

County of Santa Clara

Office of Affordable Housing

2310 North First Street, Suite 100
San Jose, California 95112
(408) 441-4254 FAX 441-4332



November 12, 2009

All Interested Organizations

Subject: **HOME PROGRAM
FISCAL YEAR 2010/2011
REQUEST FOR PROPOSAL (RFP)**

The County of Santa Clara has opened its application process for HOME funds for the Fiscal Year 2010/2011. The County anticipates receiving approximately \$873,000 for the HOME Program. The Cities of Campbell, Los Altos, Los Altos Hills, Los Gatos, Monte Sereno, Morgan Hill and Saratoga have joined with the County of Santa Clara to participate cooperatively as an Urban County to receive available CDBG and HOME funds. It is expected that approximately half of the HOME funds will be used for the County's First Time Homebuyer Program in keeping with the previous allocation. All recommendations are subject to review and approval by the HCD Advisory Committee and Board of Supervisors.

Enclosed please find: 1) the Application for Funding and the HOME Program Description; 2) the HOME Application Requirements for Fiscal Year 2010/2011; 3) the CDBG/HOME Project Acquisition and/or Construction Attachment; and 4) the Request for Designation as a Community Housing Development Organization (CHDO) Checklist. Please do not use forms from the previous year.

Please Note: Potential applicants are not eligible for additional HOME funds for projects that have received funding allocations in a prior year during their affordability period. Also, potential applicants that have received funding in a prior year are discouraged from requesting additional HOME funds.

The deadline for receipt of completed applications is **Friday, January 8, 2010, at 4:30 p.m.** Applications received after 4:30 p.m. will not be accepted. Faxes will not be accepted. Mail or deliver to:

Marjorie Matthews, Director
County of Santa Clara Office of Affordable Housing
Housing and Community Development
2310 North First Street, Suite 100
San Jose, CA 95131-1011

Appropriate insurance is required on all projects. In addition, performance and payment bonds covering 100% of the construction costs are required on all construction projects.

Applications for Construction, Acquisition and/or Rehabilitation projects, require the completion of “**HOME Project Acquisition and/or Construction Attachment**” to cover additional information not covered in the Application for Funding.

Applications for funding are available online at: <http://www.sccgov.org/portal/site/oah>. Click: Housing and Community Development/HOME Program. Scroll down to attachments.

Please call Angelina McCormick at (408) 441-4248 for further information on the HOME Program, the application process, or for assistance with completing the application.

Sincerely,

Marjorie Matthews
Director

COUNTY OF SANTA CLARA

County of Santa Clara
Office of Affordable Housing

HOME Program RFP
FY 2010/2011

RFP-2

**HOUSING AND COMMUNITY DEVELOPMENT PROGRAM
FISCAL YEAR 2010/2011**

**HOME INVESTMENT PARTNERSHIPS ACT
HOME PROGRAM DESCRIPTION**

The following is a summary of the HOME Program. Applicants should obtain a copy of the federal HOME Regulations 24 CFR Part 92 Final Rule dated September 16, 2003 for complete information about the HOME Program.

The Home Investment Partnership Act, otherwise known as the HOME Program, was enacted as Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990.

The National goals of the program are:

- To expand the supply of decent, permanently affordable housing, with primary attention to rental housing, for very-low and low income Americans;
- To mobilize and strengthen the abilities of states and units of general local government throughout the United States to design and implement strategies for achieving an adequate supply of decent, safe, sanitary and affordable housing;
- To provide participating jurisdictions, on a coordinated basis, with the various forms of Federal housing assistance needed to expand the supply of decent, safe, sanitary and affordable housing.

The first objective identified in the County of Santa Clara's Consolidated Plan which was approved in 2005, is **the creation of affordable rental housing units for very low income families.**

FISCAL YEAR 2010/2011 GOALS

In FY 2010/2011, the County of Santa Clara proposes to accomplish these goals in three categories, as follows:

- A. Rehabilitation and Substantial Rehabilitation**
HOME legislation states a preference for rental housing and rehabilitation of rental housing.
- B. Acquisition and New Construction**
The Housing units must be affordable to lower income families.

