, or middle income (LMMI) households are households at or below 120% of area median income.

25/50 Rule:

Federal requirement that at least 25% of all NSP funds received be spent to benefit individuals and families at or below 50% of area median income.

Current market appraised value:

The current market appraised value means the value of a foreclosed upon home or residential property that is established through an appraisal made in conformity with the appraisal requirements of the URA at 49 CFR 24.103 and completed within 60 days prior to an offer made for the property by a grantee, subrecipient, developer, or individual homebuyer.

NATIONAL OBJECTIVE

All activities funded through the NSP will benefit individuals and families at or below 120 percent area median income.

Households at or below 120% of median income are considered "Low, Moderate, and Middle Income" (LMMI). Service to LMMI

persons is the only eligible objective under the NSP. Activities may meet the LMMI requirement by:

- Providing or improving permanent residential structures that will be occupied by LMMI persons;
- Serving an area in which at least 51 percent of the households are low, moderate, or middle income (LMMIA);
- Serving a limited clientele whose incomes are low, moderate, or middle income (LMMIC).

25/50 Rule

DHCD will reserve at least \$9,687,483 (25%) of Virginia NSP funds for housing individuals and families whose incomes do not exceed 50 percent of area median income. Throughout the different funding rounds, funds will be specifically targeted to or escrowed to meet this 25 percent requirement.

The eligible limits for LMMI and 50% households are included in **ATTACHMENT A**.

ELIGIBILITY

Target for NSP Funds

A combination of data sources that utilized both the number of foreclosures and the rate of foreclosures was used to target NSP funds in Virginia. Based upon this data, localities that have at least 200 foreclosed properties or have a foreclosure rate of at least 4.0 percent are eligible for NSP funding. Targeting through this means provides an opportunity for those larger, metropolitan localities that have high numbers of foreclosures, along with smaller, central city and rural localities that have significant foreclosure rates, to access funds. This also

allows for highest impact targeting of neighborhoods, as described below. It should be noted that funds will not automatically be allocated to those communities that are eligible for funding. Applicants will be expected to submit a proposal for funding that targets a specific neighborhood with a high percentage of eligible properties and provides sufficient justification for why funds are needed and how they will be utilized, the proposed impact, and demonstrating the readiness and capacity to implement this program.

Localities that do not meet one of these thresholds may request individual discussions with DHCD to consider eligibility should there be special conditions that should be taken into account.

Target localities for NSP are covered in more detail in the Virginia NSP Action Plan.

Eligible Applicants

Cities or Counties are eligible to apply for any phase of NSP funding; however, no locality can submit more than one application in the open submission round of funding. Under the open submission round, only one NSP project may be applied for within a City or County, regardless of whether the applicants are the local government itself or a third party applying with local government endorsement. NSP entitlement localities may apply for any round of funding; however, they must clearly show how any award of state NSP funds will not adversely impact the efficiency of their use of entitlement funds, or vice versa.

Towns are expected to apply through the County in which they are located. Towns can also apply directly in the open submission round if their County does not intend to submit an application, with the

endorsement of the County via a resolution of the Board of Supervisors. Towns can apply directly for the planning grant and competitive rounds without formal endorsement

Nonprofit organizations, housing authorities, or planning district commissions can apply directly for the open submission round only with the endorsement of the City or County via a resolution of the local governing body. Nonprofit organizations, housing authorities, or planning district commissions can apply directly for the planning grant and competitive rounds without formal endorsement.

The performance pool is intended to be open to any eligible applicant that has already received NSP funding (including entitlement awards) and has demonstrated the capacity to spend the funds in a quick, responsible and efficient manner. DHCD reserves the right to offer awards from the performance pool to new applicants that are eligible under the open submission and competitive round guidelines if it is determined to be in the best interest of the NSP. More specific information on the eligible applicants for the differing NSP rounds is included in the respective sections of this RFP.

Non Profit Eligibility Guidelines

A Nonprofit Organization (NPO) that is an applicant to administer NSP funds must demonstrate adequate capacity. DHCD has set minimum eligibility requirements for NPO's to be considered for funding under the NSP.

In order to participate in the NSP Program as a subrecipient, a NPO must be designated as a 501(c)3 organization by the IRS. An eligible non profit will have the following:

- The NPO must have been operating as a 501(c)3 organization for a minimum of three (3) years.
- One of the primary missions of the NPO must be to improve the physical, social or economic environment of its geographic area for low to moderate income families/ individuals. Alternatively, a NPO can have a mission of service to a specific geographic area and a history of service in housing or related fields.
- Nominations are required for its board of director's seats and approval must be by the membership of the organization or by its permanent governing body.

ELIGIBLE ACTIVITIES

All activities authorized under the NSP are eligible activities. Certain activities are considered to be higher priority based on the needs identified in the state. The eligible activities are:

Purchase, Rehab, and Transfer of Abandoned and Foreclosed Homes

The primary activity of the Virginia NSP is purchasing and rehabilitating homes and residential properties that have been abandoned and foreclosed upon, with subsequent sale or habitation by eligible households.

The details of eligibility for purchases are included on page 12 under the heading of **Purchase of Abandoned and Foreclosed Homes**. The details of eligibility for rehabilitation are included on page 15 under the heading of **Rehab of Abandoned and Foreclosed Homes**.

The intent of the Virginia NSP is for applicants to develop a pool of eligible

home buyers that will allow purchased and rehabbed homes to be immediately sold to LMMI buyers. The details of eligibility for Transfer are included on page 16 under the heading of **Transfer of Abandoned and Foreclosed Homes**.

Financing Mechanisms

Establishing financing mechanisms for purchase and redevelopment of abandoned and foreclosed homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for LMMIH homebuyers, is an eligible activity under the NSP.

Other Activities

It is DHCD's intention that the use of NSP funds will result in eligible properties being bought or inhabited by eligible households. Except in unusual situations the expenditure of NSP funds will directly relate to this outcome and the regeneration of private real estate activities. Lower priority activities under the Virginia NSP include Land Banking, Demolishing Blighted Structures, and Redeveloping Demolished or Vacant Properties.

Land Banks are governmental or nongovernmental nonprofit entity established, at least in part, to assemble, temporarily manage, and dispose of vacant land for the purpose of stabilizing neighborhoods and encouraging re-use or redevelopment of urban property. Land Banks must operate in a specific, defined geographic area and purchase properties that have been abandoned and foreclosed upon and maintain, assemble, facilitate redevelopment of, market, and dispose of the land-banked properties.

Feedback has suggested that Land Banking is generally not an appropriate activity for the Virginia NSP. Applicants considering

using Land banking are strongly encouraged to contact DHCD in advance of submitting a proposal to discuss this strategy.

A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. Demolition of blighted structures is eligible under the NSP; however, the elimination of slum and blight is not an eligible objective for NSP funds. Any NSP funds used for demolition of blighted structures will have to show clear benefit to LMMIH.

Grantees are not required to meet the requirements of one-for-one replacement of low- and moderate-income dwellings units that are demolished or converted for activities assisted with NSP funds (42 U.S.C. 5304(d) as implemented at 24 CFR 42.375).

New construction of housing, building infrastructure for housing, sales costs, closing costs, and reasonable developer's fees related to NSP-assisted housing, rehabilitation, or construction activities may be eligible under this activity.

NSP funds may be used to redevelop acquired property for nonresidential uses, such as a public parks or mixed residential and commercial use.

DHCD strongly encourages applicants to acquire and redevelop FHA foreclosed properties and will provide technical assistance on its website regarding how these programs can effectively interact. See <http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/>. Grantees may also contact their local HUD FHA office for further information.

ELIGIBLE PROJECT AREAS

NSP funds will be targeted to proposals that clearly identify neighborhoods that demonstrate a significant need and the ability to significantly impact and stabilize the proposed project area. Applicants are responsible for prioritizing neighborhoods and developing an implementation strategy.

The Virginia NSP focuses investments in neighborhoods that can be significantly impacted through a defined revitalization strategy and leveraging of resources. This can be accomplished through strategies that address supportive housing, special needs housing, low-income homeownership, and the provision of rental units that keep within the character of the neighborhood.

Emphasis is placed on projects that retain the fabric of the existing neighborhood and priority is placed on projects that provide homeownership opportunities for eligible clients. It is the intent of the Virginia NSP to ensure that projects will not significantly change the preexisting nature, characteristic, or stability of that neighborhood. Proposals that contain a rental component will be evaluated on a case-by-case basis.

Adhering to the intent of this program, resources will be directed to neighborhoods in which a significant positive impact is expected. Applicants should seek to target neighborhoods that currently have at least 10% of the housing units, properties, or structures that meet the approved definition of foreclosed and abandoned. The program is aimed at addressing neighborhoods that have been hardest hit by the recent *foreclosure crisis*, not necessarily those areas that have negative conditions brought about by events pre-dating this issue. It is intended that investment of NSP funds will trigger the regeneration of private real estate

activity in the targeted neighborhoods. Scattered-site approaches that dilute impact will not be allowed. When targeting neighborhoods, applicants will be required to document how the proposed project area was defined. This can be based on historical information, community perception, mapping, or other supporting documentation.

PURCHASE OF ABANDONED AND FORECLOSED HOMES

The acquisition of abandoned and foreclosed homes is a crucial element of the NSP. The Grantee must observe the acquisition requirements whenever it purchases real property with NSP funds. The Grantee's compliance with the requirements will be closely monitored by DHCD.

Once a proposal is approved and targeted properties have been determined as eligible under this program, DHCD will make NSP funds available to complete acquisition. However, applicants are expected to demonstrate they have access to a pool of interested, qualified clients. Please note that all properties targeted for acquisition may not be approved at once. DHCD will consider the applicant's redevelopment and disposition track record when evaluating requests for acquisition funding; the intent is to bring these properties back onto the market quickly and find clients that are prepared to move-in.

In developing their acquisition strategies, applicants should be aware of the following:

- Any purchase of an abandoned and foreclosed home or residential property under NSP must be at a discount from the current market appraised value of the home or property. Such discount shall

ensure that purchasers are paying below-market value for the home or property.

- For mortgagee foreclosed properties, grantees must seek to obtain the “maximum reasonable discount” from the mortgagee, taking into consideration likely “carrying costs” of the mortgagee if it were to not sell the property. See **APPENDIX F** for a contact list from some of the major mortgage company contacts.
- Section 301 of the URA, regarding just compensation, does not apply to voluntary acquisitions.
- All acquisitions of property under NSP require a current market appraisal for purposes of determining the statutory purchase discount. This appraisal must be within 60-days prior to the offer of purchase.
- For individual purchase transactions involving the use of NSP funds for acquisition, the purchase discount must be at least 15% of the current market appraised value of the home or property.
- For any purchase transactions that use non-NSP funds for acquisition, the purchase discount must be at least 5%.
- An NSP recipient may NOT provide NSP funds to another party to finance an acquisition of tax foreclosed (or any other) properties from itself, other than to pay the necessary and reasonable costs related to the appraisal and transfer of title.
- Grantees that are contemplating using NSP funds to assist an acquisition involving an eminent domain action are advised to consult legal counsel before

taking action, as this may present problems with the Takings Clause of the Fifth Amendment to the U.S.

Constitution and prior Supreme Court rulings.

- DHCD is not specifying alternative requirements to the relocation assistance provisions at 42 U.S.C. 5304(d).
- It is DHCD’s intent to allow reasonable and appropriate delivery fees which will encourage and fairly reimburse participants. Delivery fees are covered on page 18 of this RFP.

Appraisals

Appraisals are necessary so that the fair market value may be determined and the required discount may be negotiated. Procurement of appraisers and review appraisers shall be done in accordance with the *Virginia Public Procurement Act* or the Grantee's written small procurement policies.

Appraisals must be conducted on an “as is” basis. An appraisal must value the individual property and not be conducted on a neighborhood basis. It must include a walk-through of the interior and take into account damage and significant need for rehabilitation or repair.

Persons performing appraisals of NSP funded acquisitions of “foreclosed upon” properties must be qualified to perform an appraisal, even if they are on staff. Only contract “fee” appraisers must be state licensed or certified. Staff appraisers are not required to possess such qualifications; however, they must be qualified. In most circumstances, staff appraisers possess a state appraisal license or certification, even though they are not required to do so by regulation.

For contract Appraisers, a contract must be executed and must specify appraisal report content and other requirements necessary to determine just compensation. The report will be consistent with the Uniform Standards of Professional Appraisal Practice (USPAP), the Supplemental Standards Rule and the Jurisdictional Exception Rule of USPAP where applicable.

Fair Market Value

The determination of fair market value should include an analysis of the highest and best use for which the property is clearly adapted at the time of the appraisal. The appraisal shall disregard any decrease or increase in fair market value of the real property caused by the project for which the property is to be acquired or by likelihood that the property would be acquired for the project. The fair market value is the basis of the purchase offer.

Invite Property Owner to Accompany Appraiser

Prior to any appraisals being conducted, the Grantee *must* advise the property owner, in writing, as to the time the appraiser will visit the property and invite the property owner to accompany the appraiser during a site visit. The relocation file must be documented to show that the *Preliminary Acquisition Notice* and the *Invitation To Accompany* were issued.

Appraisal Reports

The end product produced by the appraiser is an Appraisal Report. This report must reflect nationally recognized appraisal standards, including the Uniform Appraisal Standards for Federal Land Acquisition. The appraisal *must* contain sufficient documentation, including valuation data and the appraiser's analysis of that data, to support the opinion of value.

At a minimum, a detailed appraisal shall contain the following items:

- The purpose of the appraisal, a statement of the estate being appraised, and a statement of the assumptions and limiting conditions affecting the appraisal;
- A description of the physical characteristics of the property (and, in the case of a partial acquisition, a description of the remaining property), a statement of known encumbrances, if any, title information, zoning, an analysis of highest and best use, and at least a five (5) year sales history of the property;
- All relevant and reliable approaches to determine value consistent with commonly accepted professional appraisal practices;
- Multiple approaches shall be analyzed and reconciled so as to support the opinion of value;
- A description of comparable sales, including all relevant physical, legal and economic factors, and verification by a party involved in a transaction;
- A description of significant damages and rehabilitation needs of the property.
- A final statement of the real value of the property to be acquired and, for a partial acquisition, a statement of the damages and benefits, if any, to the remaining property; and
- The effective date of valuation, date of appraisal, signature and certification of the appraiser.

Recordkeeping

The Grantee *must* maintain a separate acquisition file for each real property acquisition for at least five (5) years after Final Closeout, final settlement of the acquisition, or the disposition of the applicable relocation records, whichever is later. Generally speaking, each separate acquisition file must document that the owner received the *Preliminary Acquisition Notice*, the brochure *When a Public Agency Acquires Your Property*, an invitation to accompany the appraiser, a written offer to purchase, a *Statement of Settlement Costs*, etc.

REHAB OF ABANDONED AND FORECLOSED HOMES

Any rehabilitation of an abandoned and foreclosed home or residential property shall be to the extent necessary to comply with applicable laws, codes and other requirements relating to housing safety, quality, and habitability, in order to sell, rent, or redevelop such homes and properties. Housing units receiving rehabilitation assistance under the NSP must at a minimum be rehabilitated to meet DHCD Housing Quality Standards (HQS). The requirements of HQS are detailed in **APPENDIX C**.

Allowable Costs

Applicants may utilize no more than \$25,000 of NSP funds for rehabilitation.

Program Recommendations

Adherence to green building practices, where appropriate, is encouraged. DHCD encourages the use of EnergyStar rated appliances whenever economically feasible. Additional information may also be found at

www.BuildingGreen.com and
www.EnergyStar.gov .

DHCD also encourages the use of Universal Design elements when possible. This is particularly applicable where substantial reconstruction will take place.

NSP funds may be used for preservation, improving energy efficiency or conservation, or providing renewable energy source(s).

- Grantees may fund costs, such as sales costs, closing costs, and reasonable developer's fees, related to NSP-assisted housing, rehabilitation, or construction activities.
- Grantees may rehabilitate property to be operated as rental housing by the grantee, by a subrecipient, by a lessee or by a purchaser. Grantees should note that the costs of purchase, rehabilitation, conversion and sale of such properties are eligible NSP activities, but the expenses of actually operating the rental housing (such as maintenance, insurance, deficits in monthly operating income) and tenant-based rental subsidies are not eligible NSP activities.
- Rental Housing projects are subject to underwriting to determine the appropriateness of NSP investment and the amount that will be considered as program income.
- **Emphasis is placed on projects that retain the fabric of the existing neighborhood and priority is placed on projects that provide homeownership opportunities for eligible clients. It is the intent of the Virginia NSP to ensure that projects will not significantly change the**

preexisting nature, characteristic, or stability of that neighborhood.

Proposals that contain a rental component will be evaluated on a case-by-case basis.

TRANSFER OF ABANDONED AND FORECLOSED HOMES

- If an abandoned and foreclosed upon home or residential property is to be sold to an individual as a primary residence, no profit may be earned on such sale.
- The property must be the primary residence of the homebuyer or eligible tenant.
- The sale of such property shall be in an amount equal to the cost to acquire and redevelop or rehabilitate such home or property up to a decent, safe, and habitable condition.
- The maximum sales price for a property is determined by aggregating all costs of acquisition, rehabilitation, and redevelopment (including related activity delivery costs, which generally include, among other things, costs related to the sale of property).
- In determining the sales price, the grantee may NOT consider the costs of boarding up, lawn mowing, maintaining the property in a static condition (although these may be eligible as program delivery costs), or, in the absence of NSP-assisted rehabilitation or redevelopment, the costs of completing a sales transaction or other Transfer to be redevelopment or rehabilitation costs.

- Each NSP-assisted homebuyer is required to receive and complete at least eight hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan.
- Grantees must ensure that homebuyers obtain a mortgage loan from a lender who agrees to comply with the bank regulators' guidance for non-traditional mortgages. See **APPENDIX F** for information on potential lenders and lending programs.

RENTAL PROPERTIES

It is DHCD's intent that NSP funds will be used only for investments which stabilize neighborhoods in such a way as to substantially maintain the pre-foreclosure crisis mix of rental and owner-occupied dwellings and retain the relative market value of homes in the area.

Redevelopment of existing properties or conversion of owner to renter tenancy will generally only be allowed to facilitate compliance with the 25/50 rule.

NSP assistance to rental properties will be underwritten to determine the appropriate amount of public investment and the rent structure of resulting units. Rents must be affordable to the intended beneficiaries.

Any Return on Investment related to NSP funding must be returned to DHCD as Program Income.

Units with a legally binding lease-purchase agreement will be considered owner-occupied if:

- The lease-purchase agreement enables the leasee to become an owner occupant within three years.

- The leasee undergoes homeownership education and is provided intermediary assistance during the lease period.
- The amount of NSP acquisition and rehabilitation costs will be returned to DHCD through straight-line monthly payments and a lump sum at the end of the lease tenure or three years.

Delivery Costs

Rental Occupancy: \$2,500, not to exceed \$10,000 per project is available for occupancy of an eligible tenant if no other developer or administrative fees are available.

Supportive / Special Needs Housing: Up to \$5,000 will be available upon acquisition of an eligible building / property. Ten percent of NSP rehab cost up, to \$ 2,500 per unit will be available per project.

CLIENT READINESS

At the time when a proposal is submitted, applicants are expected to have an existing homeownership program in place or an agreement to partner with an entity that does. Additionally, applicants are expected to have developed a list of qualified, eligible clients who are willing to move into the neighborhood targeted for Virginia NSP investment.

Grantees must ensure that each Virginia NSP assisted homebuyer receive and complete at least eight hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan. Where possible, grantees are expected to identify partners that can bring homeownership resources to bear instead of relying on Virginia NSP funds. If necessary, utilization of Virginia NSP funds for homeownership counseling will be considered, however, only to the extent that funds are targeted for delivery of services to a qualified, eligible client that is intent on purchasing a home in a NSP-targeted neighborhood. Funds cannot be used for provision of general homeownership counseling.

Grantees will be required to ensure that homebuyers obtain a mortgage loan from a lender who agrees to comply with the bank regulators' guidance for non-traditional mortgages.

Grantees will be required to ensure that homebuyers obtain a mortgage loan from a lender who agrees to comply with the bank regulators' guidance for non-traditional mortgages.

See **APPENDIX F** for a listing of HUD approved Housing Counseling Agencies.

ELIGIBLE NSP COSTS

Eligible costs under the NSP are as listed below:

Administration

Administration costs are limited to 4.68%* of the total NSP grant awarded to a successful applicant. NSP funds for Planning Grants are considered administrative and a grantee may not use any of these funds for general administrative activities. Administrative costs may be modified during the contract negotiation phase. If the applicant has an approved Program Income Plan that will continue the same activity in the same location, up to 8% of the Program Income generated will be available for administrative purposes.

Typical administrative costs include Advertising, Audit Services, Legal Expenses, Printing and Postage, Workshop Expenses, and General Project Administration. The largest single administrative cost item is typically General Project Administration. A locality may plan on administering its own project or may contract with a service provider. Most service providers are private sector entities which must be selected through a procurement process. Some entities, such as Planning District Commissions, may be selected on a non-competitive basis to handle project administration requirements for a locality. Other types of administrative costs may be eligible. Contact DHCD for additional guidance on these other types.

* Administration allowance of 5% of Virginia award, less \$125,000 that is available for Planning Grants.

All administrative costs will be paid out according to an approved Pay-for-Performance budget, as explained on page 20.

Program Delivery

Program Delivery costs includes all costs associated with the implementation of the NSP. Program Delivery costs do not include:

- The cost of administering the project*,
- The cost of the actual NSP activities*, or
- Any cost that is ineligible for NSP funding.

* These costs are eligible under other budget line items (i.e. administrative, rehab, acquisition, etc)

The cost of appraisals is not a delivery cost, it is a closing cost

All Program Delivery fees are performance based and will be limited to a maximum based on the scale below. Performance based fees are intended as a lump sum payment to cover costs that are not directly related to an NSP activity. Costs directly related to an activity (i.e., closing costs) are intended to be included as activity costs. Grantees are responsible for maintaining documentation that the Program Delivery fees received are for eligible NSP Program Delivery items.

Program Delivery Eligible Expenses:

	<i>Single Family Detached Dwelling</i>	<i>Single Family Attached Dwelling (2-4 units)</i>
<i>Acquisition / Not to Exceed</i>	\$ 5,000 per unit / N/A	\$ 3,000 per unit / NTE \$ 10,000/property
<i>Rehab Specialist / Not to Exceed</i>	10% of NSP rehab cost up to \$ 2,500 per unit	10% of NSP rehab cost up to \$ 2,500 per unit
<i>Eligible Homebuyer Commitment</i>	\$ 5,000 per household	\$ 5,000 per household (homeowner only)
<i>Occupancy Bonus</i>	\$ 2,500	\$2,500
<i>Maximum / Unit</i>	\$ 15,000	\$ 13,000

Please note:

- Multi-family properties will be evaluated and negotiated on a case-by-case basis. **DHCD should be contacted early in the process to discuss any potential multi-family projects.**
- A sample flow chart that illustrates the main activities and potential sequence of events can be found in the application packet or can be made available upon request.
- Acquisition expenses may be requested in a lump sum after the closing on the property is complete and the grantee or its agent receives title to the property.
- Rehab Specialist expenses may only be requested in a lump sum after all rehabilitation work is complete unless it

is scheduled differently in a pay-for-performance budget.

- Eligible Homebuyer Commitment expenses may be requested when a contract is executed for the purchase of a property. Grantee will only be able to request this one time for a single unit or eligible homeowner and will be responsible for returning the funds if the sale does not close.
- Occupancy Bonus may be requested upon the closing of the sale.

Activity Costs

All remaining NSP funds, after the deduction of administration and program delivery costs, are activity costs. Activity costs are subject to the following:

- Acquisition costs are not subject to a specific, per unit maximum; however, acquisition amounts must be at an appropriate level to benefit LMMI households. DHCD reserves the right to limit the per unit acquisition allowance when the intended property does not appear appropriate for LMMI benefit.
- Acquisition costs, on a per unit basis, will affect the scoring of applications under the competitive funding round. Applicants are strongly encouraged to utilize alternative funding mechanisms to leverage NSP funds in all funding rounds.
- Rehabilitation costs are limited to \$25,000 per unit.
- Costs associated with the transfer (sale) of a property will be limited to downpayment and closing costs assistance. All other expenses will be considered Program Delivery costs.

Closing Costs

Closing costs include all direct legal, tax, permitting, financing charges, surveys, escrow and appraisal costs necessary for the acquired property to be purchased by the homebuyer. If a property was acquired using any NSP funding closing costs must be included in the purchase price and returned to DHCD upon sale. If a property was acquired without any NSP assistance closing costs may be paid directly with NSP funds. These funds are not required to be returned.

Downpayment assistance is allowable if it is expressly needed for approval of the mortgage. Financing which does not require buyer mortgage cash equity participation

will not be eligible for NSP downpayment assistance.

NSP downpayment assistance is limited to 3 percent of total sales price and must be matched in cash by the homebuyer. Assistance will be attached to the property as a lien, payable upon resale. This lien may be forgiven at the end of ten years.

Pay for Performance

Grantees must prepare a project budget using the DHCD required format. This budget must reflect current budget activities and funding sources (both Virginia NSP and leverage funds). Typically, the project budget will be similar to the budget proposed in the proposal but includes any DHCD-related or other adjustments made during contract negotiations. The most significant adjustment is that all Virginia NSP administrative costs are performance-based, i.e., costs are paid only after the attainment of pre-determined thresholds. These are negotiated between DHCD and the grantee after the completion of the Project Management Plan (a management tool that enables the grantee and its partners to know where the project is going and how it will get there). The payment thresholds will outline the respective tasks and how much DHCD will pay upon the completion of each task.

See page 64 for a sample Pay for Performance budget.

Financial Management

DHCD requires that all projects be implemented in a cost effective manner and in compliance with all federal and state statutes. As such, it is extremely important that appropriate financial controls are established by the Grantee to minimize waste and prevent audit findings, which may

result in the Grantee repaying project costs that are deemed unallowable.

See **APPENDIX D** for additional information on Financial Management requirements.

