

Before an industry is assisted directly or indirectly with Community Block Grant (CDBG) funds, the industry and Grantee must make the following commitments:

- Commitment by the industry to create or retain a specific number of jobs, as agreed upon during Contract Negotiations;
- Commitment by the industry to create or retain jobs that are either: 1) made available to; or 2) are held by; at least 51%LMI persons as defined by HUD;agreed upon during Contract Negotiations; and
- Appropriate local investment, as agreed upon during Contract Negotiations.

Commitments with regard to industry financial investment, job creation and the creation of jobs that are at least 51% LMI must be secured by a legally enforceable contract (Industry Agreement) executed by the Grantee and the Industry. The Grantee will sign an agreement with DHCD reflecting these commitments and reflecting the Grantee's level of financial involvement.

All industries which will benefit from the proposed CDBG improvements and will create jobs must be included in the project and execute an Industry Agreement.

Industry Commitment to Create a Specific Number of Jobs

The Industry must commit to the creation or retention of a specific number of jobs as indicated in the Community Development Block Grant proposal submitted to DHCD, subject to any revisions during Contract Negotiations. This commitment is made through the execution of the Industry Agreement. The determination of how these jobs are counted falls under DHCD and HUD regulations. The following summarizes the requirements:

- **New Jobs** are defined as those positions that are created as a result of:
 - The expansion of an existing industry resulting in an increase of jobs at that industry; or
 - The location of a new industry into the locality resulting in the creation of new jobs provided by said industry in that locality.
 - None of the new jobs may be transferred from another Virginia jurisdiction.
- **Retained jobs**—The total number of existing permanent, full-time equivalent positions that would be lost if the proposed CDBG funded project did not take place.

- **Part-time jobs** - Any job without full benefits afforded all employees and/or provides less than 40 hours/week of employment. Two part-time positions equal one full-time equivalent. One full-time equivalent position equals full benefits afforded to all employees and provides a minimum of 40 hours per week employment.
- **Employment Assessment**—the Grantee, in coordination with the assisted Industry, must supply to DHCD:
 - A categorical breakdown of the jobs to be retained or created as a result of the CDBG funded improvement including the categories as defined by the Economic Development Administration (EDA). A breakdown of these categories can be found in Appendix 21 herein of the Grant Management Manual.
 - DHCD, Grantee and Industry will agree upon a baseline breakdown of existing jobs during Contract Negotiations for purposes of determining success in achieving commitment of retention of existing jobs and/or creation of new jobs; and
 - Any other industries that utilize CDBG funded project improvements prior to administrative closeout of this CDBG contract must also adhere to CDBG guidelines related to meeting the job creation requirement of at least 51% LMI persons.
- All jobs must be created within two (2) years of the date of completion of the private investment. Private investment must be completed within two (2) years of the commencement date of the CDBG Grant Agreement.
- The industry must provide a post-probationary wage of at least 1.5 times the minimum wage for no less than 90% of all new employees.
- The Industry must also provide an employment benefits package that includes, at a minimum, basic medical health insurance to all employees with no less than fifty percent of the premiums paid by the industry.
- The probationary period must not exceed six months

Industry Investment Requirements

CDBG economic development projects require that the assisted industry make a financial investment. This investment is inextricably tied to the number of positions to be created. Therefore, only investment in facilities and equipment contributing toward the employment goals for which the project was funded will be counted. The investment must be completed within two years of the commencement date of the CDBG Grant Agreement.

The type and scope of the private investment must justify the need for the type and scope of the CDBG financed improvements.

The following investments are typically accepted by DHCD as private leverage in CDBG Economic Development Projects:

- Land: site for new or expanded facilities where jobs will be located;
- Expansion of facility or construction of new facility;
- Production equipment; and
- Privately funded infrastructure improvements.

The following items are not recognized by DHCD as private investment that will count towards the total required leverage amount:

- Inventory;
- Supplies;
- Personnel; and
- Working Capital.

Documentation of Investment

All private expenditures must be documented by one of two methods as agreed to at Contract Negotiations by the Industry, Grantee and DHCD. Those are:

1. An Independent Public Accountant's signed statement attesting that all agreed upon private expenditures have been made on the project for eligible activities; OR
2. Submission by Grantee of copies of source documents in the form of contracts, invoices, and cancelled checks documenting that full investment was made on the project for approved activities.

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MODEL AGREEMENT FOR INDUSTRIAL DEVELOPMENT PROJECTS

(For Industries using the Held By Method)

This AGREEMENT, made this ____ day of _____, 20__, between the (*Grantee*), a (*Town/City/County*) existing under the laws of the Commonwealth of Virginia, hereinafter referred to as "(Grantee)" and (*Industry's Name*), a corporation existing under the laws of the Commonwealth of Virginia, hereinafter referred to as "(Industry)" and assigned the Data Universal Numbering System (DUNS) # (*Industry's DUNS ##*).

WITNESSETH:

THAT for and in consideration of the mutual covenants and agreements herein contained, the said parties do agree as follows:

1. The parties recognize that this AGREEMENT is contingent upon the continued existence of a CDBG grant offer of \$(*Amount of Grant Offer*) to (*Grantee*). Using these grant funds, the Grantee will provide the following, to be made available to (*Industry*) at (*Location*), hereinafter referred to as "(Site):"
 - a. _____
 - b. _____
 - c. _____
2. (*Industry*) certifies that there are no legal or financial impediments which would prevent or delay the investment and job creation and attaches as a part of this agreement a summary setting forth the following information:
 - a. (*Industry*) currently employs ____ persons at the ____ project site to be assisted by CDBG funds.
 - b. (*Industry*) currently employs a total of ____ persons at the (*Name*) manufacturing facilities located at (*insert physical address*) Virginia (also reference any other facilities located in Virginia) a breakdown of these jobs by type (number and classification) is included herein as Attachment 1.
 - c. (*Industry*) intends to create a total of ____ full-time jobs at the ____ project site. Of these ____ will be considered ____ full-time jobs ____ will be part-time jobs. A breakdown of these jobs by type (classification) and time frame for creation is included herein as Attachment 2.

3. (*Industry*) will locate upon the premises a (*type of facility*) facility creating or retaining approximately (*number*) jobs on or before (*insert date*). At least fifty-one percent (51%) of all jobs created will be LMI jobs, as defined herein. Employment created will not duplicate existing employment and job creation will occur within two years of the date of completion of the private investment.
4. The documentation of job creation, including jobs to LMI persons, must adhere to the following:
 - a. All jobs must be physically located at the industry (*insert Industry site location*);
 - b. All jobs at that site must be included in the tracking;
 - c. Jobs are counted – not people;
 - d. A job is considered closed once it is filled upon the first hire;
 - e. Job counting must continue until the CDBG project is completed and the CDBG contract with the Grantee is administratively closed out; and
 - f. If at the time of (4e) Industry has not fulfilled its job creation commitment, counting must continue until such time that it is met.
5. (*Industry*) will take affirmative steps to employ low- and moderate-income persons, (defined as persons whose annual household income prior to employment is lower than 80% of the median income for the area). Both the household size and income of the entire household will be considered. The U.S. Department of Housing and Urban Development's Section 8 Income Limits by household size will be used to determine whether the LMI standard has been met.
6. In accepting applications for employment, (*Industry*) agrees to the following:
 - a. All applications for employment will be made through a single point of entry.
 - b. The single point of entry for this project will be (*fill in what it will be*).
 - c. Special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs.
 - d. For jobs that require education beyond high school or skills not commonly possessed by high school graduates (*Industry*) agrees to consider unqualified persons and provide training to them at no cost to the employee.
7. The Grantee is responsible for maintaining documentation on the persons who are employed by the following characteristics: a) LMI status, b) female headed households(must have at least one child under the age of 18 years), c) elderly, d) handicapped, e) racial/ ethnic status (Hispanic, White, Black/African American, Asian, American Indian/Alaskan Native, Native Hawaiian/Other Pacific Islander, American Indian/Alaskan Native and White, Asian and White, Black/African American and White, American Indian/Alaskan Native and Black/African

American and Other Multi-Racial), and f) employment status at time of application

8. (*Industry*) will submit to the (*Grantee*) documentation of the number and names of all of those employed, their EDA job classification and whether the employees are provided with employer sponsored health care. This documentation will be provided at least every three (3) months from the start of the CDBG project for a period of two (2) years from the date of the completion of the private investment or until the (*Grantee*) has received written approval from the Virginia Department of Housing & Community Development to terminate submission of documentation.
9. (*Industry*) will invest not less than (*Amount*) for machinery, equipment and other physical improvements at THE SITE. This investment will be verified by an audit provided by (*Industry*) and prepared by an Independent Public Accountant or (by submission of copies of source documents in the form of contracts, invoices, and cancelled checks documenting that the full investment was made on the project for approved activities) (insert appropriate option as determined at contract negotiations). The investment will occur within two (2) years of the commencement date of the CDBG agreement (fill in exact date).
10. (*Industry*) will, in conformance with Virginia Department of Housing and Community Development guidelines, pay at least 90% of all employees a post-probationary wage equal to 1.5 times the federal minimum wage. At the signing of this agreement, the current minimum wage is \$ _____/hour.
11. The probationary period may not exceed six months.
12. (*Industry*) will provide comprehensive benefits, including basic health insurance coverage whereby the industry pays at least 50% of the monthly premium.
13. (*Industry*) agrees to provide to (*Grantee*), and to officials of the Virginia Department of Housing and Community Development and the U. S. Department of Housing and Urban Development, reasonable access to its facilities to substantiate the employment and investment committed by this agreement and to provide access to pertinent records documenting jobs held by or made available to low- and moderate-income persons.

S A N C T I O N S

14. Upon signing of this AGREEMENT, (*insert Industry or Grantee name*) agrees that upon failure to honor its commitment at any time to locate on THE SITE, once local or CDBG funds have been expended on project improvements agreed to herein, the (*insert Industry or Grantee name*) will be subject to repay in full all local or CDBG funds already expended DHCD.

15. Should the Industry fail to achieve the performance regarding jobs and investment outlined herein after location at THE SITE, the industry is required to provide detailed documentation proving that a good faith effort has been made to has been made to achieve specified benefits. (*Grantee*) and the Virginia Department of Housing & Community Development reserve the right in such case to require repayment of all or a portion of the grant funds. Notwithstanding a good faith effort on the part of the industry, failure to employ at least 51% low- and moderate-income persons or make jobs available to at least 51% low - and moderate-income persons will result in the repayment of the entire amount of Grantee CDBG funds expended.

16. The (*insert Industry or Grantee*) has secured the CDBG investment of (*insert amount*) through the provision of a (*insert method – irrevocable letter of credit, or other*) that is held at (*insert location*) and subject to be called by DHCD for non-performance as defined herein.

WITNESS the following signature and seals.
(Signatures must be notarized.)

(Grantee)

(Seal)

Commonwealth of Virginia, County/City of _____. This day personally appeared before me (*Grantee Representative*) and acknowledged his/her signature to the foregoing agreement. Given under my hand this _____ day of _____, 20__.

SIGNATURE:

Notary Public

My commission expires: ____/____/____ Registration number: _____

(Industry) (Seal)

Commonwealth of Virginia, County/City of _____. This day personally appeared before me (Industry Representative) and acknowledged his/her signature to the foregoing agreement. Given under my hand this _____ day of _____, 20__.

SIGNATURE: _____
Notary Public

My commission expires: ____/____/____ Registration number: _____

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MODEL AGREEMENT FOR INDUSTRIAL DEVELOPMENT PROJECTS

(For Industries Using the Made-Available-To Method)

This AGREEMENT, made this ____ day of _____, 20__, between the (*Grantee*), a (*Town/City/County*) existing under the laws of the Commonwealth of Virginia, hereinafter referred to as "(Grantee)" and (*Industry*), a corporation existing under the laws of the Commonwealth of Virginia, hereinafter referred to as "(Industry)" and assigned the Data Universal Numbering System (DUNS) # (*insert Industry's DUNS #*).#).

WITNESSETH:

THAT for and in consideration of the mutual covenants and agreements herein contained, the said parties do agree as follows:

1. The parties recognize that this AGREEMENT is contingent upon the continued existence of a CDBG grant offer of \$(*Amount of Grant Offer*) to (*Grantee*). Using these grant funds, the Grantee will provide the following, to be made available to (*Industry*) at (*Location*), hereinafter referred to as "(Site):
 - a. _____
 - b. _____
 - c. _____
2. (*Industry*) certifies that there are no legal or financial impediments which would prevent or delay the investment and job creation and attaches as a part of this agreement a summary setting forth the following information:
 - a. (*Industry*) currently employs persons at the project site to be assisted by CDBG funds.
 - b. (*Industry*) currently employs a total of _____ persons at the (*Name*) manufacturing facilities in Virginia (also reference any other facilities located in Virginia) a breakdown of these jobs by type (number and classification) is included herein as Attachment 1.
 - c. (*Industry*) intends to create a total of _____ full-time jobs at the _____ project site. Of these _____ will be considered _____ full-time jobs _____ will be part-time jobs. A breakdown of these jobs by type (classification) and time frame for creation is included here in as Attachment 2.
 - d. (*Industry*) plans concerning for transfer and or relocation of jobs from (*named*) facilities located within the Commonwealth of Virginia are set forth herein in the attached Business Plan as Attachment 3.
3. (*Industry*) will locate upon the premises a (*type of facility*) facility creating or retaining approximately (*number*) jobs. At least fifty-one percent (51%) of all jobs created will be LMI jobs, as defined herein. Employment created will not

duplicate existing employment and job creation will occur within two years of the date of completion of the private investment.

4. The documentation of job creation, including jobs to LMI persons, must adhere to the following:
 - a. All jobs must be physically located at the industry (*insert physical address*);
 - b. All jobs at that site must be included in the tracking;
 - c. Jobs are counted – not people;
 - d. A job is considered closed once it is filled upon the first hire;
 - e. Job counting must continue until the CDBG project is completed and the CDBG contract with the Grantee is administratively closed out.
 - f. If at the time of (4e) Industry has not fulfilled its job creation commitment, counting must continue until such time that it is met.
5. (*Industry*) will take affirmative steps to employ low- and moderate-income persons, (defined as persons whose annual household income prior to employment is lower than 80% of the median income for the area). Both the household size and income of the entire household will be considered. The U.S. Department of Housing and Urban Development's Section 8 Income Limits by household size will be used to determine whether the LMI standard has been met.
6. In order to meet the Made-Available-To test for job creation, (*Industry*) agrees to the following:
 - a. All applications for employment will be made through a single point of entry.
 - b. The single point of entry for this project will be (*fill in referring agency – usually VEC*).
 - c. Special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs.
 - d. For jobs that require education beyond high school or skills not commonly possessed by high school graduates (*Industry*) agrees to consider unqualified persons and provide training to them at no cost to the employee.
 - e. (*Grantee*) and (*Industry*) agree that LMI persons will receive first consideration for filling of jobs. First consideration means that (*Industry*) will give objective consideration to the employment of LMI persons. To demonstrate that first consideration is given, (*Industry*) will hire from pools of qualified applicants provided to it by (*fill in referring agency – usually VEC*) without knowledge of the income status of any employee. (*fill in referring agency – usually VEC*) will verify that the overall pool of applicants provided to (*Industry*) includes no less than 51% LMI persons based on HUD's Section 8 Income Limits and considering both household

and income size. (*fill in referring agency – usually VEC*) MUST MAINTAIN THE DOCUMENTATION IT USED FOR VERIFICATION. In addition, any person referred from the JOB TRAINING PARTNERSHIPWORKFORCE INVESTMENT ACT OF 1998 programs will be accepted as LMI because of known income restrictions of that program, except for the Dislocated Workers Program.

- f. Any training programs specified in (*Grantee's*) grant proposal must be initiated prior to or concurrent with start-up of production. Documentation of training efforts and information concerning individuals enrolled in training programs MUST be kept by (*Grantee*) and (*Industry*).
7. The (*fill in referring agency – usually VEC*) is responsible for maintaining documentation on the persons who are employed by the following characteristics: a) LMI status, b) female headed households(must have at least one child under the age of 18 years), c) elderly, d) handicapped, e) racial/ ethnic status (Hispanic, White, Black/African American, Asian, American Indian/Alaskan Native, Native Hawaiian/Other Pacific Islander, American Indian/Alaskan Native and White, Asian and White, Black/African American and White, American Indian/Alaskan Native and Black/African American and Other Multi-Racial), and f) employment status at time of application
8. (*Fill in referring agency – usually VEC*) will submit to the (*Grantee*) documentation of the number and names of all of those employed, their EDA job classification and whether the employees are provided with employer sponsored health care. This documentation will be provided at least every three (3) months from the start of the CDBG project for a period of two (2) years from the date of completion of the private investment or until the (*Grantee*) has received written approval from the Virginia Department of Housing & Community Development to terminate submission of documentation.
9. (*Industry*) will invest not less than (Amount) for machinery, equipment and other physical improvements at THE SITE. This investment will be verified by an audit provided by (*Industry*) and prepared by an Independent Public Accountant or by submission of copies of source documents in the form of contracts, invoices, and cancelled checks documenting that the full investment was made on the project for approved activities. This investment will occur within two (2) years of the commencement date of the CDBG Grant Agreement.
10. (*Industry*) will, in conformance with Virginia Department of Housing and Community Development guidelines, pay at least 90% of all employees a post-probationary wage equal to 1.5 times the federal minimum wage and provide comprehensive benefits, including basic medical coverage and insurance affordable to every employee. The probationary period may not exceed six months. At the signing of this agreement, the current minimum wage is \$_____/hour. (IF THE PROJECT IS FUNDED THROUGH THE

COMMUNITY ECONOMIC DEVELOPMENT FUND, MODIFY OR DELETE THIS PARAGRAPH AS DIRECTED BY DHCD).

11. The probationary period may not exceed six months
12. (*Industry*) will provide comprehensive benefits, including basic health insurance coverage whereby the industry pays at least 50% of the monthly premium.
13. (*Industry*) agrees to provide to (*Grantee*), and to officials of the Virginia Department of Housing and Community Development and the U. S. Department of Housing and Urban Development, reasonable access to its facilities to substantiate the employment and investment committed by this agreement and to provide access to pertinent records documenting jobs made available to low- and moderate-income persons.

S A N C T I O N S

14. Upon signing of this AGREEMENT (*insert Industry or Grantee name*) agrees that upon failure to honor its commitment at any time to locate on THE SITE, once local or grant funds have been expended on project improvements agreed to herein, the (*insert Industry or Grantee name*) is will be subject to repay in full all local or grant funds already expended to DHCD.
15. Should the Industry fail to achieve the performance regarding jobs and investment outlined herein after location at THE SITE, the industry is required to provide detailed documentation proving that a good faith effort has been made to achieve specified benefits. (*Grantee*) and the Virginia Department of Housing & Community Development reserve the right in such case to require repayment of all or a portion of the grant funds. Notwithstanding a good faith effort on the part of the industry, failure to make jobs available to at least 51% low- and moderate-income persons will result in the repayment of the entire amount of grant assistance provided by the Grantee and the Virginia Department of Housing & Community Development.
16. The (*insert Industry or Grantee*) has secured the CDBG investment of (*insert amount*) through the provision of a (*insert method – irrevocable letter of credit, bond or other*) that is held at (*insert location*) and subject to be called by DHCD for non-performance as defined herein.

WITNESS the following signature and seals.
(Signatures must be notarized.)

(Grantee) (Seal)

Commonwealth of Virginia, County/City of _____. This day personally appeared before me (Grantee Representative) and acknowledged his/her signature to the foregoing agreement. Given under my hand this _____ day of _____, 20__.

SIGNATURE: _____
Notary Public

My commission expires: ____/____/____ Registration number: _____

(Industry) (Seal)

Commonwealth of Virginia, County/City of _____. This day personally appeared before me (Industry Representative) and acknowledged his/her signature to the foregoing agreement. Given under my hand this _____ day of _____, 20__.

SIGNATURE: _____
Notary Public

My commission expires: ____/____/____ Registration number: _____

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Project Management Plan

One of the most important Pre-Contract Activities is the development of a comprehensive and practical Project Management Plan. It lets the Project Management Team know where the Team is going and how it will get there by stipulating the roles and responsibilities of all the individuals involved in the project and sets forth when and how all activities will be implemented.

The Plan must include *at least* the following components:

- The identity, roles and responsibilities of all persons involved in the implementation of the project;
- The identity of target dates for completion of key tasks;
- The method by which the chief executive and grant administrator will oversee and monitor all aspects of the project to assure timely and effective implementation;
- The identity of specific project benchmarks by which the administration and implementation of the project will be tracked and analyzed. Benchmarks should be specific dates by which tasks and subtasks will be completed;
- The method for design and construction contract administration including surveying and additional engineering, plan review, bidding, change order approval, and local government inspection and oversight;
- An identification of potential problems and complexities inherent in the project, and an analysis of how these will be anticipated and mitigated;
- The method by which local government officials, including the chief administrator of the locality, will be kept informed of the status of the project;
- The process for review, approval and payment of invoices related to all project expenditures; and
- A timetable for expenditure of administrative funds based on benchmark accomplishments.

The Grantee should recognize that different kinds of projects will require that different elements be included in the Plan. For example, all housing projects will need to address the

role of the Housing Rehabilitation Oversight Board and industrial job creation projects will need to address the timing and completion of the private investment.

Steps in Completing the Plan

The Project Management Plan must be developed with the direct input of all involved individuals. Each person with task responsibilities must recognize and accept his or her part and its relationship to the timely and successful completion of the project. To facilitate this, the following steps must be a part of the development of the Plan:

First Project Management Team Meeting

The Team's first meeting will be a Facilitated Management Session (FMS). It *must* be attended by all persons who have a vested interest in the project and/or or have a role in the successful completion of the project so their *direct* input can be obtained. At the FMS, a facilitator will assist the Team in identifying at least the following three items:

- Tasks to be completed so that the project activities can be completed;
- Assignment of responsibility (responsibility charting) to one individual for each task that is identified and the assignment of a support individual for each task (responsibility may not be shared by two individuals); and
- Sequencing and timing of the completion of tasks so that the project can be completed within the framework of the CDBG Grant Agreement.

It is sometimes necessary to schedule a second meeting to ensure that all items have been adequately covered and to ensure that the appropriate individuals are familiar with the Plan. Once all of the information has been gathered, a Plan is drafted and submitted to DHCD for review and approval.

Draft Plan Circulated

The Draft Plan should be circulated to all Project Management Team members to ensure that the Plan reflects the input of individuals who will be responsible for completing tasks. Once it does, the Plan can be submitted to DHCD for review and concurrence.

DHCD's Concurrence of Plan

Upon receipt of the Plan, DHCD will review it for sufficiency and completeness. Any questions regarding the Plan will be raised by the Community Representative and must be answered by the Grantee to ensure that the Plan addresses all issues.

Execution of Plan

After all Project Management Team members have acknowledged that the Plan is sufficient, accurate and reflects their commitment to complete tasks by a certain time, the Plan must be signed *at least* by the Chief Administrative Official, the Grant Administrator and the Community Representative. Once the Plan is executed, copies should be distributed to all members of the Project Management Team.

Alternative Plan Development Process

In certain very limited projects involving an established Project Management Team with a record of successful, timely project completion, an abbreviated process and Project Management Plan may be acceptable. This matter must be negotiated with your Community Representative.

Revisions to the Plan

The Project Management Plan is a living document and an integral part of the grant management process. As such, the Project Management Team is expected to review the plan regularly and revised it as necessary. Typically, it will need to be revised under two scenarios:

- The timeline needs to be revised to reflect changes in completion dates. In this case, the revised timeline should show *both* the original completion date and the revised completion date. Amending the Plan on a regular basis is a nonproductive use of everybody's time so the Team should take the time to develop realistic completion dates from the start; *or*
- To support a request to amend the CDBG Grant Agreement. In this case, the revised Plan must identify how the Grantee will complete its project by the proposed deadline. Note that this requires more than simply a reassignment of milestone dates. It requires an explanation of how individuals on the Project Management Team will *do things differently* to achieve the required outcome by the new deadline. If there has been a critical issue that has delayed the project, the revised Plan must also identify the new, concrete approach being taken to overcome the critical issue.

