

**Fall 2022  
CITY OF ST. LOUIS  
AFFORDABLE HOUSING TRUST FUND  
FOR-SALE HOUSING PRODUCTION PROGRAM  
GUIDELINES**

# **CITY OF ST. LOUIS**

## **AFFORDABLE HOUSING TRUST FUND**

### **FOR-SALE HOUSING PRODUCTION PROGRAM**

The information enclosed contains the Program Guidelines and eligibility requirements for the Affordable Housing Trust Fund For-Sale Housing Production Program administered by the City of St. Louis' Affordable Housing Commission (AHC).

AHC's funding applications for development projects (For-Sale and Rental Housing) are in the form of an Excel workbook found at: **[www.affordablehousingcommissionstl.org](http://www.affordablehousingcommissionstl.org)**. Download the file and complete the following worksheets in the order corresponding to their numbering: 1) Application, 2) Development Budget, 3) Construction Costs, 4) Sources & Uses, 5) MVA, 6) Priorities, 7) UD (Universal Design), 8) Living Wage, 8) SIS (Sustainability Impact Statement), 10) 1099, and 11) Conflict of Interest Disclosure.

#### **How to Assemble & Submit**

Submit **three (3) copies** of the completed Excel workbook and include all documents and exhibits listed in the Application Checklist (Tab 1, Section VIII).

- 1) **One copy** must be in a three-ring binder with tabs corresponding to each number in the Application Checklist.
- 2) **Two copies** must be assembled without tabs and secured with a binder clip.
- 3) **A complete copy** of the application and all exhibits on: a labeled USB flash drive.
- 4) **Email** the entire file to: [hinerl@stlouis-mo.gov](mailto:hinerl@stlouis-mo.gov).

#### **Help is Available**

If you have any questions about your project, AHC's funding requirements or procedures, or the Excel workbook, please call Loretta Hiner at 314-657-3883 well before the deadline. Incomplete applications will be rejected.

**Applications must be submitted to the Affordable Housing Commission offices at 1520 Market Street, Suite 2080, St. Louis, Missouri, 63103 by 4:00 p.m. of October 28, 2022.**

Early proposal submissions are encouraged.

# **CITY OF ST. LOUIS AFFORDABLE HOUSING TRUST FUND FOR-SALE HOUSING PRODUCTION PROGRAM GUIDELINES**

## **PROGRAM DESCRIPTION**

The City of St. Louis Affordable Housing Trust Fund (the “Trust Fund”) was created by Ordinance Number 65132 for the purposes of encouraging the development and preservation of affordable and accessible housing. Under this ordinance, the Affordable Housing Commission (the "Commission") is charged with the authority to establish and provide funding for a development loan program. The Commission is authorized to make both low interest and forgivable loans to housing developers for the rehabilitation, modification, construction and preservation of affordable and accessible housing in the City of St. Louis.

Private builders, property owners, developers and not-for-profit community groups are eligible to apply for financing. Applicants must demonstrate that they have appropriate housing development experience and sufficient financial capacity to undertake the development.

Developers may apply for a forgivable and/or low interest construction loans and/or second mortgage loans for prospective income-eligible homebuyers (forgivable, deferred payment or amortized). The purpose of this program is to expand homeownership opportunities for low- and moderate-income families. This may be accomplished by bridging the gap between the development cost of the home and its appraised market value (development gap financing) or by providing second mortgage loans to prospective income-eligible homebuyers, thereby making the home affordable by reducing the size of the first mortgage loan for which they must qualify (affordability gap financing), or by a combination of these two approaches.

## **Priorities for 2022 Fall Funding Round**

The Affordable Housing Commission will provide priority consideration for high quality applications that:

- Propose housing, shelter, or housing services for persons and families with incomes at or below 20% of the area median income.
- Propose permanent supportive housing for special needs and vulnerable populations with incomes at or below 30% of the area median income.
- Propose housing, shelter, or housing services for persons and families with incomes at or below 65% of the area median income.
- Proposes housing, shelter, or housing services for persons and families with incomes at or below 80% of the area median income and is located within a U.S. Department of Housing and Urban Development Qualified Census Tract in the City of St. Louis (2022).  
[https://www.huduser.gov/portal/sadda/sadda\\_qct.html](https://www.huduser.gov/portal/sadda/sadda_qct.html)
- Provide assistance or initiatives that prevent homelessness for households or individuals earning at or below 80% AMI.

- Provide affordable housing services (grant program) while advancing ten or more objectives outlined in the City's Sustainability Plan, or create affordable housing units (loan program) while advancing fifteen or more objectives outlined in the City's Sustainability Plan.
- Develop affordable housing within one half-mile of public transportation.
- Comprehensively rehabilitate housing units (for-sale & rental) to a national green building standard (LEED, Enterprise Green, NGBS, etc.), or have an energy audit with a HERS of 85 or less.

## **Funding Sources Included in the Fall 2022 Funding Round**

Affordable Housing Trust Fund - \$5,719,372

American Rescue Plan Act State and Local Fiscal Recovery Funds - \$2,000,000

Equitable Development Contribution - \$900,000 within the 2021 17<sup>th</sup> ward boundaries and \$400,000 north of Delmar Boulevard

### **American Rescue Plan Act and Use**

The City of St. Louis plans to use Federal American Rescue Plan Act (ARPA) funds to address the urgent needs of residents who are experiencing homelessness or in imminent risk of homelessness and being severely impacted by the Coronavirus Pandemic 2019-2022. This RFP only applies to developments located within the City of St. Louis.

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law, and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Funds, which together make up the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program. This program is intended to provide support to State, territorial, local and Tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses.

The American Rescue Plan Act made available \$350 Billion in State and Local Fiscal Recovery Funds (SLFRF) through the US Department of the Treasury (Treasury).

The City of St. Louis was allocated \$517 Million to support St. Louis City's COVID-19 response efforts. The Affordable Housing Commission (AHC) will be responsible for administering the \$2 Million dollars allocated for development and construction of affordable housing through the Affordable Housing Commission. Projects may include new construction and rehabilitation and they may include rental housing and for-sale housing. Applicants are encouraged to structure funds as gap funding by layering or combining sources to maximize local resources to meet housing needs. Because AHC will be awarding funds from three sources, dollars awarded may be from a combination of funding sources.

### **Frequently Asked Questions about the State and Local Fiscal Recovery Funds (SLFRF)**

Final Rule are available: [https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-FAQ.pdf?utm\\_source=NCSHA&utm\\_campaign=3a9b7e4e7a-EMAIL\\_CAMPAIGN\\_2019\\_02\\_06\\_09\\_58\\_COPY\\_01&utm\\_medium=email&utm\\_term=0\\_f00bc192e4-3a9b7e4e7a-252989643](https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-FAQ.pdf?utm_source=NCSHA&utm_campaign=3a9b7e4e7a-EMAIL_CAMPAIGN_2019_02_06_09_58_COPY_01&utm_medium=email&utm_term=0_f00bc192e4-3a9b7e4e7a-252989643)

The U.S. Treasury and U.S. Department of Housing and Urban Development have published a **How-To Guide for using State and Local Fiscal Recovery Funds**. It is available: [https://home.treasury.gov/system/files/136/Affordable-Housing-How-To-Guide.pdf?utm\\_source=NCSHA&utm\\_campaign=3a9b7e4e7a-EMAIL\\_CAMPAIGN\\_2019\\_02\\_06\\_09\\_58\\_COPY\\_01&utm\\_medium=email&utm\\_term=0\\_f00bc192e4-3a9b7e4e7a-252989643](https://home.treasury.gov/system/files/136/Affordable-Housing-How-To-Guide.pdf?utm_source=NCSHA&utm_campaign=3a9b7e4e7a-EMAIL_CAMPAIGN_2019_02_06_09_58_COPY_01&utm_medium=email&utm_term=0_f00bc192e4-3a9b7e4e7a-252989643)

## **APPLICATION THRESHOLD REQUIREMENTS**

- The proposed project must conform to the Housing Trust Fund's Household Income Guidelines that are listed on page 7, and Sales Price Limits listed on page 7.
- The application must be complete with all required exhibits.
- All applications must include a letter of support dated within the last six (6) months from the alderman representing the area in which the facility to be assisted is located or where services to be provided will be delivered. The applicant must submit evidence that representatives of the neighborhood in which the project will be located have been contacted. This includes elected officials, neighborhood/community organizations and/or social service providers in order to make them aware of the proposed project, and to seek their suggestions and support.
- The applicant must show evidence of site control and ability to keep site control over the property (ies) that is/are proposed for development for 180 days from application date.
- The applicant must show evidence regarding the property's current zoning designation and what, if any steps are in process to obtain proper zoning and/or site plan approval for the proposed development. The application must contain minutes of any public hearing on zoning considerations
- The application must contain enough financial information including financing commitments to assess the probability of economic feasibility.
- If the project is located in a Local or National Register Historic District, the developer is expected to apply for Missouri Historic Preservation Tax Credits to leverage potential Trust Fund financing. A copy of the preliminary application to the Missouri Department of Economic Development should be attached to the completed Trust Fund application when submitted. For more information, contact the Missouri Department of Economic Development, 301 West High Street, Jefferson City, Missouri 65101, telephone 573-751-4962 or visit their web site at: [www.ded.mo.gov](http://www.ded.mo.gov)

## **GENERAL PROJECT REQUIREMENTS**

Each project eligible for funding must be sponsored by a housing or neighborhood organization operating in the immediate project area. All Trust Fund financing must be used for approved eligible construction or homebuyer loan costs actually incurred and not for administrative project costs such as developer overhead, development fees or other expenses.