Obligation of NSP Funds

DHCD is required to have its entire NSP award obligated within 18 months of contracting for the use of these funds. Consequently, grantees will have to expediently obligate NSP grant awards or these funds may be subject to recapture. DHCD is required to show, through accounting records and the grant tracking system, that an amount equal to its NSP allocation has been expended (for completed activities) or obligated through Reservation of Funds.

To ensure that funds are being spent efficiently, DHCD reserves right to recapture funds after six months from the effective contract date if sufficient progress has not made. As part of its monitoring practice, a review after four months will be conducted to be followed with 60-day period for corrective action, if necessary. In this event, the Grantee will be required to reserve funds on a unit by unit basis from the Performance Pool.

Reservation of Funds

A grantee will receive a Reservation of Funds under an awarded NSP grant when an individual unit has been prepared and submitted to DHCD. A Reservation of Funds will only be issued when:

- An abandoned and foreclosed property has been selected, acquisition negotiated, and the grantee is in a position to complete the purchase in a timely manner,
- Rehab needs have been identified and the grantee will be in a position to bid

the unit within 30 days of completing acquisition, and

- An eligible homebuyer is in place to purchase the property within 30 days of completion of rehabilitation.

Additional details on the Reservation of Funds for these and other eligible uses of NSP funds will be addressed at the Contract Negotiations meeting and in the NSP Management Manual.

Evaluation of a grantees performance under the NSP program, and consequently a significant consideration on possible recapture of funds, is their ability to reserve funds in an expedient manner.

NSP ADDITIONAL PROGRAM REQUIREMENTS

Discount Rate

Properties acquired using any Virginia NSP funds will be required to be purchased at least at a 15 percent discount from the current appraised market price.

All properties, regardless of source of acquisition funding, must achieve a discount of at least 5 percent.

Management Team

DHCD requires the formation of a Project Management Team to oversee the project. The Team is made up of stakeholders who have direct responsibility or oversight of specific activities necessary for the successful completion of the project. Typically, the Team consists of the Chief Executive Officer (who serves as the chair), project administrator, management consultant, rehabilitation specialist, building official, lending professional, assessor,

elected official, realtor, homeownership counselor, and other relevant stakeholders.

Program Income

Program Income is defined as funds received as a result of the use of Virginia NSP investment. The Virginia NSP is expected to generate significant Program Income, particularly as properties are acquired, rehabilitated, and sold to eligible clients. All grantees with projects that may earn Income must adopt a Program Income Plan (PIP) showing how Program Income will be expended. The PIP must be approved by DHCD prior to its adoption by the grantee and the receipt of Program Income.

All Program Income must first be returned to DHCD. If a grantee can continue the same activity in the same location that originally produced the Program Income, the returned Program Income will be earmarked for that grantee. If a PIP is approved to continue the same activity in the same location and Program Income is made available to the grantee, they will be entitled to keep up to 8 percent of the Program Income for administrative purposes (an increase from the 5 percent allowed for initial use of funds). This alternative provides an incentive for grantees to continue pursuing neighborhood stabilization activities in the approved project areas. Program Income will be escrowed for the Grantee for further use in the designated project area until December 31, 2011, at which time all escrowed funds shall be transferred into the Performance Pool. At that time, DHCD will evaluate how to allocate administrative funds.

Program Income that is generated and which will not be re-invested in the approved project area will be retained DHCD. These funds will be reallocated to the Performance

Pool. Any Program Income that is received prior to July 30, 2013 will be retained by DHCD and used to further NSP activities per the above-noted conditions. Program Income received after July 30, 2013 will be returned to the United States Treasury.

Leveraging

An applicant's ability to leverage funds will be evaluated carefully and will be a significant consideration when evaluating proposals. Additionally, applicants are expected to establish partnerships that will provide additional leveraged resources and provide for better service delivery. Applicants are expected to have sufficient resources to successfully implement a project, and leveraging of funds will impact the scoring of competitive proposals.

Example 1: During proposal reviews, two similar projects are evaluated. Both projects intend to acquire, rehabilitate, and sell properties to qualified clients. One proposal intends to only use Virginia NSP funds for completion of these activities. The second proposal has secured funds for acquisition from the local community bank and has identified a non-profit partner who will provide homeownership counseling and has an established homeownership program that includes an Individual Development Account program to provide downpayment assistance.

The second proposal would rate as being more effective since other resources have been leveraged, allowing Virginia NSP funds to be available for use for other projects.

Example 2: A proposal is received that targets a neighborhood of 200

home, of which 20 are foreclosed properties. Of the 20 foreclosed properties, the applicant proposes to address 8 through the Virginia NSP.

Another proposal targeting a neighborhood of 40 homes is also received. Of the 40 homes, 18 have been foreclosed on. The proposal intends to address 12 through the Virginia NSP.

In this example, with other factors being similar, the second proposal would rate as being more effective since there is a larger percentage of homes being addressed and because the potential to demonstrate impact is greater.

Continued Affordability

The proposed rent structure for assisted properties must be reviewed and approved by DHCD to determine the amount that will be considered Program Income.

DHCD will ensure continued affordability by requiring that all loans be secured by a Deed-of-Trust. The nature of equity at resale, continued affordability, and future income to the Virginia NSP must be addressed and approved by DHCD.

Existing Virginia CDBG program policies will be used as a model for development of a Virginia NSP Grant Management manual that will provide specific guidance, regulations, and sample documents for use by Virginia NSP grantees. HOME standards will be used to establish minimum affordability standards. The HOME standards include the items listed below:

HOME Program Guidelines

- A performance review of all project activities must be completed by DHCD at

least annually during development and throughout the applicable compliance (affordability) period. Effective monitoring includes verification of compliance for all aspects of a project from development through continued occupancy.

- The minimum frequency of these inspections is:
 - Annually for projects with more than 25 units
 - Every two years for projects with 5 to 25 total units
 - Every three years for projects with less than 5 units
- The frequency of inspections is determined through routine project risk analysis. However, the schedule of on-site inspections does not relieve the responsibility for completing annual reviews, annual income certifications of occupants, and maintaining the units to standards throughout the compliance period.

Affordability Period

To ensure that HOME investments yield affordable housing over the long term, HOME imposes rent and occupancy requirements over the length of an affordability period. For homebuyer and rental projects, the length of the affordability period depends on the amount of the HOME investment in the property and the nature of the activity funded. A table illustrates the affordability periods below:

HOME Investment per Unit Length of the Affordability Period

Less than \$15,000	5 years
\$15,000 - \$40,000	10 years
More than \$40,000	15 years
New construction of rental housing	20 years
Refinancing of rental housing	15 years

See APPENDIX E for sample documents related to continued affordability.

Lease Purchase

Lease purchase agreements may be made with a client that will be renting the homebuyer unit while working toward homeownership of the same unit. During the period of the lease purchase agreement, the homeowner must receive homeownership education training and intermediary assistance to complete the purchase.

The sale of the leased unit to the renter must be within 36 months from the signing of the lease or project completion. The amount of NSP acquisition and rehabilitation assistance will be returned to DHCD through straight-line monthly payments and a lump sum payment at the end of the lease tenure or three years.

Performance Pool

DCHD will utilize a Performance Pool to distribute unobligated funds, recaptured funds, and Program Income (with the first priority on the use of unobligated funds).

The Performance Pool is designated for use by *high performers*—entities that previously received NSP funds and have demonstrated the ability to spend these funds in a quick, responsible, and efficient manner. This method provides an incentive for NSP recipients to act swiftly in order to access additional funds. The Performance Pool will be available to NSP Entitlement communities should those localities demonstrate a need for additional resources, demonstrate they can meet the standards developed for the state NSP, and have performed to a satisfactory level with their direct allocation.

This funding is not intended to address new areas of need; instead, these funds are to be used by those entities that have already demonstrated success in implementing the

Virginia NSP. The Performance Pool will accelerate the expenditure of NSP funds by providing an incentive for high producers—subgrantees that can spend funds quicker and in a more efficient manner are able to access more funds for continued activities. This concept also provides a check and balance for the NSP program—subgrantees are limited in the amount that can be requested through the Open Submission and Competitive programs, thereby providing a safeguard of not allocating too much up front to an entity that may have difficulty in meeting performance targets, while also providing the opportunity to request and spend above the maximum by rewarding achievement. Again, only subgrantees that have demonstrated the capacity and ability to implement the NSP through prior awards can access the Performance Pool.

Should there be an instance where an applicant's proposal in the Competitive or Open Submission Round was not funded but still demonstrated a strong need for assistance, DHCD reserves the right to work with the applicant to address deficiencies and subsequently offer funding through the Performance Pool. This will only happen on exceptional, cases-by-case situations where it is apparent that a community would significantly benefit from NSP funding and where the applicant can address weaknesses that were noted during proposal review.

DHCD reserves the right open competition to new applicants or neighborhoods should the amount of funds in the Performance Pool exceed the projected rate of expenditure by active projects. DHCD may obligate funds or access to the Performance Pool to localities which have experienced a significant increase in eligible properties subsequent to the Competitive Round.

Federal Labor Standards

The Federal Labor Standards (FLS) for contracts utilizing NSP funds are primarily set forth in the following three statutes:

- The *Davis-Bacon Act* (40 USC 276(a-a5));
- The *Copeland “Anti-Kickback” Act* (40 USC 276(c); and
- The *Contract Work Hours and Safety Standards Act* (CWHSSA) (40 USC 327-333).

Davis-Bacon Act

The *Davis-Bacon Act* (Davis Bacon) requires that workers receive no less than the prevailing wages being paid for similar work in their locality. Prevailing wages are computed by DOL and are issued in the form of federal Wage Decisions for each classification of work. The law applies to all construction, alteration, and/or repair contracts in excess of \$2,000. The primary exceptions are for activities conducted under force account, contracts for the *replacement* of certain architectural elements in downtown projects and for housing rehabilitation contracts for less than eight units, including bathrooms. Water and sewer service line contracts for less than eight residential units are also considered to be housing rehabilitation work for the purpose of labor standards compliance.

Copeland “Anti-Kickback” Act

The *Copeland “Anti-Kickback” Act* requires that workers be paid at least once a week, and without any deductions or rebates except permissible deductions. Permissible deductions include taxes, deductions the worker authorized in writing, and those required by court processes. The Act also requires that weekly *Statements of Compliance* (Optional Form WH-347) be

submitted to the Grantee. The Act applies to all contracts covered by Davis-Bacon.

Contract Work Hours and Safety Standards Act

The *Contract Work Hours and Safety Standards Act* requires that workers receive "overtime" compensation at a rate of 1 ½ times their basic rate of pay for all hours worked in excess of 40 hours in a work week. It applies to all construction contracts funded in whole or in part with CDBG monies.

In summary, these statutes require that the Grantee develop procedures that comply with all federal labor standards provisions and compliance procedures. Applicable wage rates and FLS provisions requirements must be included in the bid specifications and contract documents.

Virginia CDBG Policy

Existing Virginia CDBG program policies will be used as a model for development of a Virginia NSP Grant Management manual that will provide specific guidance, regulations, and sample documents for use by Virginia NSP grantees. Unless otherwise stated, Virginia CDBG policies will apply.

Proposal Evaluation

Following the submission of a proposal, DHCD reserve the right to negotiate the approach, award, and components to ensure performance and targeting of the objectives of this program.

Proposals will be evaluated according to the following:

- Need;
- Impact;
- Readiness;
- Capacity; and
- Leveraging

Details of the evaluation are included in the sections on the Open Submission and Competitive programs.

PROGRAM MODIFICATION

The proposed distribution design allows for open submission and competitive applications. If demand exceeds (or does

not meet) expectations, DHCD will have the ability to adjust the reservations as necessary. As such, DHCD reserves the right to shift up to 50 percent of any proposed reservation to accommodate demand and program needs. DHCD also reserves the right to adjust the timelines noted as needed.

NSP ROUND 1: OPEN SUBMISSION PROGRAM

General Open Submission Policies

DHCD has reserved \$20 million for an Open Submission program designed to allow applicants that are prepared to act the ability to apply for funding immediately.

Applications for the Open Submission round will be accepted on a rolling basis beginning **January 30, 2009**. The deadline for applications under the Open Submission round is **April 3, 2009** or when all funds have been committed. Proposals submitted within this timeframe that are deficient may be revised and resubmitted.

A benefit to having an open, rolling submission period is the ability to have an iterative review process. Applicants that submit deficient proposals within the eligible timeframe will be provided feedback and critique from DHCD to allow for revision and resubmission. Revised proposals must be re-submitted by **May 3, 2009**.

Eligible Applicants

Where a project will serve an **individual locality**, units of local governments may directly apply OR non-profit organizations, Planning District Commissions, and Housing Authorities may apply with the endorsement of the locality. Towns are expected to apply through the County in which they are located, but may apply with the County's endorsement. Only one application will be accepted per locality in the open submission round.

For the Open Submission fund, in instances where a local government **will NOT** apply

directly for fund as another eligible entity must have the endorsement and concurrence of the local government to be served through a resolution of the localities governing board.

Available Funding

Project awards of up to \$2.0 million are available. Projects may serve up to three neighborhoods per project provided that a significant impact can be expected in each of the neighborhoods.

Regional Applicants

Applicants seeking to serve multiple localities may submit a **regional** application. Under this project type, up to \$4.0 million will be available per proposal, with not more than two neighborhoods per locality allowed. Non-profit organizations, Planning District Commissions, and Housing Authorities may apply. Towns are expected to apply through the County in which they are located. Localities that are served must also assure that adequate funds are available to cover administrative costs of the applicant.

25/50 Requirement

Applicants are strongly encouraged to target at least 25 percent of the NSP funds to serve individuals or families whose incomes do not exceed 50 percent of the area median income. Applicants should seek out partners with prior experience in serving this target group as part of their pre-application process. This can be accomplished through strategies that address supportive housing, special needs housing, low-income homeownership, and the provision of rental units that keep within the character of the

neighborhood. Projects that do not meet this threshold will have a reduced award offer. Should DHCD need to reduce an award offer because funds will not be utilized to meet this 25 percent targeting, those funds will be set-aside as a 25/50 set-aside in the *Performance Pool*.

Example: Lewis County has requested \$1.5 million to acquire and redevelop foreclosed properties in the Woodbine neighborhood. The strategy calls for the homes to be sold to qualified clients but does not detail a specific strategy for targeting benefits to clients at or below 50 percent area median income. As a result, DHCD may reduce the award offer by \$375,000 and allocate that funding to the Performance Pool.

Applicants that will target 100 percent of requested NSP funds to benefit individuals or families whose incomes do not exceed **50 percent of the area median income** may apply for up to \$1.0 million. Projects of this nature must be located in a DHCD-approved target neighborhood and be qualified as redevelopment projects. Up to two neighborhoods per project / application may be served.

Recapture Provision

To ensure that funds are being spent efficiently, DHCD reserves right to recapture funds after six months from the effective contract date if sufficient progress has not made. As part of its monitoring practice, a review after four months will be conducted to be followed with 60-day period for corrective action, if necessary.

Pre-Contract Requirements

DHCD plans to conduct contract negotiation meetings as proposals are approved for funding. These meetings will be held on rolling basis as needed and are expected to be completed by May 30, 2009. Grantees must complete a Project Management Plan based upon its approved proposal and DHCD Contract Negotiation conditions. The plan shall constitute the basis for its NSP contract. The contract will be dated and issued upon receipt of an acceptable plan.

Proposal Evaluation

Proposals will be evaluated based on 1) Need; 2) Impact; 3) Readiness; 4) Capacity; and 5) Leveraging. Proposals must clearly demonstrate the potential for impact. DHCD has the right to revise and negotiate project activities based on the proposed impact.

Specific information on the evaluation of proposals is included in the NSP Proposal Format section starting on page 33.

NSP PLANNING GRANTS

DHCD will reserve \$250,000 to fund NSP Planning Grants. Up to \$25,000 for projects targeting one locality or up to \$40,000 for regional projects is available to local governments, Planning District Commissions, Housing Authorities, and non-profit organizations for Planning Grants to assist with identification of properties and determination of ownership, prioritization of neighborhoods, securing the participation of owners and negotiation of discounts, identification and development of qualified homebuyers who are interested in living in the targeted neighborhood, development of criteria for eligible home buyers, and identification of a strategy for delivery of homeownership training / counseling.

Applications for Planning Grants will be accepted on a rolling basis beginning January 15, 2009 through February 20, 2009 or until all funds have been committed. Towns are expected to apply for funding through the County in which they are located. However, a Town may request permission to apply directly if the County will not support the Town's efforts.

Applicants will have up to three months to complete all required activities and subsequently **must** submit an application in the Competitive round (see page 31).

Failure to submit an application will result in the withholding of all Planning Grant funds in excess of \$5,000.

Specific Activity Requirements

DHCD has developed a checklist of expected outcomes that must be achieved. This checklist will be used to measure how

successfully the applicant met the requirements of the program.

Grantees will be developing the identified items to address the following:

- Targeted neighborhoods and methodology for how the selection was made,
- Acquisition and rehab strategy
- Leveraged funding strategy
- Pool of *qualified* clients who want to live in the targeted neighborhoods
- Transfer strategy (for example, available mortgage financing, operation plan for rental / transitional housing)

Project Management Plan

Grantees must complete a Project Management Plan that will identify the activities of the proposed NSP project, assign the responsibility for completing the different steps, and propose a timeline for project implementation. The management plan will also include within or by attachment:

- Acquisition plan,
- Qualification for any intended consultants to be hired for the implementation of the project,
- Homebuyer education plan, and
- Delivery plan for handling acquired properties prior to the sale of the homes.

Management Team

A Management Team will have to be assembled that is made up of stakeholders who have direct responsibility or oversight of specific activities necessary for the successful completion of the project. Typically, the Team will consist of the Chief Executive Officer (who serves as the chair), project administrator, management

consultant, rehabilitation specialist, building official, lending professional, assessor, elected official, realtor, homeownership counselor, and other relevant stakeholders.

Performance Measures

Performance Measures for the proposed project will be developed. Examples of these could include:

- Units of housing to be acquired, for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent,
- Units of housing to be rehabilitated, for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent, and

Project Budget

A budget for the proposed project will be developed.

Property Identification

Properties that are abandoned and foreclosed must be positively identified in the Planning

Grant. This goes beyond simply identify a concentration of eligible properties and should include title work, assessing the need for rehabilitation, contacting the current owners, and developing a specific plan for acquisition of the property, and other activities as appropriate.

Homebuyer Identification

Potential homebuyers must be identified for participation in the project. This identification process will compile a list of perspective homebuyers who will be eligible to purchase a home in the project area, are interested in living in the project area, and qualify as LMMI (or 50% of income if applicable).

Additional elements will likely be required under the Planning Grant program to prepare the applicant to implement its proposed project. The final list will be developed between DHCD and the applicant prior to the issuance of a planning grant contract.

NSP ROUND 2: COMPETITIVE APPLICATION

General Competitive Round Policies

The Competitive round will allow those interested applicants that were not in a position to apply in the Open Submission Program but will still serve areas of great need in Virginia the opportunity to receive funding.

THE DEADLINE FOR RECEIPT OF COMPETITIVE PROPOSALS IS JUNE 1, 2009.

Eligible Applicants

Where a project will serve an **individual locality**, units of local governments may directly apply OR non-profit organizations, Planning District Commissions, and Housing Authorities may apply. Towns are expected to apply through the County in which they are located, but may apply directly. Applicants are encouraged to work closely with the locality they anticipate serving and must, at a minimum, provide evidence a copy of the proposal has been submitted to the locality.

Available Funding

Approximately \$10 Million has been reserved for the Competitive Project awards of up to \$2.0 million are available. Projects may serve up to three neighborhoods per project provided that a significant impact can be expected in each of the neighborhoods.

Regional Applicants

Applicants seeking to serve multiple localities may submit a **regional** application. Under this project type, up to \$4.0 million

will be available per proposal, with not more than two neighborhoods per locality allowed. Non-profit organizations, Planning District Commissions, and Housing Authorities may apply. Towns are expected to apply through the County in which they are located. Localities that are served must also assure that adequate funds are available to cover administrative costs of the applicant.

25/50 Requirement

Applicants are strongly encouraged to target at least 25 percent of the NSP funds to serve individuals or families whose incomes do not exceed 50 percent of the area median income. Applicants should seek out partners with prior experience in serving this target group as part of their pre-application process. This can be accomplished through strategies that address supportive housing, special needs housing, low-income homeownership, and the provision of rental units that keep within the character of the neighborhood. Projects that do not meet this threshold will have a reduced award offer. Should DHCD need to reduce an award offer because funds will not be utilized to meet this 25 percent targeting, those funds will be set-aside as a 25/50 set-aside in the *Performance Pool*.

Example: Lewis County has requested \$1.5 million to acquire and redevelop foreclosed properties in the Woodbine neighborhood. The strategy calls for the homes to be sold to qualified clients but does not detail a specific strategy for targeting benefits to clients at or below 50 percent area median income. As a result, DHCD may

reduce the award offer by \$375,000 and allocate that funding to the Performance Pool.

Applicants that will target 100 percent of requested NSP funds to benefit individuals or families whose incomes do not exceed **50 percent of the area median income** may apply for up to \$1.0 million. Projects of this nature must be located in a DHCD-approved target neighborhood and be qualified as redevelopment projects. Up to two neighborhoods per project / application may be served.

Recapture Provision

To ensure that funds are being spent efficiently, DHCD reserves right to recapture funds after six months from the effective contract date if sufficient progress has not made. As part of its monitoring practice, a review after four months will be conducted to be followed with 60-day period for corrective action, if necessary.

Pre-Contract Requirements

DHCD will conduct contract negotiation meetings after proposals are approved for funding. These meetings are expected to begin by July 15, 2009. Grantees must complete a Project Management Plan based upon its approved proposal and DHCD Contract Negotiation conditions. The plan shall constitute the basis for its NSP contract. The contract will be dated and issued upon receipt of an acceptable plan.

Proposal Evaluation

Proposals will be evaluated and scored based on 1) Need; 2) Impact; 3) Readiness; 4) Capacity; and 5) Leveraging. Proposals must clearly demonstrate the potential for impact. DHCD has the right to revise and negotiate project activities based on the proposed impact.

Specific information on the evaluation of proposals is included in the NSP Proposal Format section starting on page 33.

NSP PROPOSAL FORMAT

COVER SHEET

All proposals must include a complete Cover Sheet. The Proposal Summary, Financial Summary, Proposal Elements, and ATTACHMENTS are to be affixed to this Sheet.

Applicant

Provide the name of the applicant for NSP funding. If this is a Regional application, enter the name of the lead applicant (only one applicant may be listed as the official lead applicant).

Applicant Address/Contact Person

Provide the mailing address of the applicant and the name, phone number, and email address of a person who can provide additional information about the proposal, PREFERABLY the person who prepared the proposal.

Applicant Type

Check the one box that most closely identifies the organizational structure of the applicant.

Project Name

Provide the local name and /or applicant's title for the project which reflects either its physical location and project type or purpose

Project Description

PLEASE COMPLETE THIS SECTION AFTER COMPLETING THE CORE PROPOSAL. This description should identify the location of the proposed project, should include a summary of the products / activities to be completed, including sizes and quantities, and the level of benefit to be

provided. This benefit level should be expressed in number of total persons served.

Name of Eligible Locality

If the applicant is not a City or a County, identify the locality where the project is located. Also provide the name of the Chief Elected Official of the locality where the project is physically located and contact information for the locality.

Project Cost

List the sources of funding in the project in terms of the categories shown. These sources should be the same as those shown in the SOURCES BUDGET. For example, the name of the federal agency and program, the name of the state agency program, the name of the private bank, etc.

Non-Local

Non-NSP funding expended on or after **July 1, 2008** for design and construction activities directly related to the project MAY be counted for leveraging, but will not be reimbursed.

Local

Non-NSP funding (actual or in-kind) for design and construction activities and some supporting activities directly related to the project MAY be counted for leveraging, if expended on or after **July 1, 2007**.

Preparer

Provide the name and phone of the person who actually prepared this application.

Affirmation Statements

The first statement provides an assurance that the applicant is currently eligible to receive the full amount of the NSP funding being requested. The second statement affirms that the applicant will ensure that all responsible parties will attend any mandatory DHCD-sponsored training, to include the Construction Management and Grants Management workshops, and to provide representation at all management team meetings. Both statements must be checked.

Certification and Signature:

Provide the name, title, and signature of the Chief Administrative Officer of the applicant. This statement certifies that the proposal and ATTACHMENTS are true and correct, that the proposal has been authorized by the governing body of the applicant, and that it has been submitted for Planning District Commission review. This signature also attests to the two affirmative statements above.

For Regional proposals, this box should be completed by each participant. A Local Government Resolution from each participating locality, if applicable, must be included in **ATTACHMENT # 2**.

APPLICANTS FOR NSP PLANNING GRANTS SHOULD COMPLETE THE COVER SHEET AND THEN PROCEED TO THE NSP PLANNING GRANT PROPOSAL FORMAT ON PAGE 45. THE FOLLOWING APPLIES ONLY TO NSP PROJECT APPLICATIONS.

PROPOSAL SUMMARY

All proposals must include the Proposal Summary pages. This section is to be

included behind the Cover Sheet, but in front of the Financial Summary, Proposal Elements, and ATTACHMENTS sections. The Proposal Summary format is available on page 46.

PROPOSAL ELEMENTS

All proposals must include detailed responses to each of the following items. Responses must be organized in paragraphs, charts, and tables under the title of each of these items. Appropriate spacing and breaks must be inserted between items to eliminate cluttering and confusion. Responses to the Proposal Elements should be attached behind the Cover Sheet and Proposal Summary, and in front of any ATTACHMENTS.

Project / Service Area

Describe the geographic area in which project activities will occur. Identify the boundaries and how these were determined.

Describe the market conditions and the concentration of targeted properties. What is the level of current real estate activity in the neighborhood? For example, how many properties are on the market and for how long? Foreclosed? Sold? Are recent values rising or falling? Indicate how real estate professionals assess the impact NSP will have on this market.