Because the Project Management Plan is an official contract document, all revisions must be reviewed and approved by DHCD.

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Developing the Plan

During the Pre-Contract Activities period, DHCD requires that a Staffing and Operations Plan be developed along with any necessary agreements with service providers. It must be approved by DHCD. The plan should be tailored to the needs of the project, and therefore DHCD does not provide a model Plan. However, there are a number of items to be considered and several DHCD requirements that must be followed. These requirements are provided immediately below:

Staffing and Operations Plan Requirements

The Grantee must submit a Five-Year Staffing and Operations Plan. The plan is the means for implementing an effective transition from the grant acquisition and construction phases of the project to the facility operation phase. It is critical because CIG funds *cannot* be used to operate the facility.

Two concerns underlie this requirement. First, the Grantee must demonstrate that the required benefits will be provided to the targeted populations in order to substantiate the claim of benefit and eligibility for CDBG funding. Second, any fees that are to be charged to beneficiaries must be substantiated as “reasonable,” that is affordable to LMI persons, and sufficient in terms of the projected income and expenses of the facility.

The plan should be a refinement and finalization of the information provided in the application for funding, documenting the sustainability of the project. Its operations section must include:

- Identification of the owner and, if different, operator of the facility;
- Names, titles and addresses for the Board of Directors or the Executive Committee of the entity operating the facility and the projected Facility Director;
- A copy of the proposed lease or deed for the property;
- Copies of the permits to occupy and operate from all of the required agencies and authorities or their requirements and applications and status report of each outstanding permit;
- Information about the facility’s equipment, materials and supplies necessary to provide the services;
- Financial information including:

- A budget for the first year of operating the facility and delivering the service;
- Projected revenue and expenditures for each of the next five (5) years, including a description of the types and levels of fees to be charged to beneficiaries (see below);
- Description of how program income will be used (see below);
- Facility's resources and funding sources;
- Plans to address any operating revenue shortfalls;
- A moving-in, equipping, and start-up plan and schedule; and
- If the Grantee will not be managing the facility, a description of the method by which the locality will provide oversight on the continued eligible use and maintenance of the facility.

The plan's staffing section must address:

- Identification of each service provider;
- A brief description of all services to be provided by each provider, including space needs and scheduling;
- Identification of the clientele to be served by each provider;
- Description of staffing levels per type of position;
- Names, titles and addresses for the Board of Directors or the Executive Committee of the entity operating the program and the Program Director; and
- 501(c)3 approval for each non-profit entity that will provide services.

Types and Levels of Fees Charged for Services Provided

Affordable service fees may be charged to LMI households for the use of the facility but access fees (fees not related to actual services), which will have the effect of precluding LMI persons from using the facility, are not permitted

Program Income Disposition

Any fees earned in excess of expenses will be considered Program Income. Service providers must provide an annual accounting report within four (4) months of the close of its financial fiscal year to the Grantee. Any program income must be turned over to the Grantee along with this report. The funds must be used to provide benefits to low-to-moderate income families using the facility. Any rent collected will also be considered Program Income.

Agreements with Service Providers

All agreements pertaining to the provision of services to beneficiaries must be completed, reviewed by DHCD and executed according to a negotiated schedule, usually specified during the Contract Negotiations Meeting. At a minimum, such agreements must ensure that services are provided in a manner that achieves a measurable, positive change in the persons who use the facility. They must include the following:

- Description of types of services to be provided and the number, extent and identity of clients served;
- Identification of who will be responsible for the hiring, training, paying and supervising of all staff;
- Identification of who will be responsible for providing equipment and furnishings;
- Identification of who will be responsible for utilities and other maintenance costs;
- Inventory requirements;
- Insurance requirements;
- “Hold harmless” clause for the Grantee;
- Documentation requirements for services provided (see below);
- Types and levels of fees charged for services provided;
- Whether or not rent will be charged for use of the facility;
- Program income disposition; and
- Retention of records requirements.



Call your DHCD Community Representative if you would like samples of agreements.

Documentation Requirements for Services Provided

Demographic data must be kept for all persons who are applicants for, participants in, or beneficiaries of the program. These persons must be identifiable by name, residence, income status, race, ethnicity, age, sex, national origin, disability status, and the nature of the benefit. This information must be maintained by the Grantee. If the Grantee is not providing the services directly, the service provider(s) must submit this information to the Grantee at least annually in a format consistent with DHCD requirements.

Beneficiaries' status as LMI persons or protected populations must be documented through referrals, verified client income/intake forms, police reports (domestic violence), and other records developed and maintained by the facility for this purpose.

Data must be also kept on achievement of outcomes and benefits as outlined in the CDBG Grant Agreement.

All records relating to the project must be maintained for a period of five (5) years from Final Closeout of the CDBG Grant Agreement and shall be available during regular business hours for inspection and audit.

BLIGHT IDENTIFICATION AND REMOVAL OR REMEDIATION PLAN

Developing the Plan

When CBDG funds are used for the elimination of slums and blight, **all blighting influences within the designated revitalization area must be addressed by the project.** If the cost of eliminating blight is beyond what was originally anticipated, the Grantee will be required to provide the resources to eliminate the blight as defined in its CBDG Grant Agreement with DHCD.

During the Pre-Contract Activities period, DHCD requires that a Blight Identification and Removal or Remediation Plan be created and adopted by the Grantee. It must be approved by DHCD. The plan should be tailored to the needs of the project, and therefore DHCD does not provide a model Plan. However, there are a number of items to be considered and several DHCD requirements that must be followed. These requirements are provided immediately below.

Plan Requirements

The following requirement must be incorporated into the Plan:

1. A clearly defined revitalization area: The Grantee must designate an area through creation of a revitalization area map with clearly defined boundaries where blight removal will be targeted;
2. Blight Identification: An inventory of all blighting influences must be taken. It must identify all blighted structures, parcels and public spaces through an indisputable method such as building addresses, names, tax map information etc. The Grantee must adopt a local standard of what constitutes blight. This standard, including both physical and economic factors, is then applied to all parcels in the revitalized area. The exteriors of those structures that qualify as blighted are eligible for CBDG investment. All blighted properties, however, must be addressed; and
3. Blight Removal or Remediation Plan: An agreement by the Grantee that it will take all necessary measures to ensure complete blight removal by encouraging voluntary compliance by property owners, completing property acquisition with an end use for each property, and when necessary, taking actions allowed under a legally-adopted Redevelopment Plan. Blighting influences can be removed through a number of methods depending on the scope of work defined in the CBDG contract between DHCD and the Grantee.

Complaints and Appeals Procedure

The Plan must incorporate the Program's complains and appeals procedure. It must include *at least* the following:

All written complaints and appeals *must* be addressed within fifteen (15) days of receipt and resolved within thirty (30) days. A response to all written complaints and appeals must be in writing and must include an explanation of the reason(s) for the decision reached, information on the next step in the appeals process and how many days from receipt of notice the complainant has to appeal any decision.

Appeals should be addressed to the local Chief Administrative Official. Appeals of that decision should be addressed to the local governing body. Final appeals should be addressed, in writing, to DHCD. The appeal should include a copy of all correspondence that has taken place to date. The appeal should identify the problem and the desired solution. DHCD will investigate the complaint and respond, in writing, in a timely manner. All involved parties will be copied.

If the complainant requires assistance in putting his or her complaint in writing, staff will make assistance available. The same is true for appeals.

As a part of the intake process, applicants will be informed that if their application is denied, they will be notified, in writing; of this decision and that they have fifteen (15) days from receipt of the notice to make a written appeal. The person and address to which a complaint should be addressed must be identified.

Recordkeeping

The Plan must describe the process that will be used to track blight identification and removal.

Revising the Plan

Because the Plan is an official contract document, all revisions must be reviewed and approved by DHCD and amended by formal action by the local governing body.

Explanation of Form

The attached Program Income Plan model is designed to make its preparation as easy as possible. Therefore, under section one, Grantees only have to list the eligible activities for which it wishes to use the program income. Typically, the Grantee must continue the same activity in the same project area that originally produced the program income.

If a Grantee wishes to provide first-time homebuyers with assistance, the Program Income Plan must state that the assistance may only include up to 50% in down payment assistance, reasonable closing costs normally associated with the purchase of a home (including paying discount points to the lender), principal write-down assistance, subsidize interest rates, finance acquisition, and mortgage insurance.

Grantees should remember that it cannot use program income for any activity not listed without revising the Program Income Plan which can take time. Therefore, Grantees might want to list more eligible activities than it initially anticipates using in the immediate future.

In the second section, the Grantee only needs to insert if its Housing Rehab Board is using a standard 10-year loan term period or one up to 15-years. A period of less than 10 years needs to be described in a DHCD-approved Project Management Plan.

In the third section, the Grantee only needs to insert the County in which program income will be earned.

In the fourth section, the Grantee needs to calculate how much income will be earned for the next 10 years must on the current ability to pay information.

Sections five and six reflect current DHCD policies and guidelines. If a Grantee feels it cannot observe the language in these sections, it needs to contact its Community Representative before submitting the Program Income Plan for review so the matter can be discussed.

The Plan should be adopted by the Grantee's local governing board prior to submission. Once DHCD concurrence is received, distribute copies to the Housing Rehab Board, Façade Rehab Board and/or Loan Review Committee and the Finance Manager and a copy of the Plan should be placed in the Grantee's Grant Administration project file.

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Virginia Community Improvement Grant Program Income Plan

Grantee: _____

Date: _____

Project Name: _____

Contract#: _____

OBJECTIVE: The expenditure of active and inactive program income generated from the CIG (*Project Name*) in a manner that will directly benefit low- to moderate-income residents of the (Grantee's Name).

1. **ACTIVITIES:** Describe the ACTIVITIES that will be carried out with program income funds e. g., housing rehabilitation, microenterprise business loans, construction of industrial building, approximately 5,000 sq. ft. of sewer lines, etc. All activities must be eligible expenditures as described in the Grant Management Manual.

Active program income: Active income is income received as a result of program activities prior to administrative closeout of the CDBG Grant Agreement. If the total exceeds \$25,000 in any of the successive 12-month period of the CDBG Grant Agreement, the funds shall be used to reduce drawdowns for eligible project expenses. If the amount does not reach \$25,000, it will be accumulated and used for eligible project costs in excess of the Project Budget with the permission of DHCD. Active income on-hand at the end of the project will be used to reduce drawdowns or returned to DHCD. Active income will be used for the same CDBG activities as approved in the CDBG Grant Agreement.

Inactive program income: Inactive income is all revenue received as a result of CIG activities after Administrative Closeout. Income shall be used to continue the same eligible CIG activities as long as LMI households in the project area have unmet needs. After all needs are met in the project area, inactive income will be used for the following purposes:

- a) Inactive program income may be used for actual administrative costs. *At the time the program income is expended*, 10 percent of the expended program income may be allocated for administrative purposes;
- b) Up to \$5 per loan per month as a service fee to offset the cost of loan collection;
- c)
- d)

Program income will be used only for applicants whose household incomes are at or below 80% of the County's median income.

Wells must be drilled, tested and approved. "Pump and haul" systems will not be installed. Revolving loan fund proceeds will be paid to contractors and suppliers only and made upon completion of work for paid labor and at the start of a project for materials.

2. TIME FRAME: Briefly outline the TIME FRAME during which the project will be carried out and completed.

Program income covered by this plan will be derived from direct 0% interest loan repayment over estimated average of _____ year period for all rehabilitation and substantial reconstruction projects.

3. PROJECT AREA: Identify the project area in which activities will be carried out. Indicate where inactive program income will be spent after all of the needs in the project area are met.

All projects funded with program income generated from the CIG (*Project Name*) will be located within the project area until there is no more need. Thereafter, the projects will be located within the Town/City/County of _____.

4. FUNDS TO BE AVAILABLE:

- 1) Total Projected Program Income for Next 20 Years: \$_____ (including interest)
- 2) # of Years Until Payback Complete for Each Loan: _____
- 3) If Revolving Loan Program, # of Years Until Payback Complete: _____
- 4) Payback Schedule Total Principle and Interest:

Year 1 \$	Year 11 \$
Year 2 \$	Year 12 \$
Year 3 \$	Year 13 \$
Year 4 \$	Year 14 \$
Year 5 \$	Year 15 \$
Year 6 \$	Year 16 \$

Year 7 \$	Year 17 \$
Year 8 \$	Year 18 \$
Year 9 \$	Year 19 \$
Year 10 \$	Year 20 \$

5. DECISION MAKING: Briefly state who will decide on the use of the Program Income, how that decision will be made, and what oversight will be used to assure that this plan is followed.

The (*Board's Name*) will decide on the use of program income, based upon the Program Design guidelines. The Board will receive regular financial reports showing all income earned and expended. The Board will approve and track all applications and contracts and ensure proper documentation of the usage of funds. Requests will be submitted to and reviewed by the Board at its monthly meetings. Majority vote will be required to approve the use of the funds. A list of the current Board members is attached.

6. ADMINISTRATION: Briefly state who will manage the Program Income funds, who will implement the activities and how the activities will be carried out.

The (*Board's Name*) will be responsible for receiving direct loan payments. The funds will be deposited in interest-bearing escrow account and identified as revenue or expenditure. Funds will be accounted for separately on the (*Grantee's*) balance sheet. Program income exceeding \$25,000 in one year will be reported to DHCD's Financial Analyst regarding receipt and expenditure.

Records will be kept on a twelve-month contract year basis. Records will show the amounts due and received monthly by client's name, separated by active/inactive and by contract number, and the income expended annually. Copies of source documentation will be placed in the appropriate client file.

The (*Board's Name*) will implement the activities in accordance with the Project Management Plan, the Program Design and the Grant Management Manual. The VA Procurement Act will be followed. The (*Board's Name*) will ensure compliance.

I certify that this is the plan of this locality for use of income derived from the Community Improvement Grant Program after the current contract expires. I further certify that the governing body Board fully intends to carry out this plan, to oversee its implementation and assures that no other use of these funds will be allowed. I certify that this locality will budget program income funds in a separate, distinct account and will maintain records documenting the use of those under the *Home Investment Partnerships Act*, as amended and Title I of the *Housing and Community Development Act of 1974*, as

amended. I understand that the Virginia Department of Housing and Community Development may review the receipt and expenditure of program income funds.

Signature of Authorized Official

Date

Developing the Housing Production Program Design

When CDBG funds will be used for housing production, a CDBG Grant Agreement will not be issued until the Grantee creates and adopts a Housing Production Program Design setting forth the policies and guidelines that the Grantee will use to implement the program. The Program Design must be approved by DHCD and adopted by the local governing body.

The Program Design should include policy on all facets of the program and include procedures that must be followed in implementing the program in a fair and consistent manner. The Grant Administrator must work closely with the Community Representative in determining what needs to go into the Program Design. This may include:

- Program purpose and objective;
- Eligibility criteria & application process;
- Project area and map;
- Cost of housing, including how the developer's fee and architect's fee were derived;
- Cost to homebuyers, including down payment requirements and assistance;
- Contracting procedures;
- Construction management;
- Homebuyer's Club;
- Home Maintenance Education Program;
- Security and resale requirements;
- Default policy;
- Conflict of Interest policy; and
- Complaint and appeals policy.

Developing the Housing Rehab Program Design

When CDBG funds will be used for housing rehabilitation, a CDBG Grant Agreement will not be issued until the Grantee creates and adopts a Housing Rehab Program Design setting forth the policies and guidelines that the Grantee will use to implement the program. The Program Design must be approved by DHCD and adopted by the local governing body.

The Program Design should include policy on all facets of the program and include procedures that must be followed in implementing the program in a fair and consistent manner. DHCD's program design requirements are provided immediately below.

Program Purpose and Objective

Provide a general description outlining the broad objective of the housing rehabilitation program as funded.

Oversight and Staffing

The Program Design must include information related to who will oversee and staff the project to ensure its timely, effective and fair implementation. This information must include *at least* the following:

Housing Rehabilitation Oversight Board

The Housing Rehabilitation Oversight Board (Rehab Board) is appointed by the local governing body to oversee the implementation of the Housing Rehabilitation Program. The Board consists of one elected official, the chief administrative official and at least one neighborhood resident who will not benefit from the program. If it is not feasible to include non-beneficiaries, a waiver must be obtained from DHCD. It should also represent a cross section of the community. The Program Administrator may not be a member of the Board. The Board's main responsibility is to review and implement the Program Design. Duties of the Rehab Board must be discussed and must include at least:

- Develop and adopt a set of operating rules or by-laws;
- Monitor staff or consultant work progress and performance;
- Approve contractors qualified as eligible to bid on work;
- Approve applicants for assistance and assure that benefits are being provided in accordance with the Program Design;
- Approve bids and contracts for work performed;
- Review and adhere to a DHCD-approved Program Income Plan; and

- Resolve complaints or disputes which may develop according to the written Complaints and Appeals Procedure.

Housing Rehab Program Administrator

The Housing Rehab Program Administrator needs to be identified and his or her broad responsibilities should be described. The Program Administrator's main responsibility is to oversee all day-to-day program activities to assure that they are carried out fairly and in conformance with the adopted Program Design. In addition, the Program Administrator is expected to:

- Conduct an initial DHCD HQS inspection;
- Oversee the work of the Rehabilitation Specialist;
- Review and approve all pay requests and change orders;
- Receive all complaints and investigate and make recommendations to solve them; and
- Oversee the application process and the rehabilitation loan packaging process as described in Chapter 9: Housing.

Rehabilitation Specialist

The Rehabilitation Specialist needs to be identified and his or her broad responsibilities should be described. The Rehabilitation Specialist takes primary responsibility for designing, bidding, controlling the quality of the work completed by the housing contractor and ensuring the timely completion of all housing construction contracts. The Rehabilitation Specialist also assures compliance with lead paint requirements, *or* the Grantee contracts with someone who does.

Risk Assessor

Typically the Rehabilitation Specialist will provide any required risk assessor services. However, if this is not the case, it is especially important that the Program Design states clearly who is responsible for completing risk assessments as part of the initial inspections, how these findings will be incorporated into the job specifications, who will assure use of Lead Safe Work Practices, and who will perform clearance testing.

Intake Surveyor

If not the Program Administrator, the Intake Surveyor needs to be identified and the Survey's broad responsibilities should be described. The Survey's main responsibility is to screen applicants, fill out applications and inform the applicants of the program requirements prior to signing of the applications. It is important that this person be identified, if possible, in any

advertisements and be present at the stated time and place advertised as to when applications will be taken. This person *must* be familiar with all program policy, procedures, and guidelines since most applicants initial contact will be with the Intake Surveyor.

Loan Officer

The Loan Officer needs to be identified and the Officer's broad responsibilities should be described. The Program Administrator or a qualified agency or institution which services loans can handle the activities of the Loan Officer. The Loan Officer's main responsibility is to collect, record, and forgive payments monthly. The Loan Officer is also to maintain records of loan balances, final payment due dates, issue annual statements to beneficiaries, and to make a good faith effort to collect delinquent loans. The Loan Officer is under *no liability* for loss of funds due to lack of repayment or default by program beneficiaries.

Financial Manager

The Financial Manager needs to be identified and his or her broad responsibilities should be described. The Financial Manager's main responsibility is to ensure that the Grantee adequately budgets and tracks expenditures as outlined in Chapter 5: Financial Management.

Neighborhood Stakeholders

Housing projects are highly dependent upon an organized and active neighborhood stakeholder group. This group must be represented on the Rehab Board and on the Project Management Team. Members of this group should also be active in recruiting participants for programs, sharing information with fellow neighborhood residents, and providing general input on all decisions that are made that will impact the neighborhood.

Project Area Boundaries

The Program Design must adopt project area boundaries that identify the location in which housing rehabilitation benefits will be made available. These project boundaries must coincide with the project area boundaries of the CDBG funded project.

Applicant Eligibility

The Program Design must delineate who is eligible for housing rehabilitation assistance. In doing so, it must consider the following:

- Allowable income and asset limits for the applicant;
- Fairness and equitable distribution of benefits;
- Prioritization of applicants;
- Application procedures; and

- Conflict of interest as defined fully in Chapter 4: Grant Management.

Allowable Income and Asset Limits for the Applicant

Programs may design their own limits regarding income and assets as long as these limits do not violate the policies listed here:

- CDBG funds may be used only to directly benefit LMI households;
- Any CDBG funds spent in support of an activity requires that the beneficiaries of the activity be LMI;
- LMI households must be defined as 80% of the locality's median household income as determined from HUD's Section 8 Income Guidelines. These guidelines are updated and published annually. They are available at www.huduser.org. Click on "Data Sets." The initial Section 8 Income Guidelines that will be used must be included in the Program Design;
- Multi-family structures must be occupied by at least 51% LMI households. CDBG funds must be targeted only to those units which are occupied or will be occupied by LMI households;
- The Program Design must define what is considered an asset. It may choose not to allow so great an amount of assets as to provide assistance to persons who should be able to afford the cost of rehabilitation through their own resources. Programs may choose to set asset limitations beyond what is presented here; and
- All income and assets must be counted and verified according to DHCD requirements. See "Income and Asset Verification," as found in Chapter 9: Housing, for more details.

Fairness and Equitable Distribution of Benefits

- The Program Design may not benefit moderate-income households to the exclusion of low-income households. Low-income households are defined as those whose aggregate income by household size is below 50% of the locality's median household income;
- The Program Design may not act to deny reasonable benefit to minority, elderly or female-headed households through its guidelines and loan structuring;
- The Program Design must state that it may not set aside funds or specify goals that adversely affect the benefit of low-income, minority, elderly or female-headed households; and

- The Program Design may state a residency time requirement.

Prioritization of Applicants

The Program Design must explicitly state which applicants will be given priority for approval. DHCD recommends that the program adopt a priority system based on the following:

- Housing Types. The Program Design may state that certain housing types and conditions may be addressed before all others; and
- Household characteristics. A priority system must be established. DHCD recommends a system which gives numerical weight for certain households, depending on the characteristics of the residents of that household.

Given the use of the two above, a typical weighted system for determining beneficiaries who meet the eligibility criteria would be as follows:

- 5 points if the house lacks indoor plumbing facilities;
- 2 points for elderly (62 years or older) head household (not to exclusion of other households);
- 2 points for each person with a handicap that relates to the need for accessibility improvements (other than elderly);
- 2 points if the household income is below 50% of the locality's median household income;
- 2 points if very substandard dwelling unit (major structural and mechanical deficiencies);
- 1 point if female-headed household (other than elderly) (requires one or more legal dependents under 18 years of age); and
- 1 point for each dependent child (under 18 years of age).

The method of prioritization adopted by the Program Design must take into consideration the characteristics of the neighborhood for which the Program Design is created. Whatever method the program chooses to use, it must be explicitly stated so that there are no questions as to which applicants will receive housing rehabilitation services first.

Application Procedures

The Program Design must address the issue of when, where, and how applications will be received. The program may choose to accept applications on an ongoing, first-come,

first-served basis or it may establish time frames within which applications will be accepted. The procedures must be simple enough as not to discourage participation in the program. However, they must contain enough safeguard to ensure fairness and equal access to the program while complying with DHCD requirements. See “Application Process,” as found in Chapter 9: Housing, for more details.

Properties Eligible for Rehabilitation

The Program Design must define which properties are eligible (“suitable”) for rehabilitation and which are not. The Program Design must include the definitions as indicated here and may, at its choosing, further define the terms.

Suitable for Rehabilitation

An LMI-occupied unit that can be rehabilitated to DHCD Housing Quality Standards (HQS) with a base CDBG investment of \$25,000 or less is considered suitable for rehabilitation. In the event that extra bedrooms, a bathroom, well or septic or handicap accessible structures are required, these “exceptions” may exceed the base \$25,000 limit. See “Property Eligibility and Cost Feasibility,” as found in Chapter 9: Housing, for more details about cost limits.