## **DEVELOPMENT FACTORS AND QUALIFICATIONS**

Construction projects will be evaluated by the Affordable Housing Commission and commission staff, using a variety of criteria, including but not limited to: need for the type of development to be constructed, community support, costs, amount of AHC subsidy requested, feasibility, and anticipated impact. The following is a more extensive but not exhaustive list of criteria that will be used in the analysis:

- Development leverages the Trust Fund investment with other sources of funding (both private sector and other public sector funding commitments will be considered). Projects located in local or National Register historic districts are expected to apply for applicable historic preservation tax credits.
- Community development potential of the proposed project. Will the proposed development anchor an otherwise stable block? Will the selected site(s) for redevelopment have a significant impact on the immediate area in which the proposed development is located? Does the proposed development have the potential to leverage additional community investments?
- Suitability of the site or building for development, including site control, proper zoning, and availability of utilities.
- Proximity of the proposed development to employment opportunities and other amenities such as accessible shopping, transportation, parks and recreational facilities, health care and day care.
- Developments that create mixed-income housing environments.
- The Affordable Housing Commission prefers to fund projects that will commence promptly and will be complete within 16 months from January 2023.
- The development uses the 2019 MVA, (<https://www.stlouis-mo.gov/data/dashboards/market-value-analysis/index.cfm>) toward a strategy in which Trust Fund dollars are invested into a housing development that is part of an equitable plan that improves life for low and moderate-income households.
- Development team experience and qualifications including the experience and financial capacity to undertake, complete and market the proposed development.
- Satisfactory evidence the development is ready to proceed as indicated by debt and equity commitments.
- AHC encourages developers rehabilitating housing to exceed energy efficiency standards by installing EnergyStar appliances and to utilize as many energy-saving features and sustainable construction practices as possible.
- All new construction projects must be designed and built to a national green building standard (LEED, Enterprise Green, NGBS, or EnergyStar with a RESNET energy auditor). The development is not required to receive formal certification.
- The development shows a commitment to recycling and waste reduction during construction and for residents after completion.
- Lowest intermediary (soft) costs. Development budget contains a lower percentage of soft costs to total development cost, as compared with other similar types of developments. Intermediary

(soft) costs are considered to be, but are not limited to, developer fees, attorney fees, engineering fees, architect fees and contractor fees.

- Participation of Local Tax-Exempt Neighborhood or Housing Organization. Development will include a nonprofit developer or sponsor.
- All projects recommended for funding by the Commission must also receive approval by the Community Development Administration (CDA).

## **DEVELOPMENT REQUIREMENTS**

### **ELIGIBLE PROPERTIES**

Only units receiving Trust Fund monies are considered "Trust Fund Assisted Units." Trust Fund for-sale developments may be:

- One or more units in a single-building;
- One or more buildings on a single site that are under common ownership and financing during development;  
— OR —
- Scattered on more than one site as long as the sites are within 4 blocks of each other, are under common ownership and financing during development, and receive Trust Fund assistance as part of a single undertaking.

### **PROPERTY STANDARDS**

All developments to be funded by the Trust Fund must at the time of completion, at a minimum, comply with all local building codes, rehabilitation and lead-safe standards, ordinances and zoning. The goal is to provide "decent, safe, sanitary and accessible" housing at an affordable cost to lower income families. Beyond these minimum standards the Trust Fund expects developments to be built with the same quality and amenities as traditionally financed market rate developments within the same market area.

### **UNIVERSAL DESIGN (UD) REQUIREMENTS**

All new construction proposals submitted must adhere to the Commission's Universal Design Requirements. In general, universal design means the new construction includes a variety of features that allow the unit to be used optimally by the greatest number of people (young and old, short and tall, with and without physical limitations), and allow the unit to be accessible to, and used by, people with mobility limitations.

The Universal Design Requirements are available in hard copy from the Commission and also on the Internet at: [www.affordablehousingcommissionstl.org](http://www.affordablehousingcommissionstl.org).

### **SUPPORT SERVICES**

Trust Fund assistance may include provisions for support services to promote the development and preservation of affordable and accessible housing in the City of St. Louis.

### **RELOCATION ASSISTANCE**

Developments financed by the Trust Fund must comply with all Federal, State and local real property acquisition and relocation requirements, and, at a minimum, must comply with the real

property acquisition and relocation requirements of the City of St. Louis Relocation Policy adopted by Ordinance Number 62481, a copy of which is available upon request.

### **CONTRACTOR PROFIT AND DEVELOPER FEE STANDARDS**

Contractor Profit and Developer Fees may not exceed the standards set by the Missouri Housing Development Commission in the most recent MHDC Qualified Allocation Plan for MHDC Multifamily Programs.

The Developer Fee is the sum of the developer fee plus consultant fees. The following consultant fees are included in the Developer Fee: development and/or credit, application, historic, MBE/WBE, and Section 3 consultants. Development costs paid by a previous owner are not considered when calculating the developer fee, even if the cost of the previous work is included in the sales/purchase contract

Developer Fee + Consultant Fee for New Construction – is limited to the lesser of: a) 15% of total replacement costs for the first \$4,000,000 of total replacement costs and 10% for any additional amount of total replacement costs, or (b) the per-unit calculation from the chart below.

Developer Fee + Consultant Fee for Acquisition/Rehab and Historic Preservation – is limited to the lesser of: (a) the sum of 8% of acquisition costs for the first \$2,000,000 of acquisition costs, 6% of any additional acquisition costs, 15% of the first \$4,000,000 of non-acquisition total replacement costs and 10% of any additional non-acquisition total replacement costs, or (b) the per-unit calculation from the chart below.

#### **Maximum Per-Unit Developer Fee**

First 40 Units	\$20,000 per unit
Units 41-100	\$17,500 per unit*
Units 101-150	\$15,000 per unit*
Units 151+	\$12,500 per unit*

\* Refer to the Development Characteristics section under MHDC's Selection Criteria for additional information on developments which contain more than sixty (60) affordable units in the MHDC 2022 Qualified Allocation Plan.

Contractor Fees. Contractor fees are limited for general requirements, overhead, and builder's profit and cannot exceed 14% of the total construction costs less the sum of general requirements, overhead, and builder's profit. Bonding costs and permit costs shall not be included in the calculation of contractor fee limits for general requirements, overhead, and builder's profit.

Builder's Profit maximum 6% of construction costs;

Builder's Overhead 2% of construction costs

General Requirements 6% of construction costs.



## MAXIMUM ALLOWABLE SALES PRICES OF TRUST FUND ASSISTED UNITS

All units rehabilitated or constructed with Trust Fund assistance must be sold to low and moderate income home purchasers at prices that do not exceed the HUD Section 203(b) single-family maximum mortgage limits. The Affordable Housing Commission single-family maximum mortgage limits in the City of St. Louis are currently:

- 1-Family Bldg. \$185,000
- 2-Family Bldg. \$210,000
- 3-Family Bldg. \$230,000
- 4-Family Bldg. \$250,000

Source: AHC Mortgage Limits, AHC 7/2022

## INCOME OF HOME BUYERS UPON OCCUPANCY OF TRUST FUND ASSISTED UNITS

All units rehabilitated or constructed with Trust Fund assistance must be occupied by homebuyers with annual household incomes that are 80% or less of the area median income adjusted for household size. Refer to the following:

**2022 Income Guidelines**  
**City of St. Louis Income Limits for Applicable Programs**

Family Size	1	2	3	4	5	6	7	8
20%	\$13,608	\$15,552	\$17,496	\$19,440	\$20,995	\$22,550	\$24,106	\$25,676
30%	\$19,950	\$22,800	\$25,650	\$28,450	\$32,470	\$37,190	\$41,910	\$46,630
40%	\$27,216	\$31,104	\$34,992	\$38,880	\$41,990	\$45,101	\$48,211	\$51,353
50%	\$33,250	\$38,000	\$42,750	\$47,450	\$51,250	\$55,050	\$58,850	\$62,650
60%	\$40,824	\$46,656	\$52,488	\$58,320	\$62,986	\$67,651	\$72,317	\$76,985
70%	\$47,628	\$54,432	\$61,236	\$68,040	\$73,483	\$78,926	\$84,370	\$89,867
80%	\$53,150	\$60,750	\$68,350	\$75,900	\$82,000	\$88,050	\$94,150	\$100,200

St. Louis Area (MO-IL) Median Family Income (AMI) for year 2022 is \$97,200.