The description of the project area should be provided for each neighborhood to be included in the project. Be sure to clearly identify why each identified area meets the intended definition of an eligible neighborhood as required under the NSP. Neighborhoods may be defined by physical features, historic definition, market conditions, or other means, provided an acceptable methodology is used.

Attach a list of potential properties targeted for the NSP. This list should identify the owners, condition of title, anticipated value (estimated, to later be evaluated by appraisal), and status of negotiation for purchase of the properties. Also attach a list of potential homeowners with a desire to live in these targeted neighborhoods. This list should identify the potential homeowners by name and provide evidence of their readiness and ability to purchase a home in the project area.

Maps of the project or service area must be included in **ATTACHMENT # 2**. See **APPENDIX B** for a sample map showing the information that should be included.

Project Needs and Opportunities

Applicants must prepare a response which addresses each of the five questions shown below.

How were the project needs identified and quantified?

List and describe the investigations and assessments that were performed to determine the quantified needs requested under the preceding section. Were housing inspections completed? What data was used and what are the sources? Did you carry out a Planning Grant contract with DHCD for this project? If so, were all requirements met?

How were abandoned and foreclosed properties identified?

What data sources were used to identify high numbers and high concentrations of abandoned and foreclosed properties? Describe the steps taken to utilize the differing data sources to ensure reliable information for the identification of these properties. What efforts are in place to

ensure the data collected is being kept current?

DHCD is required to provide NSP assistance to the areas of greatest need. How does this proposal address this requirement?

Based on data sources used in the above identification of properties, how does this project address the NSP mandate to target areas of greatest need?

Applicants will need to explain why the selected neighborhoods were targeted and how the area was defined. DHCD has not set a minimum number of homes that must be included in a proposed neighborhood; however, applicants should seek to target neighborhoods that have at least 10 percent of the housing units, properties, or structures that meet the approved definition of foreclosed or abandoned. There must be a sufficient number of total and eligible houses to constitute a neighborhood and provide a basis for impact on a real estate market. In the application, the targeted properties (addresses) must be included along with a discussion of how these properties are eligible under the program.

Provide a chart that identifies the following information:

- Property address,
- Property owner,
- Contact information for agent for owners representative
- Status of negotiation for purchase,
- Anticipated cost of rehabilitation,
- Projected sales price, and
- Other pertinent information on the property.

Project Products

In concise terms, describe the actions or activities to be undertaken during this

project to resolve the identified needs. Use these to complete the Project Description on the Cover Sheet and make sure these are consistent with the products and line items from the project budget. (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent).

Project Outcomes

In concise terms, describe the measured results from the identified products or activities. Outcomes are the long-term benefits of the project. The decision to invest NSP funding will not be made solely on an applicant's ability to identify needs and develop solutions for these needs. An applicant must demonstrate that a project will have a long-term benefit for community residents and the overall locality.

Capacity

THIS IS A CRITICAL ITEM. Provide the names and profiles of the individuals who will be responsible for implementing the project. Provide the name, capability, and role of the individual with the greatest day-to-day project responsibility first, followed by information on the person with the next highest level of responsibility, and continue until all relevant individuals have been identified. If professional assistance is required to complete this project and this assistance has not yet been procured, please indicate which type and level of assistance is needed and when this assistance will be procured. Roles identified and detailed should include Grant Administration, Rehab Specialist, Acquisition Specialist, Brokers and Intermediaries, and others as applicable.

Describe the experience of the locality and responsible parties in CDBG-funded projects. Describe the role of project area

stakeholders or stakeholder organizations in the implementation of the project. Provide assurances that administration of existing housing programs will not be adversely affected by award of this grant.

The Applicant shall provide a summary of its experience managing similar projects, including administrative oversight to ensure regulatory compliance. If the proposed project will be managed through a third party, provide the management agreement and a summary of the management partner's capacity, together with a description of how the development agency will continue to be a contributing partner throughout the compliance (Affordability) period. The Applicant should address the role the Applicant will assume in the proposed affordable housing development process. Attach the organization's brochure or any printed articles (limited quantity please) about the organization as an exhibit, if available.

Applicants must describe their history and performance in dealing with abandoned and foreclosed properties. Is this a regular function of the applicant? If so, provide numbers that document the number of acquisitions, number of rehabilitations, and number of units sold. If the applicant has an existing inventory of acquired abandoned and foreclosed homes, provide detail on that inventory including how long these units have been owned by the applicant.

Describe your experience managing properties during rehab and eventual sale. Does the applicant have the capacity or will a partnership become necessary? Document the partnership and parties' expertise. How long does the applicant anticipate carrying the property?

Outreach and Marketing

Describe how you will market/introduce the NSP program to potential participants.

- Who will deliver the training/outreach?
- What certifications does this individual/organization possess? How frequently will training/outreach occur?
- Provide the names of the organizations and personnel that will provide this counseling, along with certification documentation.
- Explain how credit worthy, eligible clients will be identified.

Nonprofit Organization applicants shall provide a copy of a letter from the Internal Revenue Service which grants exemption from Federal Income Tax under section 501(c)(3) of the Internal Revenue Code to the Corporation. Nonprofit Organization applicants shall also provide a copy of the organization's Articles of Incorporation, stating that a purpose of the organization is consistent with NSP eligibility guidelines.

For Rental properties or Transitional Homes, please identify:

- Who will own the property? What is their legal status and experience level with property management?
- What will the rents be on the property?
- Provide data that clearly shows a willingness of the target population to occupy the proposed property.

Readiness

THIS IS A CRITICAL ITEM. Provide evidence that the locality is aware of the community development needs and has the political will to address these needs to the fullest extent possible. Describe why the targeted project is viewed as a necessity by the locality.

What has been done?

Describe the activities undertaken prior to this attempt at NSP funding to identify and address community development needs in the target area. What steps need to be taken before NSP funding can be expended? Have all regulatory issues been addressed? Have acquisition activities been started? What environmental review steps have been completed?

Who is identifying the intended homebuyers? What is their history in identifying and placing income eligible homebuyers in properties? How many homebuyers are in a position to purchase at this time and how many are being prepared for future purchase? What is the expected timeframe for these future purchasers? Document homebuyers interest in living in the proposed project area.

How will the applicant gain control of the properties? In answering this, provide an outline, that identifies the responsible party and the timeline, of a typical transaction under this program, including:

- Identifying the property and the owner,
- Obtain an appraisal and negotiate a purchase,
- Rehabilitation of the property,
- Identifying qualified homebuyers,
- Ensuring adequate Housing Counseling for homebuyers,
- Closing, and
- How the affordability will be tracked.

Additionally, provide detail on the proposed security arrangements. What terms will be placed on the properties through the deed language? Explain, in detail, the method that will be used to secure the NSP benefit to LMMI persons. How will the proposed conditions be enforced?

Indicate how real estate professionals have exhibited an interest in this project.

Environmental Review

Have all necessary environmental notices been published? If all letters have been sent out under your Environmental Review process notifying all pertinent agencies, please provide copies in **ATTACHMENT #3**. If a Finding of No Significant Impact has been published, please provide documentation to include a copy of the published notice showing the date of publication in **ATTACHMENT #3**.

What has to be done?

Where steps to START a project have not yet been taken, identify the steps that need to be taken in the near future. Provide adequate evidence that the project can start IMPLEMENTATION by April of 2009 (for Open Submission) or July of 2009 (for Competitive). If implementation CANNOT be started by this date, please specify what can be done by this time to start the proposed project AND specify the date by which implementation can start. Detail any efforts at organizing the management of this project which have been undertaken and the status of such organizational activities at the time of proposal submittal. What difficulties and complexities are foreseen in the management and implementation of this project? How will these difficulties and complexities be addressed?

25/50 Strategy

Describe the plan to meet the 25/50 requirement of the NSP, including the number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.

Leveraging

The number of properties to be addressed by the NSP will significantly increase when other funds are leveraged. An applicant's ability to leverage funds will be evaluated carefully and will be a significant consideration when evaluating proposals.

What efforts have been made to develop leveraging for the proposed project? What is the level of commitment for additional funds to be utilized?

Discount Rate

Properties acquired with Virginia NSP funds will be required to be purchased at least at a 15 percent discount from the current appraised market price. All properties, regardless of source of acquisition funding, must achieve a discount of at least 5 percent.

Affordability

DHCD will ensure continued affordability by requiring that all loans be secured by a Deed-of-Trust. The nature of equity at resale, continued affordability, and future income to the Virginia NSP must be addressed and approved by DHCD.

For housing related activities, include:

- Duration or term of assistance;
- Tenure of beneficiaries--rental or homeownership; and
- A description of how the design of the activity will ensure continued affordability

Existing Virginia CDBG program policies will be used as a model for development of a Virginia NSP Grant Management manual that will provide specific guidance, regulations, and sample documents for use by Virginia NSP grantees. HOME standards will be used to establish minimum affordability standards.

ATTACHMENTS

All proposals must include relevant Attachments. Relevant Attachments should be attached behind the Cover Sheet, Proposal Summary, and Proposal Narrative.

Attachment # 1—Financial Summary

This section includes the Project Budget, Sources Budget, Status of Other Funding, and Derivation of Costs. The completed Financial Summary section should be placed as an attachment with a tab to indicate its location.

Project Budget

The Project Budget is included on page 47. At the top of the budget page, enter the name of the applicant (or lead applicant in a Regional project). Where possible limit the budget sheet to a single, legal sized piece of paper. Include this budget and supporting documentation in **ATTACHMENT # 1**.

It is critical that cost estimates be very current. Proposals with the most current cost estimates will be in a more credible position as DHCD evaluates the authenticity of project costs.

Project Products / Activities

List the project products in column B adjacent to the lettered references in column A. These products should be consistent with those listed on the first page of the proposal. Products vary from project to project.

Project Line Items

The estimated costs for each cell in the line item rows under each project product heading must be completed as accurately as possible using the most recent cost

information. Such accuracy not only demonstrates that a project is closer to implementation, but allows DHCD reviewers to complete a more precise assessment of cost reasonableness.

Sources Budget

Attribute each amount of funding targeted for this project to one of the listed categories. Provide the total for each funding source category, the percentage of the total project budget it represents, and note the individual funding sources included in that category. The amounts listed in this budget must be consistent with those from other sections in the application and from supporting documents, such as the Local Government Resolution. Specify each source of local funds, whether general revenue, bonds, loans, or otherwise. Also include local in-kind for which there is a firm dollar value. Generally, loan funds obtained by the locality for a project will be considered local funding during the evaluation of proposals.

Status of Other Funding

Provide the status of and the process for obtaining other funds for this project. Have firm commitments been received? Have formal agreement been signed? Include contracts, agreements, award letters, and other documentation which confirms the commitment of other funding to the project. Attach letters of commitment and similar funding documentation in **ATTACHMENT # 1**.

Derivation of Costs

Provide detailed information on the costs of the proposed project. At a minimum, list each product and its component cost elements. Preferably, applicants will list even the components of the cost elements, meaning itemization by line items or unit

costs. The source and date of these estimates must also be provided.

Attachment # 2 – Project / Service Area Maps

Each proposal must contain a map which shows major geographic features, including streets, and clearly illustrates the location of the proposed project. ALL maps should be LEGIBLE and contain the following:

- A scale which is clearly marked on the map;
- Boundaries of the locality (which is not always possible for counties);
- Boundaries of the project or service area where activities will be concentrated;
- Location(s) of all proposed project activities;
- Location and numbers / names of streets and route numbers leading to and in the target area;

Information of more than one type may be included on one map if the combined information is clearly legible and comprehensible. For certain projects, additional maps may be requested by DHCD.

IN ADDITION TO ILLUSTRATING ALL PROJECT ACTIVITIES, THE MAP SHOULD BE ADEQUATE FOR DHCD TO VISIT THE SITE PRIOR TO OR AFTER GRANT ANNOUNCEMENT ARE MADE.

Attachment # 3 – Readiness and Capacity

Include a copy of a resolution passed by the local governing body of the applicant giving the chief administrative official authority to complete, sign, and submit this proposal. The resolution must contain the following:

- That the applicant wishes to apply for NSP funds;

- The project title;
- The amount of NSP funds requested;
- The amounts of local, state, or federal funds that are part of the total project cost; and
- That the chief executive is authorized to sign and submit all appropriate information necessary to apply for NSP funding.

A sample resolution follows:

SAMPLE RESOLUTION

Be it resolved that, *APPLICANT NAME* wishes to apply for *AMOUNT* of Virginia Community Development Block Grant Neighborhood Stabilization Program funds for *PROJECT TITLE*.

Whereas *LIST AMOUNTS AND SOURCES OF OTHER FUNDS* will also be expended on this project, it is projected that *NUMBER AND TYPE OF BENEFICIARIES* will result from the implementation of this project, of which *NUMBER* will be low- moderate- and middle income persons.

Be it further resolved that *CHIEF EXECUTIVE* is hereby authorized to sign and submit appropriate documents for the submittal of this proposal.

Assurances and Certifications

Attach signed copies of the General Assurances and Certification, the Drug Free Workplace Assurances and Certification, and a completed Applicant Disclosure Report.

Additionally, attach any requested information that demonstrates the capacity of the applicant to complete this project, including documentation of nonprofit status,

Memorandum of Understandings with partners, etc.

PROPOSAL EVALUATION

Open Submission proposals will be evaluated based on the applicant's responses to the Proposal Elements. It is critical that applicants provide complete responses to all of the requested elements.

Competitive grant proposals received by DHCD are evaluated qualitatively and quantitatively scored according to a 1000 point scale based on the items identified below. Competitive Proposals will be evaluated based on 1) Need; 2) Impact; 3) Readiness; 4) Capacity; and 5) Leveraging. Proposals are ranked based upon the score that is assigned. The highest ranking proposals are recommended for funding. Proposals are funded, in order of the ranking, to the greatest extent allowed by available funding.

PROPOSAL FORMS AND CERTIFICATIONS

- 1. Cover Sheet**
- 2. NSP Planning Grant Proposal Format**
- 3. Proposal Summary Format**
- 4. Financial Summary**
- 5. General Assurances and Certifications**
- 6. Fraud, Waste, Abuse And Misrepresentation Certification**
- 7. Disclosure Report**
- 8. NSP Review and Checklist**



**CDBG
NEIGHBORHOOD
STABILIZATION
PROGRAM
COVER SHEET**

Applicant:

**Address/Contact Person/Phone,
Fax, Email:**

Applicant Type:

- County or City
- Town, Nonprofit, RHA, PDC
- Regional

Project Name:

Project Description:

Name of Eligible Locality:

**NSP Funding
Round:**

Chief Elected Official of Eligible Locality:

Open
Submission

Address / Contact Information:
(If different from above)

Planning

Competitive

Project Cost:

Source:

Amount:

Source:

NSP	\$	
State	\$	
Other CDBG	\$	
Other Federal (Grant)	\$	
Other Federal (Loan)	\$	
Private	\$	
<u>Local</u>	<u>\$</u>	
TOTAL	\$	

Preparer:

Provide the name, phone number, and email of the person who actually prepared this application.

Affirmation Statements:

By checking these boxes the applicant is affirming the following statements:

- Applicant is currently eligible to receive the full amount that is being requested.
- Applicant agrees to send responsible parties, to include any relevant subcontractors, to all mandatory DHCD-sponsored training events, to include the Construction Management and Grant Management workshops, and to provide representation at all management team meetings.

Certification and Signature:

To the best of my knowledge and belief, the information included in this proposal is true and correct, the proposal has been duly authorized by the governing body of the applicant, citizen participation requirements have been met, and the proposal has been submitted for Planning District Commission review.

Name: _____ Title: _____

Signature: _____

NSP PLANNING GRANT PROPOSAL FORMAT

Applicants for Planning Grants must submit the Cover Sheet and a proposal and supporting documentation that addresses the items listed below. The additional proposal elements are not applicable to the application for Planning Grant assistance. The following should be attached to the cover sheet:

Letter of Interest Format

Applicants must provide responses to the items listed below. Responses must be submitted in the form of a Letter of Interest (LOI). Letters must be signed by the County Administrator, City Manager, or Town Manager, or Chief Administrative Officer. Responses should be addressed to:

Denise Ambrose, Associate Director

Project Management Office

*Department of Housing and Community
Development*

501 North Second Street

Richmond, Virginia 23219

Needs and Opportunities

Describe the needs and opportunities that the locality intends to address with NSP Planning Grant funding. How does the locality know about this need? Include as much detail as is currently known (prior to examining this need further using Planning Grant funding). How will NSP funds be utilized? Are there other resources that will be used? Is this localized or are there problems in the surrounding communities? If so, are the remediation efforts being coordinated?

What data sources have been used to identify high numbers and high concentrations of abandoned and foreclosed properties?

Describe any potential project areas to be studied in the planning grant should be provided. Identify why each of these areas appear to meet the intended definition of an eligible neighborhood as required under the NSP. Neighborhoods may be defined by physical features, historic definition, or other means.

Provide information on any source of potential homeowners to be targeted for purchase of NSP homes.

Timeliness

Describe how the applicant is prepared to begin immediately. Has any research, assessments, evaluations been conducted previously. Given the short amount of time available to spend NSP funds, detail how the applicant will make arrangements to ensure this work is prioritized.

Readiness

What steps have been taken to get to proceed? Who are the main persons that will be involved? Does the applicant have necessary staff on hand? Will professional staff be necessary?

Attachments

Attachment#1 - Maps

Attach at least one map showing the target area(s).

Attachment #2 – Documentation of Need and Support

Attach documentation of project needs. Attach letters and other documents indicating support.

PROPOSAL SUMMARY FORMAT

ACQUISITION:

Number of Abandoned and Foreclosed properties in project _____

Number of Abandoned and Foreclosed properties with purchase agreement in place _____

Number of Abandoned and Foreclosed properties currently under negotiation with owner _____

Number of Abandoned and Foreclosed properties with owner identified and contacted _____

Number of Abandoned and Foreclosed properties with no contact with the owner _____

REHABILITATION:

Number of properties for Rehab _____

Number of unit for Rehab for Homeowner creation. _____

Of these, number of unit for Rehab with completed inspection _____

Number of unit for Rehab for Rental property _____

Of these, number of unit for Rehab with completed inspection _____

HOMEOWNERSHIP CREATION:

Number of identified qualified homebuyers in a with desire to live in the project area _____

Number of identified potential Homebuyers on track to qualify for NSP home purchase _____

Number of qualified homebuyers to receive downpayment / closing cost assistance _____

RENTAL UNITS:

Total number of rental units created _____

FINANCIAL SUMMARY

Sample budget format:

Neighborhood Stabilization Program Budget

LINE ITEM	TOTAL BUDGET	NSP BUDGET	NON-NSP BUDGET	NON-NSP SOURCE
ADMINISTRATION				
(Identify Tasks)	0.00	0.00	0.00	
ACQUISITION				
*Program Delivery	0.00	0.00	0.00	
Appraisals	0.00	0.00	0.00	
Acquisition Cost	0.00	0.00	0.00	
Subtotal	0.00	0.00	0.00	
HOUSING REHABILITATION - OWNER OCCUPIED				
Construction	0.00	0.00	0.00	
*Rehab Specialist (Program Delivery)	0.00	0.00	0.00	
Subtotal	0.00	0.00	0.00	
HOUSING REHABILITATION - INVESTOR OWNER				
Construction	0.00	0.00	0.00	
*Rehab Specialist (Program Delivery)	0.00	0.00	0.00	
Subtotal	0.00	0.00	0.00	
HOUSING - DAMAGE REPAIR				
Construction	0.00	0.00	0.00	
*Rehab Specialist (Program Delivery)	0.00	0.00	0.00	
Subtotal	0.00	0.00	0.00	
HOMEOWNERSHIP CREATION				
*Program Delivery	0.00	0.00	0.00	
Closing Costs	0.00	0.00	0.00	
Downpayment Assistance	0.00	0.00	0.00	
Subtotal	0.00	0.00	0.00	
TRANSFER				
*Program Delivery	0.00	0.00	0.00	
Seller-Paid Closing Costs	0.00	0.00	0.00	
Subtotal	0.00	0.00	0.00	
TOTAL	0.00	0.00	0.00	

*Refer to Program Delivery Chart on page 18 for allowable amounts.

SOURCES BUDGET:

<u>Source</u>	<u>Amount</u>	<u>Percentage</u>	<u>Funding Source</u>
NSP	\$	%	
State	\$	%	
Other CDBG	\$	%	
Federal (Grant)	\$	%	
Federal (Loan)	\$	%	
Local	\$	%	
Private	\$	%	
TOTAL	\$	100%	

STATUS OF OTHER FUNDING:

What is the current status of non-NSP funding? Provide a summary of the current level of commitment and availability of each source of non-NSP funding identified above. Provide commitment letters, contracts, or similar documentation as well as a contact person for the source and contact information in **ATTACHMENT 1**.

Be certain that the information in the letters and documentation correlate exactly to the figures listed above. If they do not, provide a clear explanation and break out.

Please Note: If the amounts, status, and commitment of each other source of funds are not clearly listed, the funding MAY NOT be included when DHCD reviewers are calculating leverage and evaluating for credit of these funds.

DERIVATION OF COSTS:

<u>Product / Activity</u>	<u>TOTAL Cost</u>	<u>NSP \$</u>	<u>Non-NSP \$</u>	<u>Source</u>	<u>Date</u>

GENERAL ASSURANCES AND CERTIFICATION

Original copy in original proposal; photocopies in other copies

The applicant hereby assures and certifies that:

- (a) It possesses legal authority to apply for the grant, and to execute the proposed program.
- (b) Its governing body has duly adopted or passed as an official act a resolution, motion, or similar action authorizing the filing of the application including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.
- (c) Its chief executive officer or other officer of applicant who has been approved by the Virginia Department of Housing and Community Development:
 - i. Consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 (NEPA) and other provisions of Federal law, as specified at 24 CFR 58.5(a) through (h) which serve to further the purposes of NEPA insofar as the provisions of such Federal law apply to this Program;
 - ii. Is authorized and consents on behalf of the applicant and himself to accept the jurisdiction of the Federal and Commonwealth of Virginia courts for the purpose of enforcement of his responsibilities as such an official.
- (d) It will comply with the regulations, policies, guidelines and requirements of the Code of Federal Regulations (24 CFR Part 85), OMB Circular A-128 and Circular A-87 as they relate to the application, acceptance, and use of Federal funds under this Program; and, as applicable, all State laws and administrative requirements which may supersede them (by virtue of being more stringent).
- (e) It will comply with the provisions of Executive Order 11988, relating to evaluation of flood hazards and Executive Order 12088 relating to the prevention, control and abatement of water pollution.
- (f) It will require buildings or facilities designed, constructed, or altered with funds provided under this Program to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped," Number A-117.1-R 1980, or Uniform Federal Accessibility Standards (UFAS) in accordance with the Virginia Uniform Statewide Building Code. The applicant will be responsible for conducting inspections to insure compliance with these specifications by the contractor.

(g) It will not recover the capital costs for public improvements financed in whole or in part with CDBG funds through assessments against properties owned and occupied by low- and moderate-income persons nor will fees or assessments be charged to such persons as a condition of obtaining access to the public improvements. (Per section 104(b)(5) of Title I of Housing and Community Development Act of 1974, as amended).

(h) It will comply with:

- i. Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352), and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives Federal financial assistance. A recipient, in determining the types of housing, accommodations, facilities, services, financial aid, or other benefits which will be provided under any such program or activity, or the class of persons to whom, or the situations in which, such housing, accommodations, facilities, services, financial aid, or other benefits will be provided under any such program or activity, or the class of persons to be afforded an opportunity to participate in any such program or activity, may not, directly or through contractual or other arrangements, utilize criteria or methods of administration which have the effect of subjecting persons to discrimination because of their race, color, or national origin, or have the effect of defeating or substantially impairing accomplishment of the objectives of the program or activity as respect to persons of a particular race, color, or national origin.

The project service area shall not be selected in such a manner as to provide services to a population in which the proportion of minority and other protected population groups is substantially lower than the proportion of those groups throughout the jurisdiction of the locality unless:

- the areas of disproportionate concentrations of minority and other protected population groups has already been served, or
 - there are definite plans for the imminent provision of similar services to those areas, or
 - there is reasonable justification for the provision of services to the selected area notwithstanding the substantially lower proportion of minority and other protected population groups.
- ii. Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284), as amended, administering all programs and activities relating to housing and community development in a manner to affirmatively further fair housing; and will take action to affirmatively further fair housing in the sale or rental of housing, the financing of housing, and the provision of brokerage services.
 - iii. Section 109 of the Housing and Community Development Act of 1974, and the regulations issued pursuant thereto (24 CFR Part 570.602), which provides that no person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to

discrimination under, any program or activity funded in whole or part with funds provided under this Program. Any prohibition against discrimination on the basis of age under Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973 as amended shall also apply to this Program.

