AGREEMENT NO. 310-15
TERMINATION DATE May 15, 2017

FUNDING AGREEMENT
BETWEEN THE ARIZONA DEPARTMENT OF HOUSING
AND
TOWN OF PRESCOTT VALLEY
FOR
OWNER OCCUPIED HOUSING REHABILITATION

This Funding Agreement is made by and between:

The **Arizona Department of Housing ("ADOH")**, located at, 1110 West Washington, Suite 310, Phoenix, Arizona 85007, acting pursuant to A.R.S. § 41-3953 and (please select applicable funding source):

☒ Title I of the Housing and Community Development Act of 1974, as amended ("CDBG")

☐ Title II of the National Affordable Housing Act of 1990, as amended (HOME Investments Partnerships Act) ("HOME")

☒ A.R.S. § 41-3955 (State Housing Trust Fund) ("HTF")

☐ Title 24 Part 574 and 42 U.S.C. Section 12902 of the AIDS Housing Opportunity Act of (Housing Opportunities for Persons With HIV/AIDS) ("HOPWA")

☐ Title IV Part 578 of the McKinney-Vento Homeless Assistance Act 42 USC. 11301 et seq. and the Continuum of Care Program regulations as amended by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009.

and

TOWN OF PRESCOTT VALLEY
(Entity)

An Arizona Town (**"Recipient"**) DUNS #122982911, located at

7501 East Civic Circle
Street
Prescott Valley, AZ 86314
City State Zip

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with
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☒ A Scope of Work
☒ B Performance Report/Schedule of Completion
☒ C Budget
☒ D Request for Payment Form
☐ E Special Conditions of the Agreement
☒ F Certification and Other Requirements Relating to Title I or Title II Assistance
☒ G Authorizing Resolution(s)
☐ H Additional Provisions of the 2013 HOME Final Rule (Effective August 23, 2013)

In consideration of the mutual representations and obligations hereunder, ADOH and Recipient agree as follows:

Section 1. FUNDS PROVIDED

ADOH agrees to provide $275,000.00 in the following type of funds to Recipient in accordance with this Agreement. ADOH is entitled to change the funding sources as described in this section, in its sole discretion, so long as the total amount of funds to be disbursed is not affected thereby.

☒ **CDBG**, CFDA # 14.228
Federal Fiscal Year 2009
$34,599.00
Federal Fiscal Year 2010
$115,055.00
Federal Fiscal Year 2011
$100,346.00

☐ **HOME**, CFDA # 14.239
Federal Fiscal Year _____
$_____

☒ **HTF**
State Fiscal Year 2015
$25,000.00

☐ **HOPWA**, CFDA # 14.241
Federal Fiscal Year _____
$_____

☐ **COC**, CFDA # 14.267
Federal Fiscal Year _____
$_____

Section 2. OTHER FUNDS

If applicable, Recipient agrees to secure funding other than that listed in **Section 1** for the completion of this Agreement as indicated in the ***Budget*** attached hereto as **Attachment C**. ADOH reserves the right to rescind some or all of the funding committed through this Agreement if other funding sources become unavailable.

Section 3. ACCEPTANCE OF FUNDS

Recipient hereby accepts the award of funds under the terms of this Agreement and agrees to execute and return this Agreement to ADOH within 30 days of receipt unless Recipient receives a written waiver of this requirement by ADOH.

Section 4. DURATION

This Agreement shall be effective beginning on the date of execution by ADOH and shall remain in effect until MAY 15, 2017 unless sooner terminated, extended or otherwise amended in accordance with the terms of this Agreement.

Section 5. INCORPORATION OF TERMS FOR COMPLIANCE WITH PROGRAM REQUIREMENTS AND APPLICABLE STATE AND FEDERAL LAW

Recipient shall carry out each activity in compliance with all applicable State and Federal laws, Federal regulations and other requirements including, but not limited to the provisions indicated as marked below and hereby incorporated into this Agreement, as if fully set forth herein. Also incorporated into this Agreement as applicable, are the terms of any resolution authorizing Recipient's application for funds, which is attached hereto as **Attachment G,** ***Authorizing Resolution(s)*** and any ***Special Conditions of the Agreement*** attached hereto as **Attachment E.**

☒ **CDBG** funds require adherence to the following additional provisions: (1) the provisions of 24 CFR, Part 570 as revised; (2) ***Certification and Other Requirements Relating to Title I Assistance*** attached hereto as **Attachment F**; (3) the provisions contained in the ***State of Arizona Consolidated Plan***; (4) ***ADOH ERR Handbook***; (5) ***ADOH Labor Standards Handbook*** (6) ***CDBG Application Handbook***; (7) ***CDBG Grant Administration Handbook;*** and (8) ***CDBG Procurement, Contracts and Acquisition Handbook*** (collectively "the Incorporated Documents") as each may be amended from time to time. In the event of a conflict between the terms of this Agreement and the terms of the Incorporated Documents, the terms of this Agreement shall govern.

☒ **HOME** funds require adherence to the following additional provisions: (1) the provisions contained in 24 CFR Part 92 Home Investment Partnerships Program as revised, (2) ***Certification and Other Requirements Relating to Title II Assistance*** attached hereto as **Attachment F;** (3) the provisions contained in the ***State of Arizona Consolidated Plan***; (4) ***ADOH ERR Handbook***; (5) ***ADOH Labor Standards Handbook*** (6) the ***State Housing Fund Program Summary and Application Guide*** and any revisions thereto.

☒ **The use of Housing Trust Funds (HTF)** requires adherence to the following additional provisions: (1) the ***State Housing Fund Program Summary and Application Guide*** as revised.

☐ **Special Needs Housing "homeless" funding from COC requires** adherence to 24 CFR Part 578 as revised.

☐ **Special Needs Housing HOPWA funding requires** adherence to 24 CFR Part 574 as revised.

Section 6. SCOPE OF WORK

Recipient agrees to utilize all funds made available under this Agreement only for the purpose of implementing the *Scope of Work* hereby incorporated into this Agreement and described in **Attachment A.**

Revisions to Scope of Work. Recipient agrees to follow the procedures indicated as marked below regarding changes to the *Scope of Work.*

Revisions to the *Scope of Work* that change the manner in which an activity is to be executed or that change final outcome such as number of units, feet of utility line, number of households served, square footage of building, etc. require written approval from ADOH. The following substantial revisions to the *Scope of Work* require written amendment to this Agreement:

(a) The purpose of the project changes;
(b) The location of the project changes;
(c) A project activity is added, deleted or altered such that it becomes a different activity;
(d) The beneficiary of any activity changes;
(e) Recipient is requesting a change to the loan or grant terms. Recipient must submit a written request for an Agreement amendment to ADOH, with a revised *Scope of Work* attached;
(f) The ownership entity changes; and
(g) Any other changes that involve program requirements.

ADOH will respond to the written request within 14 business days. Amendments may not be implemented until ADOH consents in writing and an amendment to the Agreement has been executed.

Section 7. REPORTS

Recipient shall be responsible for providing various reports of all activities related to this Agreement both as identified below and as requested by ADOH or HUD. Recipient shall also provide to ADOH any additional written information requested by ADOH in a timely manner and within reasonable deadlines as shall be set by ADOH.

7.1 Performance Report. Recipient agrees to submit the ADOH *Performance Report* respective of the funding source indicated below and attached as Attachment B.

