

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) COMMUNITY HOUSING DEVELOPMENT ORGANIZATION DEVELOPER AGREEMENT WITH NEIGHBORHOOD HOUSING SERVICES/OKLAHOMA CITY, INC., FY 2023-2024.

This Agreement is made this 9TH day of APRIL, 2024, between The City of Oklahoma City (The CITY), an Oklahoma municipal corporation, and Neighborhood Housing Services/Oklahoma City, Inc., (NHS), an Oklahoma corporation in good standing.

WHEREAS, the National Affordable Housing Act of 1990 (42 U.S.C. § 5301 et. seq.) [hereinafter, Act] as amended, provided for the establishment of a Home Investment Partnerships Program, to be known as the HOME Program; and

WHEREAS, Title II of the Act contemplates the use of HOME funds by eligible states and local governments to provide more affordable housing; and

WHEREAS, pursuant to the Act a Final Rule, 24 CFR Part 92, was promulgated to guide state and local governments in program administration and application for funds; and

WHEREAS, said regulations became effective in the Code of Federal Regulations on January 16, 1996; and

WHEREAS, The CITY sought and received designation as a Participating Jurisdiction under the HOME Program; and

WHEREAS, The CITY receives from the U.S. Department of Housing and Urban Development (HUD) an entitlement allocation of funds for the HOME Program created under the Act; and

WHEREAS, The City Council of The City of Oklahoma City, as recipient of such funds, deems it desirable to fully assume the responsibilities contemplated and implied under the Act; and

WHEREAS, specific objectives of the Act include the provision of opportunities for affordable homeownership, affordable rental housing and the preservation of housing through rehabilitation activities utilizing a variety of program investment techniques and direct assistance; and

WHEREAS, the activities proposed under the HOME Program are for the direct benefit of qualified low- income persons; and

WHEREAS, the HOME program authorizing Act and regulations provide for at least 15% of HOME funding to be set aside for low-income housing development by Community Development Housing Organizations (CHDOs); and

WHEREAS, The City Council of The City of Oklahoma City deems it desirable to enter into an agreement with the CHDO named herein for the day-to-day conduct of a HOME Program under the above Act, while at the same time reserving to The CITY complete authority and responsibility for the approval of such a HOME Program, its budget, and the terms under which it will be conducted.

NOW, THEREFORE, effective the day first above written, The City of Oklahoma City, a municipal corporation, hereinafter called "The CITY", having a principal place of business at 200 N Walker, Oklahoma City, Oklahoma 73102, and Neighborhood Housing Services/Oklahoma City, Inc., hereinafter called "CHDO", having a principal place of business at 4101 N Classen Boulevard, Ste A, Oklahoma City, Oklahoma 73118, agree to all the foregoing and further agree as follows:

1. Scope of Work

As part of The CITY's Home Investment Partnerships Program (HOME), CHDO shall undertake and provide services and products described in the Schedule "A" Specific Conditions, (attached hereto and incorporated as a part hereof by reference).

2. Duration of Agreement

The Agreement shall become effective on the date of approval by The CITY, and extend through September 30, 2025, or until the affordability period as described herein is concluded, whichever is later.

It is agreed and understood by The CITY and CHDO this Agreement shall not provide for a draw of these new funds beyond the end of term unless included projects have been set up in The CITY's and HUD's financial management systems. However, the Agreement term may be extended through written amendment, but the time for construction, rehabilitation and sale or rental of the properties shall not extend beyond the four-year project completion requirement at 24 CFR §92.205(e)(2) without an official HUD waiver.

The CITY may terminate or suspend this Agreement unilaterally for reasons defined in Part 23 of this Agreement.

3. Funding Availability

- a. The CITY has HOME Program funds that may be accessed by certified CHDOs as a grant or as a loan for a specific project, as determined by The CITY, either by direct allocation or as awarded after a funding request process. Awarded projects shall receive funding available from HUD under a Grant Agreement with The CITY FY 2023-24 funds, or prior year funds, and from no other source. Funds carried forward and any real property under the CHDO's control that was acquired or improved in whole or in part with HOME funds from a previous project shall be subject to the terms of this Agreement.
- b. Funds are provided to the CHDO for purposes specified in Schedule "A" Part A; compensation for services rendered by CHDO is specified in Schedule "A" Part B thereto and incorporated herein by reference.
- c. Funding of such projects with new CHDO funds provided under this Agreement or subsequent amendments must be approved by The CITY prior to project commencement.
- d. Without an amendment to the term, no funds shall be drawn after the Agreement term ends unless projects have been set up in The CITY's and HUD's financial management systems.
- e. Funding awarded by this Agreement is \$340,000.00 from the following sources:

(1) HOME Program CHDO Funds in the amount of \$279,468.00.

(2) HOME Program CHDO Loan Funds in the amount of \$60,532.00.

NOTE: Only funds designated as a loan are subject to repayment. Any loan funds that are not drawn by the CHDO are de-obligated at contract/project completion and are no longer available to the CHDO.

f. CHDO Fund Definitions:

- (1) "CHDO Funds" are HOME funds reserved by The CITY for investment in housing to be developed or owned by CHDOs. These funds are granted to the CHDO.
- (2) "CHDO Loan Funds" are HOME Program funds loaned to the CHDO for use in HOME eligible projects. CHDO Loan Funds shall be remitted to The CITY at project sale, less any forgivable portion, and the repayment of the funds shall be documented on the Completion Form submitted to The CITY at project close-out and within 30 days of home sale closing. CHDO may also

document the loan repayment on the Seller's Settlement Statement along with other encumbrances, including but not limited to bank funds and other private financing which CHDO must repay.

