

TOWN OF LINCOLN, MASSACHUSETTS

HOME FUNDING AGREEMENT

TOTAL AMOUNT: \$74,010.00

This AGREEMENT made as of April 8, 2013, by and between the Trustees of the Town of Lincoln Affordable Housing Trust (the "Trust"), the Town of Lincoln Housing Commission (the "Commission" or "Grantee") and the Town of Lincoln acting by and through its Board of Selectmen (the "Town") and all having the usual place of business at Lincoln Town Hall, 16 Lincoln Road, P.O. Box 6353, Lincoln, MA 01773

WITNESSETH THAT:

WHEREAS, the Town is currently authorized to distribute funds to the Commission in the amount of Seventy Four Thousand Ten and 00/100 Dollars (\$74,010.00)(the "Project Funds") in accordance with the terms of the HOME Program Mutual Cooperation Agreement by and between the municipalities of the WestMetro HOME Consortium ("Consortium"), and the Town, dated July 1, 2010 executed pursuant to the Cranston-Gonzalez National Affordable Housing Act of 1991;

WHEREAS, the Trust has been established pursuant to vote of the Town of Lincoln under G. L. c. 44 Section 55C as evidenced by Declaration of Trust dated October 5, 2006 and recorded with Middlesex South District Registry of Deeds in Book 48426, Page 346;

WHEREAS, the Commission was created pursuant to Chapter 359 of the Acts of 1979 and Article 4 of the November 5, 1979 Special Town Meeting for the purpose of providing housing for persons of low and moderate income in the Town of Lincoln;

WHEREAS, the Town intends to provide the Project Funds to the Commission for the sole purpose of completing the renovation work described in the Project Description attached hereto as Attachment A (the "Project");

WHEREAS, the Trust has agreed to accept the HOME required Affordable Housing Restriction to be executed by the Town in accordance with the HOME Program Regulations and the vote under Article 27 of the March 23, 2013 Annual Town Meeting;

WHEREAS, the Commission shall utilize these funds to carry out rehabilitation and improvements to the single family four bedroom house located at the Sunnyside Lane affordable housing complex owned by the Town located at 30 Sunnyside Road, Lincoln, Middlesex County, Massachusetts (the "Property"). The one (1) unit assisted will be for households with an initial income of 60% of area median income or less. The Commission in its mission of operating and maintaining affordable housing, has designated the property for rent at prices to households whose income conform to the requirements of the HOME Program regulations; and

WHEREAS, the City of Newton is the representative member of the Consortium ("Representative Member");

NOW THEREFORE, in consideration of the mutual promises contained herein, the parties hereby agree as stated within the General Provisions and attachments as follows:

GENERAL PROVISIONS

1. **FEDERAL REGULATIONS.** The provisions of 24 CFR Part 92, HOME Investment Partnerships Program ("HOME Program regulations"), and all future amendments and revisions to the same are hereby incorporated into and made a part of this Agreement. The Grantee shall at all times comply with said HOME Program regulations, and shall comply with other related federal, state and local statutes and regulations, Executive Orders, OMB Circulars, and all future revisions and amendments to the same. The Grantee shall become familiar with all of the foregoing requirements as applicable and shall ensure that the project complies in all respects.
2. **LOW AND VERY LOW INCOME BENEFIT.** The Grantee shall comply with HOME Program regulation 24 CFR 92.252 concerning occupancy requirements for low and moderate income housing described in Attachment B. The Grantee shall assume all responsibility for maintaining the tenant records necessary to document the meeting of these conditions through the duration of this agreement and shall present data for the Town's inspection at the intervals that the applicable HOME regulations require.
3. **ENVIRONMENTAL REVIEW.** The release of funds for all HOME-assisted projects and activities is subject to environmental review as set forth in HOME Program regulation 24 CFR 92.352. The Town shall not commit HOME funds prior to compliance with the provisions of HOME Program regulation 92.352 and the statutes and regulations cited therein. The Grantee will cooperate with and assist the Town in preparing all environmental documentation, including, but not limited to the Statutory Checklist with complete compliance documentation.
4. **PROJECT FUNDS.** The Town hereby agrees to provide the Grantee with HOME Program funds in the amount of \$74,010.00, subject to compliance by the Grantee with all terms and conditions as set forth within this Agreement and subject to the Town's receipt of its allocation of HOME funds.
 - a) **Expenditures and Project Budget.** The Grantee shall limit expenditures to eligible costs in accordance with HOME Program regulation 24 CFR 92.206 and as authorized in Attachment C pertaining to the Project. Said expenditures shall meet the eligibility standards set by HUD, in its various regulations concerning the operation of the HOME Programs and incorporated into 24 CFR 92.505, "Applicability of Uniform Administrative Requirements", and shall meet the principles and standards of cost allowability as set forth within these regulations and shall meet the principles and standards of cost allowability as set forth within OMB Circular A-87, "Cost Principles for State, Local and Federally Recognized Indian Tribal Governments" and 24 CFR 85, "Administrative Requirements for Grants and Cooperative Agreements with State, Local and Federally Recognized Indian Tribal Governments". The Grantee shall also comply with standards for the financial record keeping and management systems applicable as described in Attachment D, Processing and Release of Project Funds.