☐ **RENTAL Projects funded with HOME or HTF.** Recipient must submit a ***Bimonthly Performance Report*** attached hereto as **Attachment B.** The Bimonthly Progress Report must be submitted to ADOH on the 20th of January, March, May, July, September and November and address activities of the preceding two months, i.e., the January report covers the months of November and December.

☒ **All OTHER projects funded with HOME, HTF and CDBG.** Recipient must submit a ***Quarterly Progress Report*** attached hereto as **Attachment B.** The Quarterly Progress Report must be submitted to ADOH on the 15th of July, October, January and April and address activities of the preceding three months, i.e., the July report covers the months of April, May and June. Failure to submit timely Quarterly Progress Reports will result in suspension of payment reimbursement requests until such reports are brought current.

☐ **Special Needs Housing "homeless" funding from COC.** ADOH is required to administer the program during the contract term, which is synonymous with the HUD grant term and as set forth in **Section 4.** Recipient shall submit ***Annual Progress Report (APR)*** data from HMIS to ADOH, no later than 60 days following the contract termination date listed on Page 1 of the Agreement.

☐ **Special Needs Housing HOPWA funding.** A Recipient of HOPWA awarded funding shall administer said program in the contract term as set forth in **Section 4** and submit one (1) ***HUD Consolidated Annual Performance Evaluation Report (CAPER)*** in accordance with the schedule set forth in **Attachment B** no later than 60 days following the end of Fiscal Year date which is June 30th annually.

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7.2 Contract Closeout—Completion Reports and Post-Funding Audits. Recipient's obligation to ADOH under this Agreement shall not end until all closeout requirements described in this paragraph are completed. ADOH will notify Recipient in writing that a **Completion Report** is due to ADOH within Sixty (60) days of one of the following occurrences:

(a) The funds have been expended;
(b) The Scope of Work has been completed;
(c) The contract period set forth in this Agreement has expired; or
(d) The Agreement has been otherwise terminated.

The Completion Report shall contain the information identified in the notice.

Following the receipt and approval of the Completion Report, ADOH will notify Recipient in writing that the Agreement is Administratively Closed.

After the project is administratively closed, Recipient must submit all required audits to ADOH. All audits for fiscal years in which Recipient received funds from ADOH must be received, reviewed and found to be satisfactory by ADOH. In the event that ADOH determines that any project costs described in a post funding audit are unjustified or

describe ineligible activities, Recipient will be required to refund such monies back to ADOH.

Section 8. SCHEDULE OF COMPLETION

Recipient agrees to make progress with the ***Scope of Work*** in accordance with the ***Schedule of Completion*** hereby incorporated into this Agreement and described in **Attachment B.**

Revisions to the Schedule of Completion. Recipient agrees to follow the procedures indicated as marked below regarding changes to the Schedule of Completion.

☐ **RENTAL Projects funded with HOME or HTF.** Recipient must notify ADOH of revisions to the ***Schedule of Completion*** using the ***Bimonthly Performance Report,*** attached hereto as **Attachment B.** To the extent that the changes cause the schedule timeline to be extended, Recipient must submit a written request for a contract amendment to ADOH with a revised ***Schedule of Completion*** attached. Contract amendment requests must be received by ADOH a minimum of 30 days prior to the contract expiration date. ADOH will respond to the written request within 14 business days. Amendments may not be implemented until ADOH consents in writing and an amendment to the Agreement has been executed.

☒ **All OTHER projects funded with HOME, HTF and CDBG.** Recipient must notify ADOH of revisions to the ***Schedule of Completion*** using the ***Quarterly Performance Report,*** attached hereto as **Attachment B.** To the extent that the changes cause the schedule timeline to be extended, Recipient must submit a written request for a contract amendment to ADOH with a revised ***Schedule of Completion*** attached. Contract amendment requests must be received by ADOH a minimum of 30 days prior to the contract expiration date. ADOH will respond to the written request within 14 business days. Amendments may not be implemented until ADOH consents in writing and an amendment to the Agreement has been executed.

☐ **Special Needs Housing "homeless" funding from COC.** To the extent that the changes cause the schedule timeline to be extended, Recipient must submit a written request for a contract amendment to ADOH with a revised ***Schedule of Completion and Performance Report*** attached. Contract amendment requests must be received by ADOH a minimum of 30 days prior to the contract expiration date. ADOH will respond to the written request within 14 business days. Amendments may not be implemented until ADOH consents in writing and an amendment to the Agreement has been executed.

Section 9. BUDGET

Recipient agrees to use the funds provided pursuant to this Agreement in accordance with the **Budget** that is attached as **Attachment C.** Recipient further agrees that

any project costs, unless otherwise specified, exceeding the Budget shall be the sole responsibility of Recipient.

Availability of funding under this Agreement is contingent on final review and approval of the Budget. Budgetary considerations for specific programs are described below:

☐ **CDBG Revisions to the Budget.** Recipient must obtain written approval from ADOH to move funds from one Budget Activity Line Item to another. The following substantial revisions to the **Budget** require a contract amendment:

(a) Funds are moved from one Budget Activity Line Item to another and the change in the Budget Activity Line from which it is moved or to which it is being moved exceeds 50%, unless the move is from administration to a non-administration activity, in which case only written notice without a contract amendment is required;
(b) Additional funding sources are added to the Project;
(c) Recipient is requesting a change to the grant terms.

☒ **HOME and HTF Revisions to the Budget.** Recipient must obtain prior written approval from ADOH to move funds from one Budget Activity Line Item to another. ADOH will only approve changes to the Budget for eligible costs as outlined in the State Housing Fund program. The following substantial revisions to the **Budget** require a contract amendment:

(a) Additional funding sources are added to the project which require a project to be re-underwritten to determine gap;
(b) Recipient is requesting a change to the loan terms.

See Section 10 for changes that affect the Budget.

Recipient shall not retain any funds that are drawn down in excess of immediate cash needs (to be utilized within 15 days of draw down) to cover subsequent requests for reimbursement, and must return them to ADOH within 30 days of receipt. Recipient must also return to ADOH any interest that is earned on these funds that are drawn down and not expended for eligible costs within 15 days of draw down.

Section 10. AMENDMENTS AND MODIFICATIONS

ADOH may consent to amendment or modification of this Agreement upon written request of Recipient. All amendments or modifications to this Agreement shall be by mutual consent of the parties in writing.

Requests for amendments or modifications that result in changes to the Budget must be supported by a revised Budget that is otherwise consistent with Section 9.

ADOH will respond to the request for amendment or modification to this Agreement within 14 business days.

Section 11. ENVIRONMENTAL REVIEW CONDITIONS

In accordance with 24 CFR 50 and 24 CFR 58 ("Environmental Review"), the environmental effects of each activity carried out with federal funds must be assessed. Local government entities are responsible for environmental reviews and requesting a release of funds from ADOH. Non-profits and other non-governmental entities are responsible for assisting ADOH with Environmental Review and ADOH then requests a release of funds from HUD. Completion of the Environmental Review Record ("ERR") is mandatory before taking any physical action on a site or entering into contracts. Only exempt activities such as architecture, engineering and administration may be undertaken and reimbursed by ADOH prior to receiving a written release of funds. Exempt activities described in 24 CFR 58.34(a)(1)-(11) are activities that generally have no physical impact on the environment. If federal funds are involved in a project, neither federal nor non-federal funds may be expended or committed by contract (conditional or not) for property acquisition, rehabilitation, conversion, lease, repair or construction activities, until HUD or ADOH has provided written authorization based on approval of an ERR.