- (3) "CHDO Proceeds" are defined as net proceeds received and retained from the sale of a completed CHDO project, resulting from the direct investment of first use CHDO allocated funds. Net proceeds are defined as the money received from sale after subtracting lender repayments and any transaction costs. This Agreement provides that CHDO shall retain all CHDO Proceeds and use in accordance with 24 CFR §92.300(a)(2) (rental) or in the CHDO's mission to provide housing activities and under 24 CFR §92.300(a)(6) (homeownership) for use on HOME eligible activities or other housing activities to benefit low-income families under 24 CFR §92.300(a)(6)(ii)(A). This includes CHDO proceeds for operating under §3. f. (4) of this agreement. All proceeds on hand or property purchased, in full or in part, with HOME funds shall be returned to The CITY if this Agreement is terminated or not renewed in the next funding cycle.
- (4) "CHDO Proceeds for Operating Funds" are defined as funds designated to support the administrative and operating expenses of the organization for salaries, wages, other employee compensation and benefits; employee education, training, and travel; rent; utilities; communication costs; taxes; insurance; equipment; and materials and supplies pursuant to 24 CFR §92.504(c)6. CHDO proceeds used for operating funds under this Agreement are subject to HOME Program regulations and are limited to \$25,000.00 of CHDO Proceeds from the first home sale generated in this funding cycle through the sale of completed CHDO projects as allowed in 24 CFR §92.300(a)(6)(ii)(A) other housing activities to benefit low-income families.
- (5) "CHDO Equity" is defined as net income received and retained from the sale of a completed CHDO project resulting from the documented investment of CHDO Proceeds in HOME-eligible activities. CHDO Equity cannot exceed the amount of CHDO Proceeds invested directly in a project. CHDO Equity becomes the property of the organization and is not subject to HOME Program regulations.

4. Payment Requests

CHDO shall not request disbursement of funds under this Agreement until the Funds are needed for payment of eligible costs. Each request must be limited to the amount needed.

5. Day-to-Day Operation and Administration

Day-to-Day operation and administration of the HOME Program, which is the subject of this Agreement, including accounting responsibilities - shall be performed by and be the responsibility of CHDO. The CHDO's standards of financial accountability shall conform to 24 CFR §200.302 – Financial management and § 200.303 – Internal controls.

6. Citizen Participation

The CHDO will take actions as may be necessary or appropriate to assure ongoing citizen participation in the HOME program as required by applicable laws, regulations, and City policies and complies with the full definition of a CHDO under 24 §CFR 92.2.

7. Independent Contractor Status

- a. The CHDO shall be an independent contractor of The CITY. CHDO agrees to conduct itself in a manner consistent with such status and further agrees that it will neither hold itself out as nor claim to be an officer, employee or agent of The CITY by reason of this Agreement, and that it will not by reason of this Agreement make any claim, demand, or application for any right or privilege applicable to an officer, employee or agent of The CITY, including, but not limited to, worker's compensation

coverage, unemployment insurance benefits, social security coverage or retirement participation or credit. The CHDO shall provide umbrella liability insurance in the amount of \$1,000,000 for all property purchased with HOME Funds naming The CITY as co-insured. The CHDO shall provide an approved Certificate of Insurance to The CITY.

- b. As an independent contractor of The CITY, CHDO certifies by execution of this agreement that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. CHDO, as contractor, will ensure that all sub-contract agreements funded under this agreement include this certification by the subcontractor.

8. CHDO Subcontracts

CHDO may enter into subcontracts for necessary assistance in completing the work that is the subject of this Agreement. Such subcontracts shall be in writing and in accordance with applicable law and regulations. CHDO shall be responsible for the subcontractor's compliance with all regulations, the work performed by such subcontractors and for all expenditures made under such subcontracts.

9. Agreements with Third Parties

All written agreements for sale or rental of property between the CHDO and third parties utilizing HOME program funds shall specify that the Agreement will remain in effect for the period of affordability required by The CITY and as required under 24 CFR §92.252 or 92.254: **Affordability periods and terms shall be included in all deeds conveying HOME assisted property to eligible recipients, or in 2nd mortgages provided for recipients receiving direct assistance in conformance with HOME Program regulations.**

10. Compliance with Laws, Rules and Regulations

CHDO shall comply with all federal, state, and municipal laws, rules and regulations applicable to the HOME Program that is the subject of this Agreement, including but not limited to the following:

- a. Title VI of the Civil Rights Act; and Oklahoma City Ordinance, Chapter 25, Section 25-39 of the Municipal Code 2020, as amended.

No person may be excluded from participation in, denied the benefits of, or be subjected to discrimination under this program receiving federal financial assistance based on age, race, color, sex, sexual orientation, gender identity, religion, creed, ancestry, national origin, disability or familial status. CHDO shall maintain complete records on all applicants, and disposition of such applications.

- b. Section 3 Compliance

The Section 3 Program requires that recipients of certain HUD financial assistance, to the greatest extent possible, provide job training, employment, and contract opportunities for low- or very-low-income residents in connection with projects and activities in their neighborhoods. As recipient of HUD financial assistance for purposes defined in Schedule "A", CHDO shall comply with Section 3 of the Housing and Urban Development Act of 1968, as amended, a copy of which is attached hereto and labeled as Schedule "B" and is incorporated as a part of this Agreement by reference. CHDO SHALL INCLUDE THE PROVISIONS FOR SECTION 3 COMPLIANCE IN EACH AGREEMENT FOR SERVICES WITH A SUBCONTRACTOR FOR A SECTION 3 PROJECT. It is specifically agreed and understood by both parties hereto that CHDO shall comply with all applicable HUD regulations. CHDO shall maintain full and adequate records of compliance with applicable laws, rules and regulations. Such records shall be open for inspection by The CITY and/or HUD authorized representatives of these agencies.