PROPOSED ALLOCATION OF FISCAL YEAR 2010/2011 FUNDS:

County of Santa Clara
Office of Affordable Housing

HOME Program RFP
FY 2010/2011

The County of Santa Clara expects to receive a total allocation of approximately \$873,000 in HOME funds for FY 2010/2011. The County's funding priorities were established using the priorities outlined in the County's Consolidated Plan and by incorporating the HOME Program goals described above.

Competitive HOME Pool for Participating Urban County Jurisdictions.

The HOME allocation will be available for permanent housing projects located in, or benefiting, the residents of the participating non-entitlement jurisdictions in the Urban County. This will be accomplished through the use of a Request for Proposal process.

HOME Program regulations dictate that ALL categories of assistance must meet the following criteria:

1. 100% of HOME funds invested must be for units occupied by low and very low income households (see attached HOME Income Eligibility Limits).
2. No less than 90% of HOME funds allocated must benefit households with incomes below 60% of County median (\$63,700 for a family of four per HUD income guidelines effective January 28, 2004).
3. 10% of HOME funds allocated may benefit households with incomes between 60% and 80% of County median or the HUD established income ceiling adjusted for high cost areas (\$84,900 for a family of four in Santa Clara County).
4. For acquisition of units (with or without rehabilitation), and for rehabilitation not involving purchase, the County has received a high cost area waiver in order to be able to implement additional housing activities in Santa Clara County. The appraised value of a single-family property participating in the County's HOME Program cannot exceed \$570,000.
5. Each participating jurisdiction (PJ) is required to reserve at least 15% of the funds for housing to be developed, sponsored, or owned by Community Housing Development Organizations (CHDOs). A CHDO is a private, non-profit organization whose purpose is the provision of decent, affordable housing, who has demonstrated its capacity for carrying out HOME eligible activities, and who has a history of serving the community within which the housing to be assisted with HOME funds is to be located. (See Attached "Requirements for Community Housing Development Organizations (CHDOs).")
6. Affordable housing projects assisted with HOME funds must provide matching funds as follows:

25% Match required for **Rehabilitation** (less than \$25,000 rehab), **Rental Assistance, Acquisition, Substantial Rehabilitation** (more than \$25,000 rehab average per unit) and **New Construction**

Program income from Local Redevelopment Agency funds used to match HOME funds is required to be returned to a HOME Trust Fund and must be used for eligible HOME activities.

Eligible match sources - include cash, the value of foregone interest, taxes, fees or charges, appraised value of land or real property (not including equity), and investments in on-site or off-site improvements. **The match must be available at the time of request for reimbursement.**

Ineligible match sources - include Federal funds, value of Federal tax credits, market rate loans, owner-equity.

CATEGORY A: REHABILITATION and SUBSTANTIAL REHABILITATION
(Complete the CDBG/HOME Project Acquisition and/or Construction Attachment)

The statute provides a preference for rehabilitation because low-cost rehabilitation is considered a cost-effective development strategy. HOME funds may be used to assist the rehabilitation of both rental and owner-occupied housing. The minimum level of HOME funds required for rehabilitation is an average of \$1,000 per unit. The maximum level of HOME funds permitted per unit for single family rehabilitation is the maximum set for all HOME-assisted activities summarized in the following table:

HOME Maximum Per-Unit Subsidy for Santa Clara County per HUD

Number of bedrooms	0-bdrm	1-bdrm	2-bdrm	3-bdrm	4-bdrm
Maximum subsidy per unit*	\$128,091	\$147,688	\$178,114	\$227,992	\$253,992

*based on Section 221d3 and 234 per unit limits dated April 15, 2009

After rehabilitation the property must meet the Section 8 Housing Quality Standards (HQS) and must also meet:

- local codes
- local rehabilitation standards
- zoning ordinances
- cost-effective energy conservation and effectiveness standards (24 CFR Part 39)
- access requirements for disabled persons
- must meet lead-based paint requirements on units built before 1978

Because HOME regulations require the HQS property standard, HOME funds cannot be used for an emergency repair program.