An option agreement (to purchase land) on a proposed site or property is allowable prior to the completion of the Environmental Review if the option agreement is contingent upon an ADOH or HUD authorization to use funds based on a completed ERR. The cost of the option must be a nominal portion of the purchase price.

Projects funded solely with Housing Trust Funds do not require an ERR but are required to meet the requirements of the State Historic Preservation Act by consulting with the State Historic Preservation Office (SHPO). For State Housing Funded projects, Phase I Environmental Assessments are required to be completed on properties for which new construction/change in use is proposed, regardless of whether Federal or State funds are the source of funding. Expenditures incurred or obligated by construction contract prior to ADOH's release of funds or consultation with SHPO will not be reimbursed by ADOH.

Recipients who had committed or expended non-Federal funds to begin a project before receiving the authorization from ADOH or HUD may still be eligible to use federal funds on the project under the following circumstances:

(a) Recipients started the project without the intention of using Federal assistance (e.g., as evidenced by other anticipated funding, the original project budget, etc.);

(b) All work on the project ceases once an application for federal funds is made and an ERR is begun on all activities, i.e., acquisition, construction, etc. ADOH or HUD provides authorization to proceed based on the completed ERR.

Section 12. APPLICATION AND OTHER PRE-AWARD COSTS

Recipient may use a portion of the funds provided hereunder to reimburse itself for exempt activities pursuant to 24 CFR 58.34(a)(1)-(11) such as architecture, engineering, testing and sampling of asbestos and capital needs assessments and environmental reviews.

☐ **CDBG.** If Recipient is receiving funding under this Agreement from the CDBG program, in accordance with federal procedures, Recipient may use funds provided hereunder to reimburse it or to pay for costs incurred in preparing the application. In no event shall such compensation exceed 18 percent of the total funding provided to Recipient by ADOH.

Section 13. COMPENSATION AND METHOD OF PAYMENT

Subject to availability of and receipt of funds from the State's Unclaimed Property Fund (for state HTF funds) and/or the United States Treasury (for HOME, CDBG, COC and HOPWA funds) and the commitment of other required funding as indicated in Recipient's application, ADOH agrees to reimburse or advance Recipient for authorized expenditures according to the ***Budget*** in **Attachment C.** Recipient must maintain invoices and other similar documentation to support payment expenses under those generally accepted accounting principles and procedures approved by ADOH and outlined in OMB Circulars A-87, A-122, and A-133, as applicable, and 24 CFR Parts 44, 84, 85, 92 and 570 as applicable.

Recipient may request funds only after the date of the executed Agreement and other legal documents as applicable, provided Recipient has satisfied ADOH funding contingencies and federal Environmental Review conditions. Requests for reimbursement must be made using the ADOH ***Request for Payment*** form hereby incorporated into this Agreement and attached as **Attachment D.** For construction projects, Release of Lien documents must be attached to the Request for Payment in amounts proportionate to contractor reimbursement requests.

Recipient must maintain proof of said expenditures including checks, payrolls, time records, invoices, contracts, vouchers, orders and other accounting documents evidencing in proper detail the nature and propriety of the respective charges as may be required by applicable federal rules and regulations, including requirements by the Federal Office of Management and Budget, and as may be otherwise reasonably required to permit ADOH to determine or confirm that any such expenditures are prudent and within the Scope of Work.

Recipient's right to incur expenses under this Agreement shall cease upon expiration of this Agreement. All requests for reimbursement on expenditures made prior to expiration of this Agreement must be requested within 60-days after expiration. Unless expressly authorized by ADOH in writing, expenditures not requested within the 60-day period after expiration of this Agreement shall be disallowed and all funds shall be reclaimed by ADOH.

Section 14. FUNDS RECOUPED BY RECIPIENT, INTEREST AND PROGRAM INCOME

14.1 Definitions. For purposes of this section, the following definitions shall apply:

"Funds Recouped by Recipient" means funds initially provided by ADOH to Recipient under this Agreement and any matching contributions that are recouped by Recipient when: (1) the funds provided by ADOH under this Agreement or matching contributions or the proceeds of funds provided by ADOH (including, but not limited to, equipment or housing) do not continue to be used for an approved purpose or eligible activity, as described in applicable law or regulations, for the full period of affordability required by this Agreement, or (2) when a State-assisted homeownership housing does not continue to be the principal residence of the assisted homebuyer for the full affordability period required by this Agreement. Funds Recouped by Recipient are subject to all the requirements of Program Income described below with the exception that Recipient shall not use Funds Recouped by Recipient for administrative purposes. For this reason, Recipient must separately account for all Funds Recouped by Recipient.

"Interest" means any compensation paid or to be paid for the use or deposit of the funds provided by ADOH to Recipient under this Agreement.

"Program Income" means gross income received by Recipient directly generated from the use of funds provided by ADOH under this Agreement. When Program Income is generated by housing that is only partially assisted with funds provided by ADOH under this Agreement or matching contributions, the income shall be prorated to reflect the percentage of funds provided by ADOH under this Agreement. Program Income includes, but is not limited to, the following: (1) proceeds from the disposition by sale or long-term lease of real property purchased or improved with funds provided by ADOH under this Agreement; (2) gross income from the use or rental of real or personal property acquired by Recipient with funds provided by ADOH under this Agreement, less costs incidental to generation of the income; (3) payments of principal and interest on loans made using funds provided by ADOH under this Agreement or matching contributions; (4) proceeds from the sale of loans made with funds provided by ADOH under this Agreement or matching contributions; (5) proceeds from sale of obligations secured by loans made with funds provided by ADOH under this Agreement or matching contributions; (6) Interest earned on Program Income pending its disposition; (7) proceeds from the disposition of equipment purchased with CDBG funds; (8) gross income from the use or rental of real property, owned by Recipient, that was constructed or improved with funds provided by ADOH under this Agreement, less costs incidental to generation of the income; (9) if the funds provided by ADOH under this Agreement are from the CDBG Program, funds collected through special assessments made against properties owned and occupied by households not of low and moderate income, where the assessments are used to recover all or part of the CDBG portion of a public improvement; and (10) if the funds provided by ADOH under this Agreement are from the HOME Program, any other interest or return on the investment permitted under 24 C.F.R. Part 92.205(b) of HOME funds or matching contributions.

14.2 Use of Program Income and Funds Recouped by Recipient.

Recipient is not authorized by ADOH to retain and reuse Program Income, Funds Recouped by Recipient or accrued Interest as described in the following paragraph(s) except as authorized by ADOH through a written agreement.

Recipient must return all Program Income, Funds Recouped by Recipient, and Interest to ADOH within 30 days of receipt.

Recipient must remit to ADOH any Program Income, Funds Recouped by Recipient or Interest on hand at the time of expiration, cancellation, or termination of this Agreement or subsequently received by Recipient within **30 days** of receipt by Recipient.

Section 15. DE-OBLIGATION, RECAPTURE AND REPAYMENT OF FUNDS

15.1 De-obligation. ADOH may reduce funds from the funding award evidenced by this Agreement without regard to the source of funding, under the following circumstances: (1) Recipient has completed performance under the ***Scope of Work* (Attachment A)** without using all of the funds provided by ADOH under this Agreement; (2) this Agreement expires and not all funds have been expended; (3) ADOH's original allocation was a loan and Recipient or Sub-recipient paid the loan; (4) Recipient, with the consent of ADOH, cancelled or changed an activity required under the ***Scope of Work*** for reasons other than non-performance; or (5) Recipient receives Program Income that has not been included in the budget or set forth in the ***Scope of Work;*** and (6) this Agreement has otherwise been terminated. ADOH may de-obligate funds under this Agreement under the foregoing circumstances upon written notice to Recipient.