- c. Additional Federal Requirements

This Agreement is subject to the provisions provided for in both the regulations for the HOME Program, 24 CFR Part 92. CHDO acknowledges that the use of HOME funds pursuant to this Agreement shall comply with all the following regulations:

- (1) Use of HOME Funds
HOME funds shall be used by CHDO for the purposes and objectives stated in Schedule "A" of this Agreement, and for no other purpose(s).
- (2) 24 CFR Part 58 Environmental Review
CHDO shall not acquire property or begin construction on any project funded with HOME funds until a 24 CFR Part 58 environmental review is satisfactorily completed. CHDO shall provide any project information requested by The City as may be needed to inform or complete the environmental review.
- (3) Affordability
Rental Housing assisted with HOME funds shall meet the affordability requirements of 24 CFR §92.252 and Homebuyer projects assisted with HOME funds must meet the affordability requirements of 24 CFR §92.254.
- (4) Repayment/Program Income
 - (i) The CHDO shall be subject to returning all HOME funds invested for failure to complete the project or maintain compliance with the affordability requirements. All recapture/repayment funds resulting from failure to complete the project or to maintain compliance with affordability requirements as provided for in 24 CFR §92.503(b) and (c) must be remitted to The CITY for disposition by The CITY.
 - (ii) CHDO Proceeds generated from the direct use of CHDO funds on CHDO-specific projects and retained by the CHDO for second use on eligible housing projects or other housing activities to benefit low-income families are not considered "Program Income."
 - (iii) Rental Income generated by the operation of the completed project is not "Program Income" or "CHDO Proceeds" and shall be retained by the CHDO.
- (5) Reports and Records
CHDO shall maintain records and submit reports to The CITY as required by 24 CFR §92.508 and as may be required by The CITY.
- (6) Requirements of Subpart F of 24 CFR §92
CHDO shall comply with Project Requirements of Subpart F of 24 CFR §92 as applicable in accordance with the type of project assisted to include:
 - (i) §92.250 Maximum per-unit subsidy amount.
 - (ii) §92.251 Property standards. The CITY's Minimum Property Rehabilitation Standards are the standards for all activities involving rehabilitation, City adopted Building Codes and Zoning Ordinances are the minimum standards for new construction.
 - (iii) §92.252 Qualification as affordable housing: Rental housing, if applicable.
 - (iv) §92.253 Tenant protections and selection.
 - (v) §92.254 Qualification as affordable housing: Homeownership.
 - (vi) §92.254(e) Prohibition on fees charged by the organization
 - (vii) §92.255 Converting rental units to homeownership units.
 - (viii) §92.257 Equal participation of faith-based organizations.
- (7) Maintenance of Rental Property
CHDO is required to maintain and shall require any subsequent owners of rental housing assisted with HOME funds to maintain said rental housing in compliance with applicable Housing

Quality Standards (HQS), Uniform Physical Conditions Standards (UPCS), as may be required by HUD, and/or The CITY's Housing Code requirements for the duration of this Agreement or the designated period of affordability, whichever is greater.

(8) Other Program Requirements

The CHDO shall carry out each activity in compliance with all Federal laws and regulations described in Subpart H of 24 CFR §92, except that:

- (i) The CHDO does not assume The CITY's environmental responsibilities on 24 CFR §92.352, but will be responsible to The CITY for providing sufficient project information to assure compliance with Environmental Review Record regulations prior to commencing activity; and
- (ii) The CHDO does not assume The CITY's responsibility for initiating the review process under the provisions of 24 CFR Part 52.
- (iii) **The CHDO shall not commence construction or rehabilitation activities prior to completion of the environmental review.**
- (iv) Subpart H provides that the HOME Program shall be conducted in accordance with the provisions of:
 - (a) §92.350 Nondiscrimination, Equal opportunity, and fair housing, debarred, suspended or ineligible contractors and other responsibility matters
 - (b) §92.351 Affirmative marketing, minority outreach
 - (c) §92.353 Displacement, relocation, and acquisition. Provided, however, The CITY expressly prohibits the use of HOME funds to provide assistance for a dwelling unit that will cause displacement or relocation unless authorized in writing prior to project set-up.
 - (d) §92.354 Labor Standards
 - (e) §92.355 Lead based paint
 - (f) §92.356 Conflict of interest

11. Reports and Audits

- a. CHDO shall furnish to The CITY all reports required by HUD, as set forth herein, and such additional reports as may be necessary to comply with all applicable laws, regulations, guidelines, and conditions specified in the funding contracts referred to in the paragraph above; and further, CHDO shall provide any other reports deemed reasonably necessary by The CITY. The CITY, HUD or the Comptroller General of the United States or any of their duly authorized representatives shall at all times have the right and option to monitor, inspect, audit and review the CHDO's performance and operation of the HOME program to be performed under this Agreement; and in connection therewith, all of the above mentioned entities shall have the right to inspect any and all records, books, documents, or papers of CHDO and the subcontractors of CHDO, for the purpose of making audit examination, excerpts and transcriptions.
- b. A financial status report in a form acceptable to The CITY shall be submitted to The CITY for review upon request during the term of this Agreement or any Term of Affordability Period. Said financial statement must agree with CHDO's records and accounts.

13. Documentation Necessary for Required Assurances

CHDO shall develop and maintain documentation necessary to assure compliance with the provisions of the National Affordable Housing Act of 1990, and any amendments thereto, and shall provide such documentation and certification as may be needed to enable the Mayor, and the Chief Executive Officer of The CITY, to execute assurance of such compliance. In addition, CHDO shall furnish such information and maintain such records as may be needed to enable both CHDO and The CITY to meet the requirements of the National Environmental Policy Act and the Clean Air Act, along with such regulations as may be adopted in connection therewith by the Environmental Protection Agency, the State of Oklahoma, or The CITY. CHDO agrees to retain and maintain all records pertaining to its

HOME program funded activity, and all records necessary to document the income eligibility of clients and the appropriateness of the work, service, or benefits provided by the CHDO through the period of affordability. If an audit finding(s) is not resolved by the end of the affordability period, the records shall be retained until the finding(s) is resolved.