b) Reversion of Assets. In accordance with HOME Program regulations at 24 CFR 92.503, once the Project is completed, the Grantee must return any HOME Program funds on hand, and, if applicable, any accounts receivable attributable to the use of HOME Program funds to the Town.

5. HOME PROJECT. The Grantee shall perform and carry out the development of the Project described in Attachment A, Project Description, in a satisfactory manner as determined reasonably by the Town. The Grantee shall comply with the requirements of the HOME Program regulations applicable to the project including, but not limited to: maximum per unit subsidy stated in HOME Program regulation 92.250 as amended; eligibility requirements 92.205-215 as applicable; income targeting requirements in regulations 92.216, all applicable Section F Project Requirements as stated in regulations 92.250-258.

6. PROJECT MANAGEMENT. The Grantee shall perform all procedures and tasks necessary to complete predevelopment of the Project. Delays in implementation may lead to termination and recapture of HOME Program funds as provided in Paragraph 9, Termination. The Grantee agrees to fully comply with applicable requirements as referenced in 24 CFR Part 85 and OMB Circular A-87. The Town Procurement Officer or its designee shall review each HOME funded procurement and all proposed contracts of the Grantee, its agents, representatives and employees or designees. Said contracts shall be maintained in the Town's files for review. HOME Program regulation 24 CFR 92.354 prohibits the use of debarred firms and requires certain certifications for covered sub-recipient transactions consistent with 24 CFR 24, Appendix B. No funds may be released for contracts which have not been procured in accordance with these requirements.

7. DURATION. This Agreement shall be effective as of the date first written above, and shall continue until terminated as stated herein. Project activities shall be undertaken and completed as specified by said Attachment B in an expeditious manner so as to ensure completion consistent with the purposes of this Agreement and with HOME Program regulations. Paragraphs 4 b), 9, 10 and 12 shall each survive the termination of this Agreement.

8. PERFORMANCE STANDARDS. If the Town determines that the Commission is complying with this Agreement, then upon written request from the Commission, the Town will request reimbursement from the Consortium to reimburse the Commission for specified pre-development expenses according to Attachment D, Processing and Release of Project Funds.

If the Town determines that the Grantee fails to meet the terms of this Agreement, the Town will withhold HOME funds until the failure is remedied and/or require the Grantee to return all previously disbursed HOME funds.

9. TERMINATION.

a) For cause. Provided that the Grantee is provided a reasonable opportunity to cure, as provided in Paragraph 10(b) herein, and so fails to cure, the Town shall have the right to terminate this Agreement if for any reason the Grantee:

- i) Fails to fulfill in a timely manner the activities related to the Project described in this Agreement, in accordance with the HOME Program regulations and the schedule outlined in Attachment B; or
- ii) Causes or allows HOME Program funds to be expended in violation of HOME Program regulations, as applicable; or
- iii) Violates any provision of this Agreement and fails to cure the same as provided in

Paragraph 10(b); or

iv) Refuses to accept conditions/directives administered by the Town as imposed by HUD.

b) Notice. The Town may exercise the right to terminate this Agreement by written notice to the Grantee. In such case, the Town shall issue the notice of termination not less than 15 days prior to the effective date of such termination as stated in the notice starting with the date that the notice is issued. The notice shall be delivered to the Grantee by hand or by certified mail, returned receipt requested. In the event this Agreement is terminated for cause, Paragraph 10, Repayment of Project Funds and Penalties shall apply.

c) Cancellation. In the event the Project is cancelled for any reason as provided in Paragraph 9 (a), the Grantee agrees to repay to the Consortium HOME Investment Trust Account all HOME Program funds released to the Commission within such time period specified by HUD or such reasonable time period as specified by the Town and consistent with Paragraph 10. Repayment of Project Funds and Penalties.