15.2 Reallocation of De-obligated HOME or State HTF Funds. If the funds provided by ADOH under this Agreement are from the State HTF or the HOME Program, ADOH may reallocate funds that it has de-obligated under this Agreement as it determines in its sole discretion.

15.3 Reallocation of De-obligated CDBG Funds. If the funds provided by ADOH under this Agreement are from the CDBG Program, ADOH may reallocate funds that it has de-obligated under this Agreement to Recipient from which the funds were de-obligated for use under an existing or new funding contract of the same funding year if Recipient can immediately commit the reallocated funds to a project and execute a new or amended funding contract within sixty (60) calendar days of the reallocation. If ADOH is not able to reallocate funds that it has de-obligated under this Agreement in accordance with the foregoing sentence of this subsection, ADOH may reallocate those funds as it determines in its sole discretion.

15.4 Recapture. ADOH may reduce funds from the amount of the funding award evidenced by this Agreement, without regard to the source of funding, under the following circumstances: (1) ADOH determines that Recipient has failed to use the funds provided by

ADOH under this Agreement in compliance with the terms of this Agreement or the requirements of applicable laws and regulations (non-compliance); or (2) Recipient fails to perform in accordance with the performance obligations set forth in the ***Scope of Work*** (**Attachment A**) and the ***Schedule of Completion*** (**Attachment B**) or the terms of this Agreement. ADOH may recapture funds under this Agreement under the foregoing circumstances upon written notice to Recipient.

15.5 Reallocation of Recaptured Funds. ADOH may reallocate funds that it has recaptured under this Agreement, without regard to the source of funding, as it determines in its sole discretion.

15.6 Repayment of Funds. Recipient agrees to repay funds provided under this contract if ADOH determines that Recipient has failed to use the funds provided by ADOH under this Agreement in compliance with the terms of this Agreement or the requirements of applicable laws and regulations. ADOH may specify in writing the terms of the repayment or alternative terms in lieu of repayment, however, in no case shall repayment or alternative terms be accomplished later than one hundred eighty (180) days following the written determination of non-compliance by ADOH.

Section 16. REVERSION OF ASSETS

16.1 Funds Remaining at Expiration. Upon expiration of this Agreement, Recipient shall transfer to ADOH any unexpended funds advanced to Recipient by ADOH under this Agreement.

16.2 Real Property Acquired or Improved with CDBG Funds. Upon expiration of this Agreement, any real property under Recipient's control that was acquired or improved in whole or in part with CDBG funds, for non-owner occupied use, provided to Recipient by ADOH under this Agreement (including CDBG funds provided to Recipient in the form of a loan) in excess of $25,000, shall either: (1) be used to meet one of the national objectives in 24 CFR Part 570.208 until five years after expiration of this Agreement, or for such longer period of time as determined to be appropriate by Recipient; or (2) not be used in accordance with 24 CFR Part 570.503(b)(8)(i), in which event Recipient shall pay to ADOH an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of, or improvement to, the property. No payment is required after the period of time specified in 24 CFR Part 570.503 (b)(8)(i).

16.3 Real Property Acquired or Improved with HOME Funds. Upon expiration of this Agreement, any real property under Recipient's control that was acquired or improved in whole or in part with HOME funds, for non-owner occupied uses, provided to Recipient by ADOH under this Agreement (including funds provided to Recipient in the form of a loan), must be occupied only by households that are eligible as low-income families and must meet the requirements to qualify as affordable housing and is subject to encumbrances and obligations described in any applicable Declaration of Conditions,

Covenants, and Restrictions ("CC&Rs") for the period of affordability set forth in 24 CFR Part 92.252.

16.4 Real Property Acquired or Improved With State Housing Trust Funds. Upon expiration of this Agreement, any real property under Recipient's control that was acquired or improved in whole or in part with state HTF funds, for non-owner occupied uses, provided to Recipient by ADOH under this Agreement (including funds provided to Recipient in the form of a loan), must be occupied only by households that are eligible as low-income families and must meet the requirements to qualify as affordable housing and is subject to encumbrances and obligations described in any applicable Declaration of CC&Rs for the period of affordability set forth in the CC&Rs.

Section 17. DEPARTMENT OF HOUSING RESPONSIBILITIES

ADOH shall monitor and evaluate Recipient to determine compliance with and performance under this Agreement. A summary of discrepancies noted by ADOH during monitoring visits will be specified in writing. Appropriate time for correction of discrepancies will be specified in the written report to Recipient. ADOH shall follow up on discrepancies to ensure that they have been corrected in a timely manner. The failure of ADOH to require timely performance of any provision of this Agreement shall in no way affect the right of ADOH thereafter to enforce such provision nor shall the waiver of any succeeding breach of such provision act as waiver of the provision itself.

ADOH shall provide reasonable technical assistance to assist Recipient to comply with program requirements for the provision of services under this Agreement. However, this in no way relieves Recipient of full responsibility for its acts or omissions in the performance of activities required by this Agreement.

Section 18. SUBCONTRACTING

Recipient shall not disburse any funds received under this Agreement without fully completed written agreements with subcontractors requiring they follow all provisions of this Agreement and a completed Environmental Review pursuant to **Section 11** of this Agreement.

The use of subcontractors does not relieve Recipient of responsibility for ensuring the administration of the provided funds in accordance with all applicable program requirements. Recipient is responsible for determining the adequacy of performance under subcontractor agreements and procurement contracts and for taking appropriate action when performance issues arise.

Section 19. FAILURE TO MAKE PROGRESS

Failure of Recipient to make progress according to the **Schedule of Completion**, attached hereto as **Attachment B** may result in contract termination, de-obligation of funds or recapture of funds. Recipient agrees to meet with ADOH at the site in which the funded activity is taking place to discuss progress and allow ADOH to provide technical assistance if:

(a) Recipient fails to begin work on its Environmental Review pursuant to **Section 11** within the sixty (60) calendar days from the date ADOH executes this Agreement;

(b) Recipient fails to expend any funds in performance of and in accordance with the terms of this Agreement within ninety (90) calendar days from the inception date of this Agreement.

ADOH will terminate any Agreement and recapture funds from the same Agreement in which Recipient does not commence any of the activities described in the ***Scope of Work*** **(Attachment A)** or fails to expend any funds in accordance with the ***Budget*** **(Attachment C)** within one hundred eighty (180) calendar days from the full execution date of this Agreement. ADOH may in its sole discretion, forgo providing technical assistance and recapture funds as outlined in this Agreement under **Section 15.4** hereof and/or terminate this Agreement for cause pursuant to **Section 20** of this Agreement.

Section 20. TERMINATION FOR CAUSE

ADOH may terminate this Agreement in whole or in part at any time whenever it determines that Recipient has failed to comply with the conditions hereof including, but not limited to the **Scope of Work** set forth in **Attachment A**, **Schedule of Completion** set forth in **Attachment B** and **Budget** set forth in **Attachment C** to this Agreement. If ADOH so determines, it shall notify Recipient in writing by certified mail, return receipt requested, of such termination for cause with such notification to include the reason(s) for the termination and the effective date of termination. If ADOH terminates this Agreement pursuant to this Section, ADOH shall recapture all funds allocated to Recipient under this Agreement pursuant to **Section 15.4** hereof and obtain repayment of funds expended pursuant to **Section 15.6,** hereof.