14. Preparation of the Home Investment Partnerships Program (HOME) Grant Application

The CITY shall be responsible for preparing the formal application to HUD for HOME Grants funds. When requested by The CITY, CHDO shall supply to The CITY information necessary for the completion of such application.

15. Personnel Policies and Internal Procedures

Personnel policies, pay scales and operating procedures of CHDO shall be the responsibility of and shall be determined by CHDO; PROVIDED HOWEVER, THAT CHDO IS RESPONSIBLE FOR MAINTAINING AND STAFFING A FACILITY ACCESSIBLE TO CITIZENS SEEKING TO CONDUCT BUSINESS WITH CHDO EVERY WORKING DAY OF THE YEAR or by appointment. Such policies and procedures shall be in accordance with applicable laws and regulations. Copies of such personnel policies, pay scales and internal operating procedures, including any amendments thereto, shall be furnished to The CITY upon request.

16. Conflict of Interest with The CITY

No member, officer, or employee of The CITY, or its designees or agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the program during his tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the program assisted under this Agreement. CHDO shall identify and disclose any known conflicts of interest in Schedule 'C' attached to this Agreement.

17. Non-Discrimination Certificate

In connection with the performance of this Agreement the CHDO agrees not to discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, familial status, handicap, age, or ancestry. The CHDO further agrees to take affirmative action to insure that employees are treated without regard to their race, creed, color, national origin, sex, familial status, handicap, age or ancestry which actions shall include, but not be limited to employment, upgrading, demotion or transfer, recruiting or recruitment, advertising, lay-off, or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. The CHDO further agrees to post in a conspicuous place, available to employees and applicants for employment, notices of Equal Opportunity consistent with the provisions of this section. The CHDO further agrees to comply with Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375 and as supplemented in Department of Labor Regulations (41 CFR, Part 60). In the event of the CHDO's non-compliance with this non-discrimination clause, this Agreement may be cancelled or terminated by The CITY and the CHDO declared by The CITY ineligible for further contracts with The CITY until satisfactory proof of intent to comply shall be made by the CHDO. CHDO further agrees to include this non-discrimination clause in any subcontracts connected with the performance of this Agreement.

18. Lobbying Certification Required.

CHDO shall execute a Lobbying Certification, Schedule "D", as an inclusion in this Agreement.

19. Environmental Review

The funding under this agreement is conditioned on The CITY's determination to proceed with, modify or cancel any project based on the results of a subsequent environmental review.

20. Miscellaneous

- a. Should it become necessary to determine the meaning or otherwise interpret any word, phrase or provision of this Agreement, or should the terms of this agreement in any way be the subject of litigation in any court of laws or equity, it is expressly agreed that the laws of the State of Oklahoma shall exclusively control same.
- b. The parties hereto do agree to bind themselves, their heirs, executors, administrators, trustees, successors, and assigns, all jointly and severally under the terms of this Agreement.
- c. CHDO, as defined in 24 CFR §92.2, states that it employs and will continue to employ experienced paid staff with development experience that has the know-how and ability to conduct and perform the program which is the subject of this Agreement and agrees to use such experience, know-how and ability in its performance and completion of this Agreement for the benefit of The CITY. CHDO agrees to put forth its best efforts on behalf of The CITY herein and promises to adhere to good business and professional practices in its performance and completion of this Agreement.
- d. All references herein to statutes, ordinances, codes, and regulations shall include any amendments thereto adopted or put into effect during the duration of this Agreement.

22. Hold Harmless Clause

CHDO shall defend, indemnify, and save harmless The CITY from any and all damages, claims and causes of action against said CITY for damages or injury to any person or property arising solely out of, or in connection with the negligent performance or negligent acts of CHDO, its subcontractors, agents or employees under the terms of this Agreement. In addition to the foregoing, CHDO agrees to hold harmless The CITY from any liability arising from the claims of CHDO's subcontractors or any others which CHDO might employ or obtain services or materials from in connection with the performance of this Agreement.

23. Termination Prior to Term Expiration

- a. Federal regulation 24 CFR §92.504(c)(13) contains provisions to enforce this Agreement. Under 24 CFR §85.43, or at the will of The CITY, this Agreement may be suspended or terminated prior to the expiration of the term by unanimous written Agreement by the parties hereto. The CITY may also unilaterally terminate or suspend this Agreement, in whole or in part, upon ten (10) day written notice from The CITY to the CHDO for the following reasons:
 - i. Failure to perform the services set forth in the scope of services and requirements incident thereto.
 - ii. Failure to comply with the provisions of this Agreement.
 - iii. Making unauthorized or improper use of funds provided under this Agreement.
 - iv. Submission of an application, report or other documents pertaining to this Agreement which contain misrepresentation(s) of any material aspect.
 - v. The carrying out of the Special Conditions or the objectives of this Agreement is rendered improvable, unfeasible, impossible, or illegal.
 - vi. Failure of the U.S. Department of Housing and Urban Development (HUD) to make funds available or if HUD suspends funds for any reason.
 - vii. Upon the determination of The CITY that the Agreement be suspended or terminated, without cause.
 - viii. For the convenience of The CITY in accordance with 24 CFR §85.44.
- b. Termination or suspension shall not affect otherwise valid and allowable obligations incurred in good faith prior to receipt of a notice of termination or suspension.

IN WITNESS WHEREOF, the parties hereto set their hands this ____ day of _____, 20__.