10. REPAYMENT OF PROJECT FUNDS AND PENALTIES.

a) General. In the event the Grantee, its agents, successors, or designees, fails to meet any HOME Program regulation or provision of this Loan Agreement, and such failure continues after the opportunity to cure as stated in Paragraph (b) of this provision, then the Grantee shall repay to the Town and Consortium all project funds disbursed to the Grantee pursuant to this Agreement as determined by the Town and Consortium. The Grantee shall also comply with Paragraph 4(b), Reversion of Assets, above.

b) Opportunity to Cure. In the event of a violation of any of the provisions of this Agreement, the Town shall provide written notice of such violations to the Grantee. The notice shall describe the violation and the remedial steps to be taken by the Grantee and shall establish a reasonable deadline for full compliance. As long as the Grantee is diligently pursuing a cure in the Trust's estimation, the Grantee shall not be found in default. In the event that the Grantee fails to diligently pursue a cure in the Town's estimation, the Town shall have the right to require repayment of all HOME Program funds disbursed to the Grantee pursuant to this Agreement as specified in Paragraph 10(a) herein.

c) Legal Recourse. In the event the Grantee fails to cure a violation of any of the provisions of this Agreement, of a HOME Program regulation or any other applicable regulation, and/or fails to cooperate with the Town in any matter pertaining to repayment, the Town reserves the right to take such steps as necessary in order to protect its ability to fulfill the Town's obligations to HUD, including but not limited to legal action.

d) Consortium Municipalities and Town to be Held Harmless. To the extent permitted by law, the Grantee shall hold harmless and defend the Trust, the Town, the Consortium and its Members from and against all claims for repayment of HOME Program funds disbursed to the Grantee pursuant to this Agreement, provided that such repayment is attributable to

- i) the failure of the Grantee, its agents, subsidiaries or designees to comply with applicable HUD regulations or
- ii) any or the provisions of its Agreement or
- iii) any other act or omission of the Grantee, its agents, subsidiaries or designees.

In the event that HUD assesses penalties against the Town or Consortium on account of the Grantee's use of HOME Program funds pursuant to this Agreement, the Grantee shall be required to reimburse the Town or Consortium in full for the amount of the penalties assessed. The Grantee's liability shall be limited to the amount of funds disbursed pursuant to this Agreement together with any penalties assessed by HUD or the Town on account of the Grantee's use of HOME Program funds disbursed and any costs incurred by the Town in recovering sums owed pursuant to this paragraph, including but not limited to attorneys' fees.

e) Penalties. In the event that HUD assesses penalties against the Town on account of the Grantee's use of HOME Program funds pursuant to this Agreement, the Grantee shall be required to reimburse the Town in full for the amount of the penalties assessed and paid.

11. AUDIT AND MONITORING.

a) Single Audit. The Grantee shall comply with OMB Circular A-133, including completion of a single audit if the Commission expends federal funds in excess of \$500,000. The Grantee shall be responsible for the cost of all audits performed on its records and operations pursuant to this section, and the Grantee shall not use HOME Program funds for any portion of the cost of such audits.

b) Monitoring. At any time during normal business hours and as often as the Town, the Consortium, HUD, and/or the Comptroller General of the United States may deem necessary, the Grantee shall make available all such records and documents as requested by said parties for audit and/or monitoring. The Town, Consortium, HUD, and/or the Comptroller General may examine and make copies from such records and may audit all contracts, procurement records, invoices, materials, payrolls, personnel records, conditions of employment, and all documents relating to all matters covered by this Agreement.

c) HUD Performance Reviews and Monitoring. The Grantee understands that HUD may conduct performance reviews and monitoring of the Town and Consortium as provided in HOME Program regulations 24 CFR 92.504 in order to examine compliance with eligibility requirements and any other applicable requirement of the HOME Program. The Grantee agrees to cooperate with HUD, the Town, and Consortium in such reviews and monitoring and to undertake remedial action as may be required pursuant to HOME Program regulation 24 CFR 92.551, Corrective and Remedial Actions.

d) Monitoring by the Trust or its Designee. The Trust, its designee, or the Consortium will perform periodic monitoring of the Project. Monitoring of the Project will include, but not be limited to, annual review of compliance with income requirements as outlined in Attachment A, Project Description, Paragraph 3. The Grantee shall assume all responsibility for maintaining the tenant records necessary to document the meeting of these conditions through the duration of this agreement and shall present data for the Trust's inspection at the intervals that the Trust and the applicable HOME regulations require.