Unsuitable for Rehabilitation

An LMI occupied unit that has major structural deficiencies such that it can be documented that rehabilitation is not feasible, desirable and/or cost effective as rehabilitation costs would exceed the base \$25,000, not including in this cost the cost of “exceptions,” is considered unsuitable for rehabilitation.

Properties deemed Unsuitable for Rehabilitation must be addressed by the Program Design in one of three ways: Permanent Relocation, Partial Rehabilitation, and Substantial Reconstruction. See “Alternatives to Rehab,” as found in Chapter 9: Housing for more details.

Eligible Property Types

The Program Design must also consider the eligibility and treatment of the following kinds of properties and apply DHCD policies as stated here:

1. Investor-Owned Properties. The Program Design must include guidelines that prohibit windfall profits to landlords and substantial rent increases for the tenant. The following policies must be adopted:
 - Eligibility is based upon the income of the tenant residing in the structure at the time of application;

- Houses that receive CDBG investment must include execution of a legally-recorded Landlord Rental Commitment to provide the improved housing units to LMI households for no less than 10 years at affordable rates;
- Investor-owners can reduce the number of years of required LMI benefit at a rate of one (1) year per ten percent (10%) of owner funding provided, up to a maximum of five (5) years and fifty percent (50%);
- Rent charged to tenants of properties that have been rehabilitated with CDBG funds may not be raised for five (5) years or for the term of the loan, if longer, unless the costs to the owner have increased and these costs are directly attributable to the rehabilitation work i. e., monthly payments on a rehabilitation loan, increased insurance costs, or increased property taxes;
- Regardless of direct costs incurred by the landlord, rent may not exceed 35% of gross income of the tenant's household for rent plus utilities;
- The rent amount charged to the tenant must be clearly established in the contract agreement and in a written lease with a one-year minimum; and
- The rent amount shall be maintained at the same level for all subsequent tenants during the ten (10) year time frame.

As part of the Landlord Rental Commitment, require landlords to inspect and insure maintenance of their improved property. If a tenant is found to have vandalized the structure, the landlord should be required to warn the tenant and then evict, if necessary. The landlord will be required to replace the tenant with another LMI resident.

2. Contract Purchase Properties. Contract Purchases allow the occupant of the house to purchase the property directly from the owner at a moderate interest rate with little or no down payment. The owner of the property finances the purchase. Terms and conditions for each sales contract may differ. The increase in value of the house after it is rehabilitated may encourage the financing owner to enforce the terms of the contract, thereby forcing a default by the occupant. In the event the Program chooses to deal with Contract Purchase Properties, the Program Design must include guidelines that assure continued occupancy by the family for which eligibility was established.
3. Heir Properties. The Program Design must require that the applicant prove he/she is one of the heirs and has control over the property. DHCD does not require that the occupant own the property free and clear, but the Grantee must verify ownership status and must determine the likelihood of continued occupancy by the applicant.

In cases where ownership is clouded by questions of inheritance (heir properties), the following requirements are in effect:

- A reasonable effort must be made to identify all heirs and the Program must document the effort to contact each heir in writing to request transfer of their interest to the beneficiary. The Title must be recorded with the local government in the intended beneficiary's name or the landlord's name;
 - Where heirs are unknown or unable to be contacted, proof of control of the property for the previous three (3) years by the resident must be documented. Proof must include continued residence, payment of property taxes, payment of homeowners insurance or other house payment by the resident; and
 - Where heirs or co-owners are known but unwilling to convey the property or it is undesirable to convey interest in the property to the intended beneficiary, a legally recorded Life Estate will be provided that the grantor(s) will execute an agreement to either (a) repay the outstanding balance upon death or removal of the resident or (b) agree to reside in the property and take over the obligations of the resident if the grantor(s) meet program qualifications.
4. Life Rights. Properties held by occupants who have "life-rights" to the property are eligible if the Program Design allows this type of property to be rehabilitated *and* if both the owner(s) of the property and the occupant who has the life-rights sign the Deed-of-Trust. Should the individual who has life-rights cease to live in the property during the mandatory ten (10) year term of the loan, the owner(s) of the property must either buy-out the loan at full value, less what has been paid or forgiven, or find an eligible LMI occupant for the property.
5. Vacant Property. No **vacant unit** shall be rehabilitated with VCDBG funding unless the house has a history of being consistently occupied over the last five years and was rented for at least six months of the preceding year, the unit was purchased by an LMI household, or the unit is owned by a locality, housing authority, or non-profit and will be sold to or lease-purchased by an LMI household. **Prior written approval must be received from DHCD.**
6. Manufactured (Mobile) Homes. Localities may not exclude mobile home owners from the benefits of the program. The Program Design must include the Mobile Home Cost Limits and policy requirements as found in Chapter 9: Housing. Vacated manufactured homes must be demolished.

Property Ownership

The Program Design must explicitly define how it will address owner-occupied properties or investor-owned (renter-occupied) properties. CDBG funds may be used for either, as determined by the Program Design. In either case the Program Design must adopt policies that assure that public expenditures are protected from fraud, waste and

mismanagement. Safeguards must be in place to prevent benefit to persons unintended to receive program benefit. In meeting this purpose, the following policies must be a part of the Program Design:

- All improvements must be secured by a recorded lien which extends for at least ten (10) years;
- Ownership for all properties must be verified and documented; and
- Properties with unclear titles due to questions regarding inheritance and/or liens and judgments, must be dealt with by the Program to ensure that applicants are given the opportunity to prove their ability to participate in the program. Please see “Heir Properties” above for more details.

Rehabilitation Standards

The Program Design must specify that the following standards and policies are in place when CDBG funds are used to rehabilitate a property:

- All properties receiving CDBG assistance must be rehabilitated to DHCD HQS; and
- Cosmetic improvements are not eligible for CDBG funding.

DHCD HQS include:

- All properties must be inspected for termite and other structural infestation by a licensed exterminator (if infestation is discovered, treatment must be provided);
- All chimneys must be inspected thoroughly for structural damage, including loose masonry units and open mortar joints, and for blockage of flue. All damaged chimneys must be repaired. Chimneys with substantial blockage must be cleaned;
- All debris, abandoned vehicles, and derelict buildings must be removed from property. The owner should remove whatever he or she is physically able to remove;
 - All electrical components including service, meter, wiring, and fixtures must be inspected by a qualified electrical inspector. Unsafe components must be replaced. All exposed wiring, switches, and light bulbs in living areas must be encased;
 - All homes must be equipped with a smoke detector installed in conformance with the one and two family dwelling code;
 - All homes must be weatherized with at least R-19 ceiling insulation and all windows and doors be caulked and weather stripped;

- All homes to be rehabilitated must be tested before and after rehabilitation for air infiltration by means of a Blower Door. Air infiltration through sidewalls must be mitigated where found. Weatherization measures should be designed to meet the minimum air flow of 1,500 CFM and weatherization targets established by the Weatherization Guidelines;
- Homes inhabited by handicapped or elderly persons must be analyzed as to the special physical needs of such persons. Improvements such as widened doorways, ramps, level entry and doorways, and grab bars in bath areas must be installed if appropriate;
- Houses built prior to 1978 will be presumed to contain lead-based paint (LBP). All repairs will be designed to eliminate these hazards using interim controls to any defective paint surface, and any breached friction, impact or chewable surface showing excessive dust and/or deterioration e. g., window sill, window trough, flooring or stair treads. All rehabilitation involving the elimination of LBP hazards shall receive a passing Clearance Examination documented by a licensed Risk Assessor; and
- Section 8 HQS requirements.

Permanent Relocation

The Program Design must establish policies that allow the relocation of homeowners or tenants residing in substandard housing to housing that meets or will meet, after rehabilitation, DHCD HQS. If the property to which a family is being relocated will require repairs to meet DHCD standards, the cost of the repairs and the relocation payments (excluding moving expenses) may not exceed the base cost of \$25,000. In undertaking the permanent relocation option, the Program Design must adopt policies as dictated by Chapter 7: Acquisition and Relocation and Chapter 9: Housing.

Temporary Relocation

The Program Design must adopt policies that will apply to temporary relocation in the event that occupants will be displaced while their abode receives rehabilitation work. Temporary Relocation should be provided either because of an inconvenience to the occupant or possible lead paint. The Program Design must adequately define “inconvenience” to the occupant. See “Temporary Relocation Cost Limits” and “Temporary Relocation,” as found in Chapter 9: Housing for more details about DHCD policy requirements.

Financial Assistance Available

The Program Design must adopt policies regarding the financial assistance that will be made available to beneficiaries. At a minimum, these policies must incorporate DHCD’s

requirements. See “Minimum Repayment Requirements,” as found in Chapter 9: Housing, for more details.

Ability-to-Pay Calculation

Ability-to-pay (ATP) calculations must be performed for all applicants. To determine an applicant’s ATP, the following calculation must be performed:

Step A: Calculate Gross Household Income: This includes wages, tips, self-employment income, alimony, interest, dividends, social security, SSI, public assistance or public welfare, including unemployment, retirement, disability income, VA and insurance payments from all adult individuals residing in the household. It does not include income earned by a child less than 18 years, foster care payments, hostile fire pay, inheritance income, medical cost reimbursements, lump-sum asset payments, educational scholarships or the income of a live-in aide.

Step B: Deduct \$480 for each dependent. A dependent is defined as any household member who is not the head, co-head or spouse, but is under the age of 18 years, or disabled (of any age), or is a full-time student (of any age). The client file must include verification of the student status of any dependent over 18 years.

Step C: Deduct \$400 if it is an elderly household. An elderly household is one in which the head, spouse or sole member is 62 years or older.

Step D: Deduct documented, out-of-pocket medical expenses in excess of 3% of annual gross household income for any member in an elderly or disabled household.

Step E: Calculate Adjusted Gross Income: $A - (B + C + D) = AGI$

Step F: Calculate Monthly Income: $AGI / 12$

Step G: Calculate Income Available for Housing: Multiple monthly income of homeowners by 0.25 or by multiply monthly income of renters by not to exceed 0.35.

Step H: Calculate Monthly Housing Costs: The only eligible fees are mortgage payments, including those for the supplemental loan program, home insurance, real estate taxes and utility allowances. The only eligible utility allowances are gas, electric, heat, water and garbage costs. Air conditioning costs can be included when the client file contains documentation from a medical practitioner, stating that it is a medical necessity for a household member.

Step I: The amount available for Loan Repayment is Step G (income available for housing) minus Step H (monthly housing costs).

Every owner-occupied household with an ability to pay above zero will pay at least the amount calculated as its ability-to-pay.

At its discretion, a Grantee may establish a minimum monthly payment to be made by every beneficiary household, regardless of a household's ATP, provided that:

- If ATP is less than or equal to the established minimum monthly payment, the set minimum payment will still be charged;
- If ATP is greater than the minimum monthly payment, the higher amount must be charged; and
- The established minimum monthly payment may not exceed \$25 per household.

*** ATP may be reviewed on an annual basis. It must be recalculated if the composition of the household changes or if requested by the beneficiary, and the monthly payment toward the loan payment adjusted accordingly.**

Types of Financial Assistance

Within the parameters of the cost limits, as found in Appendix 3: Project Budget, the following types of financial assistance may be used and should be explicitly discussed in the Program Design:

1. Amortized Loans. A straight amortized loan using only CDBG funds must meet the requirements as described above.
2. Loan Leveraging. CDBG funds may be used to leverage other public or private funds to increase the amount of the overall loan and increase the amount of work to be completed on the property, thereby increasing the value of the property. To do this, CDBG funds may be "blended" with the leverage funds. The security and re-payment of the leveraged funds may extend beyond the life and amount of the CDBG requirements, but CDBG funds must be secured by the Grantee for ten (10) years and for the value of the work that is being funded by CDBG. In certain circumstances, DHCD will, upon request by the Grantee, allow the Grantee to accept a second position on the Deed of Trust behind the entity offering the loan. It should be noted that the resident's ability-to-pay cannot increase as a result of the additional leverage funds. However, payments may extend beyond ten (10) years.

DHCD does not require the Grantee to take a second or other position to facilitate mortgage refinancing after rehabilitation is complete.

3. Program Income. Program Income received from residents may be rolled into a loan that will be used for improvements to the structure, thereby leveraging extra funds beyond the allowable CDBG cost limits. As the locality is the recipient of the program income, it should act as an intermediary in using the program income to access the home improvement loan.

- ✱ **CDBG funds may not be used for deferred loans.**

Contracting Procedures

The Program Design must define the process by which it will bid and award contracts for the rehabilitation of houses. This process must abide by the *Virginia Public Procurement Act*. The Program Design should discuss the following:

- Selecting and Qualifying Contractors;
- Bidding and Construction Process, including how bids will be phased;
- Contracts and Agreements, including the policy regarding the number of contracts to be awarded to a single contractor who can complete all of the contracts within a 60-day construction period;
- Final Completion and Acceptance, including the policy that all completed work must be inspected and approved by the appropriate permitting entities, the home owner/occupant, the Program Administrator and Rehabilitation Specialist. The Program Design should also contain a provision allowing the Program Administrator to sign in case the homeowner refuses to sign on grounds not related to the construction contract;
- Payment, including if an escrow account will be used to pay the contractors. See “Alternative Payment Option for Housing Rehab Invoices,” as found in Chapter 5: Financial Management, for more details; and
- Retainage must be held until the home owner/occupant and the Program Administrator have visited the home and found the work to be satisfactory.

Deed-of-Trust

The *Deed-of-Trust* (DOT) is a security instrument that secures the beneficiary’s commitment to adhere to the loan, resale, and residency requirements to the title of the house and property, and references the Deed-of-Trust Note.

- ✱ **A Deed-of-Trust must secure all loans, including loans to heir-occupied and life estate properties. It must cover the cost of all improvements, including any exceptions and demolition. Construction-related soft costs, home maintenance education program, temporary relocation and administrative costs are not included in the DOT and Note.**

Loan Servicing

The Grantee or a qualified agency or institution which services loans under this program will be under *no liability* for loss of funds due to lack of repayment or default by program beneficiaries.

The responsibility of entities servicing loans is to collect, forgive and otherwise manage payments monthly. The servicing agents are to maintain records of loan balances, final payment due dates, and to make a good faith effort to collect delinquent loans.

Collection of delinquent loans may be conducted according to local policy (up to and including foreclosure) but must adhere to all requirements under State and Federal law related to the collection of delinquent or bad debts. DHCD prefers that any missed payments (ATP and forgiven amounts) be added to the lien period.

A Grantee may charge a maximum of \$5 per loan per month service fee to offset the cost of loan collection. This fee is to be taken from inactive program income. The loan servicing assessment is in addition to the up to 10% of annual inactive program income that may be used for actual administration costs, at the time program income is expended.

*** The Grantee must issue an annual payment history statement to each beneficiary regardless of ability-to-pay.**

A detailed outline of the local policy/process used to track, manage and properly address delinquent loan payments from rehab beneficiaries must be included in the Program Design. Call your DHCD Community Representative for guidance.

Home Maintenance Education Program

Grantees must incorporate their Home Maintenance Education Program (HMEP) into the Program Design. In order to be approved, programs *must* include the following components:

- An explanation of how the heating system, the plumbing system, the electrical system, and the water heater functions, description of the proper use of these systems, and a description of potential common problems and solutions;
- An explanation and, if necessary, demonstration of how to properly clean and maintain these systems on a routine, seasonal and annual basis; and
- Instruction on household budgeting and personal financial management. It must explain how to establish and use checking and savings accounts, how to select and purchase insurance coverage, and how to establish and follow a household budget.

It is expected that each training session shall be “hands on” in nature and take at least four hours, including one hour on budgeting. This training should be conducted in a group setting and provide, at a minimum, a tool kit, a cleaning kit and the *Housekeeping: A Guide to Caring for Your Home* and *Home Maintenance* handbooks to recipients of the training. English and Spanish language copies of the two handbooks are available through DHCD.

As part of the HMEP, discuss predatory lending and the importance of having a will with your beneficiaries.

It is not acceptable to hold one training class at the end of the project due to the time lag between completion of construction and when the training is provided.

At least one (1) member of each household receiving assistance must attend the HMEP. The sign-in sheet must be kept in the project file, along with a signed certification listing all handouts and warranties given to the attendee. A copy of an agenda that outlines the topics covered, the name of the individual(s) who taught each topic, and the length of time allocated to each topic must also be placed in the project file.

Conflict of Interest

DHCD observes a very strict conflict of interest position. 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 implementation 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 Rehab Board member members, in accordance with Virginia and federal conflict of interest requirements.

Complaint and Appeals Procedures

The Project Management Office of the Virginia Department of Housing and Community Development (DHCD) expects all of its grantee localities and organizations to have a written complaint and appeals process. In the event that a Grantee does not have a written procedure, the procedure identified below becomes the process to be used. This process must be exhausted before DHCD will become formally involved in any sort of resolution.

1. Informal resolution is attempted by the Housing Rehab Program Administrator. If informal resolution is not possible, the complaint must be put in writing and forwarded to the Housing Program Administrator. [However, contractor complaints, disputes or appeals may involve use of local building code review committees, as outlined in the Invitation to Bid.] If the complainant requires assistance in putting his or her complaint in writing, the Housing Program Administrator must make assistance available. The same is true for any appeals.

2. The Housing Program Administrator is required to investigate the complaint and respond to it, in writing, in a timely manner. The response must include an explanation of the reason(s) for the decision reached, information on how the decision can be appealed, and how many days from receipt of notice the complainant has to appeal the decision.
3. Appeals of the Housing Program Administrator's decision should be addressed, in writing, to the Housing Rehab Oversight Board (Rehab Board).
4. Appeals of that Rehab Board's decision should be appealed, in writing, to the Chief Administrative Official.
5. Appeals of the Chief Administrative Official's decision should be addressed, in writing, to the local governing body.
6. All written appeals *must* be addressed within 15 days of receipt and resolved within 30 days of the appeal and retained for review. All appeals are to be responded to in writing. The response must include an explanation of the reason(s) for the decision reached, information on the next step in the appeals process and how many days from receipt of notice the complainant has to appeal any decision.
7. Final appeals may be addressed, in writing, to DHCD. The appeal should include a copy of all correspondence that has taken place to this point. The appeal should identify the problem and the desired solution. DHCD will review the complaint and respond, in writing, in a timely manner. All involved parties will be copied.

Revising the Program Design

Because the Program Design is an official contract document, all revisions must be reviewed and approved by DHCD and amended by formal action by the local governing body.

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Developing the Program Design

When CDBG funds will be used for façade improvements, a CDBG Grant Agreement will not be issued until the Grantee creates and adopts a Façade Renovations Program Design setting forth the policies and guidelines that the Grantee will use to implement the program. The Program Design must be approved by DHCD and adopted by the local governing body.

The Program Design must be tailored to the needs of the downtown district, and therefore DHCD does not provide a model Program Design. However, there are a number of items to be considered and several DHCD requirements that must be followed. DHCD's program design requirements are provided immediately below and technical assistance considerations follow.

Project Area Boundaries

The Program Design must adopt project area boundaries that identify the location in which façade renovation benefits will be made available. The boundaries may take into account both physical and social considerations. These project boundaries must coincide with the project area boundaries of the CDBG funded project.

Policy Requirements

The following requirements must be incorporated into a Façade Renovations Program Design:

- Grantees must adopt design guidelines for the project area and include them in the Program Design;
- All CDBG- and leverage-funded building improvements must be done in a manner consistent with the established design guidelines;
- All CDBG- and leverage-funded building improvements from the time of the CDBG Grant Agreement's execution forward must be maintained to the design guidelines for a period of ten (10) years;
- A five (5) year lien must be placed on the building by the Grantee requiring maintenance of the façade. The lien amount will be repaid or transferred if the property is sold. The lien amount may be forgiven by one-fifth each year;
- CDBG assistance can only be used for improvements to the exterior of the building;

- CDBG assistance on non-street façades must receive DHCD’s prior written approval;
- All buildings receiving CDBG funds must be free of blight once the construction is complete;
- There must be some level of private investment matched with the CDBG investment. Private investment may be used for interior improvements or a share of exterior improvements;
- If a property owner of a blighted structure will not participate in the façade program, the Grantee must make at least minimal improvements e. g., painting to the structure using CDBG or leverage funds. The Grantee must commit to take and condemn blighted properties if the property owner(s) do not consent to the minimal improvements;
- CDBG improvements must be bid out by the Grantee and a three-party contract must be executed between the Grantee, the contractor and the building owner before work begins;
- With the exception of the *replacement* of certain architectural elements, all Federal Labor Standards requirements apply for construction contracts over \$2,000 using any CDBG funds. See Chapter 8: Federal Labor Standards and Equal Opportunity Requirements for more details;
- For building owners who opt to use their own time and labor as match, the Grantee must utilize standard wage rates for job types for building owners who choose to use their time as a match. DHCD will provide wage information based on federal wage rates for various job types; and
- Building owners who are also contractors may choose to have their personal company do the construction work. In such instances CDBG funds can be used for documented material costs only.

Additionally, the Program Design must explain the following:

- Parameters of the grant/loan program, including the following:
 - Composition of the Loan Review Committee (the Loan Review Committee must include at least two local bankers);
 - Match and payback requirements;
 - The maximum amount that can be loaned out. This amount will be negotiated between the Grantee and DHCD and based upon project area, need and budget constraints; and
- Application, design, bidding, contract, construction and complaint procedures.

Design Considerations

The following items may be helpful when considering how to create and structure a Façade Renovations Program Design:

- The program should be structured so that loan amounts leverage a private investment that is considerable but also reasonable given the challenging real estate market that typically exists in distressed downtown districts;
- CDBG funds can only be used for improvements made to the exterior of the building, but match funds can be used for the interior, if the Grantee so desires;
- The Grantee should make efforts with local banking institutions to create a low interest loan pool that can be used for privately funded building improvements that will be matched with CDBG resources;
- Assigning categories of blight or deterioration such as “high,” “medium,” or “low” to buildings and structuring façade grant levels so that a greater amount of CDBG funds is allowed for “high” deterioration and less is allowed for “low” deterioration will allow the needs of buildings to be better addressed. For example, high deterioration may have a maximum CDBG investment of \$25,000, medium deterioration may have a maximum of \$15,000 and low a maximum of \$7,500. Assigning categories of deterioration and CDBG cost limits should be developed by assistance from an architect; and
- The bidding of certain facade improvements collectively across many buildings may increase contractor availabilities and decrease bid price. For example, the Grantee may want to bid the awning work for several buildings together and award it as once contract.

Complaints and Appeals Procedure

The Project Management Office of the Virginia Department of Housing and Community Development (DHCD) expects all of its Grantees to have a written complaint and appeals process. In the event that a Grantee does not have a written procedure, the procedure identified below becomes the process to be used. This process must be exhausted before DHCD will become formally involved in any sort of resolution.

1. Informal resolution is attempted by the Grant Administrator. If informal resolution is not possible, the complaint must be put in writing and forwarded to the Grant Administrator. [However, contractor complaints, disputes or appeals may involve use of local building code review committees, as outlined in the Invitation to Bid.] If the complainant requires assistance in putting his or her complaint in writing, the Grant Administrator must make assistance available. The same is true for any appeals.
2. The Grant Administrator is required to investigate the complaint and respond to it, in writing, in a timely manner. The response must include an explanation of the reason(s) for

the decision reached, information on how the decision can be appealed, and how many days from receipt of notice the complainant has to appeal the decision.

3. Appeals of the Grant Administrator's decision should be addressed, in writing, to the Loan Review Committee.
4. Appeals of the Loan Review Committee's decision should be appealed, in writing, to the Chief Administrative Official.
5. Appeals of the Chief Administrative Official's decision should be addressed, in writing, to the local governing body.
6. All written appeals *must* be addressed within 15 days of receipt and resolved within 30 days of the appeal and retained for review. All appeals are to be responded to in writing. The response must include an explanation of the reason(s) for the decision reached, information on the next step in the appeals process and how many days from receipt of notice the complainant has to appeal any decision.
7. Final appeals may be addressed, in writing, to DHCD. The appeal should include a copy of all correspondence that has taken place to this point. The appeal should identify the problem and the desired solution. DHCD will review the complaint and respond, in writing, in a timely manner. All involved parties will be copied.