**NEIGHBORHOOD HOUSING
SERVICES/OKLAHOMA CITY, INC**


Katrina Washington, Executive Director

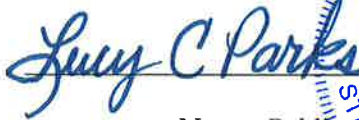
STATE OF OKLAHOMA)
) SS.
COUNTY OF OKLAHOMA)

Before me, the undersigned, a Notary Public, in and for said County and State on the 19th
day of March, 2024, personally appeared Katrina Washinton to me known to be the identical
person who subscribed the name of the marker thereof.

Given under my hand and seal of office on the day and year above written.

My commission Expires: 11/03/2024

My Commission Number: 04010052



Notary Public




ATTEST:


CITY CLERK



CITY OF OKLAHOMA CITY


MAYOR

Reviewed as to form and legality.


Assistant Municipal Counselor

Schedule "A"

SPECIAL CONDITIONS

PART A: TASKS TO BE PERFORMED

- i. It is expressly understood that the activity authorized and funded under this Agreement is for new construction or rehabilitation of affordable housing occupied by low and very-low-income households.
- ii. The CHDO shall market housing produced under this Agreement to qualifying families as defined by the U.S. Department of Housing and Urban Development (HUD).
- iii. Project construction shall conform to construction schedule and in no event shall construction commence later than twelve months from the date of execution of this Agreement.
- iv. It is anticipated that this project, funded with HOME Program CHDO Funding as defined in PART B of this Agreement, will combine with other funding sources to yield Two (2) or more CHDO housing units of approximately 1300 square feet, three bedrooms and two bathrooms, priced as noted, subject to the lesser of the sales price stated below or the buyer's appraisal after construction, during the term of the Agreement at the following locations:
 - 1436 NE 12th Street with a sales price of \$177,500.00
 - 1440 NE 12th Street with a sales price of \$177,500.00

NOTE – the sales price may be altered by a seller's appraisal or Broker's Price Opinion (Comparative Analysis) after construction is complete, as this neighborhood is in an expanding market, but with local economic uncertainty. pricing is likely to be subject to external market forces.

- v. CHDO understands that any buyer of CHDO housing must receive Down Payment Assistance (DPA) from a CITY-designated DPA provider(s) and that the CHDO shall refer all such buyers to said provider(s).
- vi. Buyers, renters, and lessees with an option to purchase shall be qualified using the IRS method for determining income eligibility.
- vii. This is a Homebuyer Project and is subject to 24 CFR §92.254(a)(3) that imposes conversion to rental housing if the housing unit does not have a ratified sales contract with an eligible homebuyer within nine months of the completion of construction or rehabilitation. If converted or developed as rental housing, the rental housing units must comply with the affordability provisions of 24 CFR §92.252 and all other rental unit requirements of the HOME Program.
- viii. CHDO understands and agrees to refer all clients seeking rehabilitation aid only to The CITY.
- ix. CHDO understands and agrees that program recipients must be legal residents of the United States. A homebuyer and/or other recipient of CHDO-project assistance shall qualify as a citizen by birth, naturalized citizen or is a national of the United States; or is otherwise a lawful permanent resident of the United States.
- x. For rehabilitation projects, the following releases for each property shall be obtained by the CHDO from The CITY prior to commencement of project activity:
 - a. State Historic Preservation Office
 - b. Noise Assessment
 - c. Flood Plain Report

d. Lead Based Paint Assessment.

PART B: PROJECT COMPENSATION

- i. It is expressly understood that compensation for the activities defined in Schedule "A", Part A of this Agreement include:
 - a. HOME Program CHDO project funding in the amount of \$279,468.00 and
 - b. An allocation of HOME Program CHDO Loan Pool funds in the amount of \$60,532.00.
- ii. Funds awarded by previous CHDO operating agreements, including second-use funds (CHDO Proceeds) and CHDO Loan Pool funds, are subject to the terms and conditions of this Agreement.
- iii. Costs incurred by CHDO for architectural, engineering, site control, property maintenance, insurance and other professional services are reimbursable as project costs up to 24 months prior to execution of this agreement.
- iv. This Agreement provides for the conversion of \$25,000.00 of CHDO Proceeds generated from the sale of the first property sold during the funding cycle to be used as Operating Funds per Section 3(f)(4) of this Agreement.
- v. CHDO is eligible for a developer fee at the close of each home sale not to exceed 4% of the sale price as listed on the Seller's Settlement Statement on the first home and 10% on subsequent projects that include Loan funds in an amount not less than the developer's fee. Payment of the fee may be made at closing and may be documented on the Seller's Settlement Statement as a cost of sale or at project closeout in the disposition of funds. The developer fee may be taken only from CHDO Proceeds or CHDO Equity derived from net proceeds at closing.

PART C: PROJECT SET UP

- i. CHDO has met the test for certification, (as defined in §92.2), and submitted a market assessment; address-specific project set-up forms; sources of funds, including firm financial commitments; and project budgets that have been reviewed and approved for cost reasonableness. CHDO has also submitted construction schedules to reserve funds for individual projects and/or use of CHDO proceeds generated by an earlier sale.
- ii. It is expressly understood by CHDO that budgets on CHDO project set ups shall not be exceeded unless revised and approved in writing by The CITY-designated project coordinator [see Part F (i)(a & b) below]. Every request for revision must be submitted in writing to the Project Coordinator.

PART D: DRAW DOWN

- i. CHDO will be eligible to draw funds for an individual project under this agreement after funds have been set up for a specific address and support documentation is submitted with the invoice.
- ii. Draw requests shall be made in accordance with 2 CFR §200.305 - Payment, which states, in part:

"Advance payments to a non-Federal entity must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the non-Federal entity in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the non-Federal entity for direct program or project costs and the proportionate share of any allowable indirect costs. The non-Federal entity must make timely payment to contractors in accordance with the contract provisions".