- iv. Executive Order 11063 on equal opportunity in housing and nondiscrimination in the sale or rental of housing built with Federal assistance.
 - v. Executive Order 11246, and the regulations issued pursuant thereto 41 CFR Chapter 60), which provides that no person shall be discriminated against on the basis of race, color, religion, sex or national origin in all phases of employment during the performance of Federal or federally assisted construction contracts. Contractors and subcontractors on Federal and federally assisted construction contracts shall take affirmative action to insure fair treatment in employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination, rates of pay or other forms of compensation and selection for training and apprenticeship.
- (i) It will comply with Section 3 of the Housing and Urban Development Act of 1968, as amended, requiring that to the greatest extent feasible opportunities for training and employment be given to lower-income residents of the project area and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in the area of the project.
- (j) It will:
- i. In acquiring real property be guided, to the greatest extent practicable under State law, by the land acquisition policies in Sections 301 and 302 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; and
 - ii. Pay or reimburse property owners for necessary expenses as specified in Section 303 and 304 of the Uniform Act; and
 - iii. Comply with the applicable Sections (202 through 205) of Title II (relocation assistance) of the Uniform Act in providing relocation payments and relocation assistance; and
 - iv. Comply with DOT regulations at 49 CFR Part 24 in implementing the requirements, it will:
 - 1) Carry out the policies and procedures of Part 24 in a manner that insures that the acquisition and relocation processes do not result in different or separate treatment to persons on account of race, color, religion, sex, national origin, or source of income; and
 - 2) Assure that, within a reasonable period of time prior to displacement, comparable decent, safe and sanitary replacement dwellings will be available to all displaced families and individuals and that the range of choices available to such persons will not vary on account of race, color, religion, sex, national origin, or source of income; and

- 3) Inform affected persons of their rights under the policies and procedures set forth under the regulations in Part 24, including their rights under Title VI of the Civil Rights Act of 1964 and Title VIII of the Civil Rights Act of 1968, as amended.
- (k) It will establish safeguards to prohibit employees from using 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.
- (l) It will comply with the provisions of the Hatch Act which limits the political activity of employees.
- (m) It will comply with the provisions of the Davis-Bacon Act as amended and the Contract Work Hours and Safety Standards Act as determined by the Secretary of Labor. This section shall apply to rehabilitation of residential property only if such property is designed for residential use of eight or more families.
- (n) It will give the Virginia Department of Housing and Community Development and the Comptroller General through any authorized representatives access to and the right to examine all records, books, papers, or documents related to the grant.
- (o) It will insure that facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the program are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the Virginia Department of Housing and Community Development of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.
- (p) It will comply with the flood insurance purchase requirements of Section 102 (a) of the Flood Disaster Protection Act of 1973, Pub. L. 93-234, 87 Stat. 975, approved December 31, 1973. Section 103 (a) required, on and after March 2, 1974, the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any Federal financial assistance for construction or acquisition purposes for use in any area, that has been identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards. The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance.
- (q) It will in connection with its performance of environmental assessments under the National Environmental Policy Act of 1969, comply with Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470), Executive Order 11593, and the Preservation of Archeological and Historical Data Act of 1966 (16 U.S.C. 469a-1, et. Seq.) by:
- i. Consulting with the State Historic Preservation Officer to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to adverse effects (see 36 CFR Part 800.8) by the proposed activity, and

- ii. Complying with all requirements established by HUD and the Virginia Department of Housing and Community Development to avoid or mitigate adverse effects upon such properties.
- (r) Assure upon funding, it will implement a "residential anti-displacement and relocation assistance plan," pursuant to Section 570.496a(b).
 - (s) It will implement all required actions to ensure compliance pursuant to 24 CFR Part 8, Nondiscrimination Based on Handicap in Federally Assisted Programs and Activities.
 - (t) The undersigned certifies, to the best of his or her knowledge and belief, that:
 - i. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee or 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.
 - ii. 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 or any agency, 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, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
 - iii. The undersigned shall require that the language of this 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.

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.

- (u) Any survey information submitted with the application is a true representation of the data and has not been altered or fabricated. The survey was conducted and analyzed in strict accordance with the methodology stated.
- (v) The certification set out below is a material representation upon which reliance is placed by the U.S. Department of Housing and Urban Development in awarding 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, the U.S. Department of Housing and Urban

Development, in addition to any other remedies available to the Federal Government, take action authorized under the Drug-Free Workplace Act.

FRAUD, WASTE, ABUSE AND MISREPRESENTATION CERTIFICATION

Fraud, Waste and Abuse of NSP Funds by Grantees of the State and/or their Representatives

The US Office of Inspector General has identified NSP funds as high risk. To prevent this risk, grantees shall take whatever steps necessary to ensure that procedures currently in use are sufficient or will be strengthened to enable early detection of any illegal activities. Detection of such illegal activities shall be reported immediately to the Division of Community Assistance (DCA). The State of North Carolina and/or the Federal government will pursue remedies available to them including criminal prosecution.

Misrepresentation (intentional or otherwise) by Grantees of the State and/or Their Representatives

The applicant and/or grantee shall report any default that results in a lien and/or judgment against it. It shall also certify that the information being provided in the application or during implementation of the award is correct. The grantee understands that any determination that is found to be intentional or otherwise will result in disqualification of the application and/or the rescission of an award at any point after violations have been disclosed and reviewed by the Division of Community Assistance and determined to be in violation from the award to closeout.

Chief Administrative Official:

_____	_____
Name	Title
_____	_____
Signature	Date

DRUG-FREE WORKPLACE ASSURANCES AND CERTIFICATION

The grantee certifies that it will provide a drug-free workplace by:

- (a) 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;
- (b) Establishing a drug-free awareness program to inform employees about -
 - i. The dangers of drug abuse in the workplace;
 - ii. The grantee's policy of maintaining a drug-free workplace;
 - iii. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - iv. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- (c) 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 (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will -
 - i. Abide by the terms of the statement; and
 - ii. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;
- (e) Notifying the U.S. Department of Housing and Urban Development within ten days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such condition;
- (f) Taking one of the following actions, within 30 days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted –
 - i. Taking appropriate personnel action against such an employee, up to and including termination; or
 - ii. 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;

- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

Chief Administrative Official:

Name

Title

Signature

Date

APPLICANT DISCLOSURE REPORT

PART I – SUMMARY INFORMATION

Applicant _____

Address _____

Contact Person _____

Address _____

Phone Number _____

Project Name _____

Applicant FIN / Employer ID # _____

Are you requesting NSP funding of \$200,000 or more? _____ YES _____ NO

If yes, the remainder of this Applicant Disclosure Report must be completed and the original must be attached to the original copy of the proposal. Photocopies in other copies.

PART II – OTHER GOVERNMENTAL ASSISTANCE IN PROJECT

Source of Assistance	Program / Use of Funds	Type of Assistance	Amount

PART III – INTEREST DISCLOSURE

Interested Parties	Social Security / FIN Employer ID	Type of Participation	Financial Interest In Project (\$ and %)

I hereby certify that, to the best of my knowledge, the information contained in this Applicant Disclosure Report is true and accurate.

Chief Administrative Official:

Name

Title

Signature

Date

Review of RFP Prior to Submission

Applicants are encouraged to review the outline below to ensure that key components are included in their proposal.

1) Submission Requirements

- Complete proposal with all attachments
- Signed by chief executive, with certifications signed by chief elected official or equivalent
- Applicant eligible to receive NSP funds in the amount requested
- NSP eligible activities
- Funds requested are within NSP guidelines
- Potential homeowners must remain at or below 120 percent of area median income (AMI)
- 25/50 Requirement
- Document any previous funding under CDBG projects in the Proposal Summary under Capacity.

2) Organizational Capacity

- For non profit applicants confirm the NSP correlates to the organization's mission.
- Staffing and budget are adequate to manage NSP
- Document track record in homeownership assistance either directly or through partnerships
- Rehab project management component is developed using proven strategies

3) Readiness

- Demonstrate need for targeted project
- Tangible community impact
- Commitment from locality to project necessity and completion within the prescribed DHCD timeframe
- Comprehensive in services and support- Existing or planned

NSP APPLICATION SUBMISSION CHECKLIST

DHCD prefers to receive the NSP application with index tabs correlating to the required format.

An original & 6 complete copies are required. Please use binder clips to attach proposals.

Submit in the following order:

COVER SHEET, PROPOSAL SUMMARY, PROPOSAL NARRATIVE

- Chief Administrative Officer to sign submission certification form
- Project Service Area –Description of geographic area and market conditions
- Maps of the project area; keyed to show property status
- Project Needs & Opportunities
- How were project needs identified?
- How were abandoned & foreclosed properties identified?
- Project Products and Outcomes
- Acquisition & Relocation
- Leveraging
- List of Potential Properties

CAPACITY OF APPLICANT

- List of names/ profiles of individuals responsible for implementation
- Characterize Professional Assistance
- Describe localities & responsible parties' history with CDBG projects
- Role of area Stakeholders
- Provide assurances concerning existing housing programs

CAPACITY OF NON PROFIT APPLICANT – if applicable

- Copy of the IRS 501(c) (3) designation of your organization as a non-profit
- Copy of organization's articles of incorporation
- Copy of organization's charter or by-laws

READINESS

- Demonstrate need for targeted project
- Tangible community impact
- Commitment from localities
- Comprehensive in services and support- Existing or planned
- What has been done?
- Statement that environmental notices & letters have been sent
- What has to be done?

ATTACHMENT # 1: FINANCIAL SUMMARY

- Project Budget
- Source Budget
- Derivation of Costs, with attached documentation

ATTACHMENT # 2: MAPS

- Project Maps

ATTACHMENT # 3: CAPACITY

- ASSURANCES AND CERTIFICATIONS
- Local Government Resolution if applicable
- Copy of an Agreement/Memorandum of Understanding Localities
- Copy of an Agreement/Memorandum of Understanding with Lender
- Organizational Certification for Homeownership Counseling
- List of Potential Homeowners
- Proof of environmental review compliance

SAMPLE PAY-FOR-PERFORMANCE BUDGET

Neighborhood Stabilization Program Budget

LINE ITEM	TOTAL BUDGET	NSP BUDGET	NON-NSP BUDGET	NON-NSP SOURCE
ADMINISTRATION – Tasks:				
Getting Under Contract with DHCD	8,980	8,980	0	
Acquisition's Under Contract	10,000	10,000	0	
Completion of Acquisition	10,000	10,000	0	
Eligible Homebuyer Commitment	12,840	12,840	0	
Rehab Work Complete	8,000	8,000	0	
Homebuyer Closing	12,000	12,000	0	
Monthly Monitoring	3,000	3,000	0	
Satisfactory Interim Compliance Review	8,000	8,000	0	
Satisfactory Final Compliance Review	8,000	8,000	0	
Administrative Close-out of Project	8,980	8,980	0	
	89,800	89,800	0	
ACQUISITION				
Program Delivery	43,000	33,000	10,000	Local Match
Appraisals	12,000	12,000	0	
Activity Costs	1,000,000	600,000	400,000	City Acquisition Program
Subtotal	1,055,000	645,000	410,000	
HOUSING REHABILITATION				
Construction	175,000	160,000	15,000	HOME
Rehab Specialist (Program Delivery)	16,000	16,000	0	
Subtotal	191,000	176,000	15,000	
TRANSFER				
Program Delivery	56,000	44,000	12,000	Local In-kind
Activity Costs	36,300	33,000	3,300	Local fee waiver
Subtotal	92,300	77,000	15,300	
TOTAL	1,428,100	987,800	440,300	

APPENDIX A – LMMI AND 50% INCOME LIMITS

Locality or MSA	Median Income		Number in Household							
			1	2	3	4	5	6	7	8
Charlottesville, VA MSA	68500	50% AMFI	24000	27400	30850	34250	37000	39750	42450	45200
		120% LMMI limit	57600	65760	74040	82200	88800	95400	101880	108480
Alleghany County-Clifton Forge city-Covington city, VA HUD Nonmetro FMR Area	51200	50% AMFI	17900	20500	23050	25600	27650	29700	31750	33800
		120% LMMI limit	42960	49200	55320	61440	66360	71280	76200	81120
Richmond, VA HUD Metro FMR Area	69300	50% AMFI	24250	27700	31200	34650	37400	40200	42950	45750
		120% LMMI limit	58200	66480	74880	83160	89760	96480	103080	109800
Lynchburg, VA MSA	55100	50% AMFI	19300	22050	24800	27550	29750	31950	34150	36350
		120% LMMI limit	46320	52920	59520	66120	71400	76680	81960	87240
Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area	99000	50% AMFI	34450	39350	44300	49200	53150	57050	61000	64950
		120% LMMI limit	82680	94440	106320	118080	127560	136920	146400	155880
Augusta County-Staunton city-Waynesboro city, VA HUD Nonmetro FMR Area	57700	50% AMFI	20200	23100	25950	28850	31150	33450	35750	38100
		120% LMMI limit	48480	55440	62280	69240	74760	80280	85800	91440
Roanoke, VA HUD Metro FMR Area	60200	50% AMFI	21050	24100	27100	30100	32500	34900	37300	39750
		120% LMMI limit	50520	57840	65040	72240	78000	83760	89520	95400
Carroll County-Galax city, VA HUD Nonmetro FMR Area	47100	50% AMFI	17700	20250	22750	25300	27300	29350	31350	33400
		120% LMMI limit	42480	48600	54600	60720	65520	70440	75240	80160
Franklin County, VA HUD Metro FMR Area	57500	50% AMFI	20150	23000	25900	28750	31050	33350	35650	37950
		120% LMMI limit	48360	55200	62160	69000	74520	80040	85560	91080
Winchester, VA-WV MSA	59800	50% AMFI	21300	24350	27400	30450	32900	35300	37750	40200
		120% LMMI limit	51120	58440	65760	73080	78960	84720	90600	96480

Locality or MSA	Median Income		Number in Household							
			1	2	3	4	5	6	7	8
Giles County, VA HUD Metro FMR Area	53400	50% AMFI	18700	21350	24050	26700	28850	30950	33100	35250
		120% LMMI limit	44880	51240	57720	64080	69240	74280	79440	84600
Virginia Beach-Norfolk-Newport News, VA-NC MSA	65100	50% AMFI	22800	26050	29300	32550	35150	37750	40350	42950
		120% LMMI limit	54720	62520	70320	78120	84360	90600	96840	103080
Greensville County-Emporia city, VA HUD Nonmetro FMR Area	48400	50% AMFI	17700	20250	22750	25300	27300	29350	31350	33400
		120% LMMI limit	42480	48600	54600	60720	65520	70440	75240	80160
Harrisonburg, VA MSA	56400	50% AMFI	19850	22700	25500	28350	30600	32900	35150	37400
		120% LMMI limit	47640	54480	61200	68040	73440	78960	84360	89760
Henry County-Martinsville city, VA HUD Nonmetro FMR Area	45700	50% AMFI	17700	20250	22750	25300	27300	29350	31350	33400
		120% LMMI limit	42480	48600	54600	60720	65520	70440	75240	80160
Louisa County, VA HUD Metro FMR Area	58300	50% AMFI	20400	23300	26250	29150	31500	33800	36150	38500
		120% LMMI limit	48960	55920	63000	69960	75600	81120	86760	92400
Blacksburg-Christiansburg-Radford, VA HUD Metro FMR Area	60700	50% AMFI	21550	24650	27700	30800	33250	35750	38200	40650
		120% LMMI limit	51720	59160	66480	73920	79800	85800	91680	97560
Danville, VA MSA	46800	50% AMFI	17700	20250	22750	25300	27300	29350	31350	33400
		120% LMMI limit	42480	48600	54600	60720	65520	70440	75240	80160
Pulaski County, VA HUD Metro FMR Area	54300	50% AMFI	19000	21700	24450	27150	29300	31500	33650	35850
		120% LMMI limit	45600	52080	58680	65160	70320	75600	80760	86040
Rockbridge County-Buena Vista city-Lexington city, VA HUD Nonmetro FMR Area	53900	50% AMFI	18850	21550	24250	26950	29100	31250	33400	35550
		120% LMMI limit	45240	51720	58200	64680	69840	75000	80160	85320
Harrisonburg, VA MSA	56400	50% AMFI	19850	22700	25500	28350	30600	32900	35150	37400
		120% LMMI limit	47640	54480	61200	68040	73440	78960	84360	89760

Locality or MSA	Median Income		Number in Household							
			1	2	3	4	5	6	7	8
Kingsport-Bristol-Bristol, TN-VA MSA	46500	50% AMFI	16300	18600	20950	23250	25100	26950	28850	30700
		120% LMMI limit	39120	44640	50280	55800	60240	64680	69240	73680
Southampton County-Franklin city, VA HUD Nonmetro FMR Area	52000	50% AMFI	18200	20800	23400	26000	28100	30150	32250	34300
		120% LMMI limit	43680	49920	56160	62400	67440	72360	77400	82320
Warren County, VA HUD Metro FMR Area	65300	50% AMFI	22850	26100	29400	32650	35250	37850	40500	43100
		120% LMMI limit	54840	62640	70560	78360	84600	90840	97200	103440
Wise County-Norton city, VA HUD Nonmetro FMR Area	41800	50% AMFI	17700	20250	22750	25300	27300	29350	31350	33400
		120% LMMI limit	42480	48600	54600	60720	65520	70440	75240	80160
Accomack County	45000	50% AMFI	17700	20250	22750	25300	27300	29350	31350	33400
		120% LMMI limit	42480	48600	54600	60720	65520	70440	75240	80160
Bland County	45900	50% AMFI	18100	20700	23250	25850	27900	30000	32050	34100
		120% LMMI limit	43440	49680	55800	62040	66960	72000	76920	81840
Brunswick County	49600	50% AMFI	17700	20250	22750	25300	27300	29350	31350	33400
		120% LMMI limit	42480	48600	54600	60720	65520	70440	75240	80160
Buchanan County	35800	50% AMFI	17700	20250	22750	25300	27300	29350	31350	33400
		120% LMMI limit	42480	48600	54600	60720	65520	70440	75240	80160
Buckingham County	48100	50% AMFI	17700	20250	22750	25300	27300	29350	31350	33400
		120% LMMI limit	42480	48600	54600	60720	65520	70440	75240	80160
Charlotte County	44500	50% AMFI	17700	20250	22750	25300	27300	29350	31350	33400
		120% LMMI limit	42480	48600	54600	60720	65520	70440	75240	80160
Culpeper County	66300	50% AMFI	17700	20250	22750	25300	27300	29350	31350	33400
		120% LMMI limit	42480	48600	54600	60720	65520	70440	75240	80160

Locality or MSA	Median Income		Number in Household							
			1	2	3	4	5	6	7	8
Essex County	56100	50% AMFI	17700	20250	22750	25300	27300	29350	31350	33400
		120% LMMI limit	42480	48600	54600	60720	65520	70440	75240	80160
Floyd County	48900	50% AMFI	17700	20250	22750	25300	27300	29350	31350	33400
		120% LMMI limit	42480	48600	54600	60720	65520	70440	75240	80160
Grayson County	44400	50% AMFI	17700	20250	22750	25300	27300	29350	31350	33400
		120% LMMI limit	42480	48600	54600	60720	65520	70440	75240	80160
Halifax County	48200	50% AMFI	17700	20250	22750	25300	27300	29350	31350	33400
		120% LMMI limit	42480	48600	54600	60720	65520	70440	75240	80160
Highland County	48400	50% AMFI	17700	20250	22750	25300	27300	29350	31350	33400
		120% LMMI limit	42480	48600	54600	60720	65520	70440	75240	80160
King George County	71800	50% AMFI	25150	28700	32300	35900	38750	41650	44500	47400
		120% LMMI limit	60360	68880	77520	86160	93000	99960	106800	113760
Lancaster County	55300	50% AMFI	19350	22100	24900	27650	29850	32050	34300	36500
		120% LMMI limit	46440	53040	59760	66360	71640	76920	82320	87600
Lee County	36700	50% AMFI	17700	20250	22750	25300	27300	29350	31350	33400
		120% LMMI limit	42480	48600	54600	60720	65520	70440	75240	80160
Lunenburg County	44000	50% AMFI	17700	20250	22750	25300	27300	29350	31350	33400
		120% LMMI limit	42480	48600	54600	60720	65520	70440	75240	80160
Madison County	57400	50% AMFI	20100	22950	25850	28700	31000	33300	35600	37900
		120% LMMI limit	48240	55080	62040	68880	74400	79920	85440	90960
Mecklenburg County	48400	50% AMFI	17700	20250	22750	25300	27300	29350	31350	33400
		120% LMMI limit	42480	48600	54600	60720	65520	70440	75240	80160

Locality or MSA	Median Income		Number in Household							
			1	2	3	4	5	6	7	8
Northumberland County	63400	50% AMFI	22200	25350	28550	31700	34250	36750	39300	41850
		120% LMMI limit	53280	60840	68520	76080	82200	88200	94320	100440
Nottoway County	50500	50% AMFI	17700	20250	22750	25300	27300	29350	31350	33400
		120% LMMI limit	42480	48600	54600	60720	65520	70440	75240	80160
Orange County	62500	50% AMFI	21900	25000	28150	31250	33750	36250	38750	41250
		120% LMMI limit	52560	60000	67560	75000	81000	87000	93000	99000
Page County	50000	50% AMFI	17700	20250	22750	25300	27300	29350	31350	33400
		120% LMMI limit	42480	48600	54600	60720	65520	70440	75240	80160
Patrick County	45900	50% AMFI	17700	20250	22750	25300	27300	29350	31350	33400
		120% LMMI limit	42480	48600	54600	60720	65520	70440	75240	80160
Prince Edward County	49200	50% AMFI	17700	20250	22750	25300	27300	29350	31350	33400
		120% LMMI limit	42480	48600	54600	60720	65520	70440	75240	80160
Rappahannock County	67300	50% AMFI	23550	26900	30300	33650	36350	39050	41750	44400
		120% LMMI limit	56520	64560	72720	80760	87240	93720	100200	106560
Richmond County	54400	50% AMFI	19050	21750	24500	27200	29400	31550	33750	35900
		120% LMMI limit	45720	52200	58800	65280	70560	75720	81000	86160
Russell County	40100	50% AMFI	17700	20250	22750	25300	27300	29350	31350	33400
		120% LMMI limit	42480	48600	54600	60720	65520	70440	75240	80160
Shenandoah County	57900	50% AMFI	20250	23150	26050	28950	31250	33600	35900	38200
		120% LMMI limit	48600	55560	62520	69480	75000	80640	86160	91680
Smyth County	46700	50% AMFI	17700	20250	22750	25300	27300	29350	31350	33400
		120% LMMI limit	42480	48600	54600	60720	65520	70440	75240	80160
Wythe County	51000	50% AMFI	17850	20400	22950	25500	27550	29600	31600	33650
		120% LMMI limit	42840	48960	55080	61200	66120	71040	75840	80760

APPENDIX B – SAMPLE PROJECT AREA MAPS



NOTE – ACTUAL MAPS SHOULD INCLUDE A KEY TO THE HIGHLIGHTED ITEMS AND BE CROSS REFERENCED TO THE PROPERTY LISTING.

233 Units

24 foreclosures

10% foreclosure

Boundaries:

E – Crestview Dr

S/W – Bond St

N – Dublin Pl, Bond St

APPENDIX C – DHCD HOUSING QUALITY STANDARDS

Housing Quality Standards in DHCD Housing Rehabilitation Programs

July 1, 2007

I. General

The eligibility of all rehabilitation work must be documented by the DHCD Section 8 Checklist.

Replacement of appliances, fixtures and housing components may take place **only** after it has been documented that repair is not possible or cost effective.

All work must relate to the health, safety, and energy efficiency of the household, and must be cost effective.

No cosmetic or incipient violation improvements shall be made.

All houses shall be inspected using this checklist by **both** the Project Administrator and the Rehab Specialist. The checklist must be signed by **both** the Project Administrator and the Rehab Specialist.

All work to be performed shall be reviewed for eligibility, prior to bidding construction or approval of change orders, by the Project Administrator.

The condition of the house after rehabilitation must comply with the minimum standards set forth here.

II. Preliminary Inspection Procedures

The Rehabilitation Specialist shall use DHCD's Section 8 Field Inspection Checklist to review and determine the need and eligibility of rehab work to be done on each house.

All work specified in the work writeup must relate to a specific violation cited on the Checklist.

All violations noted in the Checklist must be addressed by repairs in the writeup.

Where replacement of components is specified, the justification must be provided in the "Comments" column of the Checklist and, if relevant, documentation must be attached.

The Rehab Specialist should conduct the inspection in a routine manner consistent in each house.

Inspections must be conducted "room by room" and by major component. The inspection must include the exterior, yard, roof, chimney, attic, basement or crawl space, and out buildings.

The electrical system must be inspected by a licensed Journeyman, certified by the Virginia Department of Professional and Occupational Regulation (DPOR), who is independent from the contractor doing electrical work, or by a Building Official certified by DHCD to do electrical inspections.

All houses must be inspected by a professional exterminator for infestation of wood-boring insects, vermin and roaches, and be treated if infested.

Certifications of thorough chimney inspection and of Blower Door test and weatherization measures are required by the Rehab Specialist.

Housing built prior to 1978 will be presumed to contain lead-based paint (LBP). All repairs will be designed (upon recommendation of a DPOR licensed Risk Assessor) to eliminate LBP hazards using interim control measures, more specifically *standard treatments*, and the house must pass a Clearance Examination as documented by the Risk Assessor.

III. DHCD Section 8 Standards

A. Living Room and Bedrooms

- 1. Electrical:** The living room must be free of electrical hazards (uncovered outlets, bare or exposed wire, or overloaded extension cords). Circuits and outlets must be able to carry the proposed load. At least two duplex outlets must be properly installed. Permanent light bulbs and switches must be covered by appropriate fixtures.
- 2. Security:** All doors and windows which are accessible from the ground must be equipped with a properly-working locking device.
- 3. Windows:** At least one operable window must be present in living room and bedrooms. All windows must form a reasonably tight weather seal, be free of signs of severe deterioration, be able to be opened and closed by the occupant (if so designed) and be free of missing or broken (not cracked) panes.

All non-passable windows must be repaired rather than replaced unless it is demonstrated that repair will exceed 75% of replacement cost.

- 4. Walls and Ceilings:** All walls and ceilings in habitable areas of the dwelling must be free of severe damage from friction, impact, moisture, insects, or fatigue. Any holes, unkeyed surfaces, severe buckling, or structural weakness must be repaired. Doorstops must be installed at each doorway to prevent wall impact at the knob.

All non-passable walls and ceilings must be repaired, rather than replaced, unless more than 40% of surface area is damaged or structurally unstable.

- 5. Floors:** Floors must be structurally sound, able to withstand normal walking and stationary loads without buckling or bouncing, and contain no holes or damaged or missing structural parts.

Carpeting may only be installed if flooring must be replaced and carpeting will be laid directly upon sub-flooring.

6. **Paint/Surface Treatment:** Repaired or replaced surfaces may be finished or painted to match surrounding surfaces. Where existing surfaces are significantly damaged (scaled paint, exposed subsurface), the surface treatment shall be as follows:
 - a. Where children aged 6 years and under are present, contractor shall wet scrape all loose paint and/or cover with a cost-efficient covering using interim control measures as identified in the "Lead Safe Work Practices" course required of all contractors.
 - b. Where the sole inhabitants are handicapped and/or 65 years of age or older, contractor shall prepare surface appropriately and cover with cost-efficient covering.
 - c. Where an able-bodied person between the ages of 16 and 65 is present, and no child aged 6 or under is present, the family shall be provided with sufficient paint to repaint.
7. **Smoke Detector:** At least one working hard-wired and one battery- operated smoke detector must be permanently installed at a location audible to occupants of all sleeping rooms in the event of fire.