Eligible Rehabilitation Costs:

The actual rehabilitation costs, including:

- Costs to meet Section 8 HQS
- Costs to meet rehabilitation standards
- Essential improvements
- Energy related improvements
- Reduction or mitigation of Lead-based paint hazards
- Improvements for disabled persons
- Repair or replacement of major housing systems
- Incipient repairs (items which do not require immediate repair will be required to repair in next 2 or 3 years) and general property improvements of a non-luxury nature
- Demolition costs, when part of a rehabilitation project
- Site improvements
- Utility connections

Related soft costs including:

- Architectural engineering or related professional services (inspections, work write-ups)
- Financing costs, such as loan points, credit and title costs, recording fees, building permits, legal fees, appraisals and developer fees
- Relocation costs (permanent and temporary)
- Affirmative marketing and fair housing information services

CATEGORY B: ACQUISITION AND NEW CONSTRUCTION

(Complete the CDBG/HOME Project Acquisition and/or Construction Attachment)

Maximum Per Unit Subsidies:

To ensure that units developed with HOME funds are non-luxury, affordable units, HUD has established a maximum per unit HOME subsidy on a market-by-market basis, adjusted for unit size, which will be updated and adjusted annually for inflation. (See Maximum Per-Unit Subsidy on page 5 of the HOME Program Description.)

PROHIBITED ACTIVITIES

Activities prohibited under the HOME Program include public housing modernization, tenant subsidies for certain special mandated purposes under Section 8, and matching funds for other Federal programs. Additionally, the funds cannot be used to provide a project reserve account for replacements, unanticipated increases in project costs, or operating subsidies.

REGULATIONS TO ENSURE THAT LOW AND VERY LOW INCOME FAMILIES ARE SERVED

HOME funds invested in rental housing must meet the income targeting requirements for the program as a whole (see page 5 of the HOME Program Description, Numbers 1, 2, 3 and 4).

**HOME APPLICATION CHECKLIST
FISCAL YEAR 2010/2011**

All applicants must complete the appropriate sections from the checklist below for proposed HOME assisted projects.

Community Housing Development Organizations (CHDO):

1. If your agency is requesting Community Housing Development Organization (CHDO) status, please complete **ATTACHMENT C – “CHDO Checklist.”**

Rehabilitation:

1. What is the estimated value of the rehabilitated units after rehabilitation? This is calculated at 95% of median area purchase price established by FHA Section 203B Mortgage Limits for the San Jose area. However, Santa Clara County has received a high cost area waiver for the median area purchase price of \$570,000. Therefore, value of HOME-assisted rehabilitation must be no more than \$570,000.
2. What is the amount of HOME assistance requested for rehabilitation per unit? (Must be a minimum of \$1,000 per unit.) Cannot exceed the following amounts per unit:

0-bedroom	\$128,091	1-bedroom	\$147,688	2-bedroom	\$178,114
3-bedroom	\$227,992	4-bedroom	\$253,992		

Rental:

1. What is the current rent of unit and what is the projected rent schedule for HOME-assisted units after project completion? (Must be at or below the lesser of either existing Section 8 Fair Market Rate (FMR) or 30% of the adjusted income of a family whose income equals 65% of area median income). What will the mix of income-eligible clients be after project completion, i.e. low income vs. very low income?

Acquisition:

1. For acquisition of units (with or without rehabilitation), and for rehabilitation not involving purchase, the County has received a high cost area waiver in order to be able to implement additional housing activities in Santa Clara County. The appraised value of a single-family property participating in the County’s HOME Program cannot exceed \$570,000.

General (All projects):

1. If you have site control or own the property in question, please provide supporting documentation, e.g. tax statements, purchase agreements, deeds, etc.
2. Please indicate whether any individuals will be temporarily or permanently displaced or relocated. If so, please provide a relocation plan.

3. How soon after July 1, 2008 will the project be implemented? When will the project be completed?
4. What is the term of affordability for your project? (Please refer to page 8 of HOME Program Description under Regulations to ensure that low and very low income families are served.)
5. How will your agency provide administrative support for a HOME-assisted project?