Source: HUD April 2022, Effective April 2022.

## DEFINITION OF INCOME OF HOME BUYERS

The Trust Fund uses the same definitions of annual income as the Section 8 Housing Programs. Section 8 definitions are found in the Code of Federal Regulations, Title 24, Part 813 (24 CFR 813). Annual income is the gross amount of income anticipated to be received by all adults in a family during the twelve months following the effective date of the determination.

## BUYER SUBSIDY REPAYMENT TERMS

All For-Sale projects will be structured with a Forgivable Developer Subsidy (Forgivable Loan) and Repayable Buyer Subsidies. The number of Buyer Subsidies must correspond to the number of AHTF funded homes. The application requests the developer/neighborhood organization (applicant) propose feasible terms. The Repayable Buyer Subsidies are in the form of a second deed of trust at zero percent interest, and are subordinated to the homebuyers' first mortgage. As repayable loans, the Repayable Buyer Subsidies are

returned to the Commission to fund future developments that benefit low to moderate income households.

The Affordable Housing Commission does not expect payment from the homebuyers during the period the homebuyers are paying their first mortgage. The Buyer Subsidies are to be repaid immediately after the successful payment of the first mortgage, and at the same rate as principle and interest payments were made on the (retired) first mortgage. The Buyer Subsidies are also to be paid in full upon: 1) sale of the home; or 2) if the home is refinanced and cash is taken out by the buyer (except to pay closing costs on the refinance).

### **EQUITY SHARING OF HOMES RECEIVING COMMISSION SUBSIDIES**

Due to AHC's significant investment in For-Sale homes, and the possibility of the homes' strong appreciation, terms are structured to allow the Commission to share in the accrued equity during the homes' first five years. This means, if an AHC-funded home sells, or is refinanced, within five years of its initial purchase, owner profits will be shared equally between the original owner and the Affordable Housing Commission (50% of profits directed to original owner and 50% of profits directed to AHC). This policy is intended to stabilize neighborhoods and maintain mixed income communities by encouraging buyers to stay in their homes at least five years. In cases where homes must sell, the shared equity enables the Commission to provide more affordable housing.

### **AHC TERMS MAY BE ASSUMED BY FUTURE QUALIFIED HOME BUYERS**

Subsequent, potential buyers who meet the project's stated Area Median Income requirements will be permitted to assume AHC's Buyer Subsidy (2<sup>nd</sup> Deed of Trust) from the original buyer at the original terms, including maturation date. Original sellers of AHC-funded homes may also sell homes to non-income qualified buyers, so long as the Repayable Buyer Subsidy is repaid upon sale.

### **HEALTH, SAFETY, AND ENVIRONMENTAL REQUIREMENTS**

All recipients of loans from the Trust Fund must comply with all applicable Federal, State and local laws relating to health and safety, and the environment. Developers must comply with all laws, ordinances, and requirements concerning occupational safety, zoning, building codes, hazardous materials, product safety, and the City's Lead Safe requirements. The new construction and gut rehabilitation of buildings must conform to the 2018 International Residential Code (IRC) in the City of St. Louis. Chapter 11 of the IRC covers energy efficiency. Moderate rehabilitation of buildings is covered in the IRC's Appendix J.

### **New Construction Projects Must Build To A National Green Building Standard**

All new construction projects must build to a national green building standard (LEED, Enterprise Green, NGBS, or EnergyStar with a RESNET energy auditor). The development is not required to receive formal certification.

## **PRIORITY CONSIDERATION FOR COMPREHENSIVE REHABILITATION PROJECTS**

AHC gives priority consideration for comprehensive retrofits that are designed and built to a national green building standard (see Funding Priorities). Moderate rehabilitation projects are encouraged to include the following sustainable features.

- Sealed combustion furnace (if gas) greater or equal to 92% AFUE, properly sized
- Staged electric furnace (if electric), properly sized
- Caulk and seal package
- Energy Star bath exhaust fan with a timer
- All newly installed appliances should be ENERGY STAR Certified
- 90% of lights should be LED
- Low VOC paint & flooring
- WaterSense certified plumbing fixtures

## **EMPLOYMENT REQUIREMENTS**

Although not-for-profit agencies are exempt from the Living Wage Ordinance 65597 Subparagraph (A)(iv), all applicants to the Trust Fund must complete and sign the Living Wage Acknowledgement and Acceptance Declaration. If your not-for-profit agency is a previous Trust Fund recipient and no material changes have affected your: 1) IRS Tax-Exemption Status Determination; 2) Articles of Incorporation, and 3) By-Laws, then please sign the Living Wage No Change Affidavit. Both of these forms are attached to this application.

All recipients of Trust Fund assistance must comply with all applicable Federal, State and local laws relating to employment including, but not limited to, minimum wage requirements, occupational safety, accident reporting requirements, etc.

The Trust Fund may give preference to funding projects that create employment opportunities for residents of low-income neighborhoods and public housing developments in the City of St. Louis. The Trust Fund may also give preference to funding projects that promote the employment opportunities of persons with low income or persons with disabilities and to funding projects that pay a living wage of at least \$14.39 per hour plus benefits, indexed to inflation, to all persons employed on the proposed project.

## **ANTI-DISCRIMINATION REQUIREMENTS**

All recipients of Trust Fund assistance must comply with all applicable Federal, State and local laws relating to discrimination on the basis of race, national origin, gender, sexual orientation, age, disability or other prohibited classifications.

## **BUSINESS DIVERSITY PROCESSES**

Projects awarded funds must satisfy the City's business diversity compliance processes showing good faith efforts to reduce social and economic disadvantages experienced by minority and women-owned businesses and contractors. All projects should strive to attain the following contractor participation goals:

**Construction Enterprises**

21%	African American-owned Business Enterprises
2%	Hispanic American-owned Business Enterprises
0.50%	Asian American-owned Business Enterprises
0.50%	Native American-owned Business Enterprises
11%	Women-owned Business Enterprises

*Effective July 1, 2019*

**Construction Workforce**

25%	Minority
7%	Women
20%	Apprentice
23%	City of St. Louis Resident

*Effective April 7, 2020*

The MWBE Certification and Compliance rules are available: <https://www.stlouis-mo.gov/government/departments/sldc/documents/upload/Final-M-WBE-Cert-Compliance-Rules.pdf>

**REGISTERED ON SAM.GOV**

All developers must be registered on the System for Award Management (SAM.gov) and have a Unique Entity Identifier Number (UEI). Registrants must renew annually and authorize non-sensitive information be displayed in SAM's public search results. Questions should be directed to: SAM.gov at 866-606-8220.

**FUNDING AWARDS****CONDITIONAL COMMITMENT**

Applications are selected for Trust Fund financing assistance through a competitive process. The Commission staff will review all applications and required exhibits and will present recommendations to the Commission for approval. The Commission reserves the right to approve or disapprove any or all applications. Each applicant will receive notification of the Commission's decision.

All decisions of the Commission regarding the selection of proposals are final. The Affordable Housing Trust Fund will issue a Conditional Commitment for Trust Fund Financing to those proposals that are selected for funding. The Conditional Commitment letter between the Trust Fund and the applicant will contain the covenants, terms and conditions upon which the Trust Fund will provide financial assistance to the proposed project. The applicant must sign and return the Conditional Commitment Letter within the time allotted.

Before entering into a Firm Financing Commitment and/or Loan Agreement with the Affordable Housing Trust Fund, no conversations with any Commissioner, employee, agent or attorney of the Affordable Housing Commission concerning the issuance or the provisions of same may be relied upon by the applicant, nor will any such conversation(s) or information submitted to the Affordable Housing Commission in response to this notice be binding upon the Affordable Housing Commission, except as may be contained in such written commitment.

#### **FIRM COMMITMENT AND LOAN CLOSING REQUIREMENTS**

For-profit sponsors must have a minimum 10% equity investment in the development. The Trust Fund does not require that eligible nonprofit sponsors provide cash equity.

The general contractor of a Trust Fund financed development may be required to assure completion of the project by posting a performance and payment bond equal to 100% of estimated construction or rehabilitation costs, or other completion security.

Sponsors of developments financed by the Trust Fund will be required to obtain an ALTA 2006 Form B mortgagee's title insurance policy in the amount of the Loan and in favor of AHC. It must be written by a title company licensed to do business in Missouri and in all respects satisfactory to AHC, subject only to permitted encumbrances and containing only those exceptions acceptable to AHC.

Approved applications with Conditional Commitments for Trust Fund financing will be required to provide to the Commission staff architectural plans and specifications, cost information, legal documentation and evidence of the firm commitment of other sources of financing sufficient to complete the project.