B. Kitchen

A separate room or a definitive area for storage and preparation of food must be present.

1. **Electrical:** There must be at least two working outlets and one working, permanently-installed light fixture.

The kitchen must be free of electrical hazards (uncovered outlets, bare or exposed wire, overloaded extension cords). Circuits and outlets must be able to carry the proposed load. GFI outlets are required within 6ft. of the sink.

Permanent light bulbs, outlets and switches must be covered by appropriate fixtures.

2. **Security:** All doors and windows which are accessible from the ground must be equipped with a properly-working locking device.
3. **Windows:** If present at least one operable window must open in the kitchen. All windows must form a reasonably tight weather seal, be free of signs of severe deterioration, be able to be opened and closed by the occupant (if so designed), and be free of missing or broken (not cracked) panes.

All non-passable windows must be repaired rather than replaced unless it is demonstrated that repair will exceed 75% of replacement cost.

4. **Walls and Ceilings:** All walls and ceilings in habitable areas of the dwelling must be free of severe damage and be protected from friction, impact, moisture, insects, or fatigue. Contractor shall provide water proof and grease proof treatment where needed. Any holes, unkeyed surfaces, severe buckling, or structural weakness must be repaired. Doorstops must be installed at each doorway to prevent wall impact at the knob.

All non-passable walls and ceilings must be repaired, rather than replaced, unless more than 40% of surface area is damaged or structurally unstable.

- 5. Floors:** Floors must be structurally sound, able to withstand normal walking and stationary loads without buckling or bouncing, and contain no holes or missing structural parts.

Kitchen flooring must be easily cleanable and resistant to water damage.

Linoleum is acceptable for flooring which does not pass.

New carpeting cannot be installed.

- 6. Stove:** Kitchens must be equipped with a stove which has at least two top burners. All top burners must work and be controlled by knobs to turn them off and on.

The stove must contain an oven which is capable of baking food at 400°F.

Stove shall be free of any gas leaks or electrical hazards and be equipped with an oven door which opens and closes properly.

The kitchen shall have a properly-functioning and ventilated range hood.

- 7. Refrigerator:** Kitchens must be equipped with a refrigerator which is adequately sized for the number of persons in the household. The refrigerator must be able to maintain a temperature of 40°F or lower. It must be equipped with a sealed door which opens and closes properly.

The maximum size for new refrigerators shall be: 14 cubic feet for 1-4 persons; and 17 cubic feet for 5 or more persons.

- 8. Sink:** Kitchens must have a permanently-affixed sink with hot and cold running water from a faucet, and a properly-working and connected drain with a gas trap.

Must have a hot and cold shut-off valve which is accessible.

No rust below rim level.

Sink must be free of defects such as leaking faucet, slow drain, missing or broken stopper, or improper venting.

- 9. Space for Storage and Preparation of Food:** Kitchen shall have permanently space for the preparation and storage of food.

A minimum of 6 linear feet (LF) of enclosed base and wall cabinet space is required for 1 to 3 persons.

A minimum of 8 LF of enclosed base and wall cabinet space is required for 4 or more persons.

A minimum of 6 LF of surface area at least 18 inches deep shall be affixed for food preparation.

If new cabinets are necessary, they shall not exceed the minimums provided herein.

Shelving, cabinet doors, drawers and hardware must function properly.

C. Bathroom An enclosed bathroom with a solid, hinged, and lockable door shall be present and accessible without traversing another person's bedroom.

- 1. Electrical:** There must be at least one outlet and one permanently- installed light fixture. Outlets must be GFI. Outlets, fixtures and switches must be properly covered. Room shall be free of electrical hazard.

If a new bathroom is to be installed, it must be installed in existing interior space, if possible.

- 2. Walls and Ceilings:** All walls and ceilings in habitable areas of the dwelling must be free of severe damage and be protected from friction, impact, moisture, insects, or fatigue. Contractor shall provide waterproof wall treatment where needed. Any holes, unkeyed surfaces, severe buckling, or structural weakness must be repaired. Doorstops must be installed at each doorway to prevent wall impact at the knob.

All non-passable walls and ceilings must be repaired, rather than replaced, unless more than 40% of surface area is damaged or structurally unstable.

- 3. Floors:** Floors must be structurally sound, able to withstand normal walking and stationary loads without buckling or bouncing, and contain no holes or damaged or missing structural parts.

Kitchen flooring must be easily cleanable and resistant to water damage.

Linoleum is acceptable for flooring which does not pass.

Carpeting cannot be installed.

- 4. Sink:** Bathrooms must have a permanently-affixed sink with hot and cold running water from a faucet and a properly working and connected drain with a gas trap.

Must have a hot and cold shut-off valve which is accessible.

Sink must be free of defects such as leaking faucet, slow drain, missing or broken stopper, or improper venting.

- 5. Toilet:** Bathroom must have a toilet connected to an approved disposal system which is not clogged. No water leakage or escape of gases shall occur.

Must have a shut off valve which is accessible.

Constant running or slow draining shall be repaired.

If there is broken or cracked porcelain, the toilet shall be replaced.

- 6. Tub or Shower:** A tub and or shower with hot and cold water running properly. Functioning handles, faucet, trap and drain must be present.

Tub shall have functioning stopper and anti-back siphonage drain.

Repair if leaking, poor pressure, improper venting or trapping.

Replace if porcelain is broken.

Shower shall have rod and curtain, or door.

7. **Ventilation:** There must be an operable window in good repair, or a working mechanical vent system.
8. **Storage:** An enclosed medicine cabinet is required.
9. **Handicapped Accessibility:** If an occupant is physically handicapped or elderly, relevant improvements to make fixtures and accessories accessible must be made.

Grab bars for toilet and tub must be sized to carry full body weight and be permanently affixed to wall studs. Insulation around exposed hot water pipes and drains must be installed for persons in wheelchairs.

D. Rooms Other than Living Room and Permanently Used Bedrooms:

If a room is not used for normal living functions on a daily basis, repairs or improvements may not be made except for repairs to conditions which threaten the viability of the structure, the condition of other rooms, or the health and safety of occupants.

E. Other Rooms Used Daily (Must be Specified):

1. **Electrical:** The room must be free of electrical hazards (uncovered outlets, bare or exposed wire, overloaded extension cords). Circuits and outlets must be able to carry the proposed load.

Permanent light bulbs and switches must be covered by appropriate fixtures.

If a room is necessary for ingress/egress, a permanently-installed light fixture is required.

2. **Security:** All doors and window which are accessible from the ground must be equipped with a properly-working locking device.
3. **Windows:** Windows must be operable. All windows must form a reasonably-tight weather seal, be free of signs of severe deterioration, be able to be opened and closed by the occupant (if so designed), and be free of missing or broken (not cracked) panes.

All non-passable windows must be repaired rather than replaced unless it is demonstrated that repair will exceed 75% of replacement cost.

4. **Walls and Ceilings:** All walls and ceilings in habitable areas of the dwelling must be free of severe damage from friction, impact, moisture, insects, or fatigue. Any holes, unkeyed surfaces, severe buckling, or structural weakness must be repaired. Doorstops must be installed at each doorway to prevent wall impact at the knob.

All non-passable walls and ceilings must be repaired, rather than replaced, unless more than 40% of surface area is damaged or structurally unstable.

5. **Floors:** Floors must be structurally sound, able to withstand normal walking and stationary loads without buckling or bouncing, and contain no cracks or damaged or missing structural parts.

Carpeting may only be installed if flooring must be replaced and carpeting will be laid directly upon sub-flooring.

6. **Paint/Surface Treatment:** Repaired or replaced surfaces may be finished or painted to match surrounding surfaces. Where existing surfaces are significantly damaged (scaled paint, exposed subsurface), the surface shall be as follows:
 - a. Where children aged 6 years and under are present, contractor shall wet scrape all loose paint and/or cover with a cost-efficient covering using interim controls as identified in the "Lead Safe Work Practices" course required of all contractors.
 - b. Where the sole inhabitants are handicapped and/or 65 years of age or older, contractor shall prepare surface appropriately and cover with cost-efficient covering.
 - c. Where an able-bodied person between the ages of 16 and 65 is present, and no child aged 6 or under is present, the family shall be provided with sufficient paint to repaint.

F. Building Exterior

1. **Foundation:** Foundation must be structurally capable of supporting the entire house. It must be enclosed with skirting or masonry units, vented, and capable of keeping water from under the structure and free from hazards.

Replacement must be made only if it is documented that significant structural damage is present which would make repair not possible or cost effective.

2. **Stairs, Rails and Porches:** Stairs, porches, balconies and decks must be free of severe structural defects or missing and broken boards or steps.

A secure handrail shall be present on a run of steps with four or more risers, and around a porch or balcony more than 30 inches above the ground.

No porch may be repaired where the cost of repairs will exceed 75% of the cost of replacement. Replacement or new porches shall not exceed 25 square feet.

Decks or balconies may not be built or replaced.

3. **Roof and Gutters:** Roof shall be free of serious defects such as buckling, serious sagging, holes, leaks, unkeyed or curling shingles, or missing roofing elements such as shingles, underlayment, flashing and sufficient joists.

Gutters, downspouts, soffit and fascia shall be free of defects which allow water, air or vermin into the interior of the structure, or to damage the surface or foundation of the structure.

- 4. Exterior Siding:** The exterior of the structure shall be completely covered by suitable weatherproof materials which have a surface treatment which adequately protects against water damage. Siding materials shall be free of major material defects and be properly secured to framing members.

Where wood siding is present with inadequate, degraded or seriously peeling paint, the entire house may be repainted using interim control measures as needed to protect occupants and workers from lead paint hazards. If less than 25% of existing siding needs to be replaced, the exterior shall be repaired with similar siding materials.

If more than 25% of the existing siding material needs to be replaced, the nature and extent of the damage must be documented and vinyl or other cost-effective siding may be installed.

- 5. Chimney:** All chimneys must be adequately lined and secure, with no unkeyed or loose structural members. All missing or loose mortar joints shall be repaired. Draft, dampers, flaking and blockage shall be inspected. Rehab Specialist shall certify inspection of all components, including a roof and attic inspection.
- 6. Mobile Home Tie Downs:** All mobile homes must be secured by properly placed and installed tie downs.
- 7. Handicapped Accessibility:** If physically handicapped or elderly persons with limited mobility are present, the exterior must provide for relevant accessibility from the street or parking areas to the interior of the structure.

Examples include: sidewalk or ramp no more than a 1-inch to 1-foot rise in slope from street or parking to point of entry. Railing along sidewalk or ramp, door threshold flush with internal and external entry/egress surface. Door handle which can be pulled rather than turned.

G. Heating and Plumbing

- 1. Heating Equipment:** Heating equipment shall be safe, free of defects, able to heat the entire living area to 70°F, at 0°F outside temperature, and cost effective as compared to other heating sources.

Heaters using fossil fuels shall be properly vented to the exterior. Fossil fuel heaters shall have an emergency cutoff which is accessible, with its use and location familiar to occupants. No unvented space heaters using fossil fuels shall be necessary or present.

- 2. Electric baseboard heating shall not be installed** unless it is documented that it is justified by long term cost efficiency, is acceptable to residents, and is easily turned off and on by the current occupants.
- 3. Ventilation:** The entire living area shall have adequate cross ventilation and cooling by means of operable windows.
- 4. Water Heater:** A water heater with all components in working condition, which does not leak and is capable of heating water to 120°F, shall be present.

The heater shall have a temperature pressure relief valve and discharge line directed toward the floor or outside the living area.

If replacement is necessary, a **40-gallon heater** shall be installed in a non-daily living area, or be enclosed.

5. **Water Source/Sewer Discharge:** The plumbing system shall be legally served by an approved water source with full-flow shut-off valve and approved discharge and sewage disposal system.
6. **Plumbing:** Main water feed and drain pipes shall be free from leaks and delivered water free from discoloration and odor.

H. General Health and Safety

1. **Access/Exits:** The living area must have two safe and easily-accessible points of access and exit which current occupants may use.

Door exits must be illuminated.

Access doors must be solid and lockable.

2. **Infestation:** The property must be inspected by a licensed exterminator. If infestation is discovered, treatment must be provided for thorough extermination.

Any seriously-damaged structural elements must be repaired.

All openings to exterior must be properly covered with framed insect screening.

Any access routes for rodents or other vermin must be permanently closed.

3. **Garbage and Debris:** All debris, junk, inoperable vehicles and appliances, and dilapidated structures on the exterior of the property shall be removed to a legally-acceptable location outside of the neighborhood prior to the initiation of rehabilitation.

The household shall be responsible for any and all physical removal that they are physically able to accomplish.

All debris, garbage, and accumulated belongings not necessary for daily living shall be removed from the living area by the household (if physically able) prior to rehabilitation.

The property shall have at least one 30-gallon trash container in good condition. If more than 3 persons inhabit the property, a second 30-gallon trash container shall be present.

I. Overcrowding

There must be an adequate sleeping room (passable bedroom or living room) for every two persons living full time in the household. However, no non-spousal persons of different gender may be required to share a sleeping room if both persons are 6 years of age or older.

J. Weatherization

All homes must be weatherized with at least R-38 ceiling insulation. All windows and doors must be caulked and weather-stripped.

Exterior doors must be equipped with a **storm door** unless a manufacturer's warranty will be voided on an entry door if the storm door is installed. In the case of a voided warranty, a screen door may be installed.

All homes must be tested before and after rehabilitation for air infiltration by means of a Blower Door. Air infiltration through sidewalls and bypasses must be mitigated where found. Weatherization measures should be designed to meet the minimum air flow of 1500 CFM or other standard based on square footage of the home and family size.

APPENDIX D – FINANCIAL MANAGEMENT REQUIREMENTS

Financial management systems must provide for:

- Advanced NSP funds must be placed in a non-interest bearing checking account;
- NSP funds must not be co-mingled with other funds utilized in the project;
- All grant expenditures must be in adherence with a DHCD approved budget;
- All source documents must be coded, signed, or initialed and dated;
- Copies of all source documents related to the grant must be maintained separately and be available for review by DHCD;
- Use of Fidelity Bonds (a form of insurance in which a bonding company agrees to reimburse an employer, within policy limits, for losses attributable to theft or embezzlement by bonded employees);
- Accurate, current, and complete reporting of the use of all grant funds in accordance with federal and state accounting and reporting requirements;
- Records that identify the source and application of funds for all grant supported activities. These records contain information pertaining to awards and authorizations, obligations, and obligated balances, assets, liabilities, outlays, and income;
- Effective control over and accountability for all funds, property, and other assets;
- Comparison of actual outlays with the approved grant budget;
- Procedures to minimize the time elapsing between the transfer of funds from the Commonwealth of Virginia and the disbursement by the Grantee;
- Procedures for determining the reasonableness, allowability and

allocability of costs in accordance with stated federal guidelines;

- Accounting records supported by source documentation;
- Examinations in the form of audits;
- A systematic method to assure timely and appropriate resolution of audit findings and recommendations;
- Accounting records and source documentation *must* keep CDBG funds separate from other accounts; and
- All leverage funds utilized as leveraging *must* be clearly and separately accounted for with source documents and accounting records.

Expenditures of CDBG funds must be made subsequent to or in proportion to other funds within the budget for the activity. Failure to adhere to proportional spending requirements may lead to DHCD imposing an interest penalty on the amount which exceeds the proportional spending requirement.

Accounting

All grantees are required to comply with Generally Accepted Accounting Principles (GAAP), which mandate that government resources shall be organized and accounted for on a fund basis. Established principles for fund accounting shall be followed when accounting for the Grant.

Grantees are encouraged to use a Special Revenue fund to account for the grant. All revenues and expenditures and general ledger transactions should be recorded in this fund. This would include grant revenue, local contribution, project revenue, administrative expenditure, as well as project expenditure and would require a complete set of accounts to record these transactions.

The accounting system itself must be double entry with a general ledger supported by a cash receipts journal, a cash disbursements journal, a general journal, and a fixed assets ledger. Other ledgers that the Grantee must keep include accounts receivable and accounts payable ledgers as well as budget /expenditures control and cash control subsidiary ledgers.

Cash Management

Procedures *must* be implemented that will ensure timely receipt and disbursement of advanced funds. It is important when requesting funds to remember:

- Funds must be requested to meet only immediate (short term) cash needs;
- Requests for payment must be for at least \$5,000 (except for the final request), or the request will be returned to the Grantee;
- Any amounts in excess of \$5,000 held for more than five (5) work days will be subject to an interest charge to be paid to DHCD; and
- Interest may not be earned on any grant funds held by the Grantee, regardless of amount. If interest is earned, it must be returned to DHCD.

The above procedures apply to advanced funds (funds required by the Grantee in order to pay grant-related vendors and/or contractors). If cash flow is not a critical consideration, some localities may wish to operate on a reimbursement basis.

Requesting Funds from DHCD

Grant funds will be available to Grantees after the effective date of CDBG Grant Agreement. Payments to Grantees will be made by the Treasurer of Virginia on receipt of a CDBG Drawdown Request and a *Drawdown Support Form* approved and processed by PMO.

Drawdown requests cannot be processed if they deviate from the DHCD-approved Project Budget.

The processing time for a CDBG Drawdown Request is approximately three (3) weeks from the date it is received at DHCD. The three (3) weeks includes approval and processing by the PMO, processing by the DHCD Accounting Office, up to ten (10) days processing by the Virginia Department of Accounts and the Treasury of Virginia, and postal time. This time may be less for electronic transfers.

APPENDIX E – SAMPLE SECURITY AGREEMENTS

**** Samples are HOME documents and will need to be modified if used with NSP.**

- 1. Deferred Loan Agreement**
- 2. Second Deed of Trust**
- 3. Promissory Note**

SAMPLE

DEFERRED LOAN AGREEMENT

BETWEEN

VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

AND

XXXXXXXXXXXX XXXXXXXXXXXXX, INC

THIS AGREEMENT, entered into this ___ day of _____ 2008, by and between the VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (hereinafter referred to as “Virginia Department of Housing and Community Development”), a governmental instrumentality of the Commonwealth of Virginia, and XXXXXXXXXXX XXXXXXXXX, INC. a Community Housing Development Organization (hereinafter referred to as “CHDO”).

WHEREAS, the Virginia Department of Housing and Community Development is responsible for the overall operation and administration of the Commonwealth of Virginia HOME Investment Partnerships Program (hereinafter referred to as “HOME Program”), in accordance with the United States Code and the rules and regulations set forth at 24 CFR Part 92; and

WHEREAS, the Virginia Department of Housing and Community Development has approved the CHDO’s request for Deferred Payment Loan for construction of 27 units of affordable housing in XXXXXXXXXXX County Virginia referred to as “[Project Name]” a single family affordable housing subdivision on XXXXXX at Covenant Drive., XXXXXXXXXXXXX, Virginia. The units will be sold to low and very low residents of the State of Virginia. Sixty percent of the total units (17) will be sold to families with incomes at or below 60% AMI;

NOW, THEREFORE, in consideration of the mutual premises and covenants set forth below, the parties hereto agree as follows:

1. The CHDO agrees to support the expansion of the supply of safe, sanitary, decent, and affordable housing through the development of single-family lots to be sold to low and very low income eligible applicants.

2. The Virginia Department of Housing and Community Development agrees to disburse to the CHDO up to Five Hundred Thousand Dollars (\$500,000) in the form of a Deferred Loan for the reimbursement of cost incurred in the construction of six single family units, one on each lot. The Virginia Department of Housing and Community Development agree to disburse the HOME CHDO funds as follows:

- 30% of the committed amount when a DHCD representative or assigned third party has determined by way of inspection that 30% of the construction is complete.
- 30% of the committed amount when a DHCD representative or assigned third party has determined by way of inspection that 60% of the construction is complete.
- 30% of the committed amount when a DHCD representative or assigned third party has determined the way of inspection that 90% of the construction is complete.
- 10% of the committed amount when a DHCD representative or assigned third party has determined by way of inspection that 100% of the construction is complete.

The CHDO agrees that any CHDO proceeds generated from the sale of the units will be deposited into a segregated account at a local financial institution, for use in providing HOME eligible or other housing activities to benefit low-income families or individuals.

Under this Agreement the CHDO may retain any proceeds resulting from the CHDO's investment of its CHDO set-aside funds. However, rental income which is generated by a CHDO-owned project does not constitute CHDO proceeds. Examples of CHDO proceeds are funds resulting from: the permanent financing of a CHDO project which is used to pay off a CHDO financed construction loan; the sale of CHDO sponsored rental housing to a second non-profit; the sale of CHDO developed homeownership housing; the principal and interest payments from a loan to a buyer of CHDO developed homeownership housing.

Once CHDO proceeds are used, there are no further HOME requirements which must be met. Funds generated from the use of CHDO proceeds are not CHDO proceeds. The CHDO must use any CHDO proceeds which it is authorized to retain, for HOME-eligible or other housing activities to benefit low-income families, as required by 24 CFR 92.300(a)(2). Examples of affordable housing activities which may be funded with CHDO proceeds include: emergency repairs, project operating costs and reserves, housing refinancing costs, CHDO operating expenses and homebuyer counseling. However, note that because CHDO proceeds are derived from the expenditure of HOME funds, any activities which are funded with CHDO proceeds may not be contributed as match.

All CHDO proceeds retained under this agreement may be reinvested in the CHDO project in the form of down payment, closing cost assistance, or home equity to benefit the home buyer, or a future homebuyer, or for any of the examples outlined above.

Under this Agreement the CHDO must retain all home buyer qualification material to document eligibility, including but not limited to, the home buyer application, home appraisals, and income verification for a period of not less than the appropriate affordability period or five years, whichever is less.

HOME requirements continue to apply as long as a CHDO receives and uses CHDO proceeds, even if the CHDO proceeds are received or used after this written Agreement has expired. If the CHDO has developed a project which includes a CHDO financed loan with a ten or fifteen year, or longer, repayment term, the HOME requirements governing CHDO proceeds apply to the longer period.

This deferred loan agreement provides funds as a development subsidy to the CHDO for the purpose of creating affordable housing units to sell to income eligible first-time homebuyers. Any additional investment of HOME funding in this project as a development subsidy to the CHDO, or direct subsidy to the homebuyer may result in a recalculation of the affordability period [currently 10 years based on $(\$500,000/27 \text{ units} = \$18,518 \text{ per unit})$] and a possible increased affordability period. It is the responsibility of the CHDO to assure that the total HOME investment, which may include any additional development subsidy or direct subsidy to the homebuyer, is properly recorded, secured and covered by the appropriate affordability period.

RESALE

Resale requirements must ensure, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability that the housing is made available for subsequent purchase only to a buyer whose family qualifies as a low-income family and will use the property as its principal residence. The resale requirement must also ensure that the price at resale provides the original HOME-assisted owner a fair return on investment (including the homeowner's investment and any capital improvement) and ensure that the housing will remain affordable to a reasonable range of low-income homebuyers. The period of affordability is based on the total amount of HOME funds invested in the housing.

Except as provided in the HOME Rule, deed restrictions, covenants running with the land, or other similar mechanisms must be used as the mechanism to impose the resale requirements. The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD. The CHDO may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the termination event, obtains an ownership interest in the housing.

3. The CHDO will contract with a reputable organization licensed to conduct business in Virginia, to service the home loans made to low and very low income eligible applicants.

4. The CHDO agrees to comply with OMB Circular No. A-87 and 24 CFR Part 84 procedures with respect to the documentation of the financial management system provided under the terms and conditions of this Agreement.

5. The CHDO agrees to prepare and submit an audit to the Virginia Department of Housing and Community Development in accordance with OMB Circular No. A-133 of the receipt of funds received through the HOME Program Deferred Loan.

6. The CHDO agrees to comply with the project requirements as set forth in Subpart F of 24 CFR Part 92, as the same may be applicable in accordance with the type of project.

7. The activities of the CHDO are to commence upon the execution of this Agreement and shall be completed no later than October 31, 2010. Upon the violation of any of the provisions of the United States Code or the Regulations set forth in 24 CFR Part 92, or the covenants, agreements or stipulations set forth in this Agreement, the Virginia Department of Housing and Community Development may, at its option, terminate this Agreement upon ten prior written notice to the CHDO. Upon such termination, the Virginia Department of Housing and Community Development shall have no further obligation to disburse Deferred Loan Funds under this Agreement. The Virginia Department of Housing and Community Development reserves the right to reduce the total amount of the Deferred Loan based on its determination of failure or inadequate performance of any of the covenants, agreements or stipulations of the Agreement by the CHDO, provided the CHDO is notified in writing of the basis for this determination and the amount of the reduction.

8. The CHDO shall submit written narrative progress reports Quarterly to Virginia Department of Housing and Community Development.

9. The Virginia Department of Housing and Community Development agree to cooperate with the CHDO in carrying out the purposes of this Agreement. Upon any early termination of this Agreement by the Virginia Department of Housing and Community Development, and provided the CHDO has complied with all appropriate provisions of 24 CFR Part 92, the CHDO shall be entitled to reasonable compensation for all work done under this Agreement.

10. None of the responsibilities of the CHDO covered by this Agreement shall be subcontracted without the written approval of the Virginia Department of Housing and Community Development. Any work or services subcontracted hereunder shall be specified in written agreement and shall be subject to provisions of this Agreement.

11. The CHDO shall comply with applicable laws, ordinances and codes of the Federal, State, and local governments, and shall indemnify and save harmless the Virginia Department of Housing and Community Development with respect to any damages arising from any negligence of the CHDO in

performing any of the work contemplated by this Agreement of the CHDO's failure to comply with any requirement of the HOME Program.

12. The CHDO agrees to comply with and to ensure the enforcement of all requirements of applicable United States laws and regulations set forth in Attachment I. The CHDO agrees to include such Equal Employment provisions, Labor Standards Requirements (if applicable), and Section 3 provisions in any contracts for work financed in whole or in part under this Agreement, in the event that such contracts should prove necessary.