12. INDEMNIFICATION. To the extent permitted by law, the Grantee shall indemnify, hold harmless and defend the Trust, its agents or employees, the Town, and the Consortium and its Members, their agents or employees, from and against all claims, damages, losses, and expenses including, but not limited to, attorneys' fees arising out of or resulting from the use of HOME Program funds disbursed pursuant to this Agreement, provided that any such claim, damage, loss or expense is (1) attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property, and (2) is

caused in whole or in part by any negligent act or omission of the Grantee, anyone directly or indirectly employed by the Grantee, or anyone for whose acts the Grantee maybe liable, regardless of whether or not it is caused in part by a party indemnified hereunder.

13. CONFLICT OF INTEREST.

a) In accordance with HOME Program regulation 24 CFR 92.356, the procurement of property and services by the Trust, the Town and the Grantee is governed by the conflict of interest provisions stated in 24 CFR Part 85 and OMB Circular A-87. The Grantee shall comply with all applicable federal and state conflict of interest rules pursuant to this Agreement.

b) No persons described in Paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME Program funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or benefits from a HOME-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

c) The conflict of interest provisions of Paragraph (b) of this section shall apply to the following persons: any person who is an employee, agent, consultant, officer, elected or appointed official of the Town, a Trustee of the Trust or the Grantee.

d) Any exceptions to the conflict of interest provisions stated or cited herein must be approved by HUD in accordance with HOME Program regulation 24 CFR 92.356. The Grantee shall advise the Trust in writing as to any such exceptions granted by HUD.

14. EQUAL OPPORTUNITY. The Grantee shall comply with all applicable federal and state laws governing discrimination and equal opportunity. In particular, the Grantee shall ensure compliance with HOME Program regulation 24 CFR 92.350 (a) and the following statutes and executive orders pertaining to Equal Opportunity: Fair Housing Act; Executive Order 11063 (Equal Opportunity in Housing); Civil Rights Act of 1964, Title VI (Nondiscrimination in Federally Assisted Programs); Age Discrimination Act of 1975; Rehabilitation Act of 1973, Section 504; Executive Order 11246 (Equal Employment Opportunity); Housing and Urban Development Act of 1968, Section 3; Exec. Orders 11625 and 12432 (Minority Business Enterprise); and Executive Order 12138 (Women's Business Enterprise).

15. FAIR HOUSING.

a) General. The Grantee shall affirmatively further fair housing consistent with the Town's Housing Plan and HOME Program regulation 24 CFR 92.351.

b) Affirmative Marketing. The Grantee shall continue to implement its affirmative marketing procedures for the Property consistent with the requirements of the Consortium Affirmative Marketing Plan.

16. RECORDS. The Grantee shall maintain all applicable records for its project(s) consistent with HOME Program regulations 24 CFR 92.508 Recordkeeping. In addition, upon reasonable prior notice by

the Town, the Grantee shall make available copies of all such records as may be requested by the Town for administration purposes.

17. **REPORTS.** The Grantee shall cooperate with the Town in providing all data and information specific to its project in such formats and time frame as required by the Town and HUD. The Grantee shall submit all data required for the Project Completion report to the Town within 30 days of Project Completion, as defined in Attachment B.

18. **ASSIGNABILITY.** The Grantee shall not assign any interest in this Agreement and shall not transfer any interest in the same. Notwithstanding the foregoing, the Grantee shall have the right to assign this Agreement and all other documents evidencing the loan of the HOME Program funds (collectively, the "HOME Documents") to a single purpose limited liability company if and when a construction loan for the Project is closed. Such assignment is subject to the approval of the Trust and Consortium, which approval shall not be unreasonably withheld. Upon the assumption of such limited liability company of all of the Grantee's duties and obligations under the HOME Documents, the Grantee shall be released from any further liability under the HOME Documents.

19. **OBLIGATIONS.** The Town shall not be obligated to grant any funds to the Grantee unless and until the same are received by the Town from the WestMetro Home Consortium. No Town funds are obligated under the terms of this Agreement, only such funds as are received from the WestMetro Home Consortium. The Town may be obligated to the Commission only to the extent that funds are actually released from the WestMetro Home Consortium. The Town shall be obligated per the terms of the Mutual Cooperation Agreement to return to the WestMetro HOME Consortium's Local HOME Town Funds, any funds recaptured from the Grantee under the provisions of this Agreement, including but not limited to the provisions of Sections 3 and 9 above.