Recordkeeping

The Program Design must describe the process that will be used to track the number of businesses assisted by, and participated in, façade improvements or renovation improvements. In addition, it must track the total amount of private investment expended and copies of supporting source documentation or an IPA statement. The Program Design must also note that minutes must be kept of the Loan Review Committee's meetings.

Revising the Program Design

Because the Program Design is an official contract document, all revisions must be reviewed and approved by DHCD and amended by formal action by the local governing body.

Developing the Program Design

Prior to receipt of the Grant Agreement, the Grantee must create and adopt a Microenterprise Program Design setting forth the policies and guidelines that the Grantee will use to implement the program. The Program Design must be approved by DHCD and adopted by the local governing body.

The Program Design must be tailored to the needs of the project, and therefore DHCD does not provide a model Program Design. However there are number of items to be considered and several DHCD requirements that must be followed. DHCD's program design requirements are provided immediately below.

Purpose and Objective

Provide a description outlining the broad objective of the microenterprise program as funded. The program must include, at a minimum, training, technical assistance, loans, and follow-up assistance.

Staffing and Responsibility

The Program Design must include information related to who will oversee and staff the project to ensure its timely, effective and fair implementation. This must include *at least* the following:

- Who clients contact for information on the program;
- Who makes recommendations to the Loan Review Committee regarding loans;
- Who conducts training sessions; and
- Who oversees the program.

Financing Available

Delineate sources and amounts of funds available for the program and any restrictions that must be applied to these funds i. e., available dates and required interest rates. Maximum and minimum amounts of loans must be established and the maximum may not exceed \$35,000 per loan.

A brief discussion of how these funds will be applied to loans (in proportion to one another, at some percentage of each loan, as loan loss reserve, etc.) must be included.

This should include a description of how funds will be available from the different sources e. g., line of credit, immediately available, and/or available upon approval. Further, the methods for securing collateral must be included. Real property or equipment purchased with CDBG funds must be collateralized, but the borrower may not use his or her primary residence as collateral.

The Grantee must advertise the availability of assistance.

Program Eligibility

The program must be designed to ensure that at least 51% of all individuals who benefit from the use of CDBG funds will be LMI. In addition, the Program Design must include a description of any required contributions and leverage by program participants. The Grantee may stipulate other requirements, as necessary, but they must be included as part of the Program Design.

Program Outreach and Promotion

The Program Design must discuss how it will attract clients and tap into the market for those seeking micro-enterprise loans in the localities being served by the program. This must include a clear indication of partners and referral agencies and other networks that the program will work with in identifying and serving clients.

Training

An in-depth training program must be provided that meets participants at their levels. The types of training provided might include economic literacy and financial management, credit repair, bookkeeping, marketing, financing, insurance, personnel management and business plan development. The Program Design must provide detailed description of all training programs that will be offered or required. This description should include names of courses, topics, and certifications to be awarded. Products generated by the participants as a result of the training must be identified. The description must also include who will be providing the training and where it will be offered.

Technical Assistance

A description of the types of technical assistance that will be used by the program to work closely with clients is required. This description must include when technical assistance will be given.

Monitoring and Follow-up Assistance

A detailed discussion of the kinds of assistance that will be given to those who have been awarded loans is required. This assistance must include routine contacts by the program

manager with the loan recipient to review the implementation of the business plan, use of the funds, marketing efforts, and all other aspects of business management. Follow-up assistance must also include contacts with business mentoring groups that are involved in the program.

Loan Approval

The process by which loans are approved must be thoroughly detailed and must include *at least* the following:

- Applications. A description of the application process;
- Recommendations. A description of who has the responsibility to make recommendations for loan approvals to the Loan Review Committee and the criteria that will be used in making these recommendations;
- Loan Review Committee. A description of the composition and the explicit duties of the Loan Review Committee. There must be at least two (2) local bankers on the Committee;
- Denials. A description of how denials of loan requests will be handled; and
- Defaults. A description of how the Committee will handle defaults.

Underwriting Guidelines

All requirements related to underwriting must be explained. These requirements must include:

- Eligibility which must be based on income and location (business location must be in jurisdiction that is being funded) and can include other stipulations such as an approved business plan, completion of a course in small business management, good credit, and/or age;
- Requirements of borrowers to be considered and ultimately approved for a loan. This must include *at least* the following:
 - All borrowers must establish a separate business checking account;
 - Program elements, which may include the following:
 - All borrowers must use a cash or accrual-based accounting system;
 - Receipts of all purchases with the loan funds must be kept by the borrower; and

- All borrowers must either be LMI (documented) or commit to hiring documented LMI employees.
- Program elements that will be considered or required such as trainings, certifications, restrictions on use of funds, prioritization of applicants, service fees, closing fees, collateral, determination of appropriateness, and legal agreements.
- Payments, collections and delinquents payments must all be addressed. To whom and by what date will payments be made? In the event of late payments, what are the consequences and what actions will the program take to assist the client in making future payments on time.

Complaints and Appeals Procedure

The Project Management Office of the Virginia Department of Housing and Community Development (DHCD) expects all of its Grantees to have a written complaint and appeals process. In the event that a Grantee does not have a written procedure, the procedure identified below becomes the process to be used. This process must be exhausted before DHCD will become formally involved in any sort of resolution.

1. Informal resolution is attempted by the Grant Administrator. If informal resolution is not possible, the complaint must be put in writing and forwarded to the Grant Administrator. [However, contractor complaints, disputes or appeals may involve use of local building code review committees, as outlined in the Invitation to Bid.] If the complainant requires assistance in putting his or her complaint in writing, the Grant Administrator must make assistance available. The same is true for any appeals.
2. The Grant Administrator is required to investigate the complaint and respond to it, in writing, in a timely manner. The response must include an explanation of the reason(s) for the decision reached, information on how the decision can be appealed, and how many days from receipt of notice the complainant has to appeal the decision.
3. Appeals of the Grant Administrator's decision should be addressed, in writing, to the Loan Review Committee.
4. Appeals of that Loan Review Committee's decision should be appealed, in writing, to the Chief Administrative Official.
5. Appeals of the Chief Administrative Official's decision should be addressed, in writing, to the local governing body.
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7. Final appeals may be addressed, in writing, to DHCD. The appeal should include a copy of all correspondence that has taken place to this point. The appeal should identify the problem and the desired solution. DHCD will review the complaint and respond, in writing, in a timely manner. All involved parties will be copied.

Recordkeeping

The Program Design must describe the process that will be used to track the number of loans made to small businesses, the number of defaults, and the number of hours of business training provided. In addition, if the above data shows that the program's goals are not being met, documentation must be kept of the corrective measures taken to remedy the situation. The Program Design must also note that minutes must be kept of the Loan Review Committee's meetings.

Revising the Program Design

Because the Program Design is an official contract document, all revisions must be reviewed and approved by DHCD and amended by formal action by the local governing body.

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CONTRACT # _____

AGREEMENT

This AGREEMENT, entered into as of this _____ day of _____, 200____, by and between the Virginia Department of Housing and Community Development hereinafter referred to as "DHCD" and _____ hereinafter referred to as "GRANTEE."

WITNESSETH

WHEREAS, the Commonwealth of Virginia has been authorized to distribute and administer Community Development Block Grant (CDBG) funds pursuant to the Housing and Community Development Act of 1974, as amended, and

WHEREAS, DHCD has been authorized by the Governor of the Commonwealth of Virginia to distribute and administer CDBG funds in the form of COMMUNITY IMPROVEMENT GRANTS (CIG) according to the CDBG Program Design, and

WHEREAS, the PROJECT as described in the Community Improvement Grant Proposal as submitted by the GRANTEE has achieved a sufficiently high ranking through a competitive proposal selection system to qualify for Community Improvement Grant funding on the basis of the CDBG Program Design,

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

1. DHCD agrees to award the GRANTEE a COMMUNITY IMPROVEMENT GRANT in an amount of the total allowable, eligible costs in carrying out the ACTIVITIES included in Products herein described not to exceed \$_____ (_____ dollars).
2. DHCD agrees to provide the GRANTEE with technical assistance in setting up and carrying out the administration of its COMMUNITY IMPROVEMENT GRANT.
3. The GRANTEE will commence, carry out and complete the following Products (more thoroughly described in the GRANTEE'S CIG Proposal).

PROJECT TITLE:

OUTCOMES:

BENEFITS:

PRODUCT(S):

4. The aforementioned PROJECT shall be carried out, and grant payments made in strict conformance with the CONTRACT DOCUMENTS.
5. The GRANTEE will use the lesser of (1) the amount specified above, or (2) if, at total PROJECT completion, there are cost underruns or project savings, these costs shall revert to the Department of Housing and Community Development and other funding sources committed to the PROJECT in the CIG proposal on a proportional basis, unless superseded by other federal program requirements. In no case will leveraged funds be returned beyond that amount which would have changed the PROJECT'S ability to be funded initially.
6. The GRANTEE will initiate the PRODUCT(S) required by the CONTRACT DOCUMENTS beginning _____, 200_____, unless grant Special Conditions require additional action on specified PRODUCT(S) before proceeding with that PRODUCT(S). 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 within _____ months of the execution of this AGREEMENT, or more specifically on or before _____, 200_____. If the PRODUCTS are not completed by that date all CIG funding and this AGREEMENT shall be terminated and the Grantee shall return all unexpended funds, unless an amendment 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 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 which are a part of this AGREEMENT and are incorporated by reference herein as if set out in full.
 - A. GRANTEE'S CIG Proposal (including revisions);
 - B. AGREEMENT;
 - C. SPECIAL CONDITIONS;
 - D. GENERAL CONDITIONS;
 - E. ASSURANCES;
 - F. AMENDMENTS;
 - G. CIG GRANT MANAGEMENT MANUAL (Those items specified as being required);
 - H. CIG CONTRACT NEGOTIATION RECORD;
 - I. PROJECT MANAGEMENT PLAN;
 - J. PROGRAM INCOME PLAN; and
 - K. ANY PROJECT SPECIFIC PLAN AND/ORPROGRAM DESIGN.

In witness whereof, the parties hereto have executed or caused to be executed by their duly authorized official this AGREEMENT in duplicate, each copy of which will be deemed an original.

COMMONWEALTH OF VIRGINIA,
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

BY: _____ DATE: _____
Deputy Director

City of Richmond,
Commonwealth of Virginia

I do certify that Todd M. Christensen personally appeared before me and made oath that he is Deputy Director of the Department of Housing and Community Development and that he is duly authorized to execute the foregoing document.

My commission expires: _____.

Given under my hand this _____ day of _____, 200_____.

Notary Public

Registration Number

(GRANTEE)

BY: _____ DATE: _____

City/County/Town of _____,
Commonwealth of Virginia

I do certify that _____ personally appeared before me and made oath that he/she is _____ of the _____ and that he/she is duly authorized to execute the foregoing document.

My commission expires: _____.

Given under my hand this _____ day of _____, 200_____.

Notary Public

Registration Number

SPECIAL CONDITIONS

1. Notwithstanding the effective date of this contract, _____, 200____, eligible administrative expenses not to exceed \$_____ incurred prior to this date have been approved for reimbursement. The effective date of this authorization is _____, 200_____.
2. A total of \$_____ in leverage funds is committed to this project by the GRANTEE. Sources of funds are as follows:

_____ \$_____

These funds shall be expended prior to or in proportion to Community Improvement Grant Funds within the budget, per activity.

Documentation on the expenditure of these funds shall be maintained by the GRANTEE and reported to DHCD with each monthly report and at project closeout.

3. The Project Management Team shall meet regularly (at least monthly) to properly monitor the Project's progress. The Team will review its Project Management Plan to determine if the project is being implemented according to the projected plan. The plan will be updated promptly in recognition of a deviation from projections and DHCD will be notified.
4. DHCD reserves the right to end funding at any point should the project prove nonviable. This includes, but may not be limited to, lack of progress in conformance with the approved Project Management Plan.
5. Monthly progress reports must be submitted to DHCD. These reports must document funds expended and obligated to date and the actions taken on key benchmarks that support the successful completion of the project.
6. DHCD reserves the right to receive additional documentation pertaining to construction, professional service, non-professional service or other contracts obligating CDBG funds prior to approving drawdown requests.

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 PROJECT, or which affects the manner in which the PROJECT is to be carried out.
 - B. APPLICANT - The entity which made the proposal for COMMUNITY IMPROVEMENT GRANT funding and accepted responsibility for assuring compliance and performance of all conditions.
 - C. ASSURANCES - The ASSURANCES which are attached to this document.
 - D. COMMUNITY IMPROVEMENT GRANT (CIG) - The funds, the PROJECT and PRODUCTS 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 Community Development Block Grant funds allocated by the U.S. Department of Housing and Urban Development.
 - E. CONTRACT DOCUMENTS - The legal agreement between DHCD and the GRANTEE including the AGREEMENT and all documents referenced in paragraph 9 thereof.
 - F. GRANTEE – The entity which is the recipient of CIG funds and as such must comply with CONTRACT DOCUMENTS.
 - G. MANUAL - The Community Improvement Grant Management Manual, which contains required forms and instructions for the administration of CIG's and provides required and non-required procedures for project management.
 - H. PRODUCT – A PROJECT activity which constitutes a specific portion of the PROJECT, and as such is covered by its own budget.
 - I. PROJECT - The physical activities undertaken to meet the overall stated objective for which CIG funding is utilized.
 - J. PROJECT 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.
 - K. WORK - All labor, equipment and materials necessary to produce the construction of the PROJECT as required by the CONTRACT DOCUMENTS.

- L. **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 mail.
2. **ADMINISTRATIVE PROCEDURES** - The GRANTEE shall perform all contracted WORK and administer all grant funds and activities in conformance with the general terms and special conditions set forth where required in DHCD's 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 are in conformity with the requirements of the Code of Federal Regulations (24 CFR Part 85), the DHCD MANUAL requirements and any WRITTEN NOTICES from DHCD. The GRANTEE shall record in its accounting system all Grant payments received by it pursuant to this Grant and all other funds provided for, accruing to, or otherwise received on account of the Grant.
- All costs, including paid services contributed by the GRANTEE or others, charged to the Grant 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 Grant 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 locality.
4. **COSTS INCURRED PRIOR TO GRANT AGREEMENT EXECUTION** - No costs incurred prior to the execution of the AGREEMENT shall be eligible for reimbursement with Grant funds, unless such incurred costs are authorized in writing by DHCD.
5. **PROGRAM BUDGET** - The GRANTEE shall carry out activities and incur costs only in conformance with the latest approved budget for the Grant 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 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 project 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 disposition.
7. **REPORTS** - The GRANTEE shall furnish, regularly and in such form as DHCD may require, reports concerning the status of project activities 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 grant funded PRODUCTS 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 grant administration and project implementation.

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

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. ACCESS TO BENEFITS - No access or connection fees shall be charged to low- and moderate-income persons for access to improvements or benefits provided by grant funds. All low- and moderate-income persons identified in the proposal shall be assured access to and use of grant assisted improvements by regular user charges for the specified service.
11. BENEFITS - The PROJECT shall be implemented in such a manner so as to provide benefits to all persons identified in the project proposal. Affirmative steps shall be taken to assure direct benefit to low- and moderate-income persons in the number and extent identified in the proposal.
12. PROGRAM INCOME - Any income derived from activities financed with grant funds is program income and shall be utilized in the following manner:
 - A. Program income earned during the life of the grant is considered Active Program Income. It must be tracked by contract year. A contract year begins with the

effective date of the contract and concludes 364 days later. Grantees shall track all Program Income based on the date that it is earned and report said amounts to DHCD when requested. When Active Program Income exceeds \$25,000 in any given contract year, 100% of that income earned must be spent immediately for eligible project expenses in lieu of drawing down funds. The Grantee may be able to access the total amount of CDBG funds in the grant agreement provided the Grantee has an approved Program Income Plan, the project is completed in a timely manner, and there are eligible project expenses that can be incurred in delivering products consistent with the CDBG grant agreement.

When Active Program Income is less than \$25,000 in a given contract year, it does not have to be expended immediately. It may be held in an interest bearing account. The Active Program Income and interest earned from it must be tracked by the Grantee. All Active Program Income earned in given program years in amounts of under \$25,000 per year can accumulate until the end of the project. The cumulative amount of these funds shall be used on eligible CDBG project activities at the end of the project. In these cases, the Grantee may use the program income in addition to the total amount of CDBG funds in the grant agreement provided the Grantee has an approved Program Income Plan, the project is completed in a timely manner, and there are eligible project expenses that can be incurred in delivering products consistent with the CDBG grant agreement. Funds remaining at Administrative Closeout of the grant must be returned to DHCD.

B. Income earned after Administrative Closeout is considered Inactive Program Income. Inactive Program Income must be returned to DHCD, unless DHCD has approved a Program Income Plan. Program Income Plans will only be approved when the Plan proposes to continue the same activity in the same location that originally produced the program income. Inactive Program Income may be accumulated indefinitely and for undetermined amounts until such time that the balance has reached a level to undertake CDBG eligible activities designated in the approved Program Income Plan that governs the expenditures of Inactive Program Income. Grantees must report program expenditures and receipts to DHCD for any year where more than \$25,000 is received.

13. **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, disposition, expenditure or use of Grant 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 grant funds.

15. **DRAWDOWN AND PAYMENT OF GRANT FUNDS** - Drawdowns and expenditure of CDBG 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 CIG funds for any activity or purpose not included or not in conformance with the budget as apportioned and as submitted to DHCD unless the GRANTEE has received explicit approval by WRITTEN NOTICE from DHCD to undertake such actions.
17. **CHANGE ORDERS** - DHCD must approve all change orders on construction contracts. Any change order, regardless of cost, which results in a change of project scope, will be a disallowed 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 project 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 CDBG program or if the federal 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. The PRODUCTS which have been initiated either have been completed and may be utilized in their stage of completion in a manner consistent with the objectives in the GRANTEE'S CIG Proposal, or will 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 PROJECT; 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 a CIG 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 PRODUCTS for which the Grant assistance is being provided to the GRANTEE.

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

Grantees shall obtain a financial disclosure report from all contractors, subcontractors, developers, and consultants which certifies the financial interest of all officers, directors, principal stockholders, or other persons who will have a \$50,000 or 10 percent or greater interest in the contract whichever is lower.

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 this AGREEMENT for 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 PROJECT 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 PROJECT 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. BENEFICIARIES - There are no third party beneficiaries of this contract. The provisions contained in these CONTRACT DOCUMENTS represent the entire AGREEMENT between DHCD and the GRANTEE. The provisions are designed to assist in meeting the community needs of the GRANTEE identified in the GRANTEE'S CIG proposal, but are not designed to accrue to the specific benefit of any individual person or entity residing or located in the GRANTEE'S community or elsewhere. Consequently, the terms of these CONTRACT DOCUMENTS may be enforced by DHCD or the GRANTEE exclusively and not by any individual person or entity residing or located in the GRANTEE'S community or elsewhere as a third-party beneficiary of this contract.

ASSURANCES/CERTIFICATIONS

The GRANTEE hereby assures and certifies that:

1. It possesses legal authority to execute the PROJECT.
2. Its governing body has duly adopted or passed as an official act a resolution, motion, or similar action authorizing the filing of the PROJECT proposal 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 PROJECT proposal and to provide such additional information as may be required.
3. Its chief executive officer or other officer of GRANTEE approved by the Virginia Department of Housing and Community Development:
 - a. 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;
 - b. 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.
4. 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 OMB Circular A-87 as they relate to the PROJECT, acceptance, and use of Federal funds under this Grant; and, as applicable, all State laws and administrative requirements which may supersede them (by virtue of being more stringent).
5. 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.
6. 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.
7. 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 Housing and Community Development Act of 1974, as amended.)

8. 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 demonstration within its jurisdiction.

9.
 - a. 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.
 - b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
 - c. 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.

10. It will comply with:
 - a. 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.
- b. 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.
 - c. 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.
 - d. Executive Order 11063 on equal opportunity in housing and nondiscrimination in the sale or rental of housing built with Federal assistance.
 - e. 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.
 - f. 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.
11. 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.

12. It will in the acquisition of real property and in the process of relocation:
 - a. 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
 - b. Pay or reimburse property owners for necessary expenses as specified in Section 303 and 304 of the Uniform Act; and
 - c. 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
 - d. 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
 - e. It will implement 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 570.496 a(b).
 - f. It will comply with applicable Section 104(d) of the Housing and Community Development Act in providing relocation payments and relocation assistance.
13. PRIVATE GAIN - 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.

14. It will comply with the provisions of the Hatch Act which limits the political activity of employees.
15. 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 in the manual, Community Improvement Grant Management Manual.
16. 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.
17. It will ensure that facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the PROJECT 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.
18. 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.
19. 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:
 - a. 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
 - b. 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.

20. 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

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RECORD OF EMPLOYEES HIRED AND REFERRED

Explanation of Form

The Record of Employees Hired and Referred is used to summarize the employee application information that must be collected by the Grantee and reported to DHCD for all job creation and retention projects. This form must be submitted to DHCD at least once every three months until the Grantee receives written approval from DCHD to end submission of this document.

1. **Employer**: Include the employer name as referenced in the industry agreement.
2. **CIG #**: No explanation needed.
3. **Employer DUNS #**: A Data Universal Numbering System (DUNS) identifier is required for any business that receives CDBG assistance. To request a DUNS number call 1-866-705-5711.
4. **Date of Record**: Indicate the date the record was compiled for submission to DHCD.
5. **Name**: Include the applicant's complete name.
6. **Position #**: The industry must supply a unique position number for each position created (ex. Warehouse 0001).
7. **EDA Job Classification**: All positions must be identified by their Economic Development Administration (EDA) Job Classification. Job Classification Definitions follow these directions.
8. **Hispanic**: Enter yes or no.
9. **Race**: Enter the appropriate abbreviation: **AI or AN** (American Indian or Alaskan Native), **A** (Asian), **B or AA** (Black or African American), **NH or OPI** (Native Hawaiian or other Pacific Islander), **W** (White), **AI or AN and W** (American Indian or Alaskan Native and White), **A and W** (Asian and White), **B or AA and W** (Black or African American and White), **AI or An and B or AA** (American Indian or Alaskan Native and Black or African American), or **Bal** (Balance of individuals reporting more than one race).
10. **FHH**: Indicate if the individual is a female head of household with one or more children under 18 years old.
11. **ELD**: Indicate whether the individual is 62 years or older.
12. **DIS**: Indicate whether the person is disabled.
13. **LMI**: Indicate whether the individual's household is low- to moderate-income.
14. **UNE**: Indicate whether the individual was unemployed at the time they were hired or referred.
15. **HCP**: Indicate whether the individual will receive health care provided by the employer.
16. **Start Date**: Indicate the individual's employment start date. If not hired indicate **N/A**.
17. **Date Terminated**: Indicate the date the individual was terminated. If employed at the time the summary report is produced indicate **N/A**.

Economic Development Administration (EDA) Job Classification Definitions

1. Officials and Managers - Occupants requiring administrative personnel who set broad policies, exercise overall responsibility of execution of these policies, and individual departments or special phases of a firm's operations. This includes: Officials, Executives, middle management, plant managers and superintendents, salaried supervisors who are members of management, purchasing agents and buyers, and kindred workers.

2. Professional - Occupants requiring either college graduation or experience of such kind and amount as to provide a comparable background includes: accountants and auditors, airplane pilots and navigators, architects, artists chemists, designers, dietitians, editors, engineers, lawyers, librarians, mathematicians, natural scientists, registered professional nurses, professional and labor relations workers, physical scientists, physicians, social scientists, teachers, and kindred workers.

3. Technicians - Occupants requiring a combination of basic scientific knowledge and manual skill which can be obtained through about 2 years of post-high school education such as is offered in many technical institutions and junior colleges, or through equivalent on the job training. This includes: computer programmers and operators, drafters, engineering aides, junior engineers, mathematic aides, licensed practical or vocational nurses, photographers, radio operators, scientific assistants, surveyors, technical illustrators, technicians (medical, dental, electronic, physical science) and kindred workers.