#### **DUE DILIGENCE**

From design to permitting, construction projects require significant steps, details, requirements and approvals called due diligence. Requirements vary by the type of project, (new construction, rehabilitation, for-sale housing and rental housing), size, location, and funding sources. Below is a list of the Commission's standard due diligence. Keep in mind, some projects will have more detailed requirements.

## Standard Due Diligence

Legal Description – <i>AHC-assisted properties</i>
Universal Design Certification - <i>for new construction, before and after construction</i>
Certificate of Compliance w/ Lead Based Paint, Lead-Safe Verification and Lead Clearance test results – <i>for rehab projects</i>
Disclosure of Lead-Based Paint and/or Lead-Based Paint Hazards
Affordable Home Price Schedule – <i>For-Sale Housing Projects</i> or Affordable Rent Schedule – <i>for Rental Housing Projects</i>
Sustainability Impact Statement – <i>preconstruction and post construction</i>
Legal Info Q form - <i>for creation of project legal documents</i>
SAM.GOV registration – Click ‘YES’ to authorize entity’s non-sensitive information be displayed in SAM’s public search results.
Loan Calculation Sheet
Notice of Approval of Documents - <i>Due Diligence Checklist</i>
Post project in SLDC Plan Room: <a href="https://www.sldcplanroom.com/">https://www.sldcplanroom.com/</a>
MWBE Forms: <a href="http://www.stlouis-mo.gov/government/departments/sldc/documents/upload/Utilization-Packet-for-Ord-70767-10-20.pdf">www.stlouis-mo.gov/government/departments/sldc/documents/upload/Utilization-Packet-for-Ord-70767-10-20.pdf</a>
Certificate of Energy Standards Compliance, accompanied by Energy Star Rating/Green/Sustainable Certification - <i>when applicable</i>
Certificate of Compliance with the EPA Indoor Radon Level Standard & Radon Clearance Test Results
HUD Form 935 Affirmative Fair Housing Marketing Plan
Construction Sources & Uses of Funds
Construction Cost Breakdown - <i>showing acquisition, construction, development &amp; soft costs</i>
Projected Schedule of AHC Disbursements
Proof of Equity - <i>Commitment letter from lender</i>
Appraisal
Proof of application for Ameren/Spire Rebate/Incentive Program (BizSavers/CommunitySavers)
Zoning Letter
Building Permit
City Business License
Register w/ Collector of Revenue for the Earnings Tax (E-9)
Evidence of Site Control - <i>Option/Sales Contract/Warranty Deed</i>
Spot Foundation Survey, Plans & Specifications - <i>approved by AHC</i>
Construction Contract - <i>fully executed</i>
Environmental Review - <i>if required</i>
Title Policy - <i>standard exceptions deleted</i>
Insurance Policy-Fire & Extend. Coverage, Builder's Risk & Compr. Gen.Liability - <i>AHC named as additional insured</i>
Notice of Final Approval
Cost Certification/Disbursement Breakdown from Title Company
Project Contractors and Subcontractors Information Sheet
Building Department Occupancy Certificate
Buyers Settlement Statement & Sellers Settlement Statement – <i>for-sale projects</i>
AIA Certification of Substantial Completion G704

## **APPLICATION SUBMISSION POLICY & STANDARDS OF CONDUCT**

All funding applicants are required to follow AHC's Application Submission Policy and to adhere to AHC's Standards of Conduct as outlined below:

1. AHC will accept applications before and until the NOFA deadline.
2. AHC does not guarantee that application support materials that are received by AHC after the NOFA deadline will be included and considered as part of the application.
3. AHC staff may use discretion regarding acceptance and inclusion of application support materials that are received by AHC after the NOFA deadline.
4. AHC staff may decline in-person meetings and limit discussions with current applicants from the time the funding round closes until the AHC voting meeting.
5. AHC staff may contact any applicant at any time during the course of a Competitive Process (before, during, or after a funding round) to clarify items submitted or to obtain answers to questions from the Commission.
6. Applicants are advised not to lobby AHC staff and Commissioners. If such activity is reported, consequences may include disqualification of the proposal(s) from the current or future funding rounds.
7. Applicants are never to approach Commissioners at their homes or their place of work. Such action will disqualify the applicant from AHC funding.
8. Commissioners are asked not to contact applicants directly to avoid repetitive inquiries and conflicting or erroneous proposal information.
9. Commissioners are asked to inform AHC staff when they are contacted by applicants or applicant representatives about: agencies seeking funding, projects competing for funding, or proposal review and consideration.
10. The general public may speak during the public comment portion of AHC meetings if time permits, as determined by the AHC Chairman.

**The information presented should not be construed as a complete list of the regulations and requirements governing Trust Fund financing through the For-Sale Housing Production Program. Upon filing an application, you acknowledge that you assume all risks of change in the Commission's rules and regulations or policies concerning this program, together with any adverse effects upon you therefrom and any resulting costs thereof.**

<b>IMPORTANT ADDITIONAL INFORMATION</b>
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**CONTRACT OBLIGATIONS SUBJECT TO APPROPRIATION**

The award and performance of any contract or agreement that results from this RFP is subject to appropriation of funds for such purposes by the City, including re-appropriations for each fiscal period. The City reserves the right to not appropriate funds in any fiscal period to make the payments required under any agreement or contract. In the event funds are not appropriated in any fiscal period for the purposes of making payments as required, any agreement or contract for which the payments are not appropriated shall terminate without penalty or expense to the City whatsoever.

**EARNINGS TAX REQUIREMENTS**

Every contract for services executed on behalf of the City shall require certification from the Collector of Revenue dated not more than thirty (30) working days prior to the execution of the contract stating that the contractor has paid all City earnings taxes due as of the date of the certification and has filed all returns of earnings tax and payroll expense tax required to be filed as of the date of the certification and from the License Collector that the contractor has a current business license, if applicable. Any contract for services executed without such certifications shall be void and of no force or effect.

Every contract for services executed on behalf of the City shall reflect a deduction of the earnings tax at the rate of one per cent on the amount of each payment, subject to subsequent adjustment or refund when the subject earnings tax return is filed.

**PROHIBITED CONTRACT CLAUSES**

The City will not accept any contract awarded following this RFP that includes a limitation of liability clause. Limitations of liability clauses include, but shall not be limited to:

- Monetary caps on the amount a vendor or contractor will pay to the City under any circumstances.
- Limits on categories of risks or liabilities for which a vendor or contractor will compensate the City.
- Limits on or disclaimers of certain damages.
- Limits on when the City can bring a breach of contract or breach of warranty claim.
- Limits on when the City can bring a tort claim.

**PUBLIC RECORDS LAW**

Any Contractor awarded this contract acknowledges that the City is a “public governmental body” under and subject to the State of Missouri’s Sunshine Law (the “Act”), Revised Statute of Missouri § 610.010 et seq. The City will not give prior notice of receipt of a request under the Act for any record that has been provided to it by Contractor, nor of any record disclosed pursuant to the Act. Nothing in any awarded contract shall supersede, modify, or diminish in any respect



whatsoever any of the City's rights, obligations, and exceptions under the Act, nor will the City be held liable for any disclosure of records, including information that City determines in its sole discretion is a public record subject to disclosure under the Act.

### **MISSOURI UNAUTHORIZED ALIENS LAW**

Requirements: Respondents are hereby advised that any Agreement that will be executed with a successful respondent pursuant to this RFP is subject to sections 285.525 through 285.555 of the Revised Statutes of Missouri, as amended (the "Missouri Unauthorized Aliens Act"). As a condition to the award of any such agreement, the successful respondent shall, pursuant to the applicable provisions of the Missouri Unauthorized Aliens Law, by affidavit and provision of documentation, affirm its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the agreement. The successful respondent shall also affirm in said affidavit that it does not knowingly employ any person who is an unauthorized alien in connection with the Agreement pursuant to the Missouri Unauthorized Aliens Law.

Information regarding the Missouri Unauthorized Aliens Law is available on the Missouri Attorney General's web site at <https://ago.mo.gov/criminal-division/public-safety/unauthorized-alien-workers>. Information regarding E-Verify can be found on U.S. Citizenship and Immigration Services' web site at <https://everify.uscis.gov/enroll>.

### **LIVING WAGE AND SERVICE CONTRACT PREVAILING WAGE**

The City of St. Louis presently has in force a Living Wage Ordinance (#65597) applicable to contracts of \$50,000 or more in any twelve-month period, with limited exceptions. The City posts through the Airport Authority an Annual Living Wage Adjustment Bulletin specifying the current Living Wage. Any proposal or bid must reference the current Living Wage and, if applicable, demonstrate how the contractor shall comply with Ordinance 65597.

<https://www.flystl.com/business/business-diversity-development-1/living-wage>

The City of St. Louis presently has in force a Service Contract Prevailing Wage Ordinance (#62124) containing Minimum Prevailing Wages and Minimum Prevailing Benefits. Service Contract Minimum Prevailing Wages and Minimum Prevailing Benefits for specific occupations for the St. Louis area are determined and published by the U.S. Secretary of Labor. Any proposal or bid must demonstrate how the contractor shall comply with Ordinance 62124 to the extent it is applicable. Per Ordinance 65597, contracts subject to the Service Contract Minimum Prevailing Wage and the Living Wage must pay a minimum wage that is the greater of the two.