20. **LIENS.** The Grantee represents that any property benefiting through installation or construction of improvements as part of the Project is free from any attachments, tax liens, mechanics liens or any other encumbrances.

21. **DISPLACEMENT AND RELOCATION.** In accordance with HOME Program regulation 24 CFR 92.353, Displacement, Relocation and Acquisition, the Grantee shall assure that all reasonable steps to minimize the displacement of persons as a result of this Project have been taken. If displacement cannot be avoided, the Trust shall work with the Grantee to ensure compliance with 92.353, including preparation and maintenance of all necessary displacement and relocation plans and documentation.

22. **LABOR STANDARDS.** The Grantee shall comply with and/or ensure compliance with all applicable state and federal labor laws and regulations, including but not limited to the Davis/Bacon Act, 40 U.S.C. 276a-5 et seq. as applicable pursuant to the HOME Program regulation 24 CFR 92.354. Compliance with said regulation shall include, but shall not be limited to maintaining all required documentation and implementing all labor compliance procedures such as: screening contractors for debarment, on-site labor interviews, pre- construction meeting and instructions, etc. The Grantee shall require certification as to compliance with the provisions of this paragraph as required by the Trust pursuant to HOME Program regulation 92.354. The Davis/Bacon Act applies to HOME funded rehabilitation projects of twelve (12) or more units.

23. **CHANGES.** In the event that changes in the Project become necessary, including but not limited to changes in funding, scope, or duration, the Grantee shall request the change in writing. If the Town

agrees to such changes, they must be approved in writing by the Town and incorporated into this Agreement as amendments.

24. FAITH-BASED ORGANIZATIONS.

a) The Grantee shall not, in operating the Project, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.

b) HOME Program funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. They may be used for these purposes only to the extent that those structures are used for conducting eligible activities under 24 CFR 92.257. Where a structure is used for both eligible and inherently religious activities, HOME funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to the Project. HOME Program funds may not be used for improvements to sanctuaries, chapels, or other rooms that are used as a principal place of worship.

25. NON-RECOURSE. Notwithstanding any other provisions in this Agreement, the liability of the Grantee to pay the principal of and any interest on the debt evidenced by this Agreement shall be limited to the Property and to the rents, profits and income therefrom. The Town shall not seek any judgment for a deficiency against the Grantee or any member of the Grantee or its successors or assigns in any action to enforce any right or remedy under this Agreement . Paragraph 25 shall not apply to the Consortium.

26. OTHER PROVISIONS/ATTACHMENTS. All other provisions are set forth within the following attachments which are hereby incorporated into this Agreement:

- Attachment A, Project Description
- Attachment B, Work Program and Project Schedule
- Attachment C, Project Budget
- Attachment D, Processing and Release of Project Funds
- Attachment E, Insurance
- Attachment F, State Tax Attestation
- Attachment G, Certificate of Authority

SIGNATURE PAGE ATTACHED HERETO

SIGNATORIES

IN WITNESS WHEREOF the parties hereto have made this Agreement in triplicate as of the day first written above effective upon the date executed by the Town

Town of Lincoln Housing Commission

By *Janice A. Gallup*

Town of Lincoln Affordable Housing Trust

By *Janice A. Gallup*
Trustee

P. J. Scheff
Trustee

P. B. ...
Trustee

R. ...
Trustee

Trustee

Owner of Property:

Town of Lincoln
By its Board of Selectmen

[Signature]
[Signature]
[Signature]

HOME FUNDING AGREEMENT
ATTACHMENT A, PROJECT DESCRIPTION

1. PROJECT DESCRIPTION. The Loan provided under this Agreement will provide funds to carry out rehabilitation of kitchens and other code related improvements to one (1) single family four bedroom unit in the housing complex known as 30 Sunnyside Lane, Lincoln, Middlesex County, Massachusetts operated by the Grantee (the "Assisted Unit"). The Assisted Unit will be made available for households with an initial income of 60% of area median income or less. The Grantee, in exchange for the HOME Funds has agreed to impose a 15 year HOME Period of Affordability to insure that the Unit will be rented at affordable prices to households whose income conform to the requirements of the HOME Program regulations; the Assisted Unit shall be a fixed HOME unit.