4. Sales - Occupants engaging wholly or primarily in direct selling. This includes: advertising agenda and sales workers; insurance agents and brokers; real estate agents and brokers; sales workers; demonstrators and retail sales workers; and sales clerks, grocery clerks and cashiers; and kindred workers.

5. Office and Clerical - Includes all clerical-type work regardless of level of difficulty, where the activities are predominantly non-manual though some manual work not directly involved with altering or transporting the products is included. This includes: bookkeepers, cashiers, collectors (bills and accounts), messengers and office helpers, office machine operators, shipping and receiving clerks, stenographers, typists, and secretaries, telegraph and telephone operators, and kindred workers.

6. Craft Worker (skilled) - Manual workers of relatively high level having a thorough and comprehensive knowledge of the processes involved in their work. Exercise considerable independent judgment and usually receive an extensive period of training. This includes: the building trades, hourly paid supervisors and lead operators (who are not members of management), mechanic and repairers, skilled machining occupations, compositors and typesetters, electricians, engravers, job setters (metal), motion picture projectionists, pattern and model makers, stationary engineers, tailors, and kindred workers.

7. Operatives (semi-skilled) - Workers who operate machines or other equipment or perform other factory-type duties of intermediate skill level which can be mastered in a few weeks and require only limited training. This includes: apprentices (auto mechanics, lumbers, electricians, machinists, mechanics, building trades, metal working trades, printing trades, etc.), operatives, attendants (auto service and parking), blasters, chauffeurs, delivery workers, dress makers and sewers (except factory), dryer's furnaces workers, heaters (metal), laundry and dry cleaning, operatives, milliners, mine operatives and laborers, motor operators, oilers and greasers (except auto), painters (except construction and maintenance), photographic process workers, boiler tenders, truck and tractor drivers, weavers (textile), welders and flame metals workers, and kindred workers.

8. Laborers (unskilled) - Workers in manual occupations which generally require no special training perform elementary duties that may be learned in a few days and require the application of little or no independent judgment. This includes: garage laborers; car washers and greasers; gardeners (except farm) and ground keepers; stevedores; wood choppers; laborers performing lifting, digging, mixing loading, and pulling operations; and kindred workers.

9. Service Workers - Workers in both protective and non-protective service occupations. This includes attendants (hospital and other institutions, professional and personal service, including nurses aides and orderlies), barbers, chairworkers and cleaners, cooks (except household), counter and fountain workers, elevator operators, firefighters and fire protection guards, door keepers, stewards, janitors, police officers and detectives, porters, waiters and waitresses, and kindred workers.

Source: *CPD Performance Measurement Guidebook*, Chapter 5; July 7. 2006

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**Appendix
21**

Record of Employees Hired and Referred

Employer: _____

CIG #: _____

Grantee: _____

Employer DUNS #: _____

Date of Report: _____

Report # _____ of # _____

Name	Position #	EDA Job Classification	Hispanic	Race*	FHH*	ELD*	DIS*	LMI*	UNE*	%HCP*	Hourly wage	Start Date	Date Terminated
1)													
2)													
3)													
4)													
5)													
6)													
7)													
8)													
9)													
10)													
11)													
12)													
13)													
14)													
15)													
16)													
17)													
18)													
19)													
20)													

*FHH- Female Head of household w/1or more children under 18yrs old; ELD--Person 62 years old or older; DIS--Person w/ a disability;

*LMI--Low-to moderate-income individual; UNE -- Unemployment status at time of hire; %HCP -- Percent of health care provide by employer.

*Race--Classify as either as: **AI or AN** (American Indian or Alaskan Native), **A** (Asian), **B or AA** (Black or African American), **NH or OPI** (Native Hawaiian or other Pacific Islander), **W** (White), **AI or AN and W** (American Indian or Alaskan Native and White), **A and W** (Asian and White), **B or AA and W** (Black or African American and White), **AI or AN and B or AA** (American Indian or Alaskan Native and Black or African American), or **Bal** (Balance of individuals reporting more than one race).

Economic Development Administration (EDA) Job Category Definitions

- 1. Officials and Managers** - Occupants requiring administrative personnel who set broad policies, exercise overall responsibility of execution of these policies, and individual departments or special phases of a firm's operations. This includes: Officials, Executives, middle management, plant managers and superintendents, salaried supervisors who are members of management, purchasing agents and buyers, and kindred workers.
- 2. Professional** - Occupants requiring either college graduation or experience of such kind and amount as to provide a comparable background includes: accountants and auditors, airplane pilots and navigators, architects, artists chemists, designers, dietitians, editors, engineers, lawyers, librarians, mathematicians, natural scientists, registered professional nurses, professional and labor relations workers, physical scientists, physicians, social scientists, teachers, and kindred workers.
- 3. Technicians** - Occupants requiring a combination of basic scientific knowledge and manual skill which can be obtained through about 2 years of post-high school education such as is offered in many technical institutions and junior colleges, or through equivalent on the job training. This includes: computer programmers and operators, drafters, engineering aides, junior engineers, mathematic aides, licensed practical or vocational nurses, photographers, radio operators, scientific assistants, surveyors, technical illustrators, technicians (medical, dental, electronic, physical science) and kindred workers.
- 4. Sales** - Occupants engaging wholly or primarily in direct selling. This includes: advertising agenda and sales workers; insurance agents and brokers; real estate agents and brokers; sales workers; demonstrators and retail sales workers; and sales clerks, grocery clerks and cashiers; and kindred workers.
- 5. Office and Clerical** - Includes all clerical-type work regardless of level of difficulty, where the activities are predominantly non-manual though some manual work not directly involved with altering or transporting the products is included. This includes: bookkeepers, cashiers, collectors (bills and accounts), messengers and office helpers, office machine operators, shipping and receiving clerks, stenographers, typists, and secretaries, telegraph and telephone operators, and kindred workers.
- 6. Craft Worker (skilled)** - Manual workers of relatively high level having a thorough and comprehensive knowledge of the processes involved in their work. Exercise considerable independent judgment and usually receive an extensive period of training. This includes: the building trades, hourly paid supervisors and lead operators (who are not members of management), mechanic and repairers, skilled machining occupations, compositors and typesetters, electricians, engravers, job setters (metal), motion picture projectionists, pattern and model makers, stationary engineers, tailors, and kindred workers.
- 7. Operatives (semi-skilled)** - Workers who operate machines or other equipment or perform other factory-type duties of intermediate skill level which can be mastered in a few weeks and require only limited training. This includes: apprentices (auto mechanics, plumbers, electricians, machinists, mechanics, building trades, metal working trades, printing trades, etc.), operatives, attendants (auto service and parking), blasters, chauffeurs, delivery workers, dress makers and sewers (except factory), dryer's furnaces workers, heaters (metal), laundry and dry cleaning, operatives, milliners, mine operatives and laborers, motor operators, oilers and greasers (except auto), painters (except construction and maintenance), photographic process workers, boiler tenders, truck and tractor drivers, weavers (textile), welders and flame metals workers, and kindred workers.
- 8. Laborers (unskilled)** - Workers in manual occupations which generally require no special training perform elementary duties that may be learned in a few days and require the application of little or no independent judgment. This includes: garage laborers; car washers and greasers; gardeners (except farm) and ground keepers; stevedores; wood choppers; laborers performing lifting, digging, mixing loading, and pulling operations; and kindred workers.
- 9. Service Workers** - Workers in both protective and non-protective service occupations. This includes attendants (hospital and other institutions, professional and personal service, including nurses aides and orderlies), barbers, chairworkers and cleaners, cooks (except household), counter and fountain workers, elevator operators, firefighters and fire protection guards, door keepers, stewards, janitors, police officers and detectives, porters, waiters and waitresses, and kindred workers.

Explanation of Form

ANNUAL STATUS REPORT

If the project is under the slum and blights national objective, no benefit/minority data is needed. Otherwise, the Grantee is to report the benefits and accomplishments achieved during the past fiscal year—July 1 through June 30. If, for some reason, the Grantee doesn't know these figures, they should report all benefits and accomplishments to date.

The Total Persons number for Applicants comes from the number of applications who applied both prior and after the CDBG grant agreement was executed.

The Total Persons number for Proposed Beneficiaries comes from grant applicant.

The Actual Beneficiaries and Hispanic or Latino number comes from the past fiscal year or cumulative to date.

Each row needs to be filled out for households receiving a direct benefit; e.g., housing rehab, relocation or homebuyer assistance. Infrastructure hook-ups are considered an indirect benefit. All other activities just require a narrative.

SECTION 3 REPORT

The report covers the state fiscal year—July 1 through June 30.

The Grantee doesn't have to fill out the program code box.

The Program Name is the Project Title as written on the first page of the CIG contract Data comes from the construction and housing rehab projects' Registers of Assigned Employees.

Housing Rehab Grantees only need to fill out parts II and III.

Do not mail the report to HUD Washington, but to DHCD.

If the report is not returned by the date identified in the cover letter, all of your drawdown reports will be held until it is.



Call your DHCD Community Representative if your project includes an Indoor Plumbing/Rehabilitation set-aside contract.

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Grantee: _____
 CIG#: _____

Reporting Period _____

Provide a brief description of each activity, being specific and quantitative (ie., number of linear feet, number of fire hydrants, number of houses, etc.). Provide the number and characteristics of all applicants for project benefits, proposed beneficiaries from your contract, and the actual beneficiaries from activities completed. For actual direct benefits, such as housing and relocation activities, complete all LMI benefit columns. For other activities, complete the Total LMI column. Benefits and accomplishments are **cumulative** for this reporting period.

1. Activity _____ IDIS Activity #: _____

Accomplishments: _____

	Total Persons	LMI*				Must Equal Total Persons										Housing # of Units	Female Head of Household	Elderly Household	Disabled Household
		0-30%	31-50%	51-80%	Total	American Indian or Alaska Native	Asian	Black or African American	Native Hawaiian or Other Pacific Islander	White	American Indian or Alaska Native and White	Asian and White	Black or African American and White	American Indian or Alaska Native and Black or African American	Balance of individuals reporting more than one race				
Applicants																			
Proposed Beneficiaries																			
Actual Beneficiaries																			
Hispanic or Latino																			

2. Activity _____ IDIS Activity #: _____

Accomplishments: _____

	Total Persons	LMI*				Must Equal Total Persons										Housing # of Units	Female Head of Household	Elderly Household	Disabled Household
		0-30%	31-50%	51-80%	Total	American Indian or Alaska Native	Asian	Black or African American	Native Hawaiian or Other Pacific Islander	White	American Indian or Alaska Native and White	Asian and White	Black or African American and White	American Indian or Alaska Native and Black or African American	Balance of individuals reporting more than one race				
Applicants																			
Proposed Beneficiaries																			
Actual Beneficiaries																			
Hispanic or Latino																			

3. Activity _____ IDIS Activity #: _____

Accomplishments: _____

	Total Persons	LMI*				Must Equal Total Persons										Housing # of Units	Female Head of Household	Elderly Household	Disabled Household
		0-30%	31-50%	51-80%	Total	American Indian or Alaska Native	Asian	Black or African American	Native Hawaiian or Other Pacific Islander	White	American Indian or Alaska Native and White	Asian and White	Black or African American and White	American Indian or Alaska Native and Black or African American	Balance of individuals reporting more than one race				
Applicants																			
Proposed Beneficiaries																			
Actual Beneficiaries																			
Hispanic or Latino																			

* Note: Extremely Low-Income (0-30%) and Very Low-Income (31-50%) information may not be available for proposed beneficiaries.

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- Dimensions are as per attached schematic
- Material can be plywood or other firm material that will withstand wind and moisture without warping
- **Sign should be erected perpendicular to the adjacent road**
- Sign may be painted front and back if community desires
- Background should be a medium shade of blue (such as royal); PMS = Pantone Blue 072
- Lettering should be white
- An electronic copy of DHCD's logo is available from your Community Representative

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Each file should be coded by category (A or B), by project year (200_) and by a numeric listing for each file. Each file should be labeled as a Community Improvement Grant file. Using this system, the following is a list of the files and contents. **These files must be kept at the Grantee's offices and maintained for a minimum of five (5) years from final closeout or a period required by other applicable statutes.**

Category A: Grant Files

A200_-1 Grant Proposal

- Grant Proposal and any amendments and revisions to it
- Prior-authorization to incur pre-contract costs, if applicable
- Records/Correspondence regarding grant contract negotiations

A200_-2 CDBG Grant Agreement and Service Contracts

- CDBG Grant Agreement and any amendments
- Professional and Non-Professional Service Contracts and any amendments
- Industry Development Agreements
- Cost Participation Agreements
- Local Interagency Agreements

A200_-3 Financial Management

- Resolution(s) to appropriate CDBG funds
- Record of Commitment of all leverage funds
- Certification of Signatures and Address
- Copy of all Drawdown Requests for Payment and Support Forms
- Accounting Reports
- Source documentation for both CDBG and leverage expenditures as outlined in the "Recordkeeping" section of Chapter 5: Financial Management
- Proof of leverage funds being spent proportionally with CDBG
- Use of Program Income
- Force account approval, fringe rate plan, individual timesheets and summary reports, expenditures, equipment logs and VDOT equipment use rates

NOTE: Financial records may be in a location other than the Grant Administrator's office, i. e., the Treasurer's office, especially the accounting books which shall be secured in the Grantee's safe.

A200_-4 Grant Administration

- Performance-based Project Budget and any revisions
- Project Management Plan and any revisions
- Program Income Plan and any revisions
- Monthly Progress Reports
- Annual Activity and Beneficiary Reports
- Annual Expenditure Reports
- Procurement Policy and Procedures, including written small purchases procedures

A200_-5 Citizen Participation

- List of citizens groups to whom information and notices were disseminated
- Proof of advertisement for the two required public hearings
- Minutes of the required public hearings
- List of persons attending required public hearings and any handouts, etc., provided at each hearing
- Description of any accommodations made to facilitate the needs of disabled persons at the required public hearings
- Documentation that project-specific information requirements were met
- Copy of adopted Complaints and Appeals procedure distributed to applicants and beneficiaries
- Copy of any written complaints and appeals received, responses within 15 days, and proof of final resolution for each one

A200_-6 Equal Opportunity

- Copy of adopted Local Business and Employment Plan
- Proof of advertisement soliciting project area businesses and workers for procurement and employment opportunities
- Names, addresses, businesses or trades of respondents to local business and employment solicitation
- Proof of advertisement soliciting minority and female-owned businesses, contractors and suppliers
- Names of project area businesses awarded a contract and total \$ amount of said contracts
- Names, addresses and businesses of respondents to solicitation for minority and female-owned businesses, contractors and suppliers
- Names of minority and female-owned businesses awarded a contract and total \$ amount of said contracts
- Copy of signed Non-discrimination Policy
- Copy of Section 504 Self-Evaluation and Needs Assessment and proof of advertisement
- Copy of adopted grievance procedure

A200_-7 Benefits

- Copy of mandatory hook-up ordinance, if applicable
- Copy of User Agreements, if applicable
- Self certification or verification of LMI status
- Declination statements
- Initial survey forms and map
- Map Showing the Location Of All Addresses Along Any Water And Sewer Lines, Keyed to LMI/Non-LMI Status and Hooked Up/Not Hooked Up Status.
- Demographic profile of the locality, applicants for, participants in, or beneficiaries of the program, and of the project area by minority status, female- and elderly-headed households, race, ethnicity, gender and disability

A200_-8 Fair Housing

- Copy of signed Fair Housing Certification
- Documentation of a different fair housing activity undertaken each project year that the CIG is active

A200_-9 Environmental Review Record

- Copy of Environmental Review Record
- Level of Clearance Findings for each activity
- Copy of letters to, and clearances from Department of Historic Resources, Virginia Research Center for Archeology and other appropriate State agencies
- Copy of Notice of Finding of No Significant Impact with Proof of Publication
- List of individuals/organizations to which Notice of Finding was sent
- Copy of Notice of Intent to Request Release of Funds and Proof of Publication
- Copy of letter claiming determination of exemption or categorical exclusion, if appropriate
- Copy of Request for Release of Funds and Certification
- Floodplain and wetlands compliance, if appropriate

A200_-10 Compliance Reviews

- DHCD letters of findings, outlining findings, concerns, recommendations and interpretations
- Grantee's responses to DHCD's letters of findings
- Other correspondence regarding compliance reviews

- A200_-11 Project Close-Out
- Final reports from Engineer
 - Certificate of Completion and evidence of disposition of third party claims
 - DHCD's Letter of Conditions
 - Copy of executed Final Closeout Reports
 - Administrative, Conditional and Final Closeout letters from DHCD
- A200_-12 Audit
- Engagement Letter for Independent Public Accountant
 - Annual and Final Audits and documentation that audit findings are cleared
 - Acknowledge of Receipt and Approval of Audits Letters from DHCD
- A200_-13 Anti-Displacement
- Copy of Anti-Displacement and Relocation Assistance Plan
- A200_-14 General Correspondence
- Correspondence, incoming and outgoing that does not fall into one of the above categories or into the project file category.

Category B: Project Files

Category B files are established based on the type of project to be accomplished by the grant. Since there will be a variety of project types that will require different file information each basic type is presented below:

- B200_-1 Professional Services - A/E contract file
- Proof of advertisement of Notice
 - Copy of RFP
 - Copy of all Qualification Statements and proposal(s) received
 - List of selection committee members
 - Evaluation criteria used
 - Ranking of proposals received
 - Negotiation summaries
 - Fee basis and justification
 - Requests for payments and supporting documentation
 - Community Improvement Grant Disclosure Statements
 - Rationale for any contract amendments

- B200_-2 Construction Contract File (By Name of Activity)
- Preliminary Design and Cost Estimates
 - Final Design Documents and Cost Estimates
 - Evidence that all necessary land or easement acquisition has been completed prior to advertising for bids
 - Proof of advertisement of Invitation to Bid
 - Bid Documents and Instruction to Bidders
 - Pre-bid Conference minutes and any addenda issued
 - Minutes of public bid opening
 - Bids, bid receipt dates and tabulations
 - Contractors Statement of Qualifications
 - Recommendation for Award
 - Verification of low bidder's eligibility (not on debarred list)
 - Award of Contract and Notice of Award of Contract to DOL.
 - Contract Documents
 - Performance Bond/Certification of Insurance
 - Community Improvement Grant Disclosure Statements
- B200_-3 Construction Management File (by construction contract)
- Minutes of Pre-construction Conference
 - Notice to Proceed with Construction
 - Weekly Inspection Reports (required for resident inspection)
 - Requests for payments and supporting documentation
 - Change Orders and justifying documentation
 - Substantial Completion Inspection Report
 - Final Punch List
 - Final Inspection and Certification by design professional
 - Acceptance by Owner
 - Record Drawings
 - Warranties and guarantees
- B200_-4 Labor Standards by Contractor or Subcontractor
- Wage Decisions and any modifications
 - Labor Standards Checklist
 - Copy of contractor's apprenticeship program from the Division of Apprenticeship Training, if applicable
 - Weekly Payroll Reports and Statements of Compliance
 - Requests for Additional Job Classifications
 - Authorizations of Employee Deductions
 - Records Of Employee Interviews
 - Log of Payroll Reports
 - Log for Reviewing Employees

B200_-5 Equal Opportunity /Local Business and Employment

- Contractor's and subcontractor's Compliance Statements Certification regarding EEO
- Equal Opportunity Checklist
- Registers of Assigned Employees
- Monthly Registers of Contractors, Subcontractors, and Suppliers by each entity, including the Grantee

B200_-6 Property Acquisition

Property Acquisition requires a separate file for each property acquired. See also Appendix 43: General Acquisition File Checklist. The file label would identify the file by category (B), the year, and a letter to identify it as an acquisition (a), followed by the name of the owner or the address of the property. The contents of each file must include:

- Record form indicating the project name and number, parcel number for the real property, and name of each owner and tenant.
- Copy of the Appraisal agreement.
- Copy of the Preliminary Acquisition Notice and *When a Public Agency Acquires Your Property* brochure.
- Evidence of receipt by Owner(s) of Preliminary Acquisition Notice and *When a Public Agency Acquires Your Property* brochure.
- Evidence of donation and waiver of right to appraisal and all relevant and supporting documentation, as applicable.
- Invitation to Accompany Appraiser.
- Evidence receipt by Owner(s) of Invitation to Accompany Appraiser.
- Copy of Appraisal Report and Determination Of Fair Market Value
- Copy of Review Appraisal Report and Document Establishing Just Compensation.
- Copy of Written Purchase Offer and evidence of date of delivery to Owner(s)
- Copy of any purchase agreement, deed, declaration of taking, waiver, or related document involving the conveyance, including canceled check
- Copy of Statement of Settlement Cost.
- Evidence that owner received purchase price.
- Evidence of conveyance of the property to the Grantee.
- Copy of any appeal concerning a payment, together with a copy of all pertinent determination and other relevant documentation.
- If acquisition terminated, copy of Notice of Intent Not to Purchase
- Evidence of receipt by Owner(s) of Notice of Intent Not to Purchase.

- Copy of condemnation proceedings, if applicable, and settlement.

B200_-7

Relocation

Relocation requires a separate file for each displaced/relocated person or family. Individual files must contain specific items as required in Appendix 43-D: Relocation File Checklists. The project file label would identify the file by category (B), the year, and a letter to identify it as a relocation file (r), followed by the name of the person or family relocated.