### **MISSOURI STATUTE - ISRAEL ENGAGEMENT ACTIVITY**

Requirements: Respondents are hereby advised that any Agreement that will be executed with a successful respondent pursuant to this RFP is subject to [\*Certification under Revised Statutes of Missouri Section 34.600\*](#). If a contract or grant exceeds \$100,000 in value, and Subrecipient has 10 or more employees, then as a condition for the award of a contract or grant, Subrecipient, shall, pursuant to the provisions of Section 34.600 of the Revised Statutes of Missouri 2000, as amended, by sworn affidavit affirm and certify that Subrecipient is not currently engaged in and

shall not, for the duration of the contract, engage in a boycott of goods or services from the State of Israel; companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the state of Israel; or persons or entities doing business in the state of Israel.

<https://revisor.mo.gov/main/OneSection.aspx?section=34.600>

## **INSURANCE REQUIREMENTS**

Any Contractor awarded this contract shall procure and maintain General Liability Coverage, Automobile/Motor Liability Coverage (including non-owned and hired vehicle coverage), and Worker's Compensation Insurance, and no coverage amounts listed shall be construed to limit the liability of the Contractor. The Contractor awarded this contract shall provide a Certificate of Insurance to the City of St. Louis prior to the execution of this contract, with "The City of St. Louis" listed as an Additional Insured to the policy. Certificates attesting to the coverage and naming the City of St. Louis as additional insured shall be mailed to:

Affordable Housing Commission  
1520 Market Street, Suite 2080  
St. Louis, MO 63103

The Contractor's Insurance provider shall be authorized to transact business in the State of Missouri and registered with the Missouri Department of Insurance – Financial Institutions & Professional Registration. Such Insurance company must have a financial strength of "A-" or better and a financial class size IV or greater as indicated in A.M. Best's Key Rating Guide. (<http://www.ambest.com/home/default.aspx>).

Such liability insurance coverage must also extend to damage, destruction and injury to City owned or leased property and City personnel, and caused by or resulting from work, acts, operations, or omissions of Consultant, its officers, agents, employees, Consultants, subcontractors, licensees, invitees, representatives, and independent Consultants and, contractual liability insurance sufficient to cover Consultant's indemnity obligations hereunder. The City will have no liability for any premiums charged for such coverage, and the inclusion of the City as an Additional Insured is not intended to, and does not make the City a partner or joint-venture with Consultant in its operations hereunder. Each such insurance policy must, by endorsement, provide primary coverage to the City when any policy issued to the City provides duplicate or similar coverage and, in such circumstances, the City's policy will be excess over Consultant's policy.

## **TERMINATION RIGHTS**

Any contract awarded may be terminated by the City for convenience and without cause upon thirty (30) calendar days written notice delivered to Contractor, in which event Contractor shall be paid for all work performed up until the date of termination.

Any contract awarded may be terminated by either party for cause upon ten (10) calendar days written notice delivered to the other should the other party fail substantially to perform in accordance with the Agreement's material terms. The non-performing party may use this ten (10) day notice period as an opportunity to cure any failure to substantially perform. If the

Contractor abandons this contract, it shall indemnify the City against any loss caused by said abandonment.

### **FEDERAL LEGAL REQUIREMENTS INCLUDING ARPA REPORTING**

To comply with federal laws, including the American Rescue Plan Act, the City shall require that any contract or subrecipient agreement between the City and a respondent arising out of this RFP include Supplementary Conditions in substantially the form set forth on Addendum 1 to Part A. The final wording of the Supplementary Conditions may be modified during contract negotiations.

Please note the following:

AHC is responsible for ensuring that ARPA SLFRF funds are used in accordance with all program requirements. AHC is also responsible for determining the adequacy of performance under subrecipient agreements and procurement contracts, and for taking appropriate action when performance problems arise.

# CITY OF ST. LOUIS

## AFFORDABLE HOUSING TRUST FUND

### FOR-SALE HOUSING PRODUCTION PROGRAM

#### PROJECT SELECTION CRITERIA & UNDERWRITING GUIDELINES

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## INTRODUCTION

It is the policy of the City of St. Louis Affordable Housing Trust Fund Housing Production Program to encourage the rehabilitation and construction of affordable and accessible housing for its residents, stabilize neighborhoods, attract new residents, and build strong, diverse and economically mixed communities. Our goal is:

*To produce the maximum possible volume of decent, safe and sanitary affordable and accessible housing for low- and moderate- income households, preferably in economically integrated settings, while promoting the stabilization and long-term sustainability of our neighborhoods.*

The implementation of this goal will be guided by the following principles:

1. Individually proposed housing development projects should implement at least one of the strategies of a community or neighborhood plan.
2. Housing rehabilitation and construction must be consistent with the efforts of recognized Community Development Corporations and other credible community-based groups.
3. Existing properties should be preserved in a manner that is cost beneficial and supportive of overall community and neighborhood development objectives.
4. Affordable housing should be preserved wherever feasible and alternatives sought whenever not feasible.
5. The rehabilitation and construction of affordable housing must be undertaken in a manner that is supportive of other community and neighborhood objectives, including the creation of diverse and economically mixed neighborhoods.
6. Public investment in the rehabilitation or construction of any housing must be reasonable in relation to the market value of the housing developed. Emphasis will be placed on the leveraging of public funds.
7. New construction housing development projects must incorporate universal design requirements.
8. All rehabilitation projects must adhere to the City's Lead Safe requirements and receive a Lead Safe Clearance performed by a State Licensed Lead Inspector at the project's conclusion.
9. All new construction projects must build to a national green building standard (LEED, Enterprise Green, NGBS, or EnergyStar with a RESNET energy auditor). The development is not required to receive formal certification.
10. Developers rehabilitating for-sale homes are encouraged to install the following sustainable features: properly sized sealed combustion furnace (if gas) greater or equal to 92% AFUE, or properly sized staged electric furnace (if electric); caulk and seal package; Energy Star bath exhaust fan with a timer; 90% of lights should be LED; Low VOC paint & flooring; WaterSense certified plumbing fixtures; and all newly installed appliances should be ENERGY STAR Certified.

The Universal Design Requirements are available in hard copy from the Commission and also on the Internet at: [www.affordablehousingcommissionstl.org](http://www.affordablehousingcommissionstl.org).

## **PROJECT SELECTION CRITERIA**

The viability of a proposed housing development project must be assessed before considering the project's financial underwriting. This assessment will take factors such as location, intended market, developer capacity and neighborhood context into account.

### **MARKET FEASIBILITY**

The proposal must clearly identify the target homebuyer market for the project and the proposed development must clearly demonstrate its capacity to attract and serve this market.

### **PRIORITY CONSIDERATION FOR PROJECTS THAT ADVANCE CITY'S SUSTAINABILITY PLAN**

Projects that create housing units while advancing fifteen (15) or more objectives outlined in the City's Sustainability Plan will be given priority consideration. The City's Sustainability Plan may be found at:

<http://www.stlouis-mo.gov/government/departments/planning/sustainability/plan/index.cfm>. All approved projects will have to submit a Sustainability Impact Statement.

### **CAPACITY OF ENTITIES RESPONSIBLE FOR THE PROJECT**

The experience and capacity of the sponsor/developer will be taken into consideration. If the developer has not successfully completed activities of similar scope, the project will be reviewed to determine whether it is a reasonably scaled "first project." If the developer has selected a contractor, their track record will also be assessed. Consideration will be given to whether adjustments can be made or whether technical assistance is available to address deficiencies in these areas.

### **LEVEL OF PUBLIC SUBSIDY REQUIRED**

The proposal must clearly demonstrate that, without public funding, the project is economically infeasible. The developer must affirm that, but for the public financing, the project would not be implemented.

Because funds for development subsidies are limited, priority consideration will be given to projects requiring less subsidy over projects which require greater amounts.

Consideration will also be given to whether the amount of subsidy that may be required to undertake a particular project is justified by the impact the project will have on the surrounding neighborhood.

## **THRESHOLD REQUIREMENTS FOR FUNDING COMMITMENT**

### **SITE CONTROL**

There must be evidence of site/location control through ownership, option, sale agreement or lease before the Trust Fund will make a Conditional Commitment for funding.

### **CONDITIONAL COMMITMENTS FOR TRUST FUND FINANCING**

Conditional commitments for Trust Fund financing are made on the basis of the information provided in the proposal. The Conditional Commitment letter between the Trust Fund and the applicant will contain the covenants, terms and conditions upon which the Trust Fund will provide

financial assistance to the proposed project. The applicant must sign and return the Conditional Commitment Letter within the time allotted.