**REQUIREMENTS FOR COMMUNITY HOUSING DEVELOPMENT
ORGANIZATIONS
(CHDO)**

Community Housing Development Organization means a private nonprofit organization that:

1. Is organized under state or local laws.
2. No part of its net earnings (profits) may benefit any members, founders, contributors, or individuals.
3. Is neither controlled by, nor under the direction of, individuals, or entities seeking to derive profit or gain from the organization. A community housing development organization may be sponsored or created by a for-profit entity, but:
 - (i) The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm.
 - (ii) The for-profit entity may not appoint more than one-third of the membership of the organization's governing body. Board members appointed by the for-profit entity may not appoint the remaining two-thirds of the board members.
 - (iii) The community housing development organization must be free to contract for goods and services from vendors of its own choosing.
4. Has a tax exempt ruling from the Internal Revenue Service under section 501 (c) (3) or (4) of the Internal Revenue Code of 1986.
5. Does not include a public body (including the participating jurisdiction). An organization that is State or locally chartered may qualify as a community housing development organization; however, the State or local government may not have the right to appoint more than one-third of the membership of the organization's governing body and no more than one-third of the board members may be public officials. Board members appointed by the State or local government may not appoint the remaining two-thirds of the board members.
6. Has standards of financial accountability that conform to Attachment F of OMB Circular No. A-110 (Rev.) "Standards for Financial Management Systems."
7. Has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or by-laws.
8. Maintains accountability to low-income community residents being served by:

- (i) Maintaining at least one-third of its governing board's membership for residents of low-income neighborhoods being served (51% low income), other low-income community residents, or elected representatives of low-income neighborhood organizations. A **maximum** of 1/3 of the Board may consist of representatives of the public sector. For urban areas, "community" may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire State). CHDO's need to submit a list of current Board of Directors with application, and indicate which members meet this requirement.
 - (ii) Providing a formal process in writing, which is included in organization's by-laws or by Board resolution, for low-income, program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing. CHDO's need to submit a copy of their process with the application.
9. Has a demonstrated capacity for carrying out activities assisted with HOME funds. An organization may satisfy this requirement by hiring experienced key staff members who have successfully completed similar projects, or a consultant with the same type of experience who provides a plan to train appropriate key staff members of the organization.
10. Has a history of serving the community within which housing to be assisted with HOME funds is located. In general, an organization must be able to show one year of serving the community (from the date the participating jurisdiction provides HOME funds to the organization). However, a newly created organization may meet this requirement by demonstrating that its parent organization has at least a year of serving the community.
11. If your agency meets the requirements for designation as a CHDO, please complete the attached Request for CHDO Designation form. This form must be completed for any agency requesting CHDO designation for FY 2010/2011, even if the agency was designated as a CHDO in previous years.

**FISCAL YEAR 2010/2011
HOME INVESTMENT PARTNERSHIP ACT**

HOME

INCOME ELIGIBILITY

100% of HOME funds invested must be for units occupied by low income households as defined by Home Investment Partnerships Program **HOME** Interim Rule 24 CFR Part 92.

At least 90% of HOME funds allocated for rental housing must benefit households whose income is at or below 60% of County median (\$105,500) per **HOME** Interim Rule 24 (CFR Part 92, Section 92.216 (a)(1)) published March 21, 2005. The income limits for Homeownership can serve households whose income is at or below 80% of County Median.

HOME Income Limits

<u>Family Size</u>	<u>60% Median</u>
One person	\$44,580
Two persons	\$50,940
Three persons	\$57,300
Four persons	\$63,660
Five persons	\$68,760
Six persons	\$73,860
Seven persons	\$78,960
Eight persons	\$84,060

10% of HOME funds may benefit households with incomes between 60% and 80% of County median **or** whose income falls below the HUD established income ceiling per **HOME Interim Rule 24 and HUD Income Eligibility Limits**.

An applicant's income and eligibility is determined at the time assistance is approved. It will be reviewed annually by the County of Santa Clara.

HOME FUNDS FISCAL YEAR 2010/2011 APPLICATION SUBMISSION REQUIREMENTS

County of Santa Clara
Office of Affordable Housing

HOME Program RFP
FY 2010/2011

Instructions to applicant for preparing and submitting application:

1. Submit one original and one additional copy of the completed application (**no faxes will be accepted**) to the following address by the deadline of **Friday, January 8, 2010 at 4:30 P.M.:**

Marjorie Matthews, Director
County of Santa Clara
Office of Affordable Housing
Housing and Community Development Program
2310 North First Street, Suite 100
San Jose, CA 95131-1011

Applications will not be accepted after 4:30 p.m.

2. Application Format:

Please read the following requirements for submission of applications. Applications that do not conform to the requirements may be rejected.