2. LOCATION. 30 Sunnyside Road, Lincoln, Middlesex County, Massachusetts. For the Town's title see Deed recorded with Middlesex South District Registry of Deeds in Book 42211, Page 256.

3. PROJECT FUNDING.

\$ 8,039	FY08 (Program Year 2009) HOME funds (HM09-04B)
\$ 33,007	FY09 (Program Year 2010) HOME funds (HM10-04B)
\$ 20,076	FY10 (Program Year 2011) HOME funds (HM11-04B)
\$ 7,906	FY11 (Program Year 2012) HOME funds (HM12-04B)
\$ 4,982	<u>FY12 (Program Year 2013) HOME funds (HM13-04B)</u>
\$74,010	TOTAL HOME BUDGET

4. QUALIFICATION AS AFFORDABLE HOUSING. HOME Program funds provided under this Agreement will be for the Project describe in paragraph 1 above, and must meet the occupancy and affordability requirements set forth in HOME Program regulation 24 CFR 92.252. The HOME-assisted units will comply with the income and affordable rent requirements as defined below. This includes, but is not limited to the following:

a) HOME regulations require that units must be occupied by households with incomes that do not exceed 80% of the current area median income for the Boston Metropolitan Statistical Area or other statistical area designated by HUD, adjusted for family size. 90% of HOME funds used for rental housing must be used for units occupied by tenants whose annual incomes do not exceed 60% of area median income. The actual income limits are determined by HUD and published annually in the Federal Register;

b) Current HOME Program Maximum Rent Limits (effective February 9, 2012);

High HOME Program Rent
4 Bedroom - \$1,786.00

c) The renters' income levels shall not exceed limits published by HUD and current at the time of set-up in IDIS. If HOME assisted property is rented, incomes must comply with Section 92.216.

FY 2012 Adjusted HOME Income Limits.

Family Size	50% of AMI	60% of AMI	80% AMI
1	\$34,250	\$41,100	\$45,500
2	\$39,150	\$46,980	\$52,000
3	\$44,050	\$58,680	\$65,000
4	\$48,900	\$58,680	\$65,000
5	\$52,850	\$63,420	\$70,200
6	\$56,750	\$68,100	\$75,400
7	\$60,650	\$72,780	\$80,600
8	\$64,550	\$77,460	\$85,800

d) A tenant whose income met the income limits at the time of initial occupancy but whose income eventually exceeds 80% of the area median income may remain in the unit, provided that the rent is adjusted so that the “over-income” tenant is paying no more than 30% of their adjusted monthly gross income for rent and utilities. As soon as the “over-income” tenant vacates the Assisted Unit, the Assisted Unit must be re-rented to an income-eligible household.

d) Period of Affordability. The Assisted Unit shall remain subject to HOME affordability rules for twenty (20) years following the completion of the Project.

i) Rental units shall have rents that are the lesser of: the fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111 or a rent that does not exceed 30% of the adjusted income of a family whose annual income equals 65% of the median income for the area, as determined by HUD, with adjustments for the number of bedrooms in the unit. In determining the maximum monthly rent that may be charged for a unit, GRANTEE must subtract a monthly allowance for any utilities and services to be paid by the tenant.

ii) In the case of projects with five or more HOME-assisted rental units, 20% of the HOME assisted units must be occupied by very low income families and meet one of the following rent requirements: a) the rent does not exceed 30% of the annual income of a family whose income equals 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families or b) the rent does not exceed 30% of the family's adjusted income. If the unit receives Federal or State project-based rental subsidy and the very low income family pays as a contribution toward rent not more than 30% of the family's adjusted income, then the maximum rent (i.e. tenant contribution plus project based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

The Grantee shall assume all responsibility for maintaining the tenant records necessary to document the meeting of these conditions through the duration of this Agreement and shall present data for the Trust’s inspection at the intervals that the Town and the applicable HOME regulations require.

5. MAXIMUM PER UNIT SUBSIDY AMOUNT. The most current subsidy levels to be used in this Project shall be calculated by the time the Grantee approves the final development pro forma but in any event but not later than the date the Grantee requests set-up in IDIS. The proposed HOME funded

subsidy levels shall not exceed the limits published by HUD in effect at the time of set-up in IDIS. Use of HOME funds together with other Federal funds shall comply with HOME Program regulation 92.250(b) and the Consortium guidelines prohibiting excessive layering of Federal funds. As of the date of this Agreement, the HUD limits are:

<u>Unit size</u>	<u>HUD limits</u>	<u>Proposed project</u>
4 bedroom	\$280,430	\$74,010

6. PROJECT SCHEDULE. The Grantee shall endeavor to complete the Project described in this attachment by the following target dates as described in Attachment B, Work Program and Project Schedule.