#### **FIRM COMMITMENTS FOR TRUST FUND FINANCING**

Although a legally binding financing commitment is not required for a Firm Commitment of Trust Funds, all other source(s) of project financing must have completed their review and underwriting of the project (including their feasibility analysis and the security that they will have on the loan). The decision makers representing the lending institution must advise the Trust Fund in writing that they have all the information they need for a decision, that they are satisfied with this information and they have committed to lend the money, subject to the Trust Fund award. If a loan committee must approve the project financing, this committee must have approved the loan subject to the Trust Fund financing.

For a Firm Commitment of Trust Funds, the project's other loan commitments cannot be conditioned on:

- Feasibility studies
- Appraisals which condition the initial commitment
- Loan committee approval
- Participation with other lenders (unidentified)
- Credit enhancement
- Additional guarantees and additional collateral

#### **CORPORATE SELF-FINANCING AND PRIVATE EQUITY**

**Projects to be financed solely through private equity must meet the following:**

1. The commitment is made by a senior officer of the company who has the authority to commit the company as evidenced by the appropriate certifications from the Corporate Secretary (such as Board resolutions).
2. The company has the financial capacity to fund either by virtue of a net worth of three times the committed funding or by bank lines of credit made available to the company for funding the project, where the line will be kept available through the completion of the project.
3. The commitment is not contingent on availability or terms of permanent financing or other financing and the company commits to firm start and completion dates.
4. If the company reports to a parent company, a commitment to fund the project and/or allow the subsidiary company to fund the project must be obtained.

#### **SELF-FINANCING**

When more than 50% of the project is to be financed from the developer's own resources, the following shall apply:

1. The following is to be submitted before a firm financial commitment is made by the Trust Fund:
  - a. A firm commitment from bank or other financial institution to issue an irrevocable, unconditional Letter of Credit contingent only upon Trust Fund approval; or
  - b. A Line of Credit open and available with an amount reserved equal to self-finance commitment; or

- c. An Escrow Account with a bank officer as trustee containing cash; or
- d. A financial statement audited by a CPA which meets the 3 times net worth policy, with a sufficient amount of liquid assets.

### **EQUITY COMMITMENTS**

Equity, as with private debt, must be firmly committed before a firm commitment of Trust Fund assistance is made. The commitment should clearly state the amount of equity (both cash and non-cash contributions) committed from the identified participating parties to complete the project. The source(s) of equity funds should also be identified and dedicated to the project.

Where the assets are partially encumbered by debt, for equity purposes only the value of the assets minus the debt will be counted. In most instances equity will be counted in the private to Trust Fund financing leverage ratio. However, when equity consists of previously owned assets, this equity will not be counted in the private to Trust Fund financing leverage ratio.

### **VALUATION OF PREVIOUSLY OWNED ASSETS**

Where assets for equity calculation purposes only have been purchased within the past year, the purchase price minus any indebtedness will be counted. Where assets have been purchased more than one year before the filing of the Trust Fund Application, their value will be determined by an independent M.A.I. appraisal, minus any indebtedness.

### **NON-ARMS LENGTH TRANSACTIONS FOR EQUITY CALCULATION PURPOSES ONLY**

For properties held in excess of one year, property value will be the lesser of:

- Documented Reasonable Costs,
- Seventy-Five Percent (75%) of the Acquisition and Holding Costs

### ***Calculation of Trust Fund Loan Amount***

#### **THE "BUT FOR" TEST**

No project will be awarded Trust Fund financing unless the developer/sponsor can affirm that "but for the Trust Fund assistance, the project would not be implemented," and the project's underwriting clearly demonstrates that without Trust Fund assistance the project is economically infeasible.

In order to prove the "but for" in housing development projects, it is necessary that the private construction lender's conditional commitment be in place.

Trust Fund resources cannot substitute for private or other public funds. To make sure that Trust Fund assistance is necessary for a project, there must be statements from the developer/sponsor that the private development is contingent upon the Trust Fund assistance. The applicant's "but for" assurance is provided in the Certifications at the end of the Affordable Housing Trust Fund Housing Production Program Application. The Trust Fund's project underwriting is geared to evaluate, through financial analysis, the "but for" certification.



In order to determine the "but for" and the least amount of Trust Fund assistance necessary, the developer may be required to submit an M.A.I. appraisal, if available, or a market feasibility study.

#### **LEAST AMOUNT NECESSARY**

The least amount of Trust Fund subsidy necessary will be awarded to a project to enable it to be carried out. The least amount necessary will be determined by ensuring that the maximum feasible amount of financial commitments other than Trust Fund resources are committed to a project, the costs of the project are accurate and reasonable, and that developer profits are reasonable. Contractor profit and developer fees may not exceed the standards set by the Missouri Housing Development Commission under its current Low Income Housing Tax Credit Qualified Allocation Plan.

The developer must inform the Trust Fund as to the terms and conditions of all other financing that will be used in the project and must provide the necessary documents and data, such as financing pro formas and appraisals, for the Trust Fund to determine that the amount of Trust Fund assistance is the least amount necessary to make the project feasible.

#### **RETURN ON INVESTMENT**

Trust Fund awards are not intended to provide assistance so that profits are higher than industry standards. The amount of Trust Fund assistance allocated to a project will be negotiated with the goal of providing a reasonable return on investment commensurate with project risks and industry standards for similar development projects.

#### **NO FINANCING OF EXISTING DEBT POLICY**

Trust Fund assistance cannot be used to refinance existing debt or to continue payments on existing notes of any kind. Any debt refinancing will not be included in the private leveraging ratio.

#### **LEVERAGING RATIO**

- **Single Family For-Sale Projects:** The Affordable Housing Trust Fund will invest a maximum of 25% of the total project cost into Single Family For-Sale projects.
- **Multi-Family Rental Projects:** The Affordable Housing Trust Fund will invest a maximum of 30% of the total project cost into Rental Housing Projects.

#### **SLFRF LEVERAGING RATIO**

SLFRF requests are not restricted to leverage ratios. However, AHC encourages applicants to utilize SLFRF dollars as gap funding by layering or combining sources to maximize project funds.

#### **INCLUDED IN THE LEVERAGING RATIO & CALCULATION OF TRUST FUND AMOUNT**

The following items are included in the leveraging ratio as countable private and other public investment:

1. **Hard Development Costs** - the costs associated with the development of real property, such as land acquisition, on- and off-site improvements and the "hard" construction and/or renovation costs, including reasonable allowances for contingencies.

Note that Land Acquisition costs are limited to: (A) the actual amount paid by the developer for the property in the last acquisition from a party with a totally arms length relationship to any member of the development entity as documented by sale or option contract or actual closing statement; plus (B) Holding costs documented by third party billings and evidence of payment for a maximum of two (2) years prior to the date of the application.

2. **Soft Costs** - "Soft" development costs, such as construction period interest and taxes, legal expenses, developer fees, architectural and engineering fees, if paid to independent third parties, and other customary and appropriate fees paid to third parties, are counted in the leveraging ratio.
3. **Direct Loans from Public Sources** - Loans made to the project from public sources, such as Farmer's Home Administration or Missouri Housing Development Commission, are counted in the leveraging ratio.
4. **Private Loans Guaranteed by Public Agencies (e.g., FHA)** – Loans guaranteed up to 90% by agencies will be counted at face value. Guarantees in excess of 90% will be discounted.

#### **ITEMS EXCLUDED FROM THE LEVERAGING RATIO**

The following private investments and/or cost items are excluded from the leveraging ratio:

1. Any costs incurred prior to the award of Trust Fund assistance that are not documented and paid to a third party within a reasonable time frame, including any contractual obligations incurred prior to award, unless they are contingent upon award of the Trust Fund assistance.
2. Working capital reserves.
3. Investment in start-up costs.
4. Expenses paid to any individual or organization that is not an independent third party to the project.
5. Research and development.
6. Refinancing of existing debt.
7. Generally, acquisition of more unimproved land than is needed to support the project is considered "excess" and is not countable in the leveraging ratio, nor is it a permitted use of Trust Fund assistance.
8. To ensure the reasonableness of costs, a current appraisal from a professional, independent appraiser, that estimates fair market value, may be required.
9. Trust Fund loan proceeds are typically disbursed pro rata during construction to reimburse developer for said costs in a draw-down ratio of Trust Fund financing to private financing.

#### **PURCHASE MONEY MORTGAGES**

A purchase money mortgage is a mortgage given by a buyer to a seller to secure all, or a portion, of the purchase price of a property. The seller is therefore financing or partially financing the transaction. A purchase money mortgage becomes a lien simultaneously with the passing of title. The lien is prior to any lien that might develop against the property due to the purchaser's actions, provided the deed and the mortgage are recorded together. Purchase money mortgages will be discounted for purposes of counting in the Trust Fund leveraging ratio, provided the terms and

conditions of the loan are established. Subordination of such mortgages to other mortgages may be required.