- a. **Use forms provided for FY 2010/2011. Do not use forms from a prior year. Fillable forms are available online at <http://www.sccgov.org/portal/site/oah>. Click: Housing & Community Development/HOME Program. Scroll down to attachments.**
- b. An original application must be submitted along with one additional copy.
- c. All applications must be typed, including all attachments. **Do not copy attachments back-to-back.** Margins should remain clear. **Use all forms provided and do not reduce pages on a photocopy machine.** Please do not put applications in binders, plastic page protectors or press board dividers.
- d. Answers must be limited to the space provided on attached forms, except where specific information is requested to be attached, such as proforma, environmental information, appraisals, etc.

All applications will be reviewed in the following order (See attached schedule for meeting dates and times):

- **Urban County Staff** - Consists of HCD staff and a representative from each participating city/town. Recommendations are forwarded to:
- **Housing and Community Development Advisory Committee (HCDAC)** - Consists of appointed representatives from each participating city/town, representatives from each participating city/town council, and six representatives appointed by the County of Santa Clara Board of Supervisors. Recommendations are forwarded to the County of Santa Clara Board of Supervisors for final funding decisions.

**APPLICATION INSTRUCTIONS
HOME FUNDS
FISCAL YEAR 2010/2011**

County of Santa Clara
Office of Affordable Housing

HOME Program RFP
FY 2010/2011

APPLICATION SUMMARY:

All applicant agencies must complete this page.

APPLICATION FOR FUNDING:

General Information - The cover page requests information about the applicant organization, organization director, and funding sources. Under "Other Sources of Funding" please indicate the name of the anticipated sources and amounts, with anticipated dates of commitment. The total amount is the total project cost. Also, complete responses to Items 1-8. Please be brief.

PROJECT WORK PLAN:

Complete the attached Project Work Plan form giving **approximate dates** for the following project milestones including:

- a. **When** the project/program will be implemented (i.e. acquisition, rehabilitation, construction or homeownership).
- b. **When** your project is likely to close escrow.
- c. **When** your agency intends to start expending HOME funds and drawing down funds from the County.
- d. **When** your project will be completed.
- e. **When** your project will complete occupancy of available units.
- f. **If** subordination or assignment is requested, if applicable.

PROJECT BUDGET:

Complete the attached Project Budget form showing an itemized budget for your proposed project for direct housing activities serving low income persons in the Urban County. Please review "Proforma and Related Financing Requirements" prior to completing this form. If this project requires Davis Bacon Compliance, please indicate the cost as a line item.

Note: FY 2010/2011 HOME funds cannot be spent or obligated prior to the approval by the Santa Clara County Board of Supervisors. Monies cannot be distributed prior to the start of the FY 2010/2011 Program Year, which begins on July 1, 2009 Also note that projects requiring Davis Bacon compliance need to identify the amount of funding required to hire a consultant.

MATCHING AND LAYERING:

Provide a description of the required match for your request of HOME funds. A match is defined as the commitment of non-federal funds to supplement HOME funds for an affordable housing project. Projects utilizing city Redevelopment Agency (RDA) funds as a match must provide a letter from the RDA acknowledging their understanding that their funds are being used for the project's HOME match requirement.

Also, describe the layering of federal funds on your proposed HOME project. Layering is defined as the combining of federal funds (i.e. HOME, CDBG, etc.) on a HOME-assisted project that may result in an excessive amount of federal subsidy for a project. Therefore, in your description, include all of the sources of funds in the proposed project, as well as the total amount of federal funds, and an explanation as to why those funds are necessary and cannot be obtained through other sources.

OTHER REQUIRED INFORMATION FOR ATTACHMENTS:

Projects which intend to either acquire or rehabilitate existing housing or are new construction must address the following items on a separate sheet:

- a. Status of Relocation and Displacement Plan.
- b. Requested loan terms and justification (see #8 Loan Terms on the application).
- c. If you intend to request subordination or assignment for this project, please provide the following information: (a) date of anticipated subordination and/or assignment; (b) organization you intend to subordinate and/or assign the project; and (c) specific reasons for the subordination and/or assignment.
- d. Appraisal or an estimate of property value.
- e. Current zoning of property.
- f. Written support for project from the jurisdiction in which the project will be located.
- g. Status of site control.
- h. If this project will require a reserve account, please indicate.
- i. Preliminary environmental analysis of site including, at least, the following information:
 - Proximity to 100-year floodplain
 - Proximity to active earthquake faults
 - Proximity to toxic or hazardous material sites
 - Proximity to historically or archaeologically significant sites
 - Proximity to noise sources, i.e. freeway, train lines, airport flight paths, etc.