13. This Agreement contains the entire agreement between the Virginia Department of Housing and Community Development and the CHDO with respect to the subject matter hereof, and neither party is bound by any representations or agreements of any kind except as contained hereto.

14. This Agreement may only be changed, waived, discharged or terminated by an instrument in writing signed by both the Virginia Department of Housing and Community Development and the CHDO.

IN WITNESS WHEREOF, the Virginia Department of Housing and Community Development and the CHDO has executed this Agreement the date first above written.

VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

BY: _____
ITS:

XXXXXXXXXXXX XXXXXXXXXXXX, INC

BY: _____
TITLE:

ATTACHMENT I

1. In accordance with the terms and provisions of Executive Order 11246, the CHDO agrees as follows:

- a. The CHDO will not discriminate against any employee or applicant for employment because of race, color, national origin, religion or sex. The CHDO will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, national origin, religion or sex. Such action shall include, but not be limited to the following: employment upgrading, demotion or transfer; recruitment of recruitment advertising, layoff or termination; rates of pay or other forms of compensation and selection for training, including apprenticeship. The CHDO agrees to post in conspicuous places, available to employees, notice to be provided by the Virginia Department of Housing and Community Development setting forth the provisions of this nondiscrimination clause.
- b. The CHDO will, in all solicitations of employees placed by or on behalf of the CHDO, state that all qualified applicants will receive consideration for employment without regard to race, color, national origin, religion or sex.
- c. The CHDO will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contract or subcontracts for standard commercial supplies or raw materials.

- d. The CHDO will comply with the provisions of Executive Order 11246 of September 24, 1965, and the rules, regulations and relevant orders of the Secretary of Labor.
 - e. The CHDO will furnish all information and reports required by Executive Order 11236, of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to the books, records, and accounts by the Virginia Department of Housing and Community Development and the Secretary of Labor for the purposes of investigation as to certain compliance with such rules, regulations and orders.
 - f. In the event of the CHDO's noncompliance with the clauses of this Agreement or any of such rules, regulations or orders, this Agreement may be canceled, terminated or suspended in whole or in part and the CHDO may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order 11246, of September 24, 1965, or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.
 - g. The CHDO will include the provisions of paragraphs (a) through (f) in every subcontract or purchase order unless exempted by the rules, regulations or orders of the Executive Order 11246, of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The CHDO will take such action with respect to any subcontract or purchase order as the Virginia Department of Housing and Community Development may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event the CHDO becomes involved in, or is threatened by the Virginia Department of Housing and Community Development, and the CHDO may request the United States to enter into such litigation to protect the interest of the United States.
2. In accordance with the Title VI of the Civil Rights Acts of 1964 and implementing regulations at 24 CFR Part I, the CHDO shall ensure that no person shall, on the grounds of race color or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance from the Department of Housing and Urban Development.
 3. In accordance with Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794) and the implementing regulations at 24 CFR Part 8, the CHDO shall ensure that no otherwise qualified individual in the United States shall, solely by reason of his or her handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance from the Department of Housing and Urban Development.
 4. In accordance with the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and the implementing regulations of 24 CFR Part 14, the CHDO shall ensure no person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity receiving Federal Assistance from the Department of Housing and Urban Development.
 - a. The work to be performed under this contract is on a project assisted under a program providing direct Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1963, as amended, 12 U.S.C. 1701(u). Section 3 requires to the greatest extent feasible, opportunities for training and employment be given lower-income residents of the project area and contracts for work in construction that are located in, or owned in substantial part by persons residing in the area of the project.
 - b. The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this Agreement. The parties to this Agreement certify and agree that they are under no contractual or other disability that would prevent them from complying with these requirements.
 - c. The CHDO will send to each labor organization or representative or workers with which he has collective bargaining agreements or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 and shall post copies of the notice in conspicuous places available to employees and applicants for employment and training.

- d. The CHDO will include this Section 3 clause in every subcontract for work in connection with this project and will, at the direction of the applicant for or recipient of Federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of the regulation issued by the Department of Housing and Urban Development, 24 CFR Part 135. The CHDO will not subcontract with any subcontractor 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 contractor has provided it with a preliminary statement of ability to comply with the requirements of these regulations.
 - e. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department of Housing and Urban Development issued hereunder prior to the execution of this Agreement, shall be a condition of the Federal financial assistance provided for the training and technical assistance activities, binding upon the applicant or recipient for such assistance, its successors and assignees. Failure to fulfill these requirements shall subject to the applicant or recipient, its successors and assigns, to those sanctions specified by this Agreement, and to such sanctions as specified by 24 CFR Part 135.
6. In accordance with Executive Order 11625 and 12432 and Executive Order 12138, the CHDO will take positive steps to maximize the utilization of minority business and woman-owned businesses in its subcontract activity fully consistent with the efficient performance of this Agreement. As used in this Agreement, the term “minority business” means a business of which at least 50% is owned by minority group members, i.e., Blacks, Hispanics, Asians, American Indians, Native Alaskans or Pacific Islanders.
 7. In accordance with the goals and objectives of 24 CFR 92.353, the CHDO shall comply with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655) and 24 CFR Part 24.

SCHEDULE A

BUDGET

CONSTRUCTION		\$500,000
Total		\$500,000

NO-LITIGATION CERTIFICATE

The undersigned hereby certifies that they are the Executive Director of XXXXXXXXXXXX XXXXXXXXXXXX, INC and at the date thereof no judgment has been entered and litigation or proceeding is pending or, to their knowledge, threatened in any court, either State or Federal, which materially adversely affects proposed projects located in Virginia or in its ability to make borrowings respecting these projects from the Virginia Department of Housing and Community Development, or to pledge or assign security therefore or to do such other things and give such other assurance as may be required in receipt of said Deferred Loan.

WITNESS, my signature as of the ____ day of _____, 2008

XXXXXXXXXXXX XXXXXXXXXXXX, INC

BY: _____

ITS: _____

Return To:

Tax Map Reference #:

RPC/Parcel ID #

Prepared By :

[Space above Line for Recording Data]

Address

City, State, Zipcode

PURSUANT TO SECTION 55-58.3.D OF THE VIRGINIA CODE, THIS DEED OF TRUST SHALL NOT, WITHOUT THE CONSENT OF THE SECURED PARTY HEREUNDER, BE SUBORDINATED UPON THE REFINANCE OF ANY PRIOR MORTGAGE.

**Second Deed of Trust
Virginia Department of Housing and Community Development
HOME Funds**

THIS DEED OF TRUST dated this _____ day of _____, _____,
is given by _____

(herein referred to collectively as "Grantor") to _____, _____ of the Virginia Department of Housing and Community Development, as trustee (herein referred to as the "Trustee") whose business address is 501 North Second Street, Richmond, Virginia 23219 for the benefit of the VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, 501 North Second Street, Richmond, Virginia 23219, as beneficiary. Whenever herein used, the singular form shall include plural and the plural shall include the singular, as may be appropriate in the circumstances.

NOW THEREFORE in consideration of the sum of \$10.00 cash in hand paid at settlement, the receipt of which is hereby acknowledged, the Grantor does bargain, sell, grant, and convey with the usual English Covenants and General Warranty of Title the following described property unto said Trustee, to wit:

SEE SCHEDULE "A"

IN TRUST NEVERTHELESSS, to secure the payment of the Grantor's obligations and indebtedness to the VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, including all extensions, renewals or additional advancements thereupon, which indebtedness shall be evidenced by one or more promissory notes which refer to this Deed of Trust, including but not limited to the following described obligations, to wit:

Article 1 Affordable Housing Covenants

The sale and use of each HOME-assisted Affordable Housing Unit ("HOME-assisted Unit") subject to this Deed of Trust is governed by regulations governing controls on affordability, which are governed by the requirements of the HOME Program 24 CFR Part 92, *et seq.* ("HOME Regulations"). Consistent with the HOME Regulations, the following covenants (the "Covenants") shall run with the land, for each respective

purchaser of the HOME-assisted Affordable Housing Unit referenced herein, for the period of time commencing upon the earlier of (a) the date hereof or (b) the prior commencement of the “Affordability Period”, as that term is defined in the HOME Regulations, and terminating upon the expiration of the Affordability Period as provided in those same Regulations.

- A. No sale of the HOME-assisted Unit shall be lawful, unless approved in advance and in writing by the Local Administrator or the Department, and no sale shall be for a consideration greater than maximum permitted price (“Maximum Resale Price”, or “MRP”) as determined by the Administrative Agent.
- B. No refinancing, equity loan, secured letter of credit, or any other mortgage obligation or other debt (collectively, “Debt”) secured by the HOME-assisted Unit, may be incurred except as approved in advance and in writing by the Department in accordance with the HOMEownership Down Payment Assistance (DPA) Program. At no time shall the Local Administrator approve any such debt. The original amount of HOME funds received at the initial purchase of the house will be due to DHCD and payable in full to the Treasurer of Virginia if there is a refinance or sale of the property during the affordability period, subject to availability of funds at settlement after the first mortgage and closing costs have been paid.
- C. The owner of the HOME-assisted Unit shall at all times maintain the Affordable Unit as his or her principal place of residence.
- D. At no time shall the owner of the HOME-assisted Unit lease or rent the Affordable Unit to any person or persons.
- E. If the HOME-assisted Unit is a two-family home, the owner shall lease the rental unit only to income-certified low-income households approved in writing by the Local Administrator, with approval from the Department, and shall charge rent no greater than the maximum permitted rent as determined by the fair market value for the city or county that the property is located; and shall submit for written approval of the Local Administrator and the Department copies of all proposed leases prior to having them signed by any proposed tenant.
- F. No improvements may be made to the HOME-assisted Unit that would affect its bedroom configuration.
- G. The affordable housing covenants, declarations and restrictions implemented by this Deed of Trust and by incorporation of the Commonwealth of Virginia, or the U.S. Department of Housing and Urban Development 24 CFR Part 92 *et seq.*, shall remain in effect despite the entry and enforcement of any judgment of foreclosure with respect to the HOME-assisted Unit so long as the Unit remains subject to the affordability controls being implemented by this Deed of Trust.
- H. This Deed of Trust, in the principal sum of the HOME DEFERRED PAYMENTLOAN in the amount of \$ _____, with no interest as agreed there upon, shall be forgiven so long as the Grantor occupies the property as their primary residence over the entire Period of Affordability assigned to the said loan.
- I. The HOME-assisted Units are subject to a _____ year affordability control period that commenced on the date of first conveyance of title, which is _____, of this HOME-assisted Unit governed by this Deed of Trust to a certified low-income purchaser who has executed the documents required by the HOMEownership DPA Program.

Article 2

Remedies for Breach of Affordable Housing Covenants

A breach of the Covenants will cause irreparable harm to the Commonwealth and to the public, in light of the public policies set forth in the National Affordable Housing Act of 1990, and the obligation for the provision of low and moderate-income housing receiving federal HOME assistance in accordance with 24 CFR Part 92. Accordingly:

- A. In the event of a threatened breach of any of the Covenants by the Grantor, or any successor in interest or other owner of the HOME-assisted Unit, the Commonwealth of Virginia shall have all remedies provided at law or equity, including the right to seek injunctive relief or specific performance.

- B. Upon the occurrence of a breach of any Covenants by the Grantor, or any successor in interest or other owner of the Property, the Commonwealth of Virginia shall have all remedies provided at law or equity including but not limited to forfeiture, foreclosure, acceleration of all sums due under any mortgage, recouping of any funds from a sale in violation of the Covenants, diverting of rent proceeds from illegal rentals, injunctive relief to prevent further violation of said Covenants, or entry on the premises.

The Grantor hereby consents to foreclosure by the Trustee named herein in the event of a Default, notwithstanding that the Trustee may have supplied legal advice to or represented the Grantor in this transaction. For services as Trustee in the event of a sale hereunder, the Trustee shall be entitled to compensation in the amount equal to FIVE PERCENT (5%) of the gross amount realized at any such sale, together with any costs incurred by the Trustee in effectuating said sale, which shall be deducted from the proceeds of the sale.

ADVERTISEMENT REQUIRED: Publication of notices of sale once a week for two successive weeks in any newspaper of general circulation or published in the City or County where the property is located. Said sale may be held not less than eight (8) days following the first advertisement and not more than thirty (30) days following the last advertisement.

INSURANCE REQUIRED: THE GRANTOR COVENANTS to purchase and maintain fire and casualty insurance on the improvements situated upon the property in the amount of not less than the full amount of the obligations hereby secured, the policies of which shall bear loss payable clauses to said Trustee or to the other holders of the obligations for the future securing of said obligations.

THE GRANTOR FURTHER COVENANTS to promptly pay, when due, all taxes, levies, and assessments upon the property conveyed.

SUBSTITUTION OF TRUSTEE IS PERMITTED at the discretion of the beneficiary for any reason whatsoever, by an instrument in writing, duly executed, acknowledged, and recorded wherever this Deed of Trust is recorded. Any substitute Trustee hereafter appointed shall thereupon become vested with, and succeed to, all the title, power, and duties hereby conferred upon the Trustee named herein, the same as if the substitute Trustee has been named the original Trustee by this instrument.

THIS COVENANT IS MADE under and subject to the provisions of Sections 55-59, 55-

SAMPLE

VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

**PROMISSORY NOTE
FOR
HOME DEFERRED PAYMENT LOAN**

Amount of HOME subsidy received \$

Subject Property Address: _____

Period of Affordability: _____

For value received, the undersigned (hereinafter referred to as Borrower(s)) _____ promises to pay to the order of the Virginia Department of Housing and Community Development, the principal sum of \$ _____ with a zero percent interest rate. The aggregate sum of all forms of federal assistance provided for this transaction from all sources is \$ _____. The regulatory period of affordability shall be _____ years.

Annual payments due on the anniversary date of the closing of the loan may be forgiven for each year satisfied during the Period of Affordability. The Borrower(s) may prepay the whole unpaid balance of this indebtedness at any time without penalty however the lien will not be released during the affordability period.

No refinancing, equity loan, secured letter of credit, or any other mortgage obligation or other debt (collectively, "Debt") secured by the HOME-assisted Affordable Unit, may be incurred except as approved in advance and in writing by the Department in accordance with the HOMEownership Down Payment Assistance Program. At no time shall the Local Administrator approve any such debt. The original amount of HOME funds received at the initial purchase of the house will be due to DHCD and payable in full to the Treasurer of Virginia if there is a refinance or sale of the property during the affordability period, subject to availability of funds at settlement after the first mortgage and closing costs have been paid.

It is expressly understood and agreed that payments hereunder shall be forgiven at the end of the affordability period provided below as long as the Borrower(s) is not in default on any of the "Property" (used herein shall mean the land and improvements located thereon), as defined below, and are not in default of any obligations secured by the Deed of Trust with Restricted Covenants securing the Note, or under any prior lien on the Property. The Property described in the Deed of Trust granted by the Borrower secures repayment of this Note.

Note holder agrees that the Note will be payable in cash only if the Borrower(s) (a) refinances, transfers, sells, assigns the Borrower's rights, title or interest in the Property or any part thereof, (b) ceases to occupy the Property as the Borrower's primary residence, (c) defaults on any of the obligation secured by the Property, or (d) elects to prepay this Note in cash. The entire

amount of the HOME Deferred Payment Loan secured by this Note will immediately become payable; without notice, upon the happening of any of these events unless there is approval by DHCD. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

The undersigned Borrower(s) and all makers, endorsers, sureties, and guarantors of the Note hereby severally waive the benefit of homestead exemption, nonpayment at maturity, and demand for payment at maturity, to the extent permitted by law. If payment of this Note shall not be made at maturity, the undersigned Borrower(s) and all makers, endorses, sureties, and guarantors agree to pay all costs of collection, including reasonable attorney's fees of not less than ten percent (10 percent) of the principle hereof.

A Deed of Trust with Restricted Covenants secures this Note to the Virginia Department of Housing and Community Development.

THIS NOTE IS SUBJECT TO CALL IN FULL, OR THE TERMS HEREOF BEING MODIFIED, IN THE EVENT OF ANY SALE, TRANSFER, GIFT, OR CONVEYANCE OF ANY INTEREST IN THE PROPERTY SECURED BY THE AFOREMENTIONED SECOND DEED OF TRUST, OR ANY PORTION THEREOF.

Borrower:

Borrower:

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF _____, to wit:

Before me, the undersigned Notary Public, personally appeared _____, who acknowledged the execution of the foregoing Promissory Note, for the purposes contained, by signing it in my presence this ____ day of _____, 200__.

Witness my signature and Notary Seal

Notary Public

My commission expires: _____

APPENDIX F – HUD CERTIFIED HOUSING COUNSELORS AND BANK CONTACTS

Agency Name	Phone Toll-Free Fax Number Email Website	Address	Counseling Services	Languages	Affiliation
PEOPLE INCORPORATED OF SOUTHWEST VIRGINIA	P: 276-623-9000-240 T: F: 276-628-2931 E: mrush@peopleinc.net W: www.peopleincorp.org	1173 W. Main Street Abingdon, Virginia 24210-2428	- Fair Housing Assistance - Mortgage Delinquency and Default Resolution Counseling - Prepurchase Counseling - Renters Assistance - Services for Homeless	- English	
ACCOMACK-NORTHAMPTON PLANNING DISTRICT COMMISSION	P: 757-787-2936-125 T: 866-787-3001 F: 757-787-4221 E: anpdc@a-npdc.org W: www.a-npdc.org	23372 Front Street P.O. Box 417 Accomac, Virginia 23301	- Fair Housing Assistance - Homebuyer Education Programs - Mobility and Relocation Counseling - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Predatory Lending - Prepurchase Counseling - Renters Assistance - Services for Homeless	- English	
CATHOLIC CHARITIES USA	P: 703-236-6229 T: F: 703-549-4183 E: jbeil@catholiccharitiesusa.org W: www.catholiccharitiesusa.org	Sixty-Six Canal Center Plaza Suite 600 Alexandria, Virginia 22314-2720	- Fair Housing Assistance - Home Equity Conversion Mortgage Counseling - Home Improvement and Rehabilitation Counseling - Homebuyer Education Programs - Loss Mitigation - Marketing and Outreach Initiatives - Mobility and Relocation Counseling - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Predatory Lending - Prepurchase Counseling - Renters Assistance - Services for Homeless	- English Only	
CCCS OF GREATER WASHINGTON, A DIVISION OF MMI	P: 703-836-8772 T: 800-747-4222 F: 703-548-7704	801 N Pitt Street Suite 117 Alexandria, Virginia	- Home Equity Conversion Mortgage Counseling - Homebuyer Education Programs	- Spanish	CCCS OF GREATER WASHINGTON, A DIVISION OF MMI

	E: lori.johnson@moneymanagement.org W: www.creditcounselingnetwork.org/	22314-1765	<ul style="list-style-type: none"> - Loss Mitigation - Marketing and Outreach Initiatives - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Predatory Lending - Prepurchase Counseling - Renters Assistance - Services for Homeless 		
CENTER FOR HOUSING COUNSELING TRAINING	P: 703-317-9412 T: F: 703-317-9690 E: lynn@housingtraining.org W: www.housingtraining.org	2550 Huntington Avenue Suite 200 Alexandria, Virginia 22303	<ul style="list-style-type: none"> - Homebuyer Education Programs 	- English Only	VIRGINIA HOUSING DEVELOPMENT AUTHORITY
AHOME	P: 703-527-3854 T: F: 703-527-0932 E: ahome@erols.com W: n/a	2009 N. 14th Street Suite 507 Arlington, Virginia 22201	<ul style="list-style-type: none"> - Homebuyer Education Programs - Marketing and Outreach Initiatives - Money Debt Management - Prepurchase Counseling 	- Spanish	VIRGINIA HOUSING DEVELOPMENT AUTHORITY
QUIN RIVERS, INC	P: 540-368-5553 T: F: 540-368-2260 E: lmorgan@quinriversagency.org W: www.quinrivers.com	104 Roxbury Industrial Center Charles City, Virginia 23030	<ul style="list-style-type: none"> - Fair Housing Assistance - Home Improvement and Rehabilitation Counseling - Homebuyer Education Programs - Loss Mitigation - Marketing and Outreach Initiatives - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Predatory Lending - Prepurchase Counseling - Renters Assistance - Services for Homeless 	- English Only	
PIEDMONT HOUSING ALLIANCE	P: 434-817-2436-104 T: F: 434-817-0664 E: shelley@pedmonthousing.org W: www.peidmonthousingalliance.org	111 Monticello Ave. Ste. 104 Charlottesville, Virginia 22902	<ul style="list-style-type: none"> - Fair Housing Assistance - Home Equity Conversion Mortgage Counseling - Homebuyer Education Programs - Loss Mitigation - Marketing and Outreach Initiatives - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Predatory Lending - Prepurchase Counseling - Renters Assistance - Services for Homeless 	- Spanish	
CHESAPEAKE REDEVELOPMENT	P: 757-233-6403 T:	1468 South Military Highway	<ul style="list-style-type: none"> - Fair Housing Assistance - Homebuyer Education Programs 	- English Only	VIRGINIA HOUSING DEVELOPMENT AUTHORITY

AND HOUSING AUTHORITY	F: E: W: n/a	Chesapeake, Virginia 23320	- Postpurchase Counseling - Predatory Lending - Prepurchase Counseling		
CCCS OF SOUTHWESTERN VA/AMERICAN CREDIT COUNSELORS, A DIVISION OF MMI	P: 800-646-0042 T: F: 540-366-7140 E: virginia.garretson@moneymanagement.org W: n/a	4846 Kings Mountain Rd. Collinsville, Virginia 24078	- Home Equity Conversion Mortgage Counseling - Homebuyer Education Programs - Marketing and Outreach Initiatives - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Prepurchase Counseling - Renters Assistance	- English Only	MONEY MANAGEMENT INTERNATIONAL INC.
CULPEPER COMMUNITY DEVELOPMENT CORPORATION	P: 540-825-7434 T: F: 540-825-4399 E: W: n/a	602 S Main Street Culpeper, Virginia 22701	- Fair Housing Assistance - Homebuyer Education Programs - Loss Mitigation - Mobility and Relocation Counseling - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Prepurchase Counseling - Services for Homeless	- English Only	
VIRGINIA COOPERATIVE EXTENSION-GREENSVILLE/EMPORIA OFFICE	P: 434-348-4233 T: F: 434-348-3643 E: amoore04@vt.edu W: www.ext.vt.edu	100 Brunswick Avenue Emporia, Virginia 23847	- Homebuyer Education Programs - Prepurchase Counseling	- English Only	VIRGINIA HOUSING DEVELOPMENT AUTHORITY
CCCS OF GREATER FORT WORTH, A DIVISION OF MMI	P: 703-591-9020 T: 800-747-4222 F: 703-591-3927 E: jim.savage@moneymanagment.org W: www.moneymanagement.org	3927 Old Lee Highway Suite 101 E Fairfax, Virginia 22030-2422	- Home Equity Conversion Mortgage Counseling - Homebuyer Education Programs - Loss Mitigation - Marketing and Outreach Initiatives - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Predatory Lending - Prepurchase Counseling - Renters Assistance - Services for Homeless	- Spanish	CCCS OF GREATER WASHINGTON, A DIVISION OF MMI
HISPANIC COMMITTEE OF VIRGINIA	P: 703-671-5666 T: F: 703-671-2325 E: housingcoord@hcva.org W: www.hcva.org	5827 Columbia Pike Suite 200 Falls Church, Virginia 22041	- Homebuyer Education Programs - Postpurchase Counseling - Prepurchase Counseling	- English - Spanish	NATIONAL COUNCIL OF LA RAZA
CENTRAL VIRGINIA HOUSING COALITION	P: 540-604-9943-14 T: F: 540-604-9949	208 Hudgins Road Fredericksburg, Virginia 22401	- Homebuyer Education Programs - Loss Mitigation - Marketing and Outreach Initiatives	- English	VIRGINIA HOUSING DEVELOPMENT AUTHORITY

	E: Dwillis@centralvahousing.org W: www.centralvahousing.org		<ul style="list-style-type: none"> - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Predatory Lending - Renters Assistance 		
QUIN RIVERS, INC.	P: 540-368-2700 T: 866-270-9737 F: 540-368-1448 E: charris@quinriversagency.org W: n/a	2217 Princess Anne Street, Suite 211-1 Fredericksburg, Virginia 23401	<ul style="list-style-type: none"> - Fair Housing Assistance - Home Improvement and Rehabilitation Counseling - Homebuyer Education Programs - Loss Mitigation - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Predatory Lending - Prepurchase Counseling - Renters Assistance - Services for Homeless 	- English Only	QUIN RIVERS, INC
BLUE RIDGE HOUSING NETWORK	P: 540-622-2711 T: F: E: blueridgehousi@embarqmail.com W: www.brhn.net	115 Chester Street Room 4 Front Royal, Virginia 22630	<ul style="list-style-type: none"> - Homebuyer Education Programs - Postpurchase Counseling - Prepurchase Counseling 	- English Only	VIRGINIA HOUSING DEVELOPMENT AUTHORITY
TELAMON CORPORATION	P: 434-656-8357 T: F: 434-656-8356 E: rroark@telamon.org W: www.telamon.org	111 Henry St PO Box 500 Gretna, Virginia 24557-0500	<ul style="list-style-type: none"> - Fair Housing Assistance - Home Equity Conversion Mortgage Counseling - Home Improvement and Rehabilitation Counseling - Homebuyer Education Programs - Loss Mitigation - Mobility and Relocation Counseling - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Predatory Lending - Prepurchase Counseling - Renters Assistance 	- English Only	
CCCS OF HAMPTON ROADS / CENTER FOR CHILD AND FAMILY SERVICES	P: 757-826-2227 T: F: 757-838-8021 E: monikacccs@aol.com W: www.debtfreeonline.com	2021 Cunningham Drive Suite 400 Hampton, Virginia 23666	<ul style="list-style-type: none"> - Fair Housing Assistance - Home Equity Conversion Mortgage Counseling - Homebuyer Education Programs - Loss Mitigation - Marketing and Outreach Initiatives - Mobility and Relocation Counseling - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Predatory Lending - Prepurchase Counseling - Renters Assistance 	- English	NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.