- iii. CHDO Project Funds shall be expended within 15 days of receipt. Draw requests should be made in consideration of this rule and shall be due to Housing & Community Development staff before noon on the Wednesday ten (10) working days prior to the expected receipt of actual funds.

PART E: CHDO REPORTING REQUIREMENTS

- i. CHDO is responsible to keep records documenting all project activities and submit timely reports to The CITY upon request or as scheduled.
- ii. Required reports include but are not limited to:
 - a. Reports required by 24 CFR §92.508.
 - b. Project set up reports required as soon as practical after execution of this Agreement and prior to drawdown of funds.
 - c. When requested, quarterly project progress reports, including a narrative and financial statement shall be submitted by the tenth calendar day following the end of each quarter.
 - d. Minority Business Enterprise and Women Business Enterprise report shall be submitted for each completed project no later than 30 days from the sale of each CHDO house.
 - e. Section 3 Compliance Reports shall be submitted within 30 days of the end of the fiscal year ending June 30 and Section 3 information submitted as specified in Schedule 'B' of this agreement.
 - f. Project completion report shall be submitted within 30 days of the sale of each CHDO house. Delinquent completion reports shall be grounds for The CITY to withhold future draws.
 - g. An independent audit performed by an auditor familiar with HUD Program and specifically CHDO Program regulation, as required or requested by The CITY, and conducted in accordance with 2 CFR §200.501 – Audit Requirements (a) *Audit required*. A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of this part.
 - h. Police reports shall be submitted to The CITY within 10 days from the loss or damage to properties purchased with HOME funds.

PART F: OTHER REQUIREMENTS

- i. Technical Assistance
 - a. The CITY shall assign a Project Coordinator from Housing & Community Development Division staff to provide technical assistance upon request regarding CITY policies and federal administrative and monitoring requirements.
 - b. The CHDO shall work with the project coordinator to reconcile project accounts with CITY records as requested or on a quarterly basis.
- ii. Mortgage Requirement

The CHDO may be required to execute and file a mortgage on individual CHDO projects prior to initial drawdown of project funds or commitment of CHDO proceeds. A release of mortgage will be provided to the filing agent of the CHDO's selection after all conditions of the mortgage have been satisfied. The cost of filing the release shall be assumed by the CHDO and documented as a cost of sale. A minimum of two weeks' prior notice is required for The CITY to process the mortgage release.
- iii. Affirmative Marketing

The CHDO shall take affirmative marketing steps consisting of actions that provide information to attract eligible persons in the housing market area to the available housing without regard to age,

race, color, sex, sexual orientation, gender identity, religion, creed, ancestry, national origin, disability or familial status.

iv. Procurement Standards

- a. All procurement transactions regardless of whether negotiated or advertised and without regard to dollar value shall be conducted in a manner so as to provide maximum open and free competition consistent with the Cost Principles for Nonprofit Organizations.
- b. Positive efforts shall be made by the CHDO to utilize small business and minority-owned business sources of supplies and service.
- c. An inventory of all articles purchased over \$500, or which are considered equipment shall be appropriately tagged by the CHDO and records shall be maintained on all such items. A copy of the inventory shall be kept up to date and submitted to The CITY upon reasonable request, especially when changes occur.
- d. All loss, damage to properties purchased with HOME monies shall be investigated and fully documented by the Oklahoma City Police Department. A copy of the Police report is to be forwarded within ten (10) days to the Community Development Division and items lost due to theft removed from your inventory list.

v. Federal Audits, Records

- a. CHDO shall employ those management techniques necessary to ensure adequate and proper fiscal accountability of all HOME funds and private funds received and disbursed on CHDO projects. This may include but not be limited to separate ledgers for HOME funds and/or a separate bank account with ledger documentation. In all cases the CHDO will comply with 2 CFR §200.302 – Financial Management and 2 CFR §200.303 – Internal Controls.
- b. A record of all HOME expenditures including payroll, purchase vouchers, and claims, etc. shall be kept on file by the CHDO the greater of five years or through the affordability period for federal audit.
- c. Quarterly programmatic progress reports shall be retained by the CHDO for three years after close-out for audit purposes.
- d. CHDO shall submit to The CITY a copy of any audit reports on the use of HOME funds.

vi. Personnel Changes

By-laws, personnel policies, pay scales and internal operating procedures of CHDO shall be the responsibility of and determined by its Board of Directors in accordance with applicable laws and regulations. Copies of such personnel policies, by-laws, pay scales and internal operating procedures, along with any changes in connection therewith, shall be furnished to The CITY, upon request, for its review and comment.

vii. Liability Insurance

The CITY's Housing & Community Development Division shall be furnished copies of all licenses and certifications of Public Liability Insurance for all HOME projects upon request after the execution of this Agreement.

PART G: Assurances and Certifications

Assurance Signature:

SIGNATURE:

By signing this assurances page, you certify that you agree to perform all actions and support all intentions in the Assurances sections.

Organization Name:

Neighborhood Housing Services-Oklahoma City

Program Name:

HOME Community Housing Development Organization (CHDO)


Name and Title of Authorized Representative:

Katrina Washington, Executive Director

Signature:

Witness:

Date:


Lucy C. Parks
03/19/2024

CERTIFICATION SIGNATURE

SIGNATURE:

By signing this Certification page, you certify that you agree to perform all actions and support all intentions in the Certification sections of this agreement. The Certifications are:

- Certification: Debarment, Suspension and Other Responsibility Matters
- Certification: Lobbying Activities

Organization Name:

Neighborhood Housing Services-Oklahoma City

Program Name:

HOME Community Housing Development Organization (CHDO)


Name and Title of Authorized Representative:

Katrina Washington, Executive Director

Signature:

Witness:

Date:


Lucy C. Parks
03/19/2024

Schedule "B"

EEO and SECTION 3 COMPLIANCE

In compliance with regulations at 24 CFR Part 75 Section 3 of the 1968 Housing and Urban Development Act, as amended, regarding Equal Employment Opportunity, CHDO affirms that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to persons with low- and very low-income, or those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to persons with low- and very low-incomes. No person shall be discriminated against or denied employment on the grounds of race, color, religion, national origin, age, disability, genetic information, or sex (including sexual orientation and gender identity.)