Section 21. TERMINATION FOR CONVENIENCE

ADOH or Recipient may terminate this Agreement in whole or part (one or more activities) if either party believes that continuation will not produce beneficial results. If ADOH so determines, it shall notify Recipient in writing by certified mail, return receipt requested, of such termination for convenience and the effective date of termination. If Recipient so determines, it shall notify ADOH in writing by certified mail, return receipt requested, of such termination for convenience and the effective date of termination. If ADOH terminates this Agreement pursuant to this Section, ADOH shall de-obligate, recapture or receive repayment, as applicable, all funds allocated to Recipient under this Agreement pursuant to **Section 15** hereof.

Section 22. ENFORCEMENT

22.1 Remedies for Noncompliance. If Recipient materially fails to comply with any term of this Agreement or applicable law, ADOH may take one or more of the following actions, as appropriate in the circumstances:

(a) Temporarily withhold cash payments pending correction of the deficiency by Recipient or more severe enforcement action by the awarding agency;

(b) Disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance;

(c) Wholly or partly suspend or terminate the award evidenced by this Agreement;

(d) Withhold further awards to Recipient's project funded by the award evidenced by this Agreement;

(e) Recapture funds and terminate contract;

(f) Withhold future ADOH grant awards from all sources; or

(g) Take other remedies that may be legally available.

22.2 Appealable Agency Action. Enforcement action taken under this section is an appealable agency action pursuant to A.R.S., Title 41, Chapter 6, Article 10.

22.3 Effects of suspension and termination. Costs incurred by Recipient resulting from obligations incurred by Recipient during a suspension or after termination of an award are not allowable unless ADOH expressly authorizes them in the notice of suspension or termination or subsequently.

22.4 Relationship to debarment and suspension. The enforcement remedies identified in this section, including suspension and termination, do not preclude Recipient from being subject to "Debarment and Suspension" under the United States President's Executive Order 12549.

Section 23. CANCELLATION

Pursuant to A.R.S. § 38-511, ADOH may, within three years after its execution, cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of ADOH, at any time while this Agreement or any extension of this Agreement is in effect, is or becomes an employee or agent of any other party to this Agreement in any capacity or a consultant to any party of this Agreement with respect to the subject matter of the contract. A cancellation notice made pursuant to this provision shall be effective when Recipient receives written notice of the cancellation unless the notice specifies a later time.

Section 24. RECORDS RETENTION

Pursuant to A.R.S. § 35-214, Recipient shall retain and require that its subcontractors retain for inspection and audit by ADOH, all books, accounts, reports, files, including information regarding actual beneficiaries of the fund, and other records relating to the bidding and performance of this Agreement for a period of five (5) years following the date of the letter informing Recipient of the Administrative Closeout or termination.

☒ **CDBG funded projects only**: All CDBG records must be retained for at least three (3) years after the grant agreement close out between HUD and ADOH has been approved by HUD. ADOH will notify recipients of the records retention date of expiration for CDBG funded projects.

Upon request by ADOH, Recipient shall produce a legible copy of all such records at the Administrative Office of ADOH or at the Office of the Auditor General. The original records shall be available and produced for inspection and audit when required by ADOH or the Auditor General.

Recipient shall maintain records that adequately identify the source and application of the funds provided under this Agreement (including Program Income and Recaptured Funds) as part of the financial transactions of their funding program, consistent with generally accepted accounting principles and the requirements of 24 CFR Part 85.20. Recipient will provide reports regarding the capture and reuse of Program Income and Recaptured Funds as requested by ADOH from time to time.

In addition, in the event that the project resulted in Recipient holding any liens or notes as a result of this funding, Recipient must retain all pertinent records for five (5) years beyond the expiration or release of such liens or notes.

Section 25. NO OBLIGATION OF STATE GENERAL APPROPRIATIONS FUNDS

Nothing herein shall be construed as obligating state general appropriation funds, excepting HTF funds, for payment of any debt or liability of any nature arising hereunder. The parties expressly recognize that all payments to be made by ADOH are from federal funds and HTF funds made available to ADOH for this purpose.

Section 26. AVAILABILITY OF FUNDS

Payments under this Agreement are subject to the availability of the federal funds provided to the ADOH for the HOME and CDBG programs and the availability of state funds provided for the state HTF Program. Every payment obligation of ADOH under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by ADOH at the end of the period for which funds are available. No liability shall accrue to ADOH in the event this provision is exercised, and ADOH shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

Section 27. APPLICABLE LAW AND ARBITRATION

This Agreement shall be governed and interpreted by the laws of the State of Arizona. The parties to this Agreement agree to resolve all disputes arising out of or relating to this Agreement through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518 except as may be required by other applicable statutes.

Section 28. INDEMNIFICATION

Recipient shall indemnify, defend, and save harmless ADOH, the State of Arizona and its agents, officials, and employees from any and all claims, demands, suits, actions, proceedings, loss, costs, and damages of every kind and description, including any attorney's fees and litigation expenses, which may be brought or made against or incurred by the State on account of loss of or damage to any property or for injuries to or death of any person, caused by, arising out of or contributed to, in whole or in part, by reason of any alleged act, omission, professional error, fault, mistake, or negligence of Recipient, its employees, agents, representatives, or subcontractors, their employees, agents, or representatives in connection with or incidental to the performance of this Agreement, or arising out of Workmen's Compensation claims, Unemployment Compensation claims, or Unemployment Disability Compensation claims of employees of Recipient or its subcontractors or claims under similar such laws or obligations. Recipient's obligation under this section shall not extend to any liability caused by the sole negligence of ADOH, the State of Arizona, or its employees.

Section 29. FEDERAL GOVERNMENT LIABILITY

It is agreed by all parties that the Federal Government and particularly the U.S. Department of Housing and Urban Development ("HUD") is not a party to this Agreement, and that no legal liability on the part of the Federal Government is inferred or implied under the terms of this Agreement.

Section 30. AUDIT

If federal funds are paid to Recipient through this Agreement, Recipient shall comply with the audit requirements set forth in 24 CFR Part 84. Recipient shall comply with A.R.S. § 35-181.03 if any state funds are paid through this Agreement. Recipient agrees to rectify issues identified in audits within ADOH prescribed time periods. Failure to comply shall result in withholding of all present and future ADOH provided funds.

Section 31. AUDIT EXCEPTIONS

If federal or state audit exceptions are made relating to this Agreement, Recipient shall reimburse all costs incurred by the State of Arizona and ADOH associated with defending against the audit exception or performing an audit or follow-up audit including but not limited to: audit fees, court costs, attorney's fees based upon a reasonable hourly

amount for attorneys in the community, travel costs, penalty assessments, and all other costs of whatever nature.

Immediately upon notification from ADOH, Recipient shall reimburse the amount of the audit exception and any other related costs directly to ADOH as specified by ADOH in the notification.

Section 32. UNALLOWABLE USE OF FUNDS

Recipient, its officers, employees and agents, shall not utilize any of the federal funds or HTF provided under this Agreement to solicit or influence, or attempt to solicit or influence, directly or indirectly, any member of Congress regarding pending or prospective legislation.

Section 33. INTEREST OF MEMBERS OF DEPARTMENT OF HOUSING AND OTHERS

No officer or employee of ADOH and no public official, employee or member of the governing body of Recipient who exercises any functions or responsibilities in review or approval of the undertaking or carrying out of this Agreement shall participate in any decision relating to this Agreement which affects their personal interest or the interest of any corporation, partnership, or association in which they are directly or indirectly interested, or have any interest, direct or indirect, in this Agreement or its proceeds.