7. FUNDING INSTRUMENTS. The Town will execute this FUNDING AGREEMENT with Commission for the full amount of HOME funds. The funds are being distributed as a grant. If at any time during the term of this Agreement the Commission is not in full compliance with all the terms and conditions hereof and all applicable HOME regulations, whether in effect on the date of this Agreement or hereafter enacted or made by a Federal, State, municipal, or public body, department, bureau, officer, or authority, the Town shall give the Commission written notice of failure to comply. Said written notice shall identify the particular violation(s) at issue and state that the Commission has sixty (60) days from the date of said written notice to cure said violation(s). If at the end of said sixty (60) day period, the Commission is not in compliance, the total amount of the Project Funds and any collection charges, legal fees, and any other outstanding charges shall become due immediately without notice or demand.

HOME FUNDING AGREEMENT
ATTACHMENT B WORK PROGRAM AND PROJECT SCHEDULE

1. EFFECTIVE DATE. This Agreement, made as of the date first written above (General Provisions, page 1) is binding upon the parties as of the date this Agreement was executed by the Town of Lincoln.

2. PROJECT SCHEDULE. The GRANTEE shall endeavor to complete the HOME project described in Attachment B, Project Description by the following target dates: ***TO BE COMPLETED***

Agreement executed	_____
Formulation of scope, specifications, procurement	_____
Procurement of bids, evaluation, contract award	_____
Project implementation	_____
Project completion reporting	_____

3. PROJECT COMPLETION REPORT. Upon completion of the Project, the Grantee shall notify the Town that the Project is complete and submit a Completion Report documenting that the development tasks outlined below in the projected development budget have been completed.

HOME FUNDING AGREEMENT
ATTACHMENT C, PROJECT BUDGET

TOTAL PROJECT BUDGET

Scope of work

Replace kitchen cabinets, counter tops, appliances and open kitchen to dining area

Install slider off dining area

Add deck and stairs

Replace front window

Install engineered floors through out

Install low flow toilets, new vanities

Repair front walkway and driveway

Replace wall board, prep and paint over paneling in living room and 3 bedrooms

Paint throughout interior of house

Remove lead paint

Cover hotel costs for next door neighbor while de-leading occurs in house

Approximate Total per Unit Cost: _____

Architectural and Engineering: _____

Total Project Budget: \$ _____

HOME FUNDING AGREEMENT
ATTACHMENT D, PROCESSING AND RELEASE OF PROJECT FUNDS

1. PRE-RELEASE REQUIREMENTS

- a) Funding Instruments. This Agreement must be fully executed between the Town and the Grantee.
- b) Environmental Clearance. Release of funds must have been received from HUD for this Project and the Representative Member must have approved final site specific environmental documentation.
- c) Set-Up Request. The Town must have transmitted a project IDIS Set-Up Request, executed HOME Project Funding Agreement and executed Project set-up Checklist to the Representative Member for Set-Up of the Project in the HUD IDIS system.

2. METHOD OF PAYMENT. If HOME funds are to be used for rehabilitation, the Grantee shall submit invoicing for approval of payments to the Town Administrator of the Town for payment of up to ninety-five percent (95%) of the HOME Program funds as specified in Attachment A and the balance of the Project funds after Project completion, consistent with the disbursement procedure set forth in paragraph 3 below.

- a) Invoice. The Grantee shall prepare an invoice on its letterhead with the following information: Invoice number, date, name of project, contract number, type, and amount of expenditure, and authorized signature.
- b) Requisition for HOME Funds. After review and approval of the Grantee's transmittal, vendor or contractor invoice, the Town will prepare a Consortium requisition for HOME funds, in accordance with Consortium procedures and requirements.

Incomplete requisitions or requisitions not in full conformance with HOME Program regulations will be returned to the Grantee. In such case, processing of the Consortium requisition and drawdown of HOME funds will not be initiated, until such time as an approvable requisition is received.

- c) Processing of Consortium requisition. The Grantee recognizes that the Consortium will process the requisition for payment in accordance with its procedures. Provided all approvals are in place by Wednesday of a typical week, checks should be issued to the Grantee's designated payees within 15 days.