B200_-8

Non-Professional Services--Rehab Specialist or Management Consultant file

- Proof of advertisement of Notice
- Copy of RFP
- Copy of all Qualification Statements and proposal(s) received
- List of selection committee members
- Evaluation criteria used
- Ranking of proposals received
- Negotiation summaries
- Fee basis and justification
- Community Improvement Grant Disclosure Statements
- Rationale for any contract amendments

B200_-9

Housing Projects

Housing Rehabilitation requires a separate file for each unit receiving assistance for rehabilitation, bathroom or utility connection. They must contain specific items as required in Appendix 25: Rehab File Checklist. In addition, the project file must contain:

- Copy of Program Design and evidence of formal adoption by the local governing body
- Housing Rehabilitation Oversight Board Membership, Operating Procedures and Minute Meetings which approve applicants, contractors, award of construction contracts and complaint resolution
- Copy of Risk Assessor License
- Proof of advertisement to pre-qualify Contractors
- Contractor's Qualification Statements and verification, including Lead Safe Work Practices training
- Community Improvement Grant Disclosure Statements
- Bid Phase Invitations, Bid Tabs, and Notice of Bid Awards
- Data on the number of bid cycles, dates of bid openings, and the number of bidders who responded to each cycle
- Data on the Application and Construction Demographic Profile
- Landlord Rental Commitments and Proof of Recordation

- Copies of HMEP agendas and sign-in sheets

B200_-10 Job Creation and Retention

- Job Descriptions
- Proof of Required Benefits Package
- Monthly Referral Reports From Referring Agency
- Record of Employees Hired and Referred

B200_-11 Downtown Projects

- Copy of Program Design and evidence of formal adoption by the local governing body
- Copy of Blight Identification and Removal or Remediation Plan
- Oversight Board Membership, Operating Procedures and Meeting Minutes which approve applicants, contractors, award of construction contracts and complaint resolution
- Proof of advertisement to Pre-qualify Contractors
- Contractor's Qualification Statements and verification, including Lead Safe Work Practices training
- Community Improvement Grant Disclosure Statements
- Bid Phase Invitations
- Bid Opening Summaries
- Notice of Bid Awards
- Data on the number of businesses assisted by, and participated in, façade improvements or renovation improvements
- Data on the total amount of private investment expended and copies of supporting source documentation or an IPA statement

B200_-12 Microenterprise Projects

- Copy of Program Design and evidence of formal adoption by the local governing body
- Data on the number of loans made, the number of defaults, and the number of hours of business training provided

B200_-13 Community Service Facilities Projects

- Copy of Staffing and Operations Plan
- Copy of any agreements with service providers

B200_-13 Telecommunications Projects

- Copy of Community Telecommunications Plan
- Copy of Business Plan for the network
- Copy of any agreements with service providers

CDBG _____ IPR _____

Homeowner: _____ Occupant: _____

Street
Address: _____ File#: _____

1. Application for Assistance/Ranking Sheet _____
2. Financial Information
 - a. Verification of Income _____
 - b. Verification of Assets _____
 - c. Verification of Rent (CDBG only) _____
 - d. Ability-to-pay Form _____
 - e. Loan Repayment Calculation Form _____
3. Verification of Ownership of Property (Deed) _____
4. Historic Resources Clearance/Statutory Checklist (IPR only) _____
5. DHCD HQS/Section 8 Inspection Reports
 - a. Before Construction Date _____ By whom? _____ PA _____
Date _____ By whom? _____ RS _____
 - b. After Construction Date _____ By whom? _____ RS _____
6. Blower Door Test
 - a. Before Construction Date _____
 - b. After Construction Date _____
7. Inspection/Treatment Reports
 - a. Exterminator _____
 - b. Electrical _____
 - c. Chimney _____
 - d. Rehab Specialist Inspection & Payment Reports _____
8. Write-up and Cost Estimates. _____
 - a. Base Amount \$ _____
 - b. Exceptions \$ _____ \$ _____ \$ _____ \$ _____
 - c. Demolition \$ _____

- 9. Bid Tabulation Sheet
 - a. Accepted Bid _____
 - b. Bid Approval Date _____ Low Bid Amount \$ _____

- 10. Temporary Relocation Agreement and documentation _____

- 11. IPR Set-up form & Project Cost Worksheet—set-up amount \$ _____
(N/A to CDBG Projects)

- 12. Construction Contract: Amount \$ _____
 - a. 3-Party: Owner/Grantee/Contractor **OR** _____
 - b. 2-Party: Owner or Grantee/Contractor and Contractor/Grantee _____
 - c. Attached Federal Construction Contract Language _____
 - d. Notice of the Presumption of Lead _____
 - e. Confirmation of Receipt of LBP pamphlet
Protect Your Family From Lead (pre-1978 only) _____

- 13. Legal Documents
 - a. Landlord Rental Commitment (CDBG only) _____
 - b. Landlord/Tenant Agreement or Lease (CDBG only) _____
 - c. Deed of Trust Note or Promissory Note _____
 - d. Deed of Trust/Lien _____
 - e. Notice of Right to Cancel _____
 - f. Truth in Lending Disclosure Statement _____
 - g. Acknowledgement of Receipt of ECOA Notices and Disclosures _____
 - h. Recordation Receipt for Deed of Trust _____

- 14. Permits
 - a. Building Permit _____
 - b. Health Permit (well and/or septic) _____

- 15. Approved Contractor Pay Requests _____

- 16. Change Orders
 - a. Approved by Owner, Rehab Specialist, Program Administrator & DHCD _____
 - b. Number of COs _____
 - c. Total Amount \$ _____

- 17. Lead Related Reports
 - a. Documentation of Lead Inspector/Risk Assessor License _____
 - b. Documentation of Contractor and Crew training in Lead Safe
Work Practices _____
 - c. LBP Clearance Examination Reports w/lab analysis attached _____
 - d. LBP Hazard Reduction Completion Notice _____

- 18. Warranties (Appliances and Materials) _____

- 19. Contractor's paper work
 - a. Affidavit of Release of Liens _____
 - b. Affidavit of Payment of Debts and Claims _____
 - c. Register of Contractors, Subcontractors and Suppliers _____
 - d. Register of Assigned Employees (CDBG only) _____
- 20. Occupant Signed Home Maintenance Education Certificate _____
- 21. Final Release by Homeowner _____
- 22. Documentation of Homeowners/Hazard Insurance _____
- 23. Cost Breakdown for Construction and Non-construction Costs e.g.;
Cost Summary & Financial Summary _____
- 24. Loan Servicing Records (annual statement, delinquent notices, etc.) _____

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Explanation of Drawdown Request form

The CDBG Drawdown Request form is a standard state invoice that has been preprinted to make it as simple as possible to complete. **The Drawdown Request form must be on blue paper with the information typed or printed in black ink. The signature must be in blue ink. The form must be complete and correct before it will be accepted.**

1. Vendor ID #- Enter the Grantee's Federal Identification Number (FIN), including the two-digit ETF suffix number if applicable, for the CDBG account. This information is required to process your drawdown request.
2. Name & Address - **Type the Grantee's name and address exactly as shown on the Certification of Signatures and Address.**
3. Request # - Enter the appropriate payment request number. Each Drawdown Request form must be numbered consecutively starting from 1 (one).
4. Contract # - Enter the CIG contract number in two places.
5. Project Name - Enter title of project as it appears on the DHCD Grant Agreement.
6. Payment Request Covers Expenditures Through - Enter the estimated date that all funds requested will be expended, or, in the case of reimbursement, were expended.
7. Authorized Signature - **One of the two or more individuals certified as authorized to sign payment requests for the Grantee must sign this invoice.** The date submitted line must be completed.
8. Total Amount - **This is the amount being requested to cover current expenses. All requests, except the final one, must be for at least \$5,000.** The distribution of the total amount will be shown on the drawdown support form.
9. Drawdown Support Form – **This form must be submitted with every drawdown request.** It reflects the amount of CDBG funds being requested per line item for current expenses and the cumulative amount of funds requested for each line item.

Submit the original completed form to:

VA Dept of Housing & Community Development
Project Management Office
501 N 2nd St
Richmond VA 23219-1321

Once DHCD has approved the Drawdown Request for processing, a copy is sent to the Grantee's certified address (given in the 'Name & Address' Section of the form) as notification that State processing of the payment request has commenced. **If you do not receive payment within 21 days, contact your Community Representative.**

ACCOUNTING VOUCHER

AGENCY NAME/DELIVERY ADDRESS Department of Housing & Community Development Project Management Office 501 North Second Street Richmond, Virginia 23219				CONTRACT NUMBER		DATE OF HUD REQUEST		REP APPROVAL					
				DATE RECEIVED		BID REF./REQUISITION NO.			TERMS P.O.				
				TFS#									
MUST BE DELIVERED BY				INSIDE DELIVERY <input type="checkbox"/> S (IF CHECKED)		VENDOR INVOICE NO.		DUE DATE MO DAY YR		STATE REF NO. OR P.O. NO.		AMOUNT PAID	
				Name:									
Address:													
City:													
State:		Zip				VOUCHER NUMBER AND DATE		TOTAL AMOUNT PAID					
Vendor ID:				Suffix									
PLEASE BE SURE TO INCLUDE ZIP CODE IN ALL ADDRESSES INVOICE TO ADDRESS													
GRANTEE NAME								P.O. NUMBER					
INTRA-AGENCY CONTACT Todd Christensen								TELEPHONE (804) 371-7061					

DESCRIPTION	ACTIVITY	AMOUNT
CDBG PAYMENT REQUEST		
Request # _____		\$
Contract # _____		
Project Name _____		
Payment covers expenditures through _____		
I certify this request is in accordance with terms and conditions of the referenced contract. The amount is correct and not in excess of current needs.		
_____ Authorized Signature (blue ink only)		
Date Submitted _____		
Payment Approved _____ DHCD Project Management Office		
	TOTAL AMOUNT	

I certify that the P. O. Receiving Report (if applicable), Invoice, and Voucher are in agreement with the merchandise or service being Paid for; and further, that computations and coding on the Voucher are correct and discounts taken are proper.

TRANS	AGENCY	GLA	FUND		FFY	PROGRAM			OBJECT	REVENUE SOURCE	AMOUNT				PROJECT		
			FUND	DET		PROG	SUB	ELE			PROJECT	TK	PH				
325	165		10	00		533	05	00	1431					5079			
COST CODE	FIPS	PSO	DRAWDOWN NUMBER			INVOICE				DUE DATE			REFERENCE DOC				
			DATE	NUMBER	MM	DD	YY	NUMBER	SX	✓							
35																	
DESCRIPTION						CURRENT DOCUMENT		SUBSIDIARY ACCOUNT		MULTI-PURPOSE		1099					
CDBG REQUEST #						NUMBER	SX										

CHECK IF
 CONTINUATION SHEET ATTACHED

Explanation of Drawdown Support Form

The drawdown support form provides the following information:

1. Column 1 contains the budget activity and the individual line items associated with the activity, if applicable.
2. Column 2 contains the IDIS activity number. (DHCD will provide this number when your project is set up in the IDIS system, after receipt of the first drawdown request.
3. Column 3 contains the CDBG budget amount for each individual line item associated with the activity and a subtotal for the activity.
4. Column 4 contains the CDBG amount being requested for the drawdown by each individual line item and a subtotal of the amount being drawn for the activity.
5. Column 5 contains the cumulative amount drawn for each individual line item and a subtotal of the amount that has been drawn for the activity. This amount includes the amount being requested.
6. Column 6 contains the percentage amount drawn for each individual line item and subtotal. The percentage is calculated by dividing the cumulative amount drawn by the CDBG budget amount for each individual line item.
7. The total line contains the budget total, drawdown total, cumulative total, and percentage total.
8. The bottom line is used for tracking and reporting program income earned. The amount shown on the bottom line in column 4 is the amount of program income earned during the drawdown period. The amount shown on the bottom line in column 5 is the cumulative amount of program income that has been earned during the entire grant period.

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**DRAWDOWN SUPPORT FORM
 ANYTOWN CIG #07-88
 WESTOWN NEIGHBORHOOD IMPROVEMENTS PROJECT
 DRAWDOWN #1 - SEPTEMBER 5, 2007**

LINE ITEM	IDIS #	CDBG BUDGET	DRAWDOWN #1	CUMULATIVE	CUMULATIVE PERCENTAGE
ADMINISTRATION	4094				
Execution of DHCD Contract		11,100.00	11,100.00	11,100.00	100%
Execution of Project Contract		14,800.00	4,440.00	4,440.00	30%
Contract Monitoring		25,900.00			0%
Construction Completion		18,500.00			0%
Administrative Project Closeout		3,700.00			0%
Cash on Hand		0	1,000.00	1,000.00	
Subtotal		74,000.00	16,540.00	16,540.00	22%
CLEARANCE & DEMOLITION	4095	46,090.00	0.00	0.00	0%
HOUSING REHABILITATION	4096				
Owner-Occupied Construction		44,520.00	10,000.00	10,000.00	22%
Renter-Occupied Construction		122,500.00			0%
Rehabilitation Specialist		18,372.00	1,100.00	1,100.00	6%
Temporary Relocation					
HMEP					
Subtotal		185,392.00	11,100.00	11,100.00	6%
SUBSTANTIAL RECONSTRUCTION	4097				
Clearance & Demolition		79,000.00	10,000.00	10,000.00	13%
Owner-Occupied Construction		8,690.00	1,100.00	1,100.00	13%
Rehabilitation Specialist					
Temporary Relocation					
HMEP					
Subtotal		87,690.00	11,100.00	11,100.00	13%
SEWER	4098				
Architect/Engineer/Design		6,950.00	1,000.00	1,000.00	14%
Inspection		5,244.00	500.00	500.00	10%
Acquisition (Easements Only)					
Temporary Relocation					
Construction/Improvements		81,130.00	10,000.00	10,000.00	12%
Subtotal		93,324.00	11,500.00	11,500.00	12%
WATER	4099				
Architect/Engineer/Design		4,000.00	1,000.00	1,000.00	25%
Inspection		4,000.00	500.00	500.00	13%
Acquisition (Easements Only)					
Temporary Relocation					
Construction/Improvements		44,500.00	10,000.00	10,000.00	22%
Subtotal		52,500.00	11,500.00	11,500.00	22%
TOTAL		538,996.00	61,740.00	61,740.00	11%
ACTIVE PROGRAM INCOME		0.00	200.00	200.00	

NOT USED WITH PLANNING GRANTS AS THEY ARE FUNDED AND DRAWN UNDER ONE ACTIVITY

**DRAWDOWN SUPPORT FORM
 ANYTOWN CIG #07-88
 WESTOWN NEIGHBORHOOD IMPROVEMENTS PROJECT
 DRAWDOWN #1 - OCTOBER 5, 2007**

LINE ITEM	IDIS #	CDBG BUDGET	DRAWDOWN #2	CUMULATIVE	CUMULATIVE PERCENTAGE
ADMINISTRATION	4094				
Execution of DHCD Contract		11,100.00		11,100.00	100%
Execution of Project Contract		14,800.00	1,480.00	5,920.00	40%
Contract Monitoring		25,900.00			0%
Construction Completion		18,500.00			0%
Administrative Project Closeout		3,700.00			0%
Cash on Hand		0		1,000.00	
Subtotal		74,000.00	1,480.00	18,020.00	24%
CLEARANCE & DEMOLITION	4095	46,090.00	5,500.00	5,500.00	12%
HOUSING REHABILITATION	4096				
Owner-Occupied Construction		44,520.00	10,000.00	10,000.00	22%
Renter-Occupied Construction		122,500.00	0.00	0.00	0%
Rehabilitation Specialist		18,372.00	1,100.00	1,100.00	6%
Temporary Relocation					
HMEP					
Subtotal		185,392.00	11,100.00	11,100.00	6%
SUBSTANTIAL RECONSTRUCTION	4097				
Clearance & Demolition		79,000.00	10,000.00	10,000.00	13%
Owner-Occupied Construction		8,690.00	1,100.00	1,100.00	13%
Rehabilitation Specialist					
Temporary Relocation					
HMEP					
Subtotal		87,690.00	11,100.00	11,100.00	13%
SEWER	4098				
Architect/Engineer/Design		6,950.00	0.00	1,000.00	14%
Inspection		5,244.00	0.00	500.00	10%
Acquisition (Easements Only)					
Temporary Relocation					
Construction/Improvements		81,130.00	20,000.00	30,000.00	37%
Subtotal		93,324.00	20,000.00	31,500.00	34%
WATER	4099				
Architect/Engineer/Design		4,000.00	0.00	1,000.00	25%
Inspection		4,000.00	1,800.00	2,300.00	58%
Acquisition (Easements Only)					
Temporary Relocation					
Construction/Improvements		44,500.00	20,000.00	30,000.00	67%
Subtotal		52,500.00	21,800.00	33,300.00	63%
TOTAL		538,996.00	70,980.00	110,520.00	21%
ACTIVE PROGRAM INCOME		0.00	200.00	200.00	

NOT USED WITH PLANNING GRANTS AS THEY ARE FUNDED AND DRAWN UNDER ONE ACTIVITY

Explanation of Form

The Certified Signatures and Address Form is required for DHCD to process requests for payments (drawdowns). It must be filled out by the grantee's chief administrative official. The form must be received by DHCD prior to the Grantee's first draw down. Resubmittal of the Certification is required if **either** the certified signatures or certified address change, for DHCD to process any new payment requests.

At least **four different persons must sign this Certification:**

1. The certifying local chief executive;
2. The notary public; and
3. The two (2) persons authorized to sign payment requests.

The Grantee may authorize more than two signatures, if desired. The authorized signatures must be typed (or printed) **and** signed.

It is of utmost importance that the certified address include the correct content and be in the required format. The format restrictions (listed below) were made by the Virginia Department of Accounts, and failure to conform to their format may delay processing of payment requests. Funds can **only be paid or transferred to the Grantee locality**. Checks may not be paid or transferred to any third parties.

Format and content requirements for the **Certified Address:**

1. Maximum 4 lines. Up to 40 characters, including spaces, in line 1. Up to 32 characters in lines 2 and 3.
2. Use no punctuation and abbreviate words whenever possible. Abbreviate Virginia as **VA**, Street as **ST**, Post Office Box as **P O BOX**, and use initials instead of the full name (e.g., Mary Hart, Treasurer as **M HART TREAS**). Delete all extraneous words and symbols that do not affect delivery or Grantee processing of the payment.
3. **PAYEE** - must name grant **locality** first and, space permitting, may also include the project name. The locality must be listed with **name first and 'County' 'City' or 'Town' after** (e.g. Town of Grantsburg is shown as Grantsburg Town).
4. **ADDRESS** - checks may be sent to either a local government address or directly to a bank for deposit.

Federal Identification Number (Fin): is required by the Virginia Department of Accounts and draw downs will **not** be processed without this number. Be sure to use the FIN and your suffix number that applies to your **CDBG** bank account.

Virginia Department of Accounts has instituted electronic transfer to the locality's general funds account. Be sure to use the suffix number assigned by the Virginia Department of Accounts for your CDBG electronic transfer to ensure that your funds are deposited to the correct account.

Electronic Transfer and Debt Off-Set

The Commonwealth will transfer the CDBG amount requested via an electronic transfer according to the agreement set up between the Locality and the Department of Accounts. This agreement will need to be reviewed before your first draw down to insure that the transfer will be made to the correct bank account, or revised to include your new CDBG checking account.

A transfer can be made to a separate account by having the Department of Accounts add a “suffix” to your Federal Identification Number. To have drawdowns deposited to separate accounts, complete the Electronic Transfer forms available at the Virginia Department of Accounts website, www.doa.state.va.us. Click on the EDI button on the left side of your screen. These forms can be faxed to the General Account Unit, Virginia Department of Account General Accounting, at (804) 225-4250 or mailed to P. O. Box 1971, Richmond, VA 23215-1971. Call 804-225-3164 if you have any questions.

If the amount received is higher than the amount requested, there is probably a second or third non-CDBG transfer being made at the same time. Each Grantee should be receiving a “remittance advice” for each component of the transfer and these could be used to reconcile the total transfer.

If the transfer is for an amount less than requested, in most cases, the Department of Taxation has captured all or part of the transfer within the Debt Off-Set program. In other words, your locality was showing on their list as owing the state money, and the CDBG transfer was captured to fulfill that debt.

Please note that the full amount of the CDBG drawdown must be deposited. Should all or part of a drawdown go to satisfy an outstanding obligation with the state, the locality must make up the difference out of their own funds, or be subject to an interest penalty.

***** Be sure to check the DOA website regularly for updated EDI-related forms and information. Remember to refresh your screen to get the most recent version. Remember to resubmit the *Trading Partner EDI Notification of Change* form if your banking information changes. This form must be submitted fifteen (15) days in advance of any changes.

CERTIFICATION OF SIGNATURES AND ADDRESS

RE: CDBG COMMUNITY IMPROVEMENT GRANT # _____

_____, being first duly sworn, does hereby certify that _____ is the Chief Executive Officer of _____ and that only the following named individuals are authorized to sign requests for CDBG Community Improvement Grant funds from the Department of Housing and Community Development, Project Management Office:

Name (please type)

Signature

Name (please type)

Signature

The affiant does further state that all payments made by the Department of Housing and Community Development pursuant to CDBG Community Improvement Grant # _____ should be made only to the named payee and address below, which payee the affiant hereby certifies to be authorized to receive such funds at the address below:

PAYEE (Grantee): _____

Address: _____

City, State, Zipcode: _____

CERTIFIED by:

Signature of Chief Executive Officer

Title

The Federal Identification Number (FIN) for this account is: _____ - _____. Sworn and subscribed before me, a Notary Public, in and for the Commonwealth of Virginia, this _____ day of _____, 200_____.

SIGNATURE: _____
Notary Public

My commission expires: ____/____/____ Registration number: _____

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Explanation of Form

During the course of the project, revisions to the Project Budget may be necessary. All such revisions require DHCD's prior written approval. A budget revision must include the following:

- The Chief Administrative Official who executed the CDBG Grant Agreement sends a letter to DHCD requesting the Budget Revision and explaining why it is necessary and how it impacts the contract's benefits and products;
- The proposed revised Project Budget that reflects the desired changes and is signed by the Official. See Appendix 3 for a copy of the project budget form; and
- A completed *Budget Revision Worksheet* as shown on the next page.
 - The Grant Administrator must modify the form's Budget Line Item column so it shows the same activities and line items as found on the current and proposed Project Budget; and
 - The remaining columns must show all proposed changes to the CDBG and non-CDBG budgets.



Call your DHCD Community Representative if you desire an Excel copy of the worksheet.

- After DHCD reviews the proposed revised Project Budget, it will send to the Grantee its concurrence or a request for additional information.
- Once approved, the Grantee must place a copy of all of the paperwork in the Grantee's Grant Administration project file.

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Budget Revision Worksheet

BUDGET LINE ITEM	Current CDBG	Proposed CDBG	+/- Change CDBG	Current Non-CDBG	Proposed Non-CDBG	+/- Change Non-CDBG
ADMINISTRATION						
Execution of DHCD Contract						
Execution of Project Contract						
Contract Monitoring						
Construction Completion						
Compliance Reviews						
Monthly Status Reports						
Administrative Project Closeout						
Subtotal						
INTERIM ASSISTANCE						
PERMANENT RELOCATION						
Owner-Occupied Households						
Renter-Occupied Households						
Relocation Specialist						
Subtotal						
ACQUISITION (Land/Improvements but not any easements)						
CLEARANCE & DEMOLITION						
HOUSING REHABILITATION						
Owner-Occupied Construction						
Renter-Occupied Construction						
Rehabilitation Specialist						
Temporary Relocation						
HMEP						
Subtotal						
SUBSTANTIAL RECONSTRUCTION						
Clearance & Demolition						
Owner-Occupied Construction						
Rehabilitation Specialist						
Temporary Relocation						
HMEP						
Subtotal						
HOMEOWNERSHIP CREATION						
SEWER						
Architect/Engineer/Design						
Inspection						
Acquisition (Easements Only)						
Temporary Relocation						
Construction/Improvements						
Subtotal						
WATER						
Architect/Engineer/Design						
Inspection						
Acquisition (Easements Only)						
Temporary Relocation						
Construction/Improvements						
Subtotal						
STREETS						
Architect/Engineer/Design						
Inspection						
Acquisition (Easements Only)						
Temporary Relocation						
Construction/Improvements						
Subtotal						
TOTAL						

Contract Document Guide for CDBG-Funded Construction Contracts

This Guide may be used to prepare construction bid and contract documents. Attached to the Guide are samples of model and required contract documents.

The purpose of this Guide is to assist CDBG Grant recipients in the preparation of contract documents for construction activities. While portions of the material are advisory, certain portions, due to various statutory requirements, **MUST** be adopted verbatim.

The Guide incorporates the provisions of HUD regulation 24 CFR Part 85, and the provisions of the Virginia Public Procurement Act, as amended. When State and Federal requirements address the same issue, the more stringent requirement must be met.

The purpose of the sample language included in this Appendix is to convey the intent of the requirements. Thus, a Grantee may use its own language, provided the intent of the requirement is met. A word of caution--whenever one section of the Guide is modified or deleted, it may affect one or more other sections.

The Grantee and its attorneys are responsible for assuring that the contract documents as issued comply with the Grant Agreement, 24 CFR Part 85, the Virginia Public Procurement Act, and Federal, State and local laws, regulations and procedures.

A. Issues to be Addressed in Developing an Invitation To Bid

Each of the following issues will need to be addressed by the Grantee prior to the Invitation to Bid. While the design consultants may address these issues, it is the responsibility of the Grantee to ensure compliance with the applicable requirements.

1. Formal Advertising, Sealed Bids and Public Opening

Under the Virginia Public Procurement Act (Section 11-41.1), formal advertising and sealed bids are required for construction contracts in excess of \$50,000. The Virginia Public Procurement Act (Section 11-37) states that public notice of the Invitation to Bid must be given at least ten days prior to the date set for receipt of bids; 24 CFR Part 85 also requires that all bids be opened publicly at the time and place stated in the Invitation to Bid.

2. Withdrawal of Bid Due to Error

One of the two procedures stated in Section 11-54 of the Virginia Public Procurement Act MUST be selected and stated in the advertisement.

3. Contract Pricing Arrangements

The following requirements **MUST** be met: (1) The contract must be a firm-fixed-price contract (lump sum or unit prices); and (2) The cost plus percentage of cost and percentage of construction cost method of contracting shall not be used.