Awardee appoints **Katrina Washington** as the Equal Employment Opportunity Officer responsible to coordinate CHDO efforts, to advise and assist key personnel and staff and officially service as focal point for complaints regarding Section 3 compliance or concerns about discrimination.

HUD Section 3 Compliance

- a) The work to be performed under this Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. §1701u) ("**Section 3**"). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted developments covered by Section 3, shall, to the greatest extent feasible, be directed to persons with low- and very low-income, and persons who are recipients of HUD assistance for housing, with preference for both targeted workers living in the service area or neighborhood of the Development and Youthbuild participants, as defined at 24 CFR Part 75 ("**Section 3 Regulations**").
- b) Awardee agrees to comply with HUD's Section 3 Regulations. As evidenced by their execution of this Agreement, Awardee certifies that it is under no contractual or other impediment that would prevent it from complying with the Section 3 Regulations.
- c) Awardee and its General Contractor, Sub-contractors, et al, shall post copies of the notice in a conspicuous place at the work site where employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference and shall set forth the following: (i) minimum number and job titles subject to hire, (ii) availability of apprenticeship and training positions, (iii) qualifications for each, (iv) name and location of the person(s) taking applications for each of the positions, and (v) the anticipated date the work shall begin.
- d) Noncompliance with HUD's regulations in Section 3 Regulations may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.

- e) Awardee shall include Section 3 requirements and language and a Summary of Section 3 obligations in each subcontract, bid and/or proposal for work on this project.
- f) Recipients of Section 3 funding must require subrecipients, contractors, and subcontractors to meet the requirements of 24 CFR §75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.

Section 3 Recordkeeping

- (a) Awardee and all its project contractors and sub-contractors shall maintain Section 3 worker, and Targeted Section 3 worker documentation and certifications; records on labor hours worked by all workers, the labor hours worked by Section 3 workers, and those worked by Targeted Section 3 workers.
- (b) If Section 3 businesses are engaged, Awardee shall keep records documenting the Section 3 business status.

Section 3 Reporting

- (a) Awardee shall require that all contractors and sub-contractors submit required Section 3 information to enable Awardee to complete its Section 3 reporting obligations.
- (b) **Section 3 Summary Reports.** Awardee shall submit summary reports of Section 3 project activity to The City with every invoice submitted for payment. The Section 3 Summary Reports are to describe outreach efforts, ratios of Section 3 labor hours to total labor hours, labor hours performed by targeted workers, and worker training.
- (c) **Section 3 Final Report.** Awardee must track all reports and aggregate all the data to be able submit to The City a Final Section 3 Report at project completion. The Final Section 3 report is to include:
 - A total of all hours worked on the project;
 - The total work hours completed by all Section 3 workers, including Targeted workers;
 - The total work hours completed by Targeted Section 3 workers; and
 - A narrative which summarizes all documented qualitative activities taken to comply with the Section 3 requirements.

The final invoice for the project will be held until the final Section 3 report is submitted.

[continued on subsequent pages]

Summary of Section 3 Obligations (24 CFR 75)

Funding recipients (contractors, subrecipients, CHDOs, grantees, developers, etc.) working on a Section 3 covered Project must:

- Inform Section 3 residents of employment and contracting opportunities (§75.27 Contract provisions).

A Section 3 worker is defined as one whose income for the previous calendar year is:

- 1) below income limits established by HUD, or 2) is employed by a Section 3 business concern or 3) a YouthBuild participant.

A Targeted Section 3 worker is generally one who:

- 1) is employed by a Section 3 business concern, or 2) currently or when hired, or within the last 5 years, is documented to live within one mile of the project (See 24 CFR 75.5 defn. for more detail).

- To the greatest extent feasible, hire and train Section 3 residents to complete work on the project (24 CFR §75.19 (a) requirements). Verify eligibility based on Section 3 Income Limits [Income Limits | HUD USER \(www.huduser.gov\)](https://www.huduser.gov/IncomeLimits/) for the Oklahoma City Metro FMR Area. The rule only gives preference to Section 3 residents if they meet necessary job qualifications.
- To the greatest extent feasible, contract with Section 3 businesses (§75.19 (b) requirements). Search for a HUD Section 3 Business: <https://hudapps.hud.gov/OpportunityPortal/>. The rule only gives preference to Section 3 businesses after they meet necessary contract qualifications.

The Section 3 Final Rule continues to emphasize a goal to contract with business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or non-metropolitan county) in which the funded project is located.

A Section 3 business is defined as one where: 1) At least 51 percent of the business is owned and controlled by low- or very low-income persons, or 2) at least 51 percent of the business is owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing, or 3) over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers.

Public notice: Include a Summary of Section 3 Obligations (in all bid/proposal solicitations. HUD no longer requires the exact text of the Section 3 Clause (24 CFR 135.38 – defunct); however, funding recipients may use the clause, to convey Section 3 obligations through their subcontracts for Section 3-covered projects (§75.27 Contract provisions).

Submit Section 3 Summary Reports to the project manager at The City or contact identified in your funding agreement to describe outreach efforts, ratios of Section 3 labor hours to total labor hours, labor hours performed by all Section 3 workers including targeted workers, and worker training, pursuant to creating economic opportunities for section 3 workers. The City’s contract awardees must submit Section 3 reporting with every invoice submitted for payment regardless as to whether the invoice is from subcontractors or the general contractor.