			- Services for Homeless		
HAMPTON REDEVELOPMENT AND HOUSING AUTHORITY	P: 757-727-1111 T: F: 757-727-1090 E: ppage@hrha.org W: www.hrha.org	1 S. Armistead Aveunue Hampton, Virginia 23669	- Fair Housing Assistance - Home Improvement and Rehabilitation Counseling - Homebuyer Education Programs - Postpurchase Counseling - Prepurchase Counseling	- English Only	
INTIME OUTREACH, INC	P: 757-722-6791 T: F: E: info@newbeginningministry.com W: www.newbeginningministry.com	P.O.Box 4376 Hampton, Virginia 23664	- Homebuyer Education Programs - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Predatory Lending - Prepurchase Counseling	- English Only	
CCCS OF GREATER WASHINGTON, A DIVISION OF MMI	P: 800-747-4222 T: 800-747-4222 F: 703-777-7191 E: lori.johnson@moneymanagement.org W: www.creditcounselingnetwork.org/	604 South King Street, Suite 007 Leesburg, Virginia 20175	- Home Equity Conversion Mortgage Counseling - Homebuyer Education Programs - Loss Mitigation - Marketing and Outreach Initiatives - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Predatory Lending - Prepurchase Counseling - Renters Assistance - Services for Homeless	- Spanish	CCCS OF GREATER WASHINGTON, A DIVISION OF MMI
LOUDOUN COUNTY HOUSING SERVICES	P: 703-777-0353 T: F: 703-737-8248 E: reamich@loudoun.gov W: www.loudoun.gov	102 Heritage Way NE Suite 103 Leesburg, Virginia 20176	- Homebuyer Education Programs - Prepurchase Counseling - Renters Assistance	- English Only	VIRGINIA HOUSING DEVELOPMENT AUTHORITY
CCCS OF GREATER WASHINGTON, A DIVISION OF MMI	P: 800-747-4222 T: 800-747-4222 F: 703-335-1632 E: lori.johnson@moneymanagement.org W: www.creditcounselingnetwork.org/	10629 Crestwood Drive Manassas, Virginia 20109-3433	- Home Equity Conversion Mortgage Counseling - Homebuyer Education Programs - Loss Mitigation - Marketing and Outreach Initiatives - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Predatory Lending - Prepurchase Counseling - Renters Assistance - Services for Homeless	- Spanish	CCCS OF GREATER WASHINGTON, A DIVISION OF MMI
PRINCE WILLIAM COUNTY VIRGINIA COOPERATIVE EXTENSION	P: 703-792-4799 T: F: 703-792-4630 E: jbotta@pwcgov.org	8033 Ashton Ave Ste 105 Manassas, Virginia 20109-8202	- Home Equity Conversion Mortgage Counseling - Homebuyer Education Programs - Loss Mitigation	- Spanish	

	W: www.pwcgov.org/vce/html/personal_finance.html		- Mortgage Delinquency and Default Resolution Counseling - Predatory Lending - Prepurchase Counseling - Renters Assistance		
NEWPORT NEWS OFFICE OF HUMAN AFFAIRS	P: 757-643-4086 T: F: 757-643-4087 E: dbuchanan@ohainc.org W: www.ohainc.org	392 Maple Ave P.O Box 37 Newport News, Virginia 23607	- Fair Housing Assistance - Home Equity Conversion Mortgage Counseling - Homebuyer Education Programs - Loss Mitigation - Mortgage Delinquency and Default Resolution Counseling - Prepurchase Counseling - Renters Assistance	- English	
YWCA VIRGINIA PENINSULA	P: 757-245-6026 T: F: 757-247-6485 E: ymca-va-pen@cavtel.net W: n/a	2702 Orcutt Avenue Newport News, Virginia 23607	- Homebuyer Education Programs - Prepurchase Counseling	- English Only	VIRGINIA HOUSING DEVELOPMENT AUTHORITY
HOMENET	P: 757-624-8649 T: F: 757-314-1305 E: lfortes@nrha.va.us W: www.nrha.us	201 Granby Street Norfolk, Virginia 23510	- Home Equity Conversion Mortgage Counseling - Homebuyer Education Programs - Loss Mitigation - Marketing and Outreach Initiatives - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Predatory Lending - Prepurchase Counseling	- English Only	VIRGINIA HOUSING DEVELOPMENT AUTHORITY
THE SOUTHEASTERN TIDEWATER OPPORTUNITY PROJEC	P: 757-858-1360 T: F: 757-858-1389 E: sharris@stopinc.org W: www.stopinc.org	2551 Almeda Ave Norfolk, Virginia 23513-2443	- Fair Housing Assistance - Home Equity Conversion Mortgage Counseling - Home Improvement and Rehabilitation Counseling - Homebuyer Education Programs - Loss Mitigation - Marketing and Outreach Initiatives - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Predatory Lending - Prepurchase Counseling - Renters Assistance - Services for Homeless	- English Only	
HOUSING OPPORTUNITIES MADE EQUAL	P: 804-354-0641 T: F: 804-354-0690 E: info@phonehome.org	1845 Fort Mahone Street, Office C Petersburg, Virginia 23805-	- Mortgage Delinquency and Default Resolution Counseling - Prepurchase Counseling - Renters Assistance	- English Only	HOUSING OPPORTUNITIES MADE EQUAL OF VIRGINIA, INCORPORATED

W: www.phonehome.org

WEST PETERSBURG & VICINITY AWARENESS	P: 804-732-1052 T: F: E: pbonnr@aol.com W: n/a	25720 Greensville Avenue Petersburg, Virginia 23803	- Homebuyer Education Programs	- English Only	VIRGINIA HOUSING DEVELOPMENT AUTHORITY
PORTSMOUTH REDEVELOPMENT AND HOUSING AUTHORITY	P: 757-399-5261 T: F: 757-393-2059 E: W: www.prha.org	801 Water Street Suite 200 Portsmouth, Virginia 23705	- Fair Housing Assistance - Home Improvement and Rehabilitation Counseling - Homebuyer Education Programs - Postpurchase Counseling - Prepurchase Counseling	- English Only	VIRGINIA HOUSING DEVELOPMENT AUTHORITY
URBAN LEAGUE OF HAMPTON ROADS	P: 757-627-0864-107 T: F: 757-966-9613 E: yyoung@ulhr.org W: n/a	3225 High Street Portsmouth, Virginia 23707	- Home Equity Conversion Mortgage Counseling - Homebuyer Education Programs - Marketing and Outreach Initiatives - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Predatory Lending - Prepurchase Counseling - Renters Assistance	- English Only	NATIONAL URBAN LEAGUE
NEW RIVER COMMUNITY ACTION, INC.	P: 540-633-5900-40 T: F: 540-633-2585 E: W: www.swva.net/nrca	644 West Main Street Radford, Virginia 24141	- Fair Housing Assistance - Homebuyer Education Programs - Loss Mitigation - Mortgage Delinquency and Default Resolution Counseling - Predatory Lending - Prepurchase Counseling - Renters Assistance - Services for Homeless	- English	
CLEARPOINT FINANCIAL SOLUTIONS, INC.	P: 804-222-4660 T: F: 804-222-7720 E: ann.estes@clearpointfs.org W:	8000 Franklin Farms Dr. Richmond, Virginia 23229	- Home Equity Conversion Mortgage Counseling - Loss Mitigation - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Prepurchase Counseling	- English Only	NATIONAL FOUNDATION FOR CREDIT COUNSELING, INC.
COMMONWEALTH CATHOLIC CHARITIES, RICHMOND, VA	P: 804-545-5931 T: 800-528-1258 F: 804-285-9130 E: Eric.Graetzer@cccofvirginia.org W: www.cccofva.org	1512 Willow Lawn Dr. P.O. Box 6565 Richmond, Virginia 23230	- Fair Housing Assistance - Home Equity Conversion Mortgage Counseling - Homebuyer Education Programs - Loss Mitigation - Marketing and Outreach Initiatives - Mobility and Relocation Counseling - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling	- French - Spanish - Swahili - Vietnamese	CATHOLIC CHARITIES USA

			<ul style="list-style-type: none"> - Predatory Lending - Prepurchase Counseling - Renters Assistance - Services for Homeless 		
HOUSING OPPORTUNITIES MADE EQUAL OF VIRGINIA, INCORPORATED	P: 804-354-0641-142 T: F: 804-354-0690 E: lponder@phonehome.org W: www.phonehome.org	700 East Franklin Street, Suite 3A Richmond, Virginia 23219	<ul style="list-style-type: none"> - Fair Housing Assistance - Home Equity Conversion Mortgage Counseling - Homebuyer Education Programs - Loss Mitigation - Marketing and Outreach Initiatives - Mobility and Relocation Counseling - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Predatory Lending - Prepurchase Counseling - Renters Assistance - Services for Homeless 	- English	
NEIGHBORWORKS RESOURCE GROUP, FORMERLY RICHMOND NEIGHBORHOOD HOUSING SERVICES, INC.	P: 804-329-2500-18 T: F: 804-329-2100 E: jrhargrove@nhsrichmond.org W: www.nhsrichmond.org	2712 Chamberlayne Avenue Richmond, Virginia 23222-2634	<ul style="list-style-type: none"> - Fair Housing Assistance - Home Improvement and Rehabilitation Counseling - Homebuyer Education Programs - Loss Mitigation - Marketing and Outreach Initiatives - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Predatory Lending - Prepurchase Counseling 	- English Only	NEIGHBORHOOD REINVESTMENT CORPORATION
SOUTHSIDE COMMUNITY DEVELOPMENT AND HOUSING	P: 804-231-4449-103 T: F: 804-231-3959 E: dianna@scdhc.com W: www.scdhc.com	1624 Hull Street Richmond, Virginia 23224	<ul style="list-style-type: none"> - Home Equity Conversion Mortgage Counseling - Homebuyer Education Programs - Marketing and Outreach Initiatives - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Prepurchase Counseling - Renters Assistance 	- English	HOMEFREE - U S A
UPPER ROOM HOUSING AGENCY, INCORPORATED	P: 804-276-2390 T: F: 111-000-0000 E: debnmalc@hotmail.com W: n/a	7206 Hull Road Suite 112 Richmond, Virginia 23235	<ul style="list-style-type: none"> - Homebuyer Education Programs - Postpurchase Counseling - Prepurchase Counseling 	- English Only	VIRGINIA HOUSING DEVELOPMENT AUTHORITY
URBAN LEAGUE OF GREATER RICHMOND, INC	P: 804-649-8407 T: F: 804-649-1745 E: tvictory@urbanleaguerichmond.org W: www.urbanleaguerichmond.org	511 West Grace Street Richmond, Virginia 23220	<ul style="list-style-type: none"> - Home Equity Conversion Mortgage Counseling - Homebuyer Education Programs - Marketing and Outreach Initiatives - Mortgage Delinquency and Default Resolution Counseling 	- English Only	NATIONAL URBAN LEAGUE

			<ul style="list-style-type: none"> - Postpurchase Counseling - Predatory Lending - Prepurchase Counseling - Renters Assistance 		
VIRGINIA HOUSING DEVELOPMENT AUTHORITY	P: 804-343-5534 T: F: 804-783-6737 E: kelly.gill-gordon@vhda.com W: www.vhda.com	601 S. Belvedere Street Richmond, Virginia 23220-6504	<ul style="list-style-type: none"> - Homebuyer Education Programs - Loss Mitigation - Marketing and Outreach Initiatives - Mortgage Delinquency and Default Resolution Counseling 	- English Only	
VIRGINIA SUPPORTIVE HOUSING	P: 804-788-6825-205 T: F: 804-788-6827 E: sjohnson@virginiassupportativehousing.org W: www.virginiassupportativehousing.org	PO Box 12123 Richmond, Virginia 23224	<ul style="list-style-type: none"> - Homebuyer Education Programs - Money Debt Management - Postpurchase Counseling - Prepurchase Counseling - Services for Homeless 	- English Only	VIRGINIA HOUSING DEVELOPMENT AUTHORITY
BLUE RIDGE HOUSING DEVELOPMENT CORP.	P: 540-777-2777-226 T: F: 540-777-2778 E: andrea@blueridgehousing.com W: www.blueridgehousing.com	510 11th Street NW Roanoke, Virginia 24017	<ul style="list-style-type: none"> - Homebuyer Education Programs - Prepurchase Counseling 	- English Only	VIRGINIA HOUSING DEVELOPMENT AUTHORITY
CCCS OF SOUTHWESTERN VA/AMERICAN CREDIT COUNSELORS, A DIVISION OF MMI	P: 800-646-0042 T: F: E: virginia.garretson@moneymanagement.org W: n/a	700 Peters Creek Rd. Roanoke, Virginia 24019	<ul style="list-style-type: none"> - Home Equity Conversion Mortgage Counseling - Homebuyer Education Programs - Marketing and Outreach Initiatives - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Prepurchase Counseling - Renters Assistance 	- English Only	MONEY MANAGEMENT INTERNATIONAL INC.
TOTAL ACTION AGAINST POVERTY IN ROANOKE VALLEY	P: 540-345-6781-4390 T: F: 540-777-0422 E: earl.reynolds@taproanoke.org W: www.taproanoke.org	145 Campbell Ave. Suite 700 Roanoke, Virginia 24011-2868	<ul style="list-style-type: none"> - Fair Housing Assistance - Home Equity Conversion Mortgage Counseling - Home Improvement and Rehabilitation Counseling - Homebuyer Education Programs - Loss Mitigation - Marketing and Outreach Initiatives - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Predatory Lending - Prepurchase Counseling - Renters Assistance - Services for Homeless 	- Spanish	
IT'S A START	P: 804-834-8725 T: F: E:	10318 Colonial Trail West Spring Grove, Virginia 23881	<ul style="list-style-type: none"> - Homebuyer Education Programs 	- English Only	

	W: n/a				
SKYLINE COMMUNITY ACTION PROGRAM, INCORPORATE	P: 434-985-6066 T: F: 434-985-3793 E: jnaylor@skylinecap.org W: www.skylinecap.org	31 Stanard Street Stanardsville, Virginia 22973	- Fair Housing Assistance - Home Equity Conversion Mortgage Counseling - Home Improvement and Rehabilitation Counseling - Homebuyer Education Programs - Loss Mitigation - Marketing and Outreach Initiatives - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Predatory Lending - Prepurchase Counseling - Renters Assistance - Services for Homeless	- English - Spanish	
SUFFOLK REDEVELOPMENT AND HOUSING AUTHORITY	P: 757-539-2100 T: F: 757-539-5184 E: cwinston@srha.org W: www.suffolkrha.org	530 East Pinner Street Suffolk, Virginia 23435	- Homebuyer Education Programs - Mobility and Relocation Counseling - Money Debt Management - Postpurchase Counseling - Prepurchase Counseling - Renters Assistance	- English	
WELCOME HOME COMMUNITY DEVELOPMENT CORPORATION	P: 757-235-2151 T: F: 757-923-3210 E: keys2ownership@aol.com W: n/a	101 Brewer Avenue Suffolk, Virginia 23434-5601	- Home Improvement and Rehabilitation Counseling - Homebuyer Education Programs - Money Debt Management - Postpurchase Counseling - Predatory Lending - Prepurchase Counseling	- English Only	
BAY FAMILY HOUSING, DIVISION OF BAY AGING	P: 804-758-2386 T: F: 804-758-5773 E: pstruss@bayaging.org W: www.bayaging.org	PO Box 610 Urbanna, Virginia 23175	- Fair Housing Assistance - Home Improvement and Rehabilitation Counseling - Homebuyer Education Programs - Loss Mitigation - Marketing and Outreach Initiatives - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Predatory Lending - Prepurchase Counseling - Renters Assistance	- English Only	VIRGINIA HOUSING DEVELOPMENT AUTHORITY
CATHOLIC CHARITIES OF EASTERN VIRGINIA	P: 757-484-0703 T: F: 757-484-1096 E: rwoody@cceva.org W: www.cceva.org	5361-A Virginia Beach Blvd Virginia Beach, Virginia 23462	- Fair Housing Assistance - Home Equity Conversion Mortgage Counseling - Homebuyer Education Programs - Loss Mitigation - Marketing and Outreach Initiatives - Mobility and Relocation Counseling	- English Only	CATHOLIC CHARITIES USA

			<ul style="list-style-type: none"> - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Predatory Lending - Prepurchase Counseling - Renters Assistance - Services for Homeless 		
COMMUNITY HOUSING PARTNERS CORPORATION	P: 757-422-9664-22 T: F: 757-425-5826 E: mcarver@chpc2.org W: www.communityhousingpartners.org	911 First Colonial Road Virginia Beach, Virginia 23454	<ul style="list-style-type: none"> - Homebuyer Education Programs - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Prepurchase Counseling 	- Spanish	HOUSING PARTNERSHIP NETWORK
VIRGINIA BEACH COMMUNITY DEVELOPMENT CORPORATION	Dotty Acampora, Housing Programs Coordinator 757-463-9516 dacampora@vbcfdc.org	2700 International Parkway Suite 300 Virginia Beach, Virginia 23452	<ul style="list-style-type: none"> - Home Improvement and Rehabilitation Counseling - Homebuyer Education Programs - Loss Mitigation - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Prepurchase Counseling - Renters Assistance - Services for Homeless 	- English Only	VIRGINIA HOUSING DEVELOPMENT AUTHORITY
CCCS OF HAMPTON ROADS/CENTER FOR CHILD AND FAMILY SERVICES	P: 757-826-2227 T: F: 757-838-8021 E: hcobb@kidsandfamilies.com W: www.debtfreeonline.com	312 Waller Mill Road Williamsburg, Virginia 23185	<ul style="list-style-type: none"> - Fair Housing Assistance - Home Equity Conversion Mortgage Counseling - Homebuyer Education Programs - Loss Mitigation - Marketing and Outreach Initiatives - Mobility and Relocation Counseling - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Predatory Lending - Prepurchase Counseling - Renters Assistance - Services for Homeless 	- English Only	CCCS OF HAMPTON ROADS / CENTER FOR CHILD AND FAMILY SERVICES
JAMES CITY COUNTY OFFICE OF HOUSING	P: 757-259-5340 T: F: 757-220-0640 E: rhanson@james-city.va.us W: n/a	5320 Palmer Lane Suite 1A Williamsburg, Virginia 23188	<ul style="list-style-type: none"> - Home Improvement and Rehabilitation Counseling - Homebuyer Education Programs - Mortgage Delinquency and Default Resolution Counseling - Prepurchase Counseling - Services for Homeless 	- English Only	VIRGINIA HOUSING DEVELOPMENT AUTHORITY
CCCS OF GREATER WASHINGTON, A DIVISION OF MMI	P: 703-494-1014 T: 800-747-4222 F: 703-494-1594 E: lori.johnson@moneymanagement.org	12662 B Lake Ridge Drive Woodbridge, Virginia 22192	<ul style="list-style-type: none"> - Home Equity Conversion Mortgage Counseling - Homebuyer Education Programs - Loss Mitigation 	- Spanish	CCCS OF GREATER WASHINGTON, A DIVISION OF MMI

	W: www.creditcounselingnetwork.org/		<ul style="list-style-type: none"> - Marketing and Outreach Initiatives - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Predatory Lending - Prepurchase Counseling - Renters Assistance - Services for Homeless 		
FIRST HOME ALLIANCE	P: 703-580-8838 T: F: 888-230-2746 E: W: www.firsthomealliance.org	4421 Dale Blvd, Ste. 100 - C Woodbridge, Virginia 22193	<ul style="list-style-type: none"> - Homebuyer Education Programs - Loss Mitigation - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Prepurchase Counseling 	- English Only	VIRGINIA HOUSING DEVELOPMENT AUTHORITY
NATIONAL CAUCUS AND CENTER FOR COMMUNITY ECONOMIC DEVELOPMENT (NCCCED)	P: 804-448-9099 T: F: 804-448-5999 E: grayla2004@yahoo.com W: n/a	17080- South River Road Woodford, Virginia 22580	<ul style="list-style-type: none"> - Fair Housing Assistance - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Prepurchase Counseling 	- English Only	HOMEFREE - U S A
HELPING OVERCOME POVERTY'S EXISTENCE, INC., (FORMERLY MOUNTAIN SHELTER, INC.)	P: 276-228-6280-211 T: 877-818-8680 F: 276-228-0508 E: akegley@mountainshelter.org W: www.mountainshelter.org	680 W. Main Street P.O. Box 743 Wytheville, Virginia 24382	<ul style="list-style-type: none"> - Fair Housing Assistance - Homebuyer Education Programs - Loss Mitigation - Money Debt Management - Mortgage Delinquency and Default Resolution Counseling - Postpurchase Counseling - Prepurchase Counseling - Services for Homeless 	- English	
The Up Center	John J Allen VP/ Housing & Financial Counseling 757-622-7017 x 116	Norfolk	VHDA HEC/ Get the Facts/ One on One Pre-purchase Counseling		VIRGINIA HOUSING DEVELOPMENT AUTHORITY
Virginia Supportive Housing	Salathia C Johnson Director of Asset Development 804-836-1054		VHDA HEC/ credit mgmt/ Financial literacy		Virginia Housing Development Authority
RRHA Home Center	City of Richmond Robert Jackson 804-780-4894	Richmond	VHDA HEC/ credit counseling/ Homebuyers club		Virginia Housing Development Authority

Chesapeake
Redevelopment &
Housing Authority

City of Chesapeake Carol Lemon
Admin Asst for Community Development
757-233-6401

Chesapeake

VHDA HEC/ Rehab loans/ Down pymt
asst

Carol Lemon
Admin Asst for
Community
Development
757-233-6401

Virginia Housing Development
Authority

Foreclosed Property: REO/ REM Contacts

Company	Website	Address/ Phone/email
Sun Trust	www.suntrust.res.net	Sun Trust Mtg RVW3024 1001 Semmes Ave Richmond, VA 23234
Countrywide	http://www.countrywide.com/purchase/f_reo.asp	rembrokercommunications@countrywide.com
Bank of America	http://bankofamerica.reo.com/search/	
HSBC	http://www.banking.us.hsbc.com/	
IndyMac	http://apps.indymacbank.com/individuals/realestate/search.asp	
Citi Mortgage	http://www.citimortgage.com/Mortgage/Oreo/SearchListing.do	
BB&T	http://www.bbt.com/applications/specialassets/search.asp	
National City Mortgage	http://www.ncmcreo.com/	
GRP Financial Services/ Sallie Mae	http://www.grpcapital.com/properties/index.html	
FDIC owned Properties	http://www4.fdic.gov/DRRORE/	
HUD owned properties	http://www.hud.gov/homes/index.cfm	
Freddie Mac Owned Properties	http://www.homesteps.com/hm01_1/featuresearch.htm	
Fannie Mae Owned Properties	http://www.mortgagecontent.net/reoSearchApplication/fanniemae/	
American Home Funding	http://www.ahmhomes.com	
Ocwen Home Funding	http://www.ocwen.com/reo/home.cfm	
JP Morgan/Chase	http://mortgage.chase.com/pages/other/co_properties_landing.jsp	
Wachovia	http://reo.wachovia.com/	
Washington Mutual	http://www.wamuproperties.com/	866-396-6284- info line only

Financing Contacts:

DHCD has spoken to representatives from Virginia Housing Development Authority (VHDA) and Virginia Community Capital (VCC). Both entities are very interested in providing resources for this program, including mortgage financing from VHDA and funds for acquisition from VCC. Both entities are expected to be strong partners in this program.

VHDA is able to provide mortgage financing to first-time homebuyers who purchase foreclosed homes made available through local NSP programs. VHDA can offer financing through the FHA Plus program which provides an FHA-insured first mortgage at 97% loan-to-value ratio combined with a VHDA 2nd mortgage covering down payment and closing costs up to a maximum combined loan-to-value of 105%.

APPENDIX G – SAMPLE CONTRACT

CONTRACT # 2009-NSP-

AGREEMENT

This AGREEMENT, entered into as of this _____, by and between the **Virginia Department of Housing and Community Development** hereinafter referred to as "DHCD" and the _____, hereinafter referred to as "GRANTEE."

WITNESSETH

WHEREAS, the Commonwealth of Virginia has been authorized to distribute and administer NEIGHBORHOOD STABILIZATION PROGRAM (NSP) funds pursuant to the HOUSING AND ECONOMIC RECOVERY ACT of 2008 (HERA), and

WHEREAS, DHCD has been authorized by the Governor of the Commonwealth of Virginia to distribute and administer NSP funds in the form of NSP CONTRACTS according to the DHCD NSP Program Design, and

WHEREAS, the PROGRAM as described in the GRANTEE'S PROGRAM MANAGEMENT PLAN (PMP) as submitted by the GRANTEE has qualified for NSP funding on the basis of DHCD's NSP Program Design.

Now THEREFORE, the above mentioned parties hereto do mutually agree as follows:

1. DHCD agrees to award the GRANTEE Neighborhood Stabilization Program funding in amount of the total allowable, eligible costs in carrying out the ACTIVITIES included in Products herein described not to exceed _____ (\$X,XXX,XXX.XX). Funding Reservation requests from GRANTEES will be approved through **September 30, 2010** if Completion Reports are submitted within NINETY (90) days of reservation approval verifying that projects are being completed promptly.
2. DHCD agrees to provide the GRANTEE with technical assistance in setting up and carrying out the administration of its NSP AGREEMENT.
3. The GRANTEE will commence, carry out and complete the following Products (more thoroughly described in the GRANTEE'S 2009 PMP).