Section 34. ACCESS TO RECORDS, PARTICIPANTS AND STAFF

Recipient agrees to provide ADOH and its representatives access at any reasonable time to all participants and staff involved in this Agreement and to all records and reports involving this Agreement.

Section 35. IDENTIFICATION OF DOCUMENTS

All materials used for public outreach and for informational purposes as a part of this Agreement, other than documents exclusively for internal use by ADOH, shall identify the source of federal (CDBG, HOME, COC, HOPWA) or state (HTF) funds used as part of this Agreement as well as acknowledgement of support from ADOH.

Section 36. COPYRIGHT

Reports, maps or other documents produced in whole or in part under this Agreement are works for hire and shall not be the subject of any application for copyright by or on behalf of Recipient, by any employee or subcontractor of Recipient. Recipient shall advise ADOH or its designee at the time of delivery of any copyrighted or copyrightable work furnished under this Agreement, or any adversely held copyrighted or copyrightable material incorporated in any such work and of any invasion of the right of privacy therein contained.

Section 37. RIGHTS IN DATA

ADOH may duplicate, use and disclose in any manner and for any purpose whatsoever, within the limits established by federal and state laws and regulations, all information relating to this Agreement.

Section 38. FUNDING CONDITIONS

ADOH will make the funding assistance available to Recipient upon execution of this Agreement by the parties. The obligation and utilization of the funding assistance provided through this Agreement are subject to the proper observation of the requirements incorporated by reference. Recipient shall require any subcontracting entities to observe and follow all provisions of this Agreement.

Section 39. NON-DISCRIMINATION

(a) Recipient shall comply with A.R.S. § 41-1463 and Executive Orders 99-4 and 2009-09, which prohibit Recipient from discriminating against persons, or depriving or tending to deprive any individual of employment opportunities or otherwise adversely affecting the individual's status as an employee on the basis of race, color, religion, sex, age, national origin, disability or political affiliation and require Recipient to take action to ensure that applicants are employed and that employees are treated during employment without regard to race, color, religion, sex, age, national origin, disability, or political affiliation. Recipient shall comply with all of the other requirements of Executive Order 2009-09.

(b) Recipient agrees to comply with Title VII of the Civil Rights Act of 1964, as amended. Recipient shall also comply with applicable federal regulations that prohibit discrimination in the employment or advancement in employment of qualified persons with disabilities. Recipient shall comply with all applicable federal regulations regarding equal employment opportunity and relevant orders issued by the U.S. Secretary of Labor. Recipient agrees to comply, and will require any subcontractor(s) to comply with applicable federal nondiscrimination requirements, which may include: Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. §3789(d)); the Victims of Crime Act (42 U.S.C. §10604(e)); the Juvenile Justice and Delinquency Prevention Act of 2002 (42 U.S.C. §5672(b)); the Civil Rights Act of 1964 (42 U.S.C. §2000(d)); Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794); Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. §§12132); Title IX of the Education Amendments of 1972 (20 U.S.C. §1681); the Age Discrimination Act of 1975 (42 U.S.C. §6102); 28 C.F.R. pt. 35 (DOJ Regulations- Nondiscrimination on the Basis of Disability in State and Local Government Services); 28 C.F.R. pt. 42 (DOJ Regulations- Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order

13279 (equal protection of the laws for faith-based and community organizations); and 28 C.F.R. pt. 38 (DOJ Regulations- Equal Treatment for Faith-Based Organizations).

Section 40. THIRD PARTY ANTITRUST VIOLATIONS

Recipient assigns to the State of Arizona any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to Recipient toward fulfillment of this Agreement.

Section 41. COMPLIANCE REQUIREMENTS FOR A.R.S. § 41-4401—IMMIGRATION LAWS AND E-VERIFY REQUIREMENT

(a) Recipient warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A. (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.)

(b) A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the contract and Recipient may be subject to penalties up to and including termination of this Agreement.

(c) The ADOH retains the legal right to inspect the papers of any employee who works on this Agreement to ensure that Recipient or Recipient's subcontractor is complying with the warranty under paragraph (a).

Section 42. INSURANCE

During the contract period, Recipient shall purchase and maintain in full force the following insurance. All certifications of insurance must provide for a thirty (30) day notice to ADOH of cancellation, non-renewal, or material change. Proof of insurance from Recipient shall be provided to ADOH prior to execution of this contract and periodic certifications must be furnished at the request of the Program Specialist.
Recipient and its Subcontractors, at Recipient's and Subcontractors' own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. Rating of A-, 7, local government insurance pools formed pursuant to ARS 11-952.01 or other as approved by ADOH, and licensed in the State of Arizona with policies and forms satisfactory to ADOH.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of this Agreement is completed

satisfactorily and formally accepted; failure to do so may, at the sole discretion of ADOH, constitute a material breach of this Agreement.

Recipient's insurance shall be primary insurance as respects ADOH, and any insurance or self-insurance maintained by ADOH shall not contribute to it.

Recipient shall not fail to comply with the claim reporting provisions of the insurance policies or cause any breach of an insurance policy warranty, which would affect coverage afforded under insurance policies to protect ADOH.

The insurance policies, except Worker's Compensation, shall contain a waiver of transfer of rights of recovery (subrogation) against ADOH, its agents, representatives, directors, officers, and employees for any claims arising out of Recipient's acts, errors, mistakes, omissions, work or service.

The insurance policies may provide coverage, which contain deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to ADOH under such policies. Recipient shall be solely responsible for the deductible and/or self-insured retention, and ADOH, at its option, may require Recipient to secure payment of such deductibles or self-insured retentions by a Surety Bond listing ADOH as the Obligee or Co-Obligee or an irrevocable and unconditional letter of credit.

ADOH reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. ADOH shall not be obligated, however, to review same or to advise Recipient of any deficiencies in such policies and endorsements, and such receipt shall not relieve Recipient from, or be deemed a waiver of ADOH's right to insist on, strict fulfillment of Recipient's obligations under this Agreement.

The insurance policies, except Worker's Compensation and Professional Liability, required by this Agreement, shall name ADOH, its agents, representatives, officers, directors, officials and employees as additionally insured.

42.1 Required Coverage

Commercial General Liability. Recipient shall maintain Commercial General Liability insurance with a limit of not less than $1,000,000 for each occurrence with a $2,000,000 Products/Completed Operations Aggregate and a $2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage. Coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00011093 or any replacements thereof.

Such policy shall contain a severability of interest provision and shall not contain a sunset provision or commutation clause, nor any provision that would serve to limit third party action over claims. The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc. Additional Insured, Form B, CG 20101185, and shall include coverage for Recipient's operations and products and completed operations.

Automobile Liability. Recipient shall maintain Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than $1,000,000 each occurrence with respect to Recipient's any auto, all owned autos, scheduled autos, hired autos, non-owned autos assigned to or used in performance of Recipient's work. Coverage will be at least as broad as coverage code 1, "any auto", (Insurance Service Office, Inc. Policy Form CA 00011293, or any replacements thereof).

Worker's Compensation. Recipient shall carry Worker's Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Recipient's employees engaged in the performance of the work or services; and Employer's Liability insurance of not less than $100,000 for each accident, $100,000 disease for each employee, and $500,000 disease policy limit.

In case any work is subcontracted, Recipient will require the Subcontractor to provide Worker's Compensation and Employer's Liability to at least the same extent as required of Recipient.

42.2 Certificates of Insurance

Prior to commencing work or services under this Agreement, Recipient shall furnish ADOH with Certificates of Insurance, or formal endorsements as required by this Agreement, issued by Recipient's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Agreement are in full force and effect.