4. Location of Contract Documents

Bidders **MUST** be made aware of where the plans and specifications can be obtained and whether a deposit is required and, if required, whether any portion will be refunded.

5. Bid Guarantee

A bid guarantee, or bid bond, is required for all construction projects with bids greater than \$100,000. Terms of the bid guarantee **MUST** be cited or referenced in the Invitation to Bid (See Section 11-57 of the Virginia Public Procurement Act).

6. Pre-Bid Conference

A pre-bid conference is optional, but highly recommended.

7. Prequalification of Bidders

Section 11-46 of the Virginia Public Procurement Act states, "Prospective contractors may be pre-qualified for particular types of supplies, services, insurance, or construction, and consideration of bids or proposals limited to pre-qualified contractors. Any prequalification procedure shall be established in writing and sufficiently in advance of its implementation to allow potential contractors a fair opportunity to complete the process." Section 11-37 provides "... unless the public body has provided for prequalification of bidders, the Invitation to Bid shall include a statement of any requisite qualifications of potential contractors"

HUD regulation 24 CFR Part 85 requires Grantees to "make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources." Consistent with this standard of making awards only to responsible contractors, Grantees **MUST** either pre-qualify prospective contractors **OR** qualify potential contractors during the bid process (the latter method is included in the Sample Invitation To Bid).

8. Contractor License/Registration

Under Title 54.1, Chapter 11 of the Code of Virginia, bidders must be licensed as a Class A contractor or registered as a Class B contractor in the Commonwealth of Virginia per the following definitions under Section 54.1-1100:

- a. Class A Contractors - "perform or manage construction, removal, repair, or improvements when (i) the total value referred to in a single contract or project is \$70,000 or more, or (ii) the total value of all such construction, removal, repair or improvements undertaken by such person within any twelve-month period is \$500,000 or more."
- b. Class B Contractors - "perform or manage construction, removal, repair or improvements when (i) the work performed in such contract is \$1,500 or more, and when the total value referred to in a single contract or project is less than \$70,000,, or (ii) the work is for the purpose of landscape irrigation or constructing a water well to reach groundwater as defined in Section 62.1-255 regardless of contract or project amount."

Section 54.1-1112 states, "All architects and engineers preparing plans and specifications for work to be contracted in Virginia shall include in their invitations to the bidder and in their specifications a reference to this chapter so as to convey to the invited bidder prior to the consideration of the bid (i) whether such person is a resident or nonresident of this Commonwealth, (ii) whether the proper license has been issued to the bidder, and (iii) the information required of the bidder to show evidence of the proper licensure under the provisions of this Chapter."

9. Federal Requirements

Bidders and contractors performing work under this Invitation to Bid are bound, wherever applicable, by the requirements of:

- a. President's Executive Order 11246 as amended by Executive Order 11375;
- b. Title VI of the Civil Rights Act of 1964, as amended;
- c. Section 109 of The Housing and Community Development Act of 1974, as amended;
- d. Section 3 of the Housing and Urban Development Act of 1968;
- e. Immigration Reform and Control Act of 1986
- f. Davis-Bacon Act;
- g. Copeland Anti-Kickback Act;
- h. Contract Work Hours and Safety Standards Act.

10. Erosion Control

If construction will result in a land-disturbing activity, the Grantee should consult Title 10.1, Chapter 5, Article 4 Erosion and Sediment Control Law of the Code of Virginia to determine whether the activity is exempt from erosion control requirements. Unless the activity meets the exemption criteria of Title 10.1, erosion control measures are required for land-disturbing activities in excess of 10,000 square feet. Exemptions include any lot or parcel of land of 10,000 square feet or less used for residential purposes or to shorelines where the erosion results from wave action or other coastal processes.

NOTE: the Grantee may have stricter erosion control regulations which must be complied with.

It is desirable to alert the bidder when erosion control measures are required; although there is no requirement that this be done in the Invitation to Bid.

11. Negotiation with Lowest Responsible Bidder

Section 11-53 of the Virginia Public Procurement Act provides in part that "such negotiation may be undertaken only under conditions and procedures described in writing and approved by the public body prior to issuance of the Invitation to Bid and summarized therein." For more discussion of this issue see Part B of this Appendix, "Developing Instructions For Bidders," Item 11, "Award of Contract."

12. On Site Project Sign

The contractor must erect a Project Identification Sign at the construction site to identify locality, project name, engineer, contractor, and the Virginia Department of Housing & Community Development by name, logo and amount of funding. Specifications for this sign are included with the required contract inserts transmitted by DHCD along with the wage-decision.

B. Developing Instructions for Bidders

INSTRUCTIONS: THIS GUIDE CONTAINS TWO TYPES OF INSTRUCTIONS TO BIDDERS. THE FIRST INCLUDES THOSE THAT ARE CONSIDERED GOOD CONTRACTUAL PROVISIONS, AND THE SECOND INCLUDES THOSE THAT COMPLY WITH STATE OR FEDERAL REQUIREMENTS. Concerning the latter, the requirements are stated first and then sample wording follows. SINCE ALL OF THESE SECTIONS BECOME AN ESSENTIAL PART OF THE CONTRACT DOCUMENTS, IT IS IMPORTANT THAT EACH SECTION BE APPROPRIATELY ADDRESSED WHEN THE GRANTEE DEVELOPS ITS INSTRUCTIONS FOR BIDDERS.

1. Addenda and Interpretations

Requirements: Section 11-50 of the Virginia Public Procurement Act provides that "Every public body awarding Public contracts shall establish procedures whereby comments concerning specifications or other provisions in Invitations to Bid or Requests for Proposal can be received and considered prior to the time set for receipt of bids or proposals or award of the contract." This section does not, however, apply to towns with a population of less than 3,500. Nevertheless, to meet the Federal requirement that the procurement system be "fair," ALL Grantees MUST comply with Section 11-50 of the Virginia Public Procurement Act.

SAMPLE

No oral interpretation will be made to any BIDDER as to SPECIFICATIONS or any other part of the CONTRACT DOCUMENTS. Every request for such an interpretation shall be made in writing addressed to _____ at _____

and to be given consideration must be received at least seven days prior to the date fixed for opening of bids. Every interpretation made to a BIDDER will be in the form of an Addendum to the CONTRACT DOCUMENTS, and when issued, will be on file in the office of the PUBLIC BODY and the office of the ENGINEER, at least five days before bids are opened. All ADDENDA will be mailed to each person holding CONTRACT DOCUMENTS, but it shall be the BIDDER'S responsibility to make inquiry as to the ADDENDA issued. All such ADDENDA shall become part of the CONTRACT and all BIDDERS shall be bound by such ADDENDA, whether or not received by the BIDDERS.

2. Inspection of Site and Conditions of Work

SAMPLE

BIDDERS should visit the site of the proposed PROJECT and become fully acquainted with the pertinent local conditions such as location, accessibility and general character of the site or building, and the character and extent of existing work within or adjacent to the site. BIDDERS should thoroughly examine the DRAWINGS, SPECIFICATIONS, and all other CONTRACT DOCUMENTS. Claims, as a result of failure to do so, will not be considered by the PUBLIC BODY.

3. Time for Completion

- a. "TIME FOR COMPLETION" means the number of consecutive days following the receipt of a Notice to Proceed which the CONTRACTOR has to complete the WORK.
- b. There are two methods by which the time for completion may be determined:
 - (1) The Grantee may designate the time for completion in the specifications or other pre-bid documents.
 - (2) The Grantee may request that bidders submit with their bids, on the Form of Proposal or separately, an estimated time for completion. This estimated time for completion shall be a reasonable time within which each bidder thinks he can complete the work. The purpose for allowing bidder to submit estimated time of completion is to encourage lower bids by allowing bidders to compute a bid based upon an efficient use of equipment, personnel, and other assets during construction. It is also intended, however, that work shall proceed continuously and with reasonable rapidity once the Notice to Proceed is given.

Therefore, bids containing estimated times of completion which are unreasonably long may be eliminated from consideration as being unresponsive. The contract shall be awarded to the responsible bidder having the lowest dollar bid, subject to the provisions of Part B of this Section, Item 11 Award of Contract. No consideration will be given to the fact that one or more higher bidders may have submitted a shorter estimated time of completion than the low dollar bidder. Nor will the amount of the dollar bid of any bidder be adjusted in any way to give credit for having a shorter estimated time of completion than any other bidder or bidders, even in situations where liquidated damages will be assessed for late completion. When bidders are requested to submit estimated times of completion, the Grantee and the successful low bidder shall agree upon a time for completion. The time agreed upon may be shorter, but in no case longer, than the successful low bidder's estimated time of completion.

- c. In all cases, whether the time for completion was determined by either of the two methods, described above in this section, the time for completion shall be entered in the Form of Agreement and shall become a binding part of the contract upon which the Grantee may rely in planning the use of the facilities to be constructed and for all other purposes. (For simplicity the time for completion should be converted to a date of completion.) If the contractor shall fail to complete the work within the time for completion set forth in the contract, he shall be subject to payment of actual damages incurred by the Grantee or liquidated damages, if provided for in the contract.

4. Qualifications of Bidders

Requirements: Prospective contractors may be pre-qualified for particular types of supplies, services, insurances or construction with consideration of bids being limited to pre-qualified contractors. Requirements are in Part A of this section "Issues to be Addressed in Developing an Invitation to Bid."

SAMPLE

Each BIDDER shall upon request of the PUBLIC BODY submit on the form furnished for that purpose (a copy of which is included herein), a statement of the BIDDER'S qualifications, his experience record in constructing the type of improvements embraced in the CONTRACT, his organization and equipment available for the WORK contemplated. The PUBLIC BODY shall have the right to take such steps as it deems necessary to determine the ability of the BIDDER to perform his obligation under the CONTRACT and the BIDDER shall furnish the PUBLIC BODY all such information and data indicated on the form. The right is reserved to reject any BID where an investigation of the available evidence or information does not satisfy the PUBLIC BODY that the BIDDER is qualified to carry out properly the terms of the CONTRACT.

5. Preparation and Submission of Bids

Requirements: The bidder certification concerning equal employment opportunity is a federal requirement. The certification regarding debarment by an agency of the Commonwealth is a DHCD requirement. The State requirement concerning contractor license/registration is found under Part A of this section, "Issues To Be Addressed In Developing An Invitation To Bid", Item 8, "Contractor License/Registration."

SAMPLE

(Items a through e are one sample.)

- a. Bids shall be submitted in duplicate on the forms furnished, or copies thereof, and shall be signed in ink. Erasures or other changes in a BID must be explained or noted over the signature of the BIDDER. BIDS containing any conditions, omissions, unexplained erasures, alterations or items not called for in the proposal, or irregularities of any kind, may be rejected by the PUBLIC BODY as being incomplete.
- b. Each BID must give the full business address of the BIDDER and be signed by him with his usual signature. BIDS by partnerships must furnish the full name of all partners and must be signed in the partnership name by one of the members of the partnership or an authorized representative, followed by the signature and designation of the person signing. BIDS by corporations must be signed with the legal name of the corporation followed by the name of the state in which they are incorporated and by the signature and designation of the president, secretary or other person authorized to bind it in the matter. The name of each person signing shall also be typed or printed below the signature. A BID by a person who affixed to his signature the word "President," "Secretary," "Agent," or other designation without disclosing his principal, may be held to be the BID of the individual signing. When requested by the PUBLIC BODY, satisfying evidence of the authority of the officer signing in behalf of the corporation shall be furnished.
- c. Each BID must be accompanied by a Certification of Contractor/Subcontractor Regarding Equal Employment Opportunity, and Certification of Bidder Regarding Debarment By Agency of the Commonwealth of Virginia.

BIDS with the BID GUARANTEE shall be enclosed in a sealed envelope which shall be marked and addressed as indicated by the advertisement. If a CONTRACT is for seventy thousand dollars (\$70,000) or more, or if the total value of all construction, removal, repair or improvements undertaken by the BIDDER within any twelve-month period is five hundred thousand dollars (\$500,000) or more, the BIDDER is required under Title 54, Chapter 11, Code of Virginia (1950), as amended, to be licensed as a "Class A Contractor." If a CONTRACT is fifteen hundred dollars (\$1,500) or more but less than seventy thousand dollars (\$70,000), the BIDDER is required to be registered as a "Class B Contractor." The BIDDER shall place on the outside of the envelope containing the BID and shall place in the BID over his signature whichever of the following notations is appropriate, inserting his contractor license or registration number:

Licensed Class A Virginia Contractor
No. _____
Registered Class B Virginia Contractor
No. _____

If the BIDDER shall fail to provide this information on his BID or on the envelope containing the BID and shall fail to promptly provide said information to the PUBLIC BODY in writing when requested to do so before or after the openings of BIDS, he shall be deemed to be in violation of Section 54.1-1112 of the Code of Virginia (1950), as amended, and his BID will not be considered.

If CONTRACT is less than \$1,500, licensure is not required under Title 54, Chapter 11, Code of Virginia (1950), as amended; registration as a Class B contractor is required only if work is for land irrigation or construction of a water well to reach groundwater.

- d. The PUBLIC BODY reserves the right to disqualify any contractor and refuse to accept the BID of any BIDDER which has been convicted, or entered a plea of guilty or nolo contendere in any federal or state court to any charge involving any unlawful, corrupt or collusive practice involving a public contract either federal, state, or local, or which has been determined in any judicial proceeding to have violated any antitrust bid-rigging or collusive practice statutes in connection with any public contract, or against whom such formal criminal prosecution or other judicial proceeding has been initiated.

6. Bid Bond

Requirements (for bids not exceeding \$100,000): All bids for construction contracts in excess of \$25,000, but not exceeding \$100,000 should be accompanied by a bid bond from a surety company selected by the bidder which is legally authorized to do business in Virginia. The amount of the bid bond should not exceed five percent of the amount bid. The alternative forms of security provided in Section 11-61 of the Virginia Public Procurement Act are acceptable.

Requirements (for bids exceeding \$100,000): Section 11-57 of the Virginia Public Procurement Act requires that all bids for construction contracts in excess of \$100,000 MUST be accompanied by a bid bond from a surety company selected by the bidder which is legally authorized to do business in Virginia, as a guarantee that if the contract is awarded to such bidder, that bidder will enter into the contract for the work mentioned in the bid. The amount of the bid bond shall not exceed five percent of the amount bid. The alternative forms of security provided in Section 11-61 of the Virginia Public Procurement Act are acceptable provided that approval shall be only upon a determination that the alternative form of security proffered affords protection to the public body equivalent to a corporate surety's bond.

SAMPLE

(Items a, b, and c are one sample.)

- a. Any BID exceeding one-hundred thousand dollars (\$100,000) shall be accompanied by a bid bond from a surety company selected by the BIDDER which is legally authorized to do business in Virginia in the amount of five percent (5%) of the amount of the bid. In lieu of a bid bond, a BIDDER may furnish a certified check or cash escrow in the face amount required for the bond. Such bid guarantee shall be submitted with the understanding that it shall guarantee that the BIDDER will not withdraw his bid during the period of (30-60-90) days following the opening of BIDS; that if his BID is accepted, he will enter into a formal CONTRACT with the PUBLIC BODY in accordance with the Form of Agreement included as a part of the CONTRACT DOCUMENTS, and that the Standard Performance Bond and the Standard Labor and Material Payment Bond will be given. In lieu of a performance bond or a payment bond, a BIDDER may furnish a certified check or cash escrow in the face amount required for the bond. If approved by the attorney of (name of political subdivision) after determining that the alternate form of security proffered affords protection to the (name of political subdivision)'s equivalent to a corporate surety's bond, a bidder may furnish a personal bond, property bond, or bank or savings and loan association's letter of credit on certain designated funds in the face amount required for the bid, payment or performance bond. And further, that in the event of the withdrawal of said BID within said period, or failure to enter into said CONTRACT and give said bonds within ten (10) days after he has received notice of acceptance of his BID, the BIDDER shall be liable to the PUBLIC BODY for the lesser of (i) the difference between the BID for which the bond was written and the next low BID, or (ii) the face amount of the bid bond. This amount represents the damage to the PUBLIC BODY on account of the default of the BIDDER in any particular hereof.
- b. The bid guarantees will be returned to all except the three lowest BIDDERS after the formal opening of bids. The remaining bid guarantees will be returned after the PUBLIC BODY and the accepted BIDDER(S) have executed the CONTRACT and the Performance Bond and the Payment Bond have been delivered to the PUBLIC BODY.
- c. If the required CONTRACT and bonds have not been executed within (30-60-90) days after the date of the opening of the BIDS, then the bid guarantee of any BIDDER will be returned upon his request, provided he has not been notified of the acceptance of his BID prior to the date of such request.

7. Receipt and Opening of Bids

- a. It is the responsibility of the BIDDER to assure that his BID is delivered to the place designated for receipt of bids and prior to the time set for receipt of bids. NO BIDS received after the time designated for receipt of bids will be considered.
- b. BIDS will be opened at the time and place stated in the advertisement, and their contents made public for the information of BIDDERS and others interested who may be present either in person or by representative. The officer or agent of the Grantee, whose duty it is to open them, will decide when the specified time has arrived. No responsibility will be attached to any officer or agent for the premature opening of a BID not properly addressed and identified.

8. Errors in Bids

Requirements: Under Section 11-54 of the Virginia Public Procurement Act, a bidder may withdraw his bid if the price bid was substantially lower than the other bids due solely to a mistake, therein, provided the bid was submitted in good faith, and the mistake was a clerical one as opposed to a judgment mistake and was due to an unintentional arithmetic error or an unintentional omission of a quantity of work, labor or material made in the compilation of the bid, which unintentional arithmetic error or intentional omission can be clearly shown by objective evidence drawn from inspection of original work papers, documents and materials used in the preparation of the bid sought to be withdrawn. The Grantee **MUST** select one of two procedures, as set forth under Section 11-54, and **MUST** state the chosen procedure in the advertisement for bids. Under procedure (ii) for the withdrawal of bid due to error, the bidder must submit his original work papers, documents and materials used in the preparation of the bid within one day after the fixed date for submission of bids and at or prior to the time fixed for bid openings either in person or by registered mail. Under this procedure, the bids shall be opened one day following the time fixed by the public body for the submission of bids. Thereafter, the bidder shall have two hours after the opening of bids within which to claim in writing any mistake as defined in the Code of Virginia [Section 11 - 54] and withdraw his bid. Under procedure (ii), the contract shall not be awarded by the public body until the two-hour period has elapsed. The proof of such mistake shall be proved only from the original work papers, documents and materials as delivered.

Under procedure (i) the bidder shall give notice in writing of his claim of right to withdraw his bid within two business days after the conclusion of the bid opening procedure. Under procedure (ii) the Grantee must hold bids for a period of one day before opening. Under procedure (i) the bids are accepted and immediately opened and publicly read allowed at the stated time bids are due. Consequently, procedure (i) is strongly recommended and included as the sample.

SAMPLE

The BIDDER (for a public construction contract, other than a contract for construction or maintenance of public highways), must submit to the PUBLIC BODY or designated official his original work papers, documents, and materials used in the preparation of the BID within two day after the conclusion of the bid opening procedure. Such work papers must be in an envelope or package separate and apart from the envelopes containing the BID and marked clearly as to the contents and shall be delivered by the BIDDER in person or by registered mail. Such mistake must be clerical as opposed to judgmental and actually due to an unintentional arithmetic error or an unintentional omission that can be clearly shown by objective evidence drawn from inspection of original work papers, documents and materials used for the preparation of the bid sought to be withdrawn.

Failure of a BIDDER to submit his original work papers, documents and materials used in the preparations of his BID at the time, date and place required shall constitute a waiver by the BIDDER of his right to claim any mistake in his BID.

No bid may be withdrawn due to error when the result would be the awarding of the contract on another BID of the same BIDDER or of another BIDDER in which the ownership of the withdrawing BIDDER is more than five percent (5%).

If a bid is withdrawn due to error, the lowest remaining bid shall be deemed to be the low bid. No bidder who is permitted to withdraw a BID shall, for compensation, supply any material or labor to or perform any subcontract or other work agreement for the person or firm to whom the CONTRACT is awarded or otherwise benefit, directly or indirectly, from the performance of the PROJECT for which the withdrawn BID was submitted.

If the public body denies the withdrawal of a bid under the provisions of section 11-54 of the Code of Virginia, it shall notify the bidder in writing stating the reasons for its decision and award the contract to such bidder at the bid price, provided such bidder is a responsible bidder.

9. Cancellation, Rejection of Bids; Waiver of Informalities

Requirements: Section 11-42 of the Code of Virginia which is consistent with 24 CFR Part 85. Reasons for cancellation or rejection must be made part of the contract file.

SAMPLE

The PUBLIC BODY reserves the right to waive informalities in bids and to cancel or reject any and all bids.

10. Award of Contract

Requirements: Federal requirements prohibit making an award to contractors or subcontractors who are debarred by the Department of Labor or the Department of Housing and Urban Development or who are not in compliance with the Equal Employment Opportunity requirements. The Virginia Department of Housing and Community Development prohibits awards to contractors or subcontracts who are debarred by an agency of the Commonwealth of Virginia.

Both State and Federal requirements provide that a responsive bid from the lowest responsible bidder shall receive the award. However, negotiation with the lowest responsible bidder is acceptable to both levels of government WHEN the Invitation to Bid specifies the conditions. Section 11-53 of the Virginia Public Procurement Act provides, "unless cancelled or rejected, a responsive bid from the lowest responsible bidder shall be accepted as submitted, except that if the bid from the lowest responsible bidder exceeds available funds, the public body may negotiate with the apparent low bidder to obtain a contract price with available funds; however, such negotiation may be undertaken only under conditions and procedures described in writing and approved by the public body prior to issuance of the Invitation to Bid and summarized therein."

When negotiation is not provided for, bids are non-negotiable. That is, when the lowest bid exceeds the dollars allocated for construction, the Grantee CANNOT negotiate with the low bidder so as to bring the contract within the available funds. To avoid bids exceeding available funds that would necessitate re-advertising, the bid proposal can be so structured that selected items are bid separately and can be deducted, if needed.

SAMPLE - (Negotiation)

Unless cancelled or rejected, the responsive BID from the lowest responsible BIDDER shall be accepted as submitted, except that if the BID from the lowest responsible BIDDER exceeds available funds, the PUBLIC BODY or designated official may negotiate with the apparent low BIDDER to obtain a contract within available funds. However, such negotiation may occur only when the low responsive and responsible BID does not exceed the available funds by more than five (5) percent and such negotiated adjustment shall be based only upon eliminating independent deductive items specified in the Invitation to Bid.

Negotiation only upon eliminating deductive items, may, however, be more restrictive than the intent of Federal and State requirements. In addition to deductive items, what about negotiation with the lowest bidder to lower his bid or reduce unit price or reduction in scope of work? With respect to reduction in scope of work, Grantees should proceed with caution. Where bonds have been sold will the bond holder object and where an agency has given approval or issued a permit pursuant to a complete project, will the agency object to the reduction? In any event, negotiation is allowable ONLY when the conditions and procedures are described in writing and approved by the Grantee prior to issuance of the Invitation to Bid and summarized therein.

SAMPLE - (Negotiation)

Unless cancelled or rejected, if the lowest base responsive BID submitted by a responsible BIDDER does not exceed the amount of funds available, the contract will be awarded on the base bid only. In the event such bid exceeds the amount of funds available, the PUBLIC BODY may consider the deductive items, in the order listed, and apply to all bidders to determine the lowest base responsive BID submitted by a responsible BIDDER.

NOTE: The second sentence in the above sample for non-negotiation applies ONLY when deductive items are called for in the specifications.

NOTE: In listing deductive items, whether under negotiation or non-negotiation, the order of listing has no universal meaning. The specifications should state the order of elimination desired. Furthermore, there is no law or regulation that prohibits the Grantee from reserving the right of not accepting any deduction they choose not to accept, provided such right is stated in the Invitation to Bid or Instructions for Bidders.