Parties Subject to Section 3:

- **Subrecipients** of “Section 3-covered assistance” include those who receive HUD funding for construction or rehabilitation activities that meet the \$200,000-per-project threshold (HOME, NSP, ESG, CDBG etc.; §75.3 Applicability). Subrecipients report final project Section 3 accomplishments to The City with their final draw request.
- **Contractors** hired by Recipient or Subrecipient for awards that exceed the per-project threshold.
- **Subcontractors** hired by covered contractors (report through contractors).

Labor Hour Priorities:

Section 3 requires that HUD-funded award subrecipients, contractors, and subcontractors fulfill the following obligations for outreach, employment, training, and labor hours (§75.19 Requirements, §75.25 Reporting, §75.27 Contract provisions, §75.31 Recordkeeping (b)(1)):

- Inform area low-income residents and businesses about project-related training and employment opportunities. (§75.25 Reporting (b) Outreach, training, apprenticeship).
- Advise area residents what HUD Section 3 workers are and how the project grants them priority for employment opportunities.
- Train Section 3 workers. (§75.19 (a)). Employers must give priority for training opportunities to residents of the metropolitan area where the project happens if applicants meet the employer’s (and Federal) requirements as adequately as non-Section 3 workers do.
- Use priorities in hiring process (§75.19, §75.5). Section 3 workers living in the service area or neighborhood of the project are to get hiring priority. See “Service area”, §75.5 definition. Participants in HUD Youthbuild programs (Youthbuild.org) are also priorities for hiring. *** Note Oklahoma City does not presently have any Youthbuild programs.*
- Satisfy HUD’s “benchmarks for training and employment,” §75.23 Section 3 safe harbor.

Benchmarks for employment and training:

HUD's "benchmarks" for Section 3 labor hours combine those of direct hires and workers hired by subcontractors (§75.25 Reporting).

Reporting metrics:

In 2022, HUD set the benchmark for Section 3 workers at 25 percent or more of the total number of labor hours worked by all workers on a Section 3 project. HUD set the benchmark for Targeted Section 3 workers at 5 percent or more of the total number of labor hours worked by all workers on the Section 3 project (§75.23 (b)).

Note: Nothing in 24 CFR 75 requires employment of a Section 3 resident who does not meet the minimum qualifications for a position or job. (Definition of Section 3 worker, §75.5)

Obligations for Contracting with Section 3 Businesses:

The 2020 Final Rule includes no numerical goals for businesses. However, contracting with Section 3 businesses can help your project acquire Section 3 labor hours. Section 3-covered award funding recipients must fulfill the following obligations when they contract with other businesses to do work on the project (24 CFR 75.19 (b)):

- Include Section 3 requirements in all subcontracts and solicitations (§75.27).
- "To greatest extent feasible" make contracts with Section 3 business concerns (§75.5).
- Give contracting priority to Section 3 businesses that provide economic opportunities to Section 3 workers residing within the metropolitan area in which the project is located, or Section 3 businesses that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project or to participants of Youthbuild programs (see definitions, §75.5).

Contracting to expedite Section 3 hiring (24 CFR §75.19 (b)):

- To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, funding recipients shall ensure contracts for work awarded in connection with Section 3 projects are provided to business concerns that **provide economic opportunities to Section 3 workers residing within the metropolitan area in which the project is located.**
- Where feasible, priority for contracting opportunities described above should be given to Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area (new definition) or the neighborhood of the project.

Note: Nothing in 24 CFR 75 requires subrecipients, contractors, or subcontractors to engage an unqualified business. Federal procurement rules requiring ability to complete a contract still apply.

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Schedule "C"

CONFLICTS OF INTEREST

None Identified

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Schedule "D"

CERTIFICATION REGARDING LOBBYING

The Oklahoma City Housing Services Redevelopment Corporation certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal Loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress for this Federal contract, grant loan, or cooperative agreement, the undersigned will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," under its instructions.
3. The CHDO will require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontract, sub grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients will certify and disclose accordingly.

(Remainder of page is intentionally blank)

Schedule "E"

Certification Regarding Debarment, Suspension, and Other Responsibility Matters- Primarily Covered Transactions

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency; and
 - (b) Will require that all subcontract agreements funded under this agreement will include this certification by the sub-contractor; and
 - (c) Have not within a three-year period preceding this proposal been convicted of or had a civil Judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; and
 - (d) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification; and
 - (e) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

(Remainder of page is intentionally blank)

Conformance with 2 CFR Part 200.332

The following information is included in this Agreement to conform to the requirements of 2 CFR 200.332:

NEIGHBORHOOD HOUSING SERVICES-OKLAHOMA CITY, INC. UEI:
C1LKDYNCCXB1

Federal Award Identification Number (FAIN): M-23-MC-20-0203

Federal Award Date: September 1, 2023

Subaward period of performance and budget period: See Section I above;

Amount of Federal Funds Obligated by this Agreement: \$340,000

Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA): This award is a contract for the Agency to provide professional services to eligible clients seeking down payment and closing costs assistance in purchasing homes in approved geographic locations and under program guidelines shown in Exhibit 1 above.

Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the pass-through entity: The Federal awarding agency is the HUD as defined in the above recitations. The CITY as defined above is the recipient agency providing the subaward to NEIGHBORHOOD HOUSING SERVICES-OKLAHOMA CITY, INC.

The contact information for the Mayor is:

The Hon. David Holt
Mayor of Oklahoma City
200 N Walker Ave., Third Floor
Oklahoma City, OK 73102

Assistance Listing Number (aka CFDA): 14.239; Title: Home Investment Partnerships Program.