In the event any insurance policy(s) required by this contract is (are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of Recipient's work or services and as evidenced by annual Certificates of Insurance.
If a policy does expire during the life of this Agreement, a renewal certificate must be sent to ADOH fifteen (15) days prior to the expiration date.

42.3 Cancellation and Expiration Notice

Insurance required herein shall not expire, be canceled, or materially changed without thirty (30) days written notice to ADOH.

Section 43. PRIVACY CONSIDERATIONS

Recipients of federal funds (for the purpose of this section "federal funds" means funding from the CDBG, HOME, HOPWA, and COC programs; *see* Section 1, above) from ADOH warrant and represent that commencing from the effective date of this Agreement and until the latest expiration or termination date of any promissory note, deed of trust, declaration, or other agreement that secures the federal funds that are the subject of this Agreement, Recipient and Recipient's contractors shall comply with the requirements of the federal Privacy Act, 5 U.S.C. § 552a. Recipient warrants and represents that it has read and understands the requirements of the Federal Privacy Act and requires the same of its contractors and subcontractors.

Section 44. NOTICES

When routine reports or correspondence is required to be sent to ADOH, it shall be addressed to Arizona Department of Housing, to the attention of the assigned Program Specialist at 1110 West Washington Street, Suite 310, Phoenix, AZ 85007. Notices or correspondence regarding material changes to the contract or requests for amendment shall be addressed to the same. All correspondence regarding this Agreement must be identified by its ADOH Agreement number (which is located on the top left hand corner of the first page of this Agreement).

When notice or correspondence is required to be sent to Recipient, it shall be addressed to:

TOWN OF PRESCOTT VALLEY
Entity
CARMEN OGDEN
Attention (if applicable)
7501 EAST CIVIC CIRCLE
Mailing Address
PRESCOTT VALLEY, AZ 86314
City State Zip

Section 45. REGISTRATION WITH SOCIAL SERVE

For new construction or rehabilitation of rental projects, Recipient agrees to register the project with socialserve.com and keep the project listed with socialserve.com for the duration of the period of affordability as indicated in the Conditions, Covenants and Restrictions.

Section 46. ADOH SIGNAGE

For new construction and rehabilitation projects, Recipient must erect a sign at the project site indicating that the project is funded through the Arizona Department of Housing and indicate the sources of funds. The sign must be a minimum size of 24 inches

high by 36 inches wide, include a minimum 5-inch high ADOH logo and text printed at a minimum 72 point font. An individual ADOH sign does not have to be provided if Recipient incorporates ADOH information into a larger group sign.

Section 47. PHOTOGRAPHS

For new construction and rehabilitation projects, Recipient is required to provide to ADOH before and after photographs of the project in digital or film format.

AGREED, effective as of the later date of the signatures of the duly authorized representatives subscribed below:

THE STATE OF ARIZONA, **ARIZONA DEPARTMENT OF HOUSING**	Town of Prescott Valley **RECIPIENT**
BY:_____	BY: _____
Michael Trailor	Harvey Skoog
TITLE: Director	TITLE: Mayor
DATE:_____	DATE: _____

ATTACHMENT A
SCOPE OF WORK

The State Housing Fund award will be comprised of CDBG and *State Housing Trust Funds* and will allow Town of Prescott Valley (**recipient**) to provide Owner Occupied Housing Rehabilitation to approximately eight (8) owner-occupied households located within the Town limits of Prescott Valley, Arizona.

This contract award is contingent upon:

A. Assistance is reserved for the following incomes:
   a. 100% (8 households) at or below 50% of area median income;
B. The program will serve the following priority populations:
   a. 38% (3 households) for Special Needs Populations;
   b. 62% (5 households) elderly (62 years of age and older);
C. All owner occupied housing rehab activities must meet local code and the State rehabilitation guidelines.
D. Maximum CDBG investment per unit is $80,000 and will include project specific administration for the unit.
E. All Manufactured housing units must meet the following
   a. Placed on a permanent foundation (requires certification) and is connected to permanent utility hook-ups;
   b. Is located on land that his held in fee-simple title, or long-term ground lease with a term of at least 99 years (50yrs for tribal land); and
   c. Meets the construction standards of 24 CFR 3280 if manufactured after June 15, 1976, or, meets applicable local and/or state codes if manufactured prior to June 15, 1976.
F. Manufactured housing units must be permanently affixed to land owned by household and not in a leased mobile park.
G. Satisfactory ERR and SHPO requirements completed prior to any construction activity or any expenditure of funds.

Assistance will be provided to the beneficiaries in the form of a 0% deferred forgivable loan with the following recapture periods per section 4.11.A.1 of the State Program Summary and Application Guide:

Amount of State Funds Invested per Unit	Recapture Period
Under $15,000	5 Years
$15,000 to $40,000	10 Years
Over $40,000	15 Years

Project Funds

The State has reserved $250,000 from State CDBG dollars for project funding. Approved uses include: On-site improvements and demolition, direct construction, Lead paint inspection/clearance, permits and fees, architectural design, title and recording fees, temporary relocation expenses if attributable to an individual unit and project specific administration. All costs must be directly attributable to a specific unit. (NOTE: the program must follow HOME regulations and processes.)

Administrative Funds

The State has reserved $25,000 from the Housing Trust Fund for general administration. Approved uses include: salaries, wages and ERE for positions identified in the application, professional services, travel, general office supplies, equipment maintenance and repair, rent and operating services.

Arizona Department of Housing

CDBG

ATTACHMENT B

ADOH PERFORMANCE REPORT/SCHEDULE OF COMPLETION

Recipient	Town of Prescott Valley	Date	
Contract No	310-15 Contract Period: from June 30, 2015 to May 15, 2017	Revision #	
Activity	Owner Occupied Housing Rehab	Jan April	July October
Recipient Address	7501 East Civic Circle	City	Prescott Valley
Contact Person	Carmen Ogden	Zip Code	86314
Phone	928.759.3058 Email cogden@pvaz.net	Fax	928.583.6858
Program Specialist	Toni Pattison Email toni.pattison@azhousing.gov	County	Yavapai

Indicate adherence to contract or schedule changes. Due by the 15th of January, April, July, October

Contract Schedule	Contract Date	Complete Yes/No	Modification Date
Environmental Review Clearance	12/8/2014	Yes	
Contract Execution	6/30/2015		
Completion of 3 units	1/15/2016		
Completion of 6 units (cumulative)	9/15/2016		
Completion of 8 units (cumulative)	3/15/2017		
Project Complete-Contract Close Out	5/15/2017		

Please provide a brief description of activities performed this three month period. Include occurrences that caused variation from schedule changes to plans, unforeseen circumstances, etc. Please be specific. Finally, answer questions at narrative section A., B., C. & D.

A. # of units 100% completed?	
B. # of units under construction?	
C. # of units out to bid	
D. # of HHLD income qualified?	