11. Additional Language Required Regardless of Whether Negotiation or Non-Negotiation Occurs:

- a. The PUBLIC BODY is prohibited from making an award to contractors or approving an award to subcontractors for any contract/subcontract in excess of \$10,000 who are debarred by the United States Department of Labor, the Department of Housing and Urban Development or by an agency of the Commonwealth of Virginia, or who are not in compliance with the Federal Equal Employment Opportunity requirements.
- b. Approval of a proposed subcontract award cannot be given by the PUBLIC BODY unless and until the proposed subcontractor has submitted the Bidder Compliance Statement, Certification Regarding Equal Employment Opportunity, and a Certification of Bidder Regarding Debarment By Agency of the Commonwealth of Virginia, subject to the provisions of #11a, above. Although the BIDDER is not required to attach such Certifications by proposed subcontractors to his BID, the BIDDER is herein advised of these requirements so that appropriate action can be taken to prevent subsequent delay in subcontract awards.

C. Form For Bid Proposal

The form for the bid proposal is to be developed by the Public Body. The form should be consistent with the language provided in PART B of this section, "Developing Instructions For Bidders," Item 5, "Preparation and Submission of Bids."

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I. SAMPLE CONTRACT DOCUMENTS FOR CDBG-FUNDED CONSTRUCTION CONTRACTS

INDEX

- CD - 1. Sample Invitation To Bid - Option Number 1
- CD - 2. Sample Invitation To Bid - Option Number 2
- CD - 3. Sample Bid Bond
- CD - 4. Sample Certification of Bidder Regarding Debarment by Agency of the Commonwealth of Virginia
- CD - 5. Sample Agreement
- CD - 6. Sample Standard Labor and Material Payment Bond
- CD - 7. Sample Standard Performance Bond

II. REQUIRED CONTRACT DOCUMENTS (“Goldenrod Inserts”) INCLUDE:

- CD - 8.1 General Conditions - Part I required for all construction contracts except housing rehabilitation of less than 8 units.
- CD - 8.2 General Conditions - Part II (Required of all contracts for construction except housing rehabilitation of less than 8 units.
- CD - 8.3 General Conditions - Part III (Required under certain construction contracts.)



Call your DHCD Community Representative for a copy of the current “Goldenrod Inserts.”

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Invitation to Bid Option Number 1

Applies when Procedure (i) is used for withdrawal of bid due to error, when erosion control measures are not required, and a pre-bid conference is not desired.

Sealed bids in duplicate for the _____
_____ at _____
_____ will be received at the office of
_____ until _____ o'clock, local prevailing time, on _____
and then publicly opened and read aloud. A bidder may withdraw his bid from consideration if the price bid was substantially lower than the other bids due solely to a mistake therein, provided the bid was submitted in good faith, and the mistake was a clerical mistake as opposed to a judgment mistake, and was actually due to an unintentional arithmetic error or an unintentional omission of a quantity of work, labor or material made directly in the compilation of a bid, which unintentional arithmetic error or unintentional omission can be clearly shown by objective evidence drawn from inspection of original work papers, documents and materials used in the preparation of the bid sought to be withdrawn. If a bid contains both clerical and judgment mistakes, a bidder may withdraw his bid from consideration if the price bid would have been substantially lower than the other bids due solely to the clerical mistake, that was an unintentional arithmetic error or an unintentional omission of a quantity of work, labor or material made directly in the compilation of a bid which shall be clearly shown by objective evidence drawn from inspection of original work papers, documents and materials used in the preparation of the bid sought to be withdrawn. Withdrawal of bids shall be according to procedure (i) of Section 11 54 of the Virginia Public Procurement Act.

The bidder shall give notice in writing of his claim of right to withdraw his bid within two business days after the conclusion of the bid opening procedure and shall submit original work papers with such notice. No bid may be withdrawn under this section when the result would be the awarding of the contract on another bid of the same bidder or of another bidder in which the ownership of the withdrawing bidder is more than five percent. If a bid is withdrawn under the authority of this section, the lowest remaining bid shall be deemed to be the low bid. No bidder who is permitted to withdraw a bid shall, for compensation, supply any material or labor to or perform any subcontract or other work agreement for the person or firm to whom the contract is awarded or otherwise benefit, directly or indirectly, from the performance of the project for which the withdrawn bid was submitted. If the public body denies the withdrawal of a bid under the provisions of this section, it shall notify the bidder in writing stating the reasons for its decision and award the contract to such bidder at the bid price, provided such bidder is a responsible and responsive bidder.

Contract is to be awarded on a _____ basis.
Contract documents, including Instructions for Bidders, drawings and specifications, may be examined at the following locations:
_____.

Contract documents may be obtained from _____ upon deposit for \$_____ for each set. Deposits will be refunded to each actual bidder upon return of the documents in good condition within fifteen (15) days after bid opening.

Bids must be accompanied by a bid guarantee as specified in the Instructions for Bidders.

Qualifications of bidders will be required as detailed in the Instructions for Bidders. Details include: contracts on hand (amount of each contract and anticipated dates of completion), major equipment available for this contract, experience in construction similar to this project, credit available, and default on previous contracts or failure to complete any work awarded.

Bidders must be licensed as a Class A contractor or registered as a Class B contractor in the Commonwealth of Virginia. The bidder's attention is directed to the Code of Virginia Chapter 11, Title 54.1 (Chapter 11) "Contractors".

This is a federally assisted project. Bidders and contractors performing work under this advertisement are bound by the requirements of President's Executive Order 11246 as amended by Executive Order 11375; Title VI of the Civil Rights Act of 1964; Section 109 of Title 1 of the Housing and Community Development Act of 1974, as amended; Section 3 of the Housing and Urban Development Act of 1968; the Immigration Reform and Control Act of 1986; the Davis-Bacon Act; the Copeland "Anti Kickback" Act; the Contract Work Hours and Safety Standards Act; and Public Law 100 202. The bidder's attention is called to the "Equal Opportunity Clause" and the goals and timetables for minority and female participation in each trade and to the fact that not less than minimum wages set forth in the contract documents must be paid.

By: _____ (*Public Body*)

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Invitation To Bid Option Number 2

Applies when Procedure (ii) is used for withdrawal of bid due to error, when negotiation may be permitted, when erosion control measures are required, and pre-bid conference is used.

Sealed bids in duplicate for the _____
_____ at _____
will be received the office of _____ until _____
o'clock, local prevailing time, on _____. The bids will be publicly opened
and read aloud (no less than 24 hours after receipt of bids) at _____ o'clock, local
prevailing time, on _____.

A bidder may withdraw his bid from consideration if the price bid was substantially lower than the other bids due solely to a mistake therein, provided the bid was submitted in good faith, and the mistake was a clerical mistake as opposed to a judgment mistake, and was actually due to an unintentional arithmetic error or an unintentional omission of a quantity of work, labor or material made directly in the compilation of a bid, which unintentional arithmetic error or unintentional omission can be clearly shown by objective evidence drawn from inspection of original work papers, documents and materials used in the preparation of the bid sought to be withdrawn.

If a bid contains both clerical and judgment mistakes, a bidder may withdraw his bid from consideration if the price bid would have been substantially lower than the other bids due solely to the clerical mistake, that was an unintentional arithmetic error or an unintentional omission of a quantity of work, labor or material made directly in the compilation of a bid which shall be clearly shown by objective evidence drawn from inspection of original work papers, documents and materials used in the preparation of the bid sought to be withdrawn.

Withdrawal of bids shall be according to procedure (ii) of Section 11 54 of the Virginia Public Procurement Act. All bidders shall submit to the public body or designated official his original work papers, documents and materials used in the

preparation of the bid within one day after the date fixed for submission of bids (no less than 24 hours after receipt of bids). The work papers shall be delivered by the bidder in person or by registered mail at or prior to the time fixed for the opening of bids. In either instance, such work papers, documents and materials may be considered as trade secrets or proprietary information subject to the conditions of subsection D of § 11-52 of the Virginia Procurement Act. The bids shall be opened one day following the time fixed by the public body for the submission of bids. Thereafter, the bidder shall have two hours after the opening of bids within which to claim in writing any mistake as defined herein and withdraw his bid. The contract shall not be awarded by the public body until the two-hour period has elapsed. Such mistake shall be proved only from the original work papers, documents and materials delivered as required herein. Bidders who fail to submit their original work papers, documents, and materials used in the preparation of the bid, as provided herein, waive all rights to claim an error. No bid may be withdrawn under this section when the result would be the awarding of the contract on another bid of the same bidder or of another bidder in which the ownership of the withdrawing bidder is more than five percent. If a bid is withdrawn under the authority of this section, the lowest remaining bid shall be deemed to be the low bid. No bidder who is permitted to withdraw a bid shall, for compensation, supply any material or labor to or perform any subcontract or other work agreement for the person or firm to whom the contract is awarded or otherwise benefit, directly or indirectly, from the performance of the project for which the withdrawn bid was submitted. If the public body denies the withdrawal of a bid under the provisions of this section, it shall notify the bidder in writing stating the reasons for its decision and award the contract to such bidder at the bid price, provided such bidder is a responsible and responsive bidder.

Unless cancelled or rejected, the responsive bid from the lowest responsible bidder shall be accepted as submitted, except that if the bid from the lowest responsible bidder exceeds available funds, the Public Body or designated official may negotiate with the low bidder to obtain a contract within available funds. Negotiation will occur only when the low responsive and responsible bid does not exceed the available funds by more than 5 percent and will be based only upon eliminating independent deductive items specified in the invitation to bid. Contract is to be awarded on a _____ basis. Contract documents, including Instructions for Bidders,

drawings and specifications, may be examined at the following locations:

Contract documents may be obtained from _____
_____ upon deposit of \$_____ for each set. Deposits will be refunded to each actual bidder upon return of the documents in good condition within fifteen (15) days after bid opening.

Bids must be accompanied by a bid guarantee as specified in the Instructions for Bidders. A pre bid conference will be held on (time and date) in (or at) (location). Qualifications of bidders will be required as detailed in the Instructions for Bidders. Details include: contracts on hand (amount of each contract and anticipated dates of completion), major equipment available for this contract, experience in construction similar to this project, credit available, and default on previous contracts or failure to complete any work awarded. Bidders must be licensed as a Class A contractor or registered as a Class B contractor in the Commonwealth of Virginia. The bidder's attention is directed to the Code of Virginia Chapter 11, Title 54.1 (Chapter 11) "Contractors."

This is a federally assisted project. Bidders and contractors performing work under this advertisement are bound by the requirements of President's Executive Order 11246 as amended by Executive Order 11375; Title VI of the Civil Rights Act of 1964; Section 109 of Title 1 of the Housing and Community Development Act of 1974, as amended; Section 3 of the Housing and Urban Development Act of 1968; the Immigration Reform and Control Act of 1986; the Davis-Bacon Act; the Copeland "Anti Kickback" Act; the Contract Work Hours and Safety Standards Act; and Public Law 100 202. The bidder's attention is called to the "Equal Opportunity Clause" and the goals and timetables for minority and female participation in each trade and to the fact that not less than minimum wages set forth in the contract documents must be paid.

Construction shall comply with the requirements contained in the (*Locality's Name*) Erosion Control Manual (or the erosion control plan included as a part of the technical specifications).

(*Public Body*)

By:_____

Bid Bond

KNOW ALL MEN BY THESE PRESENTS: That (Here insert full name and address or legal title of Contractor), as Principal, and (Here insert full name and address or legal title of Surety), as Surety, are held and firmly bound unto the (Here insert name and address of Public Body), as Obligee, in the amount of _____ Dollars (\$_____) being FIVE PERCENT OF THE DOLLAR VALUE OF THE BID, for the payment whereof Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal has submitted a certain bid attached hereto and hereby made a part hereof to enter into a contract in writing for the _____

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Principal shall not withdraw his bid during the period of (30 60 90) days following the opening of bids, and if his bid is accepted enter into a formal contract in accordance with the Agreement included as a part of the Contract Documents and that the Standard Performance Bond and the Standard Labor and Material Payment Bond be given, then this obligation shall be void; otherwise it shall remain in full force and effect and the Principal and Surety will be liable to the Obligee for the lesser of (1) The difference between the bid for which the bond was written and the next low bid, or (2) The face amount of the bid bond.

Signed and sealed this _____ day of _____, 20__.

(Principal) Seal

(Witness)

By: _____
(Name and Title)

(Surety) Seal

Resident Virginia Agent

By: _____
(Attorney in Fact)

AFFIDAVIT AND ACKNOWLEDGMENT OF SURETY

STATE OF _____

_____ of _____, to wit:

I, _____, a notary public in and for the _____ aforesaid, in the State aforesaid, do certify that personally appeared before me in my aforesaid and made oath that he is _____ of the _____ that he is duly authorized to execute the foregoing bond by virtue of a certain power of attorney of said company, dated _____ and recorded in the Clerk's Office of the _____ of _____, in Deed Book No. _____, page _____, that said power of attorney has not been revoked; that the said company is legally qualified to do business in Virginia, and that the said _____ thereupon, in the name and on behalf of the said company, acknowledged the foregoing writing and its act and deed.

My term of office expires _____, 20__.

Given under my hand this _____ day of _____, 20__.

Notary Public

Registration Number

Certification of Bidder Regarding Debarment by Agency of the Commonwealth of Virginia

This is to certify that this person/firm/corporation has not been barred from bidding on contracts by any agency of The Commonwealth of Virginia, nor is this person/firm/corporation a part of any firm/corporation that has been barred from bidding on contracts by any agency of The Commonwealth of Virginia.

Name of Official

Title

Firm or Corporation

Date

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Agreement

THIS AGREEMENT, entered into as of this _____ day of _____, 20____, by and between _____ hereinafter called the "PUBLIC BODY" and _____ hereinafter called the CONTRACTOR.

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned:

1. The CONTRACTOR will commence and complete the construction of _____
_____.
2. The CONTRACTOR will furnish all of the materials, supplies, tools, equipment, labor, and other services necessary for the construction and completion of the PROJECT described herein.
3. The CONTRACTOR will commence the WORK required by the CONTRACT DOCUMENTS on or before a date to be specified in a written "NOTICE TO PROCEED" issued by the PUBLIC BODY and to complete the same within _____ consecutive calendar days thereafter unless the period for completion is extended otherwise by the CONTRACT DOCUMENTS. The CONTRACTOR further agrees to pay, as liquidated damages, the sum of \$_____ for each consecutive calendar day thereafter until the completion and acceptance of the WORK by the PUBLIC BODY as hereinafter provided in Section 25 of the General Conditions Part I.
4. The CONTRACTOR agrees to perform all of the WORK described in the CONTRACT DOCUMENTS and comply with the terms therein for the sum of \$_____, or as shown on the BID schedule.

5. The term "CONTRACT DOCUMENTS" means and includes the following:

- (A) Invitation to BID
- (B) Instructions for BIDDERS
- (C) BID
- (D) BID BOND (or other security)
- (E) Agreement
- (F) General Conditions Part I
- (G) General Conditions Part II
- (H) Special Conditions
- (I) Payment BOND (or other security)
- (J) Performance BOND (or other security)
- (K) NOTICE OF AWARD
- (L) NOTICE TO PROCEED
- (M) CHANGE ORDERS
- (N) DRAWINGS prepared by _____
numbered _____ through _____, and dated _____, 20__.
- (O) SPECIFICATIONS prepared or issued by _____
_____, dated _____, 20__.
- (P) ADDENDA:
No. _____, dated _____, 20__
_____, dated _____, 20__
_____, dated _____, 20__
_____, dated _____, 20__
_____, dated _____, 20__

6. The PUBLIC BODY will pay to the CONTRACTOR in the manner and at such times as set forth in the General Conditions Part I such amounts as required by the CONTRACT DOCUMENTS.

7. The CONTRACTOR will receive instructions from and issue WRITTEN NOTICES to the ENGINEER as set forth in the General Conditions Part I. The ENGINEER shall be designated as (Name of Project Engineer), the Project Engineer representing (Name of Engineering Firm), or an alternate or successor as designated and provided to the CONTRACTOR by WRITTEN NOTICE.
8. The CONTRACTOR will receive instructions from and issue written notices to the PUBLIC BODY as set forth in the General Conditions Part I and Part II. The authorized representative of the PUBLIC BODY shall be designated as (Name of Project Manager), the Project Manager, or an alternate or successor as designated and provided to the CONTRACTOR by WRITTEN NOTICE.
9. This Agreement shall be binding upon all parties hereto and their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF: The parties hereto have executed or caused to be executed by their duly authorized official, this agreement in (_____) copies each of which shall be deemed an original on the date first above written.

(Public Body):

 BY _____
 NAME _____
 TITLE _____

ATTEST:

 NAME _____
 TITLE _____

(Contractor):

 BY _____
 NAME _____
 ADDRESS _____

ATTEST:

 NAME _____
 TITLE _____

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Standard Labor and Material Payment Bond

THIS BOND IS ISSUED SIMULTANEOUSLY WITH THE PERFORMANCE BOND IN FAVOR OF THE OBLIGEE, CONDITIONED ON THE FULL AND FAITHFUL PERFORMANCE OF THE CONTRACT. KNOW ALL MEN BY THESE PRESENTS: That (Here insert full name and address or legal title of Contractor), as Principal, and (Here insert full name and address or legal title of Surety), as Surety, are held and firmly bound unto (Here insert full name and address or legal title of Public Body), as Obligee, for the use and benefit of claimants as herein below defined, in the amount of _____ Dollars (\$_____), for the payment thereof Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal has by written agreement dated _____, 20____, entered into a contract with Public Body for _____

_____ which contract is by reference expressly made a part of this bond. NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Principal shall promptly make payment to all claimants as hereinafter defined, for all labor and material used or reasonably required for use in the performance of the Contract, then this obligation shall be void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

1. A claimant is defined as one having a direct contract with the Principal or with a Subcontractor of the Principal for labor, material, or both, used or reasonably required for use in the performance of the Contract, labor and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental of equipment directly applicable to the Contract.

2. The above named Principal and Surety hereby jointly and separately agree with the Obligee that every claimant as herein defined, who has not been paid in accordance with the terms of the Contract before the expiration of a period of ninety (90) days after the date on which the last of such claimant's work or labor was done or performed, or materials were furnished by such claimant, may sue on this bond for the use of such claimant, prosecute the suit to final judgment for such sum or sums as may be justly due claimant, and have execution thereon. The Obligee shall not be liable for the payment of any costs or expenses of any such suit.
3. No suit or action shall be commenced hereunder by any claimant:
 - a. Unless claimant, other than having a direct contract with the Principal, shall have given written notice to any two of the following: the Principal, the Obligee, or the Surety above named, within ninety (90) days after such claimant did or performed the last of the work or labor, or furnished the last of the materials for which said claim is made, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were furnished, or for whom the work or labor was done or performed. Such notice shall be served by mailing the same by registered mail or certified mail, postage prepaid, in an envelope addressed to the Principal, Obligee or Surety, at any place where an office is regularly maintained for the transaction of business, or served in any manner in which legal process may be served in the state in which the aforesaid project is located, save that such service need not be made by a public officer.
 - b. After the expiration of one (1) year after the date of substantial completion it being understood, however, that if any limitation embodied in this bond is prohibited by any law controlling the construction hereof such limitation shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.
 - c. Other than in a state court of competent jurisdiction in and for the county or other political subdivision of the state in which the Project, or any part thereof, is situated, or in the United States District Court for the district in which the Project, or any part thereof, is situated, and not elsewhere.
4. The amount of this bond shall be reduced by and to the extent of any payment or payments made in good faith hereunder.

Signed and sealed this _____ day of _____, 20__.

(Principal) Seal

(Witness)

By: _____
(Name and Title)

(Surety) Seal

(Resident Virginia Agent)

By: _____
(Title)

AFFIDAVIT AND ACKNOWLEDGMENT OF SURETY

STATE OF _____

_____ of _____, to wit:

I, _____, a notary public in and for the _____ aforesaid, in the State aforesaid, do certify that _____ personally appeared before me in my _____ aforesaid and made oath that he is _____ of the _____ that he is duly authorized to execute the foregoing bond by virtue of a certain power of attorney of said company, dated _____, and recorded in the Clerk's Office of the _____ of _____ in Deed Book No. _____, page _____, that said power of attorney has not been revoked; that the said company is legally qualified to do business in Virginia, (and when the contract exceeds \$100,000), that the said company is listed in the latest issue of the U.S. Treasury Circular 570 and the penal sum is within the maximum specified for such company in said Circular 570; and that the said _____ thereupon, in the name and on behalf of the said company, acknowledged the foregoing writing as its act and deed.

My term of office expires _____, 20__.

Given under my hand this _____ day of _____, 20__.

Notary Public

Registration Number

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Standard Performance Bond

KNOW ALL MEN BY THESE PRESENTS: That (Here insert full name and address or legal title of Contractor), as Principal, and (Here insert full name and address or legal title of Surety), as Surety, are held and firmly bound unto the (Here insert name and address of Public Body), as Obligee, in the amount of _____ Dollars (\$_____), for the payment whereof Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS: Principal has by written agreement dated _____, 20____, entered into a contract with Public Body for _____ which contract is by reference expressly made a part of this bond.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if the Principal shall promptly and faithfully perform said Contract, then this obligation shall be null and void; otherwise it shall remain in full force and effect. Provided, that any alterations which may be made in the terms of the Contract, or in the work to be done under it, or the giving by the Obligee of any extension of time for the performance of the Contract, or any other forbearance on the part of either the Obligee or the Principal to the other shall not in any way release the Principal and the Surety, or either of them, their heirs, executors, administrators, successors or assigns from their liability hereunder, notice to the Surety of any such alterations, extension, or forbearance being hereby waived.

Signed and sealed this _____ day of _____, 20____.

(Principal) Seal

(Witness)

By: _____
(Name and Title)

(Surety) Seal

(Resident Virginia Agent)

By: _____
(Attorney in Fact)

AFFIDAVIT AND ACKNOWLEDGMENT OF SURETY

STATE OF _____

_____ of _____ to wit:

I, _____, a notary public in and for the _____ aforesaid, in the State aforesaid, do certify that _____ personally appeared before me in my aforesaid and made oath that he is _____ of the _____ that he is duly authorized to execute the foregoing bond by virtue of a certain power of attorney of said company, dated _____, and recorded in the Clerk's Office of the _____ of _____, in Deed Book No. _____, page _____, that said power of attorney has not been revoked; that the said company is legally qualified to do business in Virginia, (and when the contract exceeds \$100,000), that the said company is listed in the latest issue of the U.S. Treasury Circular 570 and the penal sum is within the maximum specified for such company in said Circular 570; and that the said _____ thereupon, in the name and on behalf of the said company, acknowledged the foregoing writing as its act and deed.

My term of office expires _____, 20____.
Given under my hand this _____ day of _____, 20____.

Notary Public

Registration Number

NOTICE OF AWARD

(Date)

TO: _____
(Successful Low Bidder)

ADDRESS:

PROJECT:

CONTRACT FOR:

You are hereby notified that your Bid dated _____, 20____
for the above referenced Contract has been considered. You are the apparent Successful
Low Bidder have been awarded a contract for

(Indicates Total Work, Alternates or Sections or Work Awarded)

The Contract Price of your contract is _____
_____ Dollars (\$))

You must comply with the following conditions precedent within fifteen days of the date
of this Notice of Award that is by _____, 200____.

1. You must deliver to the Owner ____ fully executed counterparts of the Agreement including all the Contract Documents. This includes the triplicate sets of Drawings. Each of the Contract Documents must bear your signature on *(the cover) (every page)* (pages _____).
2. You must deliver with the executed Agreement the Contract Security (Bonds) as specified in the Instructions to Bidders and/or General Conditions.
3. List other conditions and/or precedents.

Failure to comply with these conditions within the time specified will entitle OWNER to consider your bid in default, annul this Notice of Award and declare your Bid Security forfeited.

Within ten days after you comply with the above conditions, OWNER will return to you one fully signed counterpart of the Agreement with the Contract Documents attached.

By: _____
(Owner)

(Authorized Signature)

(Title)

ACCEPTANCE OF AWARD

By: _____

(Contractor)

(Authorized Signature)

(Title)

(Date)