3. DISBURSEMENT PROCEDURE

No HOME funds will be disbursed at the time of the execution of this Agreement. The Grantee may not request disbursement of funds under the Agreement until the funds are needed for the payment of eligible costs. The amount of each request must be limited to the amount needed. The Grantee may requisition for costs authorized under this Agreement, as specified in Attachment C. The Town will disburse funds in an amount not to exceed ninety-five percent (95%) of the HOME Program funds. The

Grantee shall provide invoices in the manner described below for the balance of the HOME Project funds and shall provide for the Town's records, in form acceptable to the Town the following:

- a) income verification of the household;
- b) completed HOS reports;
- c) lease for Assisted Unit; and
- d) upon the request of the Trust, recordation of the HOME required Affordable Housing Restriction at the completion of the Project and submission of final occupancy data to the Trust and entry of same by the Representative Member in the HUD Information and Disbursement System ("IDIS").

The retainage of five percent (5%) shall be released after receipt of the above for the Assisted Unit.

DESCRIPTION OF WORK

1. DESCRIPTION OF WORK. The Grantee agrees to use the funds for rehabilitation as identified in Attachment C, Project Budget.

2. FINANCIAL RECORDKEEPING REQUIREMENTS.

a) General. The Grantee must have financial management systems conforming to 24 CFR PART 85 Sub Part C - Post Award Requirements.

b) Financial records. The Grantee shall at minimum have a cash receipts register and cash disbursements register for HOME Program funds. All HOME Program funds and transactions must be clearly identifiable. Copies of checks issued with HOME Program funds must be forwarded to the Trust as requested. Subsidiary records shall be maintained for each contract signed and shall, at minimum, include contract price, dates and amounts of payments and running balance.

c) Documentation.

i. General. All HOME transactions must be supported by appropriate source documentation. This includes, but is not limited to: contracts, invoices, countersigned payrolls, etc., evidencing the nature and propriety of each obligation and payment, and showing the approval of the Grantee.

ii. Supplemental information. The Grantee agrees to provide such financial reports and additional source documentation and to comply with such reasonable additional financial control procedures as may be required by the Town.

HOME FUNDING AGREEMENT
ATTACHEMENT E, INSURANCE

1. GENERAL. The contractors and subcontractors engaged by the Grantee, its agents, or designees to perform the Project shall, at all times, be required to maintain insurance coverage consistent with the character of the Project. Each certificate of insurance as required herein shall name the Commission, the Town, the Representative Member and the Consortium as additional named insured parties. Each policy and certificate shall provide for at least twenty (20) days, notice of cancellation or termination to the Town, the Representative Member and the Consortium. Certificates shall be provided to the Town, the Representative Member and the Consortium by the Grantee at the time of the execution of this Agreement and thereafter immediately upon demand. All renewal certificates shall be delivered to the Town, the Representative Member and the Consortium at least thirty (30) days before expiration of the existing policy.

The following coverage will be required at the minimum amounts indicated below:

WORKMEN'S COMPENSATION	Statutory Coverage
EMPLOYER'S LIABILITY	\$100,000 Coverage B
COMPREHENSIVE GENERAL LIABILITY	\$500,000 each occurrence
BODILY INJURY	\$1,000,000 aggregate
PROPERTY DAMAGE	\$500,000 each occurrence
	\$1,000,000 aggregate

2. PROFESSIONAL LIABILITY. The Grantee shall ensure that all engineers and architects engaged by the Grantee in any and all aspects relative to the project identified in **Attachment A** shall carry the following minimum amounts of insurance:

PROFESSIONAL LIABILITY	\$1,000,000 each occurrence
(Errors/Omissions)	\$1,000,000 aggregate

3. PROPERTY INSURANCE.

a) Rehabilitation Phase. No later than 15 days prior to commencement of any rehabilitation and thereafter until construction is completed, the Town shall confirm that the Property is covered by Builder's Risk insurance. Said insurance will be in such amounts as deemed reasonable and prudent in accordance with standard construction practices and consistent with this Attachment.

b) Hazard Insurance. Grantee shall keep the property continuously insured against damages resulting from hazards by maintaining an adequate extended coverage policy. In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following loss to the Property, any proceeds payable to Grantee are hereby assigned and shall be paid to the City for application to the sums secured by the subject Mortgage and Note, with any excess to be paid to Grantee.

c) Restoration or Repair of Property. In the event of fire, hazard or other similar occurrence resulting in the partial or total loss of the Property, Grantee shall restore the property unless Grantee and the Town determine that it is impossible or impractical to do so.