PROJECT TITLE:

OUTCOMES:

BENEFITS:

PRODUCTS:

4. The aforementioned PROGRAM shall be carried out, and grant payments made in strict conformance with the CONTRACT DOCUMENTS.
5. The GRANTEE will use the NSP funds pursuant to its activity level. Any unexpended funds shall revert to the DHCD. Other funding sources committed to the PROGRAM, per GRANTEE'S PROGRAM MANAGEMENT PLAN, are to be expended, to cover ineligible or unapproved (exceeding cost limits) project costs.
6. The GRANTEE will initiate the PROJECT(S) required by the CONTRACT DOCUMENTS beginning ____, unless Special Conditions, identified below, require additional action on specified PRODUCT(S) before proceeding with that PRODUCT. In such instances the GRANTEE will initiate action relative to removal of the Special Conditions beginning with the execution of this AGREEMENT.
7. The GRANTEE shall complete the work as described in the CONTRACT DOCUMENTS on or before _____. If the PROJECT(S) are not completed by that date NSP funds for incomplete PROJECTS and this AGREEMENT shall be terminated and the GRANTEE shall return all unexpended funds, unless an extension to the CONTRACT DOCUMENT provides otherwise.
8. DHCD agrees to make payment to the GRANTEE upon receipt of a properly completed and signed invoice. Requests for Payment may be made allowing approximately twenty-one (21) days to receive the funds. Funds are to be immediately disbursed by the GRANTEE and shall not be deposited in an interest bearing account.
9. The term CONTRACT DOCUMENTS means the following documents are a part of this AGREEMENT and are incorporated by reference herein as if set out in full:
 - A. GRANTEE'S NSP PROPOSAL (including revisions);
 - B. AGREEMENT;
 - C. SPECIAL CONDITIONS;
 - D. GENERAL CONDITIONS;
 - E. ASSURANCES;
 - F. AMENDMENTS;
 - G. NSP MANAGEMENT MANUAL (Those items specified as being required);
 - H. CONTRACT NEGOTIATION RECORD;
 - I. PROJECT MANAGEMENT PLAN;
 - J. PROGRAM INCOME PLAN;
 - K. APPROVED GRANTEE FUNDING RESERVATIONS, BUDGET REPORTS AND BUDGET REVISIONS; and
 - L. ANY PROJECT SPECIFIC PLAN AND/OR PROGRAM DESIGN

SPECIAL CONDITIONS

1. Notwithstanding the effective date of this contract, _____, 2009, eligible administrative expenses not to exceed \$_____ incurred prior to this date have been approved for reimbursement. The effective date of this authorization is _____, 2009.
2. This Agreement may be amended by DHCD to increase the total dollar amount available for GRANTEE use for additional activities by accessing the Performance Pool once the original allocation is exhausted.
3. A Funding Reservation Form, with required attachments, must be submitted to DHCD for approval once estimated funding needs are calculated for each dwelling unit. A Project Completion Form must be submitted upon completion of acquisition, rehabilitation and sale.
4. Approved Funding Reservations may be cancelled if the funds are not drawn down and the project completed within 90 days after approval. Completion Reports must be submitted with the 90 day period.
5. GRANTEES must submit an updated NSP Budget Report Form with each Funding Reservation request.
6. No funds may be obligated or Reservation requests processed after September 1, 2010, and all draws must be completed by <DATE?>.
7. The terms and conditions of the NSP Management Manual shall apply to this contract.
8. DHCD reserves the right to request any and all documentation pertaining to individual acquisitions, construction and/or professional and non-professional services contracts prior to approving any and all drawdown requests.
9. DHCD reserves the right to end funding at any point should the PROGRAM prove to be nonviable. This includes, but may not be limited to, lack of progress in conformance with the approved Program Management Plan or approved Funding Reservations.
10. The GRANTEE certifies that all contractors whom they procure have had "Lead-Safe Work Practices" training if construction is to be performed on pre-1978 dwelling units.
13. All work will be done in accordance with appropriate lead paint procedures. The GRANTEE confirms that the Rehab Specialist is licensed by the Virginia Department of Professional and Occupational Regulation as a Lead Risk Assessor, or, if the Rehab Specialist is not a licensed Lead Risk Assessor, the GRANTEE assures full compliance. Compliance will include either a direct contract or service agreement between the GRANTEE and a licensed Risk Assessor, or a contract or service agreement between the Rehab Specialist and a licensed Risk Assessor. The GRANTEE must identify in its Management Plan the lead inspection process it is using.

14. The GRANTEE must maintain an effective filing system at the GRANTEE'S office. The criteria for an effective filing system require the files be coded, complete, accurate, organized, easy to use, timely, accessible and secure. Copies of supporting invoices and checks must be placed behind a copy of the associated drawdown request. A completed Financial Summary Report must be placed in each unit's file.
15. Throughout the life of the project, the GRANTEE will ensure that the appropriate staff, including the Finance Manager and his/her designated backup, attends DHCD training, including the annual Virginia Housing Rehabilitation Workshop.
16. The GRANTEE will ensure that the Finance Manager is given a copy of the financial chapter of the 2009 NSP Manual and the DHCD-approved Program Income Plan and the Program Administrator is given copies of all necessary financial paperwork, including copies of the invoices and checks.
17. The GRANTEE'S Program Management Plan and Program Income Plan have been submitted for DHCD's review and concurrence. If changes are required, the revised Plan(s) must be adopted and the document(s) resubmitted before the submission of the first drawdown request for administrative costs.

GENERAL CONDITIONS

1. DEFINITIONS - Whenever used in the CONTRACT DOCUMENTS the following terms when written in all capital letters shall have the meanings indicated and shall be applicable to both the singular and plural thereof:
 - A. AMENDMENT - A formal addition or modification to the CONTRACT DOCUMENTS which has been approved in writing by both parties, and which affects the scope, objectives or completion date of the PROGRAM, or which affects the manner in which the PROGRAM is to be carried out.
 - B. ASSURANCES - The ASSURANCES which are attached to this document.
 - C. CONTRACT DOCUMENTS - The legal agreement between DHCD and the GRANTEE including the AGREEMENT and all documents referenced in paragraph 9 thereof.
 - D. NSP FUNDS - Funds made available under this part through allocations and reallocations, plus all repayments and interest or other return on the investment of these funds including Program Income.
 - E. HOMEOWNERSHIP - Ownership is fee simple title interest in a dwelling.
 - F. HUD - The United States Department of Housing and Urban Development.
 - G. IMPACT FEE – A fee or charge, levied by a government against a property, to cover wholly or partly the cost of providing capital improvements or public services necessitated by the construction or alteration of a residential development.
 - H. NEIGHBORHOOD STABILIZATION PROGRAM (NSP) - The funds, the PROGRAMS and PROJECTS to be funded, and all conditions, laws and regulations affecting administration of funds currently in effect or as subsequently amended, and provided by DHCD to the GRANTEE from HERA funds allocated by HUD, and funds provided by the Commonwealth of Virginia.
 - I. MIDDLE-INCOME FAMILIES – Households whose annual incomes range from 81 percent to 120 percent of the median income for the area, as determined annually by HUD with adjustments for smaller and larger families.
 - J. MANUAL - The NSP Management Manual, which contains required forms and instructions for the administration of NSP and provides required and non-required procedures for program management.
 - K. PROGRAM INCOME - Any income earned from the Program must be utilized in accordance with an approved Program Income Plan and the Manual.

- L. PROGRAM MANAGEMENT PLAN - A Plan prepared by the GRANTEE, which identifies roles, responsibilities, method of contract administration and oversight, key dates for task implementation and completion, analysis of potential problems and management organization.
 - M. PROJECT - The physical activities undertaken to meet the overall stated objective for which NSP funding is utilized. The Funding Reservation form includes a DHCD identifier number for purposes of tracking expenditures and beneficiaries. Project Completion Report includes the final analysis of a specific project.
 - N. RECONSTRUCTION (Substantial Reconstruction) - The rebuilding, on the same lot, of housing standing on a site at the time of project commitment. The number of housing units on the lot may not be decreased or increased as part of a reconstruction project, but the number of rooms per unit may be increased or decreased. The reconstructed housing must be substantially similar to the original housing.
 - O. GRANTEE - A public agency or nonprofit organization selected by the participating jurisdiction to administer all or a portion of the participating jurisdiction's NSP. The entity which made the proposal for Indoor Plumbing funding and accepted responsibility for assuring compliance and performance of all conditions. The entity which is the recipient of the funds and, as such, must comply with CONTRACT DOCUMENTS.
 - P. LOW-INCOME FAMILIES - Households whose annual incomes do not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.
 - Q. WORK - All labor, equipment and materials necessary to complete the construction of the PROJECT as required by the CONTRACT DOCUMENTS.
 - R. WRITTEN NOTICE - Any notice from one party to the AGREEMENT to the other signed by an authorized official which transmits binding statements of fact or condition and is delivered to the appropriate authorized official either in person or through the United States Postal Service.
2. ADMINISTRATIVE PROCEDURES - The GRANTEE shall perform all contracted WORK and administer all funds and activities in conformance with the general terms and special conditions set forth where required in DHCD's NSP MANAGEMENT MANUAL, and any WRITTEN NOTICES from DHCD.
 3. ACCOUNTING RECORDS - The GRANTEE shall establish and maintain separate accounts within its existing accounting system or set up accounts independently which conform with the requirements of the Code of Federal Regulations (24 CFR Part 85 for Local Governments and 24 CFR Part 84 for Nonprofits), the MANUAL requirements and any WRITTEN NOTICES from DHCD. The GRANTEE shall record in its accounting system all NSP payments by locality received by it pursuant to this NSP Program and all other funds provided for, accruing to, or otherwise received on account of the NSP.

All costs, including paid services contributed by the GRANTEE or others, charged to the NSP Program shall be supported by properly executed payrolls, time records, invoices, CONTRACTS, or vouchers evidencing in proper detail the nature and propriety of the charges. All checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to the NSP shall be clearly identified, readily accessible, and separate and distinct from all other such documents. Such documents shall reside at the offices of the GRANTEE and be available for financial reviews by DHCD and other agents performing an audit.

4. COSTS INCURRED PRIOR TO NSP AGREEMENT EXECUTION - No costs incurred prior to the execution of the AGREEMENT shall be eligible for reimbursement with NSP funds, unless such incurred costs are authorized in writing by DHCD.
5. BUDGET REPORT - The GRANTEE shall carry out Projects and incur costs only in conformance with the latest approved Budget Report and Funding Reservation form for the GRANTEE'S NSP and subject to the provisions of these CONTRACT DOCUMENTS. The budget may be revised through Administrative Procedures detailed in the MANUAL, but no such budget or revision shall be effective unless and until the Department shall have approved the same in writing or as indicated in item 16 of these General Conditions.
6. RECORDS - The GRANTEE shall maintain such records at its office and in such a manner as prescribed in the MANUAL. Records shall be readily accessible to DHCD, appropriate State and Federal agencies, and the general public during the course of the PROGRAM and shall remain intact and accessible for five years from final closeout. Except if any litigation claim or audit is started before the expiration of the five year period the records shall be retained until such action is resolved. Notwithstanding, records of any nonexpendable property must be retained for a five year period following final inspection.
7. REPORTS - The GRANTEE shall furnish, regularly and in such form as DHCD may require, reports concerning the status of PROJECTS and grant funds. Such reports shall be submitted in the form and manner as prescribed in the MANUAL and in WRITTEN NOTICES from DHCD.

All reports shall be completed in full and submitted at the time prescribed by DHCD. Reports shall contain accurate information and shall detail any problems, delays or adverse conditions experienced.

8. QUALITY CONTROL - The GRANTEE accepts the responsibility to assure that all NSP funded PROJECTS shall be implemented with the highest possible degree of competence, workmanship, quality and cost effectiveness. To this end the GRANTEE shall provide a system of quality control to include all aspects of NSP Program administration and PROGRAM implementation.

The GRANTEE shall obtain a certification of inspection and final completion signed by the Rehabilitation Specialist or by the person responsible for quality control at the completion of each construction PROJECT.

9. COMMUNICATIONS - WRITTEN NOTICES shall constitute the only means of binding statements of fact or condition between the parties of this agreement. All required reports and requests to be issued by the GRANTEE must be made by way of a WRITTEN NOTICE unless

other means are specified in the CONTRACT DOCUMENTS. Please note that project-specific technical assistance provided via email does NOT have the weight of official WRITTEN NOTICE. Rather, it is comparable to oral technical assistance discussions. All directives, findings and other formal issuance by DHCD must be transmitted through a WRITTEN NOTICE unless otherwise specified in the CONTRACT DOCUMENTS.

WRITTEN NOTICES shall be signed by and addressed to the appropriate authorized official and shall be considered transmitted when delivered in person or through the United States mail.

The GRANTEE shall act upon and respond to WRITTEN NOTICES promptly as directed.

10. **BENEFITS** - The NSP shall be implemented in such a manner so as to provide direct benefit to low- and moderate-income households in the number and extent identified in the PROGRAM MANAGEMENT PLAN.
11. **PROGRAM INCOME** - Revenue derived from projects financed with NSP funds is PROGRAM INCOME and shall be utilized in the following manner:
 - A. PROGRAM INCOME earned during the life of this contract from projects funded under this contract is considered to be Active Program Income, and shall returned to DHCD and added back into the letter of credit for the GRANTEE.
 - B. INCOME received after contract termination must be used to continue the same activity in the same locality that originally produced the PROGRAM INCOME and in accordance with the NSP Manual.
12. **CONTRACT SECURITY** - The GRANTEE shall secure all materials and equipment, purchased or paid for with grant funds through insurance coverage of the full value of the same.

All persons contracted, employed or otherwise utilized in the grant and having responsibility for the management, disbursement, expenditure or use of NSP funds shall be bonded by a Surety registered to do business in the Commonwealth of Virginia in an amount commensurate with their authority and potential liability.

14. **METHOD AND TIMING OF PAYMENT** - The GRANTEE shall utilize Request for Payment procedures as specified in the MANUAL. The GRANTEE shall request funds only for those amounts which have been obligated, encumbered or expended through other accounts and which can be expended upon receipt or soon thereafter. To this end, the GRANTEE shall develop a financial management system which provides for timely expenditure of requested NSP funds.
15. **DRAWDOWN AND PAYMENT OF GRANT FUNDS** – Drawdowns and expenditure of NSP funds must be made subsequent to or in proportion to other funds within the budget per activity, and in accord with an agreed-upon pay-for-performance schedule.
16. **BUDGET REVISIONS/AMENDMENTS** - The GRANTEE shall not obligate, encumber, spend or otherwise utilize NSP funds for any activity or purpose not included or not in conformance with the Funding Reservation, Budget, NSP Manual and Program Management Plan as approved by

DHCD unless the GRANTEE has received explicit WRITTEN NOTICE from DHCD to undertake such actions.

17. CHANGE ORDERS - DHCD must approve all change orders on construction contracts. Any change order not previously approved by DHCD will be a disallowed NSP cost.
18. TERMINATION, SUSPENSION, CONDITIONS -

- A. FOR CAUSE - If through any cause, the GRANTEE or DHCD fails to comply with the terms, conditions or requirements of the CONTRACT DOCUMENTS the other party may terminate or suspend this AGREEMENT by giving WRITTEN NOTICE of the same and specifying the effective date of termination or suspension at least five (5) days prior to such action.

If, after the effective date of any suspension of this AGREEMENT, it is mutually agreeable to DHCD and the GRANTEE upon remedy of any contract violation by the GRANTEE or DHCD, the suspension may be lifted and the AGREEMENT shall be in full force and effect at a specified date after the parties have exchanged WRITTEN NOTICES stating a mutual understanding that the cause for suspension has been identified, agreed to and remedied. In the case of contract violations by the GRANTEE, DHCD may impose conditions other than termination or suspension which are appropriate to ensure proper grant and PROGRAM administration and adherence to the terms of the CONTRACT DOCUMENTS. Such conditions must be imposed through WRITTEN NOTICE.

- B. FOR CONVENIENCE - DHCD may terminate this AGREEMENT for convenience in the event that DHCD is no longer authorized as an agency to administer the NSP PROGRAM or if the federal or state funds allocated are no longer available. The GRANTEE may terminate this AGREEMENT for convenience at any time provided that all of the following conditions are met:

- i) The GRANTEE gives DHCD ten (10) days WRITTEN NOTICE; and
- ii) HOUSING UNITS for which construction was initiated must be completed by the GRANTEE through its own or other resources; and
- iii) The GRANTEE had honored or will honor all contractual obligations to third parties affected by the PROGRAM; and
- iv) DHCD agrees to the termination.

A GRANTEE'S valid termination for convenience in accordance with these CONTRACT DOCUMENTS shall not affect nor prejudice the GRANTEE'S future relationship with DHCD nor its future consideration as an NSP recipient.

19. SUBSEQUENT CONTRACTS - The GRANTEE shall remain fully obligated under the provisions of the CONTRACT DOCUMENTS notwithstanding its designation of any subsequent or third parties for the undertaking of all or part of the ACTIVITIES for which the Grant assistance is being provided to the GRANTEE.

Any CONTRACTOR or SUBCONTRACTOR or other entity which is not the GRANTEE but is acting on behalf of the GRANTEE shall comply with all the lawful requirements of the GRANTEE necessary to ensure that the PROGRAM for which this assistance is being provided under this AGREEMENT is carried out in accordance with the GRANTEE'S Assurances and Certifications.

GRANTEES shall obtain a Financial Disclosure Report from all contractors, subcontractors, developers and consultants which identify the names and the financial interest of all officers, directors, principal stockholders or additional persons with a 10 percent or greater interest in the contract obtained from the GRANTEE.

20. **POLITICAL ACTIVITY PROHIBITED** - None of the funds, materials, property or services contributed by the DHCD or the GRANTEE, under this AGREEMENT, shall be used in the performance of any partisan political activity, or to further the election or defeat of any candidate for public office.
21. **INTEREST OF MEMBER OF AGENCY AND OTHERS** - No officer, member, or employee of the GRANTEE and no member of its governing body, and no other public official of the governing body of the locality or localities in which the PROGRAM is situated or being carried out, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of this PROGRAM shall participate in any decision relating to this AGREEMENT which affects his personal interest or have any personal or pecuniary interest, direct or indirect, in this AGREEMENT or the proceeds thereof.
22. **OFFICIALS NOT TO BENEFIT** - No member of or delegate to the Congress of the United States of America and no Resident Commissioner shall be admitted to any share or part hereof or to any benefit to arise therefrom.
23. **CERTIFICATIONS** - The GRANTEE certifies that it will comply with the following: a) Freedom of Information Act; b) Virginia Conflict of Interest Act; and c) Virginia Fair Employment Contracting Act.
24. **AUDITS** - the GRANTEE certifies that it will submit an audit for each year that \$500,000 in Federal Funds is expended. Local Governments and nonprofits shall comply with OMB Circular A-133.

ASSURANCES/CERTIFICATIONS

The GRANTEE hereby assures and certifies that:

- (a) It possesses legal authority to execute the Contract.
- (b) Its governing body has duly adopted or passed as an official act a resolution, motion, or similar action authorizing the filing of the 2008 NSP PROGRAM MANAGEMENT PLAN including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the GRANTEE to act in connection with the PROGRAM MANAGEMENT PLAN and to provide such additional information as may be required.
- (c) Its chief executive officer or other officer of GRANTEE approved by the Virginia Department of Housing and Community Development:
 - (1) Consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 (NEPA) and other provisions of Federal law, as specified at 24 CFR 58.5(a) through (h) which further the purposes of NEPA insofar as the provisions of such Federal law apply to this Grant;
 - (2) Is authorized and consents on behalf of the GRANTEE and himself to accept the jurisdiction of the Federal and Commonwealth of Virginia courts for the purpose of enforcement of his responsibilities as such an official.
- (d) It will comply with the regulations, policies, guidelines and requirements of the Code of Federal Regulations (24 CFR Part 85 for local governments and 24 CFR Part 84 for non-profits), OMB Circular A-87 (cost principles for local governments), OMB Circular 133 (single audits for local governments and non-profits) and OBM Circular A-122 (cost principles for non-profits) as they relate to the PROGRAM, acceptance and use of Federal funds under this NSP, and, as applicable, all State laws and administrative requirements which may supersede them (by virtue of being more stringent).
- (e) It will comply with the provisions of Executive Order 11988, relating to evaluation of flood hazards and Executive Order 12088 relating to the prevention, control and abatement of water pollution.
- (f) It will require buildings or facilities designed, constructed, or altered with funds provided under this Grant to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped," Number A-117.1-R 1980, or Uniform Federal Accessibility Standards (UFAS) in accordance with the Virginia Uniform Statewide Building Code. The GRANTEE will be responsible for conducting inspections to insure compliance with these specifications by the contractor.
- (g) It will not recover the capital costs for public improvements financed in whole or in part with NSP funds through assessments against properties owned and occupied by low- moderate- and medium

income persons nor will fees or assessments be charged to such persons as a condition of obtaining access to the public improvements.

- (h) In accordance with Section 104(l) of Public Law 93-383 the Housing and Community Development Act, as amended, certifies that: it has adopted and is enforcing a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations and a policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is subject of such nonviolent civil rights demonstrations within its jurisdiction.
- (i) It will ensure that:
- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, 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, 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.
 - (2) 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, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
 - (3) The undersigned shall require that the language of this 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 GRANTEEES shall certify and disclose accordingly.

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.

- (j) It will comply with:
- (1) Title VI of the Civil Rights Act of 1964 (Pub. L 88-352), and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any PROGRAM or activity for which the GRANTEE receives Federal financial assistance and will immediately take any measure necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of Federal financial assistance

extended to the GRANTEE, this assurance shall obligate the GRANTEE, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.

- (2) Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284), as amended, administering all PROGRAMS and activities relating to housing and community development in a manner to affirmatively further fair housing; and will take action to affirmatively further fair housing in the sale or rental of housing, the financing of housing, and the provision of brokerage services.
 - (3) Section 109 of Title I of the Housing and Community Development Act of 1974, as amended, and the regulations issued pursuant thereto (24 CFR Part 570.602), which provides that no person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or part with funds provided under this Grant. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973 shall also apply to this Grant.
 - (4) Executive Order 11063 on equal opportunity in housing and nondiscrimination in the sale or rental of housing built with Federal assistance.
 - (5) Executive Order 11246, and the regulations issued pursuant thereto (41 CFR Chapter 60), which provides that no person shall be discriminated against on the basis of race, color, religion, sex or national origin in all phases of employment during the performance of Federal or federally assisted construction CONTRACTS. Contractors and subcontractors on Federal and federally assisted construction CONTRACTS shall take affirmative action to insure fair treatment in employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination, rates of pay or other forms of compensation and selection for training and apprenticeship.
 - (6) Section 906 of Public Law 100-625 (Cranston-Gonzalez National Affordable Housing Act) which prohibits discrimination on the basis of religion or religious affiliation. No person shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any PROGRAM or activity funded in whole or in part with CDBG funds on the basis of his or her religion or religious affiliation.
- (k) It will comply with Section 3 of the Housing and Urban Development Act of 1968, as amended, requiring that to the greatest extent feasible opportunities for training and employment be given to lower-income residents of the PROGRAM area and CONTRACTS for work in connection with the PROGRAM be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in the area of the PROGRAM.
- (l) It will in the acquisition of real property and in the process of relocation:

- (1) Be guided, to the greatest extent practicable under State law, by the land acquisition policies in Sections 301 and 302 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; as amended, and
- (2) Pay or reimburse property owners for necessary expenses as specified in Section 303 and 304 of the Uniform Act; and
- (3) Comply with the applicable Sections 202 through 205 of Title II (Relocation Assistance) of the Uniform Act in providing relocation payments and relocation assistance; and
- (4) Comply with U.S. Department of Transportation regulations at 49 CFR Part 24 and in implementing the requirements, it will:
 - (i) Carry out the policies and procedures of Part 24 in a manner that insures that the acquisition and relocation processes do not result in different or separate treatment to persons on account of race, color, religion, sex, national origin, or source of income; and
 - (ii) Assure that, within a reasonable period of time prior to displacement, comparable decent, safe and sanitary replacement dwellings will be available to all displaced families and individuals and that the range of choices available to such persons will not vary on account of race, color, religion, sex, national origin, or source of income; and
 - (iii) Inform affected persons of their rights under the policies and procedures set forth under the regulations in Part 24, including their rights under Title VI of the Civil Rights Act of 1964 and Title VIII of the Civil Rights Act of 1968, as amended.
 - (iv) Comply with Executive Order 12830, Governmental Actions and Interference with Constitutionally Protected Property Rights, and
- (5) It will develop and follow a "Residential Anti-Displacement and Relocation Assistance Plan," in accordance with Section 104(d) of the Housing and Community Development Act of 1974, as amended and 24 CFR Section 570.488 (c).
- (m) It will establish safeguards to prohibit employees from using 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.
- (n) It will comply with the provisions of the Hatch Act which limits the political activity of employees.
- (o) On CONTRACTS which include eight or more units, it will administer and enforce the provisions of the Davis-Bacon Act as amended, and the Contract Work Hours and Safety Standards Act as set forth by DHCD and U.S. Department of Labor.
- (p) It will give the Virginia Department of Housing and Community Development and the Comptroller General through any authorized representatives access to and the right to examine all records, books, papers, or documents related to the grant.

- (q) It will ensure that facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the PROGRAM are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the Virginia Department of Housing and Community Development of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating consideration for listing by the EPA.
- (r) It will comply with the flood insurance purchase requirements of Section 102 (a) of the Flood Disaster Protection Act of 1973, Pub. L. 93-234, 87 Stat. 975, approved December 31, 1973. Section 103 (a) required, on and after March 2, 1974, the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any Federal financial assistance for construction or acquisition purposes for use in any area, that has been identified by the Director of the Federal Emergency Management Agency as an area of having special flood hazards. The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance.
- (s) It will, in connection with its performance of environmental assessments under the National Environmental Policy Act of 1969, comply with Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470), Executive Order 11593, and the Preservation of Archeological and Historical Data Act of 1966 (16 U.S.C. 469a-1, et. seq.) by:
- (1) Consulting with the State Historic Preservation Officer to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to adverse effects (see 36 CFR Part 800.8) by the proposed ACTIVITY, and
 - (2) Complying with all requirements established by HUD and the Virginia Department of Housing and Community Development to avoid or mitigate adverse effects upon such properties.
- (t) It will implement all required actions to ensure compliance pursuant to 24 CFR Part 8, Nondiscrimination Based on Handicap in Federally Assisted PROGRAMS and Activities.

(Grantee Official)

Date