New construction, acquisition, acquisition with rehabilitation, and rehabilitation projects must complete a Proforma, including a cash flow and affordability analysis, which should include the rent schedule, size of units, for-sale prices, income and expense statement, on-going revenues and expenditures.

Performance and payment bonds covering 100% of the construction costs are required on all construction projects.

If you have any questions regarding these instructions, please contact the HCD office at 441-4248.

**HOME FUNDS
FISCAL YEAR 2010/2011
INSTRUCTIONS**

**for the
Acquisition, New Construction, and/or Rehabilitation Attachment**

Complete information about the name of the application organization, the specific project/program name and project type.

1. **Project Description:**

Provide a proposed project description by completing the table of information requested. If the information is unknown at this time you can either indicate “to be determined” or provide an estimate. If any item is not applicable, please state.

2. **Loan Summary:**

Provide a summary of all loans on the project including the sources of the loan, as well as lien information, the status of the loan (i.e. committed, uncommitted, pending approval, etc.), the amount of the loan and the loan terms, i.e., interest rate and maturity date. Provide this information for the various categories of loans, i.e., Acquisition, Predevelopment, Construction, etc.

3. **Unit Mix:**

Provide detail on the mix of housing units anticipated for inclusion in the project. Provide information on both the units being assisted with CDBG funds and those being assisted with HOME funds.

4. **Market Information:**

Provide requested market information on unit type, market rent, maximum project rent, etc. Also provide the average vacancy rates found in similar housing developments in competition with proposed project and the sources of the information.

5. **Leveraging of Funds:**

Describe how the allocation of CDBG or HOME funding will assist in leveraging additional financing for the project. Also, indicate anticipated amounts of funding to be leveraged for the project.

6. **Development Budget:**

Complete the enclosed Development Budget. If costs are not currently known, provide an estimate.

7. **Stabilized Operating Budget:**

Provide all information requested on the Stabilized Operating Budget. Also, an explanation must be provided regarding the use of any available cash flow for repaying the CDBG or HOME loans as well as any other publicly financed loans. Provide information pertaining to the operating and replacement reserves.

8. **Cash Flow/Proforma:**

Provide requested information on the 15-year Cash Flow Analysis or Project Proforma. If it is more convenient, applicant can use their own spreadsheet program to generate the Proforma as long as all of the requested information is included. If you are using your own form, please provide the data in readable 8 ½ by 11 sheets for re-copying purposes and readability.

**HOME FUNDS
FISCAL YEAR 2010/2011
KEY CONTRACT TERMS AND CONDITIONS**

Every agency or organization that is granted County CDBG or HOME funds will be requested to sign a contract with the County. The Santa Clara County Board of Supervisors has indicated that it would like potential contractors to be aware of any key terms or conditions that might be included in a contract with the County. Therefore, listed below are some key terms and conditions that are anticipated to be included in a final contract with the County.

Please note that the representative terms and conditions listed below are subject to possible change, dependent upon modification to Federal Law or action by the Board of Supervisors.

PROGRAM BENEFIT

CORPORATION shall conduct the Program within Santa Clara County, for the purpose of principally benefiting low and moderate income households.

COMPLIANCE WITH FEDERAL REGULATIONS

CORPORATION assures and certifies that it will comply with all regulations, policies, guidelines and requirements applicable to the acceptance and use of Federal funds for this Federally-assisted program and will be responsible for implementing and complying with all relevant future changes to Federal Regulations or OMB Circulars.

Specifically, CORPORATION gives assurances and certifies with respect to the PROGRAM that it is in compliance with the following Regulations as defined by 24 CFR, Part 570, Subpart J; 24 CFR, Part 570, Subpart K except #11; and will be conducted and administered in conformity with "Public Law 88.352 and Public Law 90-284.

1. **570.601.** Public Law 88-352 and Public Law 90-284; affirmatively furthering fair housing; Executive Order 11063, as amended by Executive Order 12258 addresses discrimination. HUD regulations implementing Executive Order 11063 are contained in 24 CFR, Part 107.
2. **570.602.** Section 109 of the Act addresses discrimination.
3. **570.603.** Labor Standards.
4. **570.604.** Environmental Standards.
5. **570.605.** National Flood Insurance Program.
6. **570.606.** Relocation, Displacement and Acquisition.
7. **570.607.** Employment and Contracting Opportunities.
8. **570.608.** Lead-Based Paint.