### **COSTS AND FEES**

*In-House Services:* Documented reasonable costs of in-house services by developer will be allowed in most cases only as contributed equity when such services are in lieu of those normally performed by third parties, such as architects, mechanical and/or structural engineers, attorneys, etc. Profit and overhead will be deducted from such costs.

### **SECURITIES AND GUARANTEES**

Trust Fund loans generally will be secured by assets comprising the project, usually in a subordinate position.

### **COMPLETION GUARANTEES**

Guarantees of completion by the development entity (and/or the parent corporation of the development entity) shall provide for the completion of the project activities as stipulated in the Trust Fund Loan Agreement.

### **REQUIREMENTS FOR TRUST FUND DISBURSEMENTS**

All AHC assisted development projects will be required to obtain a Title policy written by a title company licensed to do business in Missouri and the title company must agree to disburse loan proceeds. The Title Policy is required to be written in accordance with the 2006 ALTA Form B Mortgagee's title insurance policy, subject only to permitted encumbrances as approved by the Commission, and must contain environmental and zoning endorsements, pending disbursement clause, mechanics lien coverage and survey coverage.

As a general rule, the Trust Fund will disburse the proceeds of its loan on a pro rata basis as the development progresses. In other circumstances, the Trust Fund assistance may be structured to flow into the project at the end of the disbursement process. Where there are pro rata draws under the general rule of thumb, the ratio of Trust Fund money disbursed on each project draw request will be determined by the ratio of Trust Fund assistance on the project to all other sources of financing. The following illustration demonstrates how this draw ratio will be determined.

**Calculating the Draw Ratio:** an example of the calculation for the ratio of Trust funds that will be disbursed with other funds is:

Countable Private and Other Public Sources of Financing:

First Mortgage Loan	\$650,000
CDBG Loan	\$150,000
Equity	<u>\$100,000</u>
Total	\$900,000

Trust Funds:       \$100,000

Calculation of Trust Fund Draw Ratio:  $\$900,000 / \$100,000$  (Trust Fund Loan Amount) = 9:1. In other words, one dollar of Trust Fund money will be disbursed for every \$9.00 disbursed from other sources.

**COST CERTIFICATION AND SHARING:**

Prior to the final disbursement of AHTF Funds, the developer will be required to document, to the satisfaction of Commission staff, the actual 3rd party costs of the project, and the sources of funding available to permanently finance the development (sales proceeds, loans, equity, etc.)

If the total cost of the development, including the developer's fee agreed upon at the inception of the development is less than the total sources of funding available, the amount of the AHTF funding will be reduced by 75% of the excess sources.

## ADDENDUM 1 TO RFP

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### SUPPLEMENT OF REQUIRED CONTRACT PROVISIONS PURSUANT TO THE AMERICAN RESCUE PLAN ACT

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The City of St. Louis, Missouri (the “City”) is the recipient of American Rescue Plan Act (“ARPA”) funds from the United States Department of the Treasury (the “U.S. Treasury”). In consideration for receiving ARPA funds as a Subrecipient or Contractor (hereinafter referred to as “Contractor”) for eligible expenses under ARPA, the Contractor shall comply with the following required supplementary terms and conditions to the Agreement (the “Supplementary Conditions”).

The Contractor shall attach these Supplementary Conditions to all subcontracts and shall require that all subcontractors attach these Supplementary Conditions to their sub-subcontracts at all levels. When these Supplementary Conditions are attached to any lower tier contract (e.g., a contract between Contractor (as defined above) and any subcontractor, or between Contractor’s direct or indirect subcontractors, references herein to “City” shall be deemed to refer to the party seeking products and/or services, and references to “Contractor” shall be deemed to refer to the party providing products and/or services, and references to the “Agreement” or “agreement” or “Contract” or “contract” shall be deemed to refer to the agreement between such subcontracting parties.

**Notwithstanding anything to the contrary in the Agreement, except as expressly provided under the terms of these Supplementary Conditions, the terms of these Supplementary Conditions shall be deemed to control in the event of a conflict with other provisions contained in the Agreement.** The Contractor shall not perform any act, fail to perform any act, or refuse to comply with any City requests that would cause the City to be in violation of these Supplementary Conditions.

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1. **PROVISIONS REQUIRED BY LAW DEEMED INSERTED.** Each and every provision of law and clause required by law to be inserted in the Agreement and/or these Supplementary Conditions, including, but not limited to all federal laws, regulations, executive orders, policies, procedures, and directives applicable to the receipt of ARPA funds, shall be deemed to be inserted herein and the Agreement and Supplementary Conditions shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the decision of the City such provision shall forthwith be inserted and written notice provided to Contractor.
  2. **STATUTORY AND REGULATORY COMPLIANCE.** Contractor shall comply with all laws and regulations applicable to the ARPA funds, including but not limited to the applicable Office of Management and Budget Circulars. The Contractor, and, if applicable, subcontractors, shall only use ARPA funds for eligible ARPA activities as described under subsection (c)(1) of Section 603 of Title VI of the Social Security Act, as added by Section 9901 of ARPA, Section 35(b) of the ARPA Interim Final Rule (and final rule when effective), and all other applicable laws and regulations governing the use of ARPA funds. The Contractor shall be responsible for any

disallowances, questioned costs, or other items, including interest, not allowed under ARPA funding. The Contractor shall return to the City any funds disallowed within ninety days of notification by the City to return such funds.

3. **BREACH OF CONTRACT TERMS.** The City reserves its right to all administrative, contractual, or legal remedies, including but not limited to suspension or termination of the Agreement, in instances where the Contractor or any of its subcontractors violate or breach any Agreement term. If the Contractor or any of its subcontractors violate or breach any Agreement term, they shall be subject to such sanctions and penalties as may be appropriate. The duties and obligations imposed by these Supplementary Conditions and the Agreement and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law.
4. **ADMINISTRATIVE, COST, AUDIT AND PROGRAM REQUIREMENTS.** The Contractor must comply with the most recent version (unless a specific version is noted) of the Administrative Requirements, Cost Principles, and Audit requirements, and to the extent necessary cooperate and maintain information and documentation to allow City to comply with the applicable regulations governing use of the ARPA funds, including, but not limited to 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Failure to do so may result in disallowance of costs upon audit.
5. **RECORDS AND REPORTING REQUIREMENTS.** The Contractor shall establish and maintain complete records, including accurate books, records, documents, accounts, financial records, supporting documents, statistical records, and all other evidence and records pertinent to performance of work done for the City under the Agreement (the “Records”) consistent with generally accepted bookkeeping practices. Contractor shall retain the Records in accordance with Section 12 below. The City and any person or entity authorized to conduct an examination shall have access to the Records during normal business hours at an office of the Contractor within the City or, if no such office is available, at a mutually agreeable and reasonable venue within the City, for the term specified above for the purposes of inspection, auditing and copying. The Contractor shall complete and submit all reports, in such form and according to such schedule, as may be required by the City. The Contractor shall cooperate with all City efforts to comply with ARPA related requirements and regulations pertaining to recordkeeping and reporting.
6. **SAM.** Contractor will comply with the regulations relating to Universal Identifier and System for Award Management according to 2 CFR Part 25 and Appendix A thereto. Contractor must:
  - a. Be registered in the SAM prior to submission of an application or plan;
  - b. Maintain an active SAM registration with current information, including information on a recipient's immediate and highest-level owner and

subsidiaries, as well as on all predecessors that have been awarded a Federal contract or grant within the last three years, if applicable, at all times during which it has an active Federal award or an application or plan under consideration by a Federal awarding agency; and

- c. Provide its unique entity identifier in each application or plan it submits to the Federal awarding agency.
  - d. Review and update its information in the SAM database on an annual basis from the date of initial registration or subsequent updates to ensure it is current, accurate and complete.
7. **DEBARMENT AND SUSPENSION.** The Agreement is a covered transaction for purposes of 2 C.F.R. Part 180 and 2 C.F.R. Part 3000. As such the Contractor is required to verify that the Contractor and none of its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935). The Contractor must comply with 2 C.F.R. Part 180, subpart C and 2 C.F.R. Part 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction (e.g., subcontract) it enters into. This certification is a material representation of fact relied upon by the City. If it is later determined that the Contractor did not comply with 2 C.F.R. Part 180, subpart C and 2 C.F.R. Part 3000, subpart C, in addition to remedies available to the City, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. The Contractor agrees to comply with the requirements of 2 C.F.R. Part 180, subpart C and 2 C.F.R. Part 3000, subpart C throughout the period of the Agreement. The Contractor further agrees to include a provision requiring such compliance in its lower tier covered transactions.
8. **CONFLICTS OF INTEREST.** The Contractor shall notify the City in writing as soon as possible if the Agreement or any aspect related to the anticipated work under this Agreement raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Contractor shall explain the actual or potential conflict in writing in sufficient detail so that the City is able to assess such actual or potential conflict. The Contractor shall provide the City any additional information necessary for the City to fully assess and address such actual or potential conflict of interest. The Contractor shall accept any reasonable conflict mitigation strategy employed by the City, including but not limited to the use of an independent subcontractor(s) to perform the portion of work that gives rise to the actual or potential conflict. If requested by the City, Contractor shall sign a certification affirming that it has no conflict of interest arising from performance of work on a specific task.
9. **SUBCONTRACTING/ASSIGNABILITY.** The Contractor shall not subcontract nor assign any interest in the Agreement, and shall not transfer any interest in the same (whether by assignment or novation) without prior written approval of the City.