9. **570.609.** Use of Debarred, Suspended, or Ineligible Contractors or Subrecipients.
10. **570.610.** Uniform Administrative Requirement and Cost Principles.
11. **CFR Part 135 – Section 3** Comply with Housing and Community Development Act of 1968 (12 U.S.C. 1701u) and CFR Part 135 to the greatest extent feasible.

CORPORATION shall comply with the requirements and standards of OMB Circular No. A-122 “Cost Principles for Non-Profit Organizations, and with the following Attachments to OMB Circular A-110”:

NON-DISCRIMINATION

Corporation shall comply with all applicable Federal, State and local laws and regulations including Santa Clara County’s policies concerning nondiscrimination and equal opportunity in contracting. Such laws include but are not limited to the following: Title VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act of 1990; The Rehabilitation Act of 1973 (Sections 503 and 504); California Fair Employment and Housing Act (Government Code sections 12900 et sea.); California Labor Code sections 1101, 1102. CORPORATION shall not discriminate against any subcontractor, employee, or applicant for employment because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status in the recruitment, selection for training including apprenticeship, hiring, employment, utilization, promotion, layoff, rates of pay or other forms of compensation. Nor shall CORPORATION discriminate in provision of services provided under this contract because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status.

PROGRAM INCOME

Income generated by the PROGRAM shall be regulated by all provisions of 24 CFR 570 Subpart J “Grant Administration,” 570.503 “Agreements with Subrecipients,” and 570.504 “Program Income.”

ESTABLISHMENT AND MAINTENANCE OF RECORDS

CORPORATION shall:

Maintain complete and accurate records of all its transactions including, but not limited to, contracts, invoices, time cards, cash receipts, vouchers, canceled checks, bank statements, client statistical records, personnel, property and all other pertinent records sufficient to reflect properly (a) all direct and indirect costs of whatever nature claimed to have been incurred or anticipated to be incurred to perform this Contract or to operate the PROGRAM, and (b) all other matters covered by this Contract.

File quarterly reports as required by COUNTY on the type and number of services rendered through the operation of the PROGRAM, and a description of the beneficiaries of these services,

and which reports shall evaluate the manner in which the PROGRAM is achieving its objectives and goals according to the standards established by COUNTY. The progress reports shall be due ten days after the close of each reporting period and shall cover the three months immediately preceding the date on which the report is filed.

MONITORING AND EVALUATION OF SERVICES

Evaluation and monitoring of the PROGRAM performance shall be the mutual responsibility of both COUNTY and CORPORATION. CORPORATION shall furnish all data, statements, records, information and reports necessary for PROGRAM MANAGER to monitor, review and evaluate the performance of the PROGRAM and its components.

CONTRACT NONCOMPLIANCE

If CORPORATION fails to comply with any provision of this Contract, COUNTY shall have the right to terminate this contract or to require corrective action to enforce compliance with such provision.

If CORPORATION does not use HOME funds in accordance with this contract, CORPORATION is liable for repayment of all disallowed costs. Disallowed costs may be identified through audits, monitoring or other sources. CORPORATION shall be required to respond to any adverse findings which may lead to disallowed costs subject to provisions of OMB Circular A-122, "Cost Principles for Non-Profit Organizations."

ASSIGNABILITY

Contract may not be assumed nor assigned to another CORPORATION, PERSON, PARTNERSHIP or any other entity without the prior written approval of COUNTY.

OTHER REQUIREMENTS

In addition to the terms and conditions listed above, the contract with the County will also require completion of attachments by contractors which will provide a brief description of the project, a workplan outlining what will be accomplished during each grant over the term of the contract, a timeline of major project milestones, a project budget indicating estimated costs by line item and a schedule of anticipated requests for payments.

Again, please note that the above key terms and conditions are anticipated to be included in a future contract but are subject to modification.

Copies of the text of the complete contract, with attachments are available at the Office of Affordable Housing, Housing and Community Development (HCD) Program located at 2310 North First Street, Suite 100, San Jose, CA 95131-1011 or by calling (408) 441-4254.