10. **PROCUREMENT.** The Contractor shall procure all materials, property, or services in accordance with the requirements of 2 CFR 200.318-326. These requirements generally require an open and competitive process for subcontractors, with limited and specific exceptions. The [Contractor](#) must maintain records sufficient to detail the history of procurement and provide such records to the City. These records will include, but are not necessarily limited to, the following: Rationale for the method of procurement, selection of [contract](#) type, [contractor](#) selection or rejection, and the basis for the [contract](#) price.

11. **LOBBYING** (Applicable to Agreements exceeding \$100,000). The Contractor certifies, to the best of its knowledge and belief, that:

- a. No federal appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of an 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.
- b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

The Contractor shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

12. **AUDIT / ACCESS TO RECORDS.** The City, U.S. Treasury, the Comptroller General of the United States, the Government Accountability Office, the Pandemic Relief Accountability Committee, the Office of the Comptroller of the City, and any other authorized oversight agencies, or any of their duly authorized representatives, shall have, at any time and from time to time during normal business hours, access to any work product, books, documents, papers, and records of the Contractor which are directly pertinent to the Agreement, for the purpose of inspection, audits, examinations, and making excerpts, copies and transcriptions. Such audits may



include review of the Contractor's accounting, financial, and reporting practices to determine compliance with the Agreement and reporting requirements; maintenance of accurate and reliable original accounting records in accordance with governmental accounting standards as well as generally accepted accounting principles; and specific compliance with allowable cost and expenditure documentation standards prescribed by applicable federal, State, and City guidelines. The Contractor agrees to provide the above referenced entities or their authorized representative's access to construction or other work sites pertaining to the work being completed under the Agreement. The foregoing is not intended to limit the City's right to audit and/or access Contractor records that may be provided under the Agreement.

13. **MAINTENANCE/RETENTION OF RECORDS.** Contractor shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement (collectively, the "Records") (i) for five (5) years after all funds have been expended or returned to the U.S. Treasury, or (ii) for the minimum retention period that may be provided under the Agreement, whichever is longer.
14. **CITY SEAL, LOGO, AND FLAGS.** The Contractor shall not use the City seal(s), logos, crests, or reproductions of flags or likenesses of City agency officials without specific City pre-approval.
15. **PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS.** The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor's actions pertaining to the Agreement. False statements or misrepresentations in a proposal to obtain federal funds automatically will disqualify an applicant. If false statements or misrepresentations are discovered after such funds are awarded, the funds and contract will be in default and the City may declare all or any part of the funds paid out immediately due and repayable and the Agreement voidable at the discretion of the City.
16. **SMALL AND MINORITY FIRMS, WOMEN'S BUSINESS ENTERPRISES, AND LABOR SURPLUS AREA FIRMS.** The Contractor will comply with the small and minority firms, women's business enterprise, and labor surplus area requirements as set forth at 2 C.F.R. Part 200.
17. **NONDISCRIMINATION.** The Contractor shall comply with all federal and state statutes, regulations and executive orders relating to nondiscrimination and equal employment opportunity to the extent applicable to the contract. These include but are not limited to:
  - a. Title VI of the Civil Rights Act of 1964 (P.L. 88-352, 42 U.S.C. § 2000d et seq.) which prohibits discrimination on the basis of race, color, or national origin (this includes individuals with limited English proficiency) in programs and activities receiving federal financial assistance and Title VII of the Act

which prohibits discrimination on the basis of race, color, national origin, sex, or religion in all employment activities;

- b. Equal Pay Act of 1963 (P.L. 88-38, as amended, 29 U.S.C. § 206(d));
- c. Title IX of the Education Amendments of 1972, as amended (20 U.S.C §§ 1681-1683 and 1685-1686) which prohibits discrimination on the basis of sex;
- d. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794) and the Americans with Disabilities Act of 1990, as amended by the ADA Amendment Act of 2008 (42 U.S.C. 12101 et seq.) as implemented by all applicable regulations;
- e. The Age Discrimination Act of 1975, as amended (42 U.S.C. 6101-6107) which prohibits discrimination on the basis of age;
- f. Equal Employment Opportunity-E.O. 11246, as amended; and
- g. Missouri State Regulation, 19 CSR 10-2.010, Civil Rights Compliance Requirements.

18. TITLES VI AND VIII OF THE CIVIL RIGHTS ACT OF 1964 AND EXECUTIVE ORDER 11063. The Contractor shall comply with the provisions of Titles VI and VIII of the Civil Rights Act of 1964 and with Executive Order 11063. No person shall, on the grounds of race, color, religion, sex, or national origin (including limited English proficiency), disability, or age be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. No person shall, on the grounds of race, color, religion, sex, or national origin, be discriminated against in the sale, rental, or financing of dwellings. To the extent that any such sale, lease or other transfer of land shall occur, Contractor, in undertaking its obligation to carry out the program assisted hereunder, will not itself so discriminate. Contractor shall provide data as requested by the City to demonstrate compliance with these requirements.

19. SECTION 504 OF THE REHABILITATION ACT OF 1973 AND THE AMERICANS WITH DISABILITIES ACT OF 1990. The Contractor shall comply with section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794), as amended, and any applicable regulations, and with the Americans with Disabilities Act of 1990 (42 U.S.C. § 126), as amended, and any applicable regulations. The Contractor agrees that no qualified individual with handicaps shall, solely on the basis of handicap, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity that receives federal financial assistance.

20. AGE DISCRIMINATION ACT OF 1975. The Contractor shall comply with the Age Discrimination Act of 1975 (42 U.S.C. § 6101 et seq.), as amended, and any applicable regulations. No person in the United States shall, on the basis of age, be

excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity receiving federal financial assistance.

21. SECTION 503 OF THE REHABILITATION ACT OF 1973 (Applicable to contracts exceeding \$10,000). The Contractor shall comply with section 503 of the Rehabilitation Act of 1973 (29 U.S.C. § 793), as amended, and any applicable regulations.

22. CONTRACTOR'S CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE. The Pro-Children Act of 1994, (Public Law 103-227, 20 U.S.C. §§ 6081-6084), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The Pro-Children Act also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The Pro-Children Act does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the Pro-Children Act may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity.

- a. The Contractor certifies that it will comply with the requirements of the Pro-Children Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Pro-Children Act.
- b. The Contractor agrees that it will require that the language of this certification be included in any subcontract or sub award that contains provisions for children's services and that all sub recipients shall certify accordingly. Failure to comply with the provisions of the Pro-Children Act law may result in the imposition of a civil monetary penalty of up to \$1,000 per day

23. DRUG FREE WORKPLACE. The Contractor certifies it shall provide a drug-free workplace in accordance with the Drug Free Workplace Act of 1988, 41 U.S.C. Chapter 81, and all applicable regulations. The Contractor is required to report any conviction of employees providing services under this Agreement under a criminal drug statute for violations occurring on the Contractor's premises or off the Contractor's premises while conducting official business. The Contractor shall report any conviction to the Department within five (5) working days after the conviction. Submit reports to: City Counselor's Office, Attn: Deputy City Counselor for Transactions, City Hall Room 314, 1200 Market Street, St. Louis, MO 63103.

24. **RELOCATION ASSISTANCE.** The Contractor will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
25. **CONTRACTOR'S CERTIFICATION REGARDING EMPLOYEE WHISTLEBLOWER PROTECTIONS.** The Contractor shall comply with the provisions of 41 U.S.C. 4712 that states an employee of a contractor, subcontractor, grantee, or sub grantee may not be discharged, demoted or otherwise discriminated against as a reprisal for "whistleblowing". In addition,
- a. Whistleblower protections cannot be waived by any agreement, policy, form, or condition of employment;
  - b. The Contractor's employees are encouraged to report fraud, waste, and abuse. The Contractor shall inform their employees in writing they are subject to federal whistleblower rights and remedies. This notification must be in the predominant native language of the workforce; and
  - c. The Contractor shall include this requirement in any agreement made with a subcontractor or sub grantee.
26. **CLEAN AIR ACT AND WATER POLLUTION CONTROL ACT.** The Contractor shall comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.).
27. **LABOR STANDARDS.** Contractor will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction sub-agreements.
28. **LEAD-BASED PAINT.** Contractor will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.), which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
29. **POLITICAL ACTIVITY (HATCH ACT).** The Contractor will comply with the provisions of the Hatch Act (3 USC Sections 1501-1508), which limits the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

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