Recipient Authorized Signature Date	Title

Arizona Department of Housing

CDBG

Attachment C

Budget

Recipient	Town of Prescott Valley			Date	
Contract No./File No.	**310-15** Contract Period: from June 30, 2015 to May 15, 2017			Revision No.	
Activity	Owner Occupied Housing Rehab				
Recipient Address	7501 East Civic Circle			City	Prescott Valley
Contact Person	Carmen Ogden			Fax	86314
Phone	928.759.3058	Email	cogden@pvaz.net	Zip Code	928.583.6858
Program Specialist	Toni Pattison	Email	toni.pattison@azhousing.gov	County	Yavapai

a	b	c	d	e	f	g
Budget Line Item or Activity No.	HTF FY2015	CDBG 2009	CDBG 2010	CDBG 2011	Source Program Year	Source Program Year
Activity 1 -- Admin	$25,000					
Activity 2 -- OOHR		$34,599.00	$115,055.00	100,346.00		
Total	$25,000.00	$34,599.00	$115,055.00	$100,346.00		

Arizona Department of Housing

CDBG

Attachment D

ARIZONA DEPARTMENT OF HOUSING REQUEST FOR PAYMENT SUMMARY SHEET PAGE 1 OF 2

Recipient	Town of Prescott Valley	Date	
Contract No	310-15 Contract Period: from June 30, 2015 to May 15, 2017	Pay Req. No/Mo	
Activity	Owner Occupied Housing Rehab	Direct Wire Dep	Yes No
Recipient Address	7501 East Civic Circle	City	Prescott Valley
Contact Person	Carmen Ogden	ZIP	86314
Phone	928.759.3058 Email cogden@pvaz.net	Fax	928.583.6858
Program Specialist	Toni Pattison Email toni.pattison@azhousing.gov	County	Yavapai

Itemized Payment Statement (Sheet 2 of 2) must accompany this form. Include copies of invoices, cashed checks, and other backup documentation. ORIGINAL SIGNATURES are required for processing.

a	b	c	d	e	f	g	h
Budget Line Item or Activity No.	IDIS Act No.	HTF 2015	CDBG 09, '10, '11	Total Amount Req. to Date	Balance in Account	Amount of this Request	New Balance
Administration		$25,000.00			25,000.00		$25,000.00
OOHR (CDBG)			$250,000.00				
			0.00		0.00		0.00
			0.00		0.00		0.00
			0.00		0.00		0.00
			0.00		0.00		0.00
			0.00		0.00		0.00
			0.00		0.00		0.00
			0.00		0.00		0.00
			0.00		0.00		0.00
			0.00		0.00		0.00
			0.00		0.00		0.00
			Balance to be set up				
Total Page 1		$25,000.00	$250,000.00	$0.00	$25,000.00	$0.00	$25,000.00
Total Page 1 + Additional			$250,000.00	$0.00	$25,000.00	$0.00	$25,000.00
						Contract Balance*	$275,000.00

*(HTF+Tot Award HOME) - (Tot Amt Req to Date+Amt this Req)

Recipient Authorized Signature Date Title

Recipient Authorized Signatory certifies that all activities undertaken by the contractor with funds provided under this contract have been carried out in accordance with the contract. Attach wiring information if not previously submitted. Attach alternate mailing address if necessary.

Performance Reports		Current ☐	Not Current ☐	For ADOH Use Only	
ADOH Program Specialist Approval			Date	ADOH Program Administrator Approval	Date

CDBG

Attachment D

ARIZONA DEPARTMENT OF HOUSING REQUEST FOR PAYMENT SUMMARY SHEET

Recipient: Town of Prescott Valley

Date:

Contract No: 310-15

Budget Line Item or Activity No.	IDIS Act No.	Setup/HOME/HTF $	Total Amount Req. to Date	Balance in Account	Amount of this Request	New Balance
Balance to be set up from Page 1		$250,000.00				
		$0.00		$0.00		$0.00
		0.00		0.00		0.00
		0.00		0.00		0.00
		0.00		0.00		0.00
		0.00		0.00		0.00
		0.00		0.00		0.00
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		0.00		0.00		0.00
		0.00		0.00		0.00
		Balance to be Set-Up				
Totals will be added to page 1		$250,000.00	$0.00	$0.00	$0.00	$0.00
					Contract Balance	$275,000.00

Arizona Department of Housing

ARIZONA DEPARTMENT OF HOUSING REQUEST FOR PAYMENT -ITEMIZED PAYMENT STATEMENT PAGE 2 OF 2

Recipient	Town of Prescott Valley		Date	
Contract No	310-15	Contract Period: from June 30, 2015 to May 15, 2017	Pay Req. No	

Budget Line Item or Activity No	Description of Expense (List in according to funding source)	Paid (or Payable)	Date Paid	Check #	Amount of Request Column c or d	Balance paid by other source	Name of other source
Totals							

ATTACHMENT F

CERTIFICATION AND OTHER REQUIREMENTS RELATING TO TITLE II ASSISTANCE FOR OWNER-OCCUPIED HOUSING REHABILITATION PROGRAMS

EQUAL OPPORTUNITY

No person shall on the grounds of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity funded in whole or in part with State Housing Funds. In addition, State Housing Funds must be made available in accordance with the following:

- The requirements of the Fair Housing Act (42 U.S.C. 3601-20) and implementing regulations at 24 CFR Part 100; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1958-1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307)(Equal Opportunity in Housing) and implementing regulations at 24 CFR part 107; and Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR Part 1;
- The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR Part 146, and the prohibitions against discrimination against otherwise qualified handicapped individuals under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8;
- The requirements of Executive Order 11246 (3 CFR 1964-65, comp., p. 339) (Equal Employment Opportunity) and the implementing regulations issued at 41 CFR chapter 60;
- The requirements of section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) the purpose of which is to ensure that the employment and other economic opportunities generated by Federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low- and very-low-income persons, particularly those who are recipients of government assistance for housing;
- *The requirements of Executive Orders 11625 and 12432 (concerning Minority Business Enterprise), and 12138 (concerning Women's Business Enterprise). Consistent with HUD's responsibilities under these Orders, the Recipient must make efforts to include, to the maximum extent possible, minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts entered into with such persons or entities, public and private, in order to facilitate the activities to provide affordable housing under this agreement.

AFFIRMATIVE MARKETING

Recipient shall:

Adopt affirmative marketing steps, as described in 24 CFR 92.351, consisting of the following actions to provide information and otherwise attract eligible persons from all racial, ethnic, and gender groups in the housing market area to the available housing and housing services.

Require all notices and advertisements related to the State Housing Funds to contain either the Equal Housing Opportunity logo or slogan.

DISPLACEMENT, ACQUISITION, AND RELOCATION

Consistent with the other goals and objectives of the STATE HOUSING FUND Program, Recipient shall take all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of the project assisted with State Housing Funds under this agreement and shall comply with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)(42 U.S.C. 4201-4655) and 49 CFR part 24.

A displaced person must be advised of his or her rights under the Fair Housing Act (42 U.S.C. 3601-19). The acquisition of real property is subject to the URA and the requirements of 49 CFR part 24, subpart B.

ENVIRONMENTAL REVIEW

* The environmental effects of each activity carried out with State Housing Funds must be assessed in accordant with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR parts 50 and 58.

* Recipient agrees to comply with any conditions resulting from Housing's compliance with NEPA, the other provisions of law specified in HUD's implementing regulations, Executive Order 11988, Flood Plain Management and Executive Order 11990, Wetlands Protection, insofar as the provisions of such Act and Executive Orders apply to activities set forth in Recipient's Application and Attachment I of this Agreement.

Recipient agrees to comply with state and federal requirements of the State Historic Preservation Office as applicable, regardless of whether or not funding is from a state or federal source.

*FLOOD DISASTER PROTECTION ACT

This Agreement is subject to the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128), which provides that State Housing Funds may not be used with respect to acquisition, new construction, or rehabilitation of a project located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:
the community in which the area is situated is participating in the Nation Flood Insurance Program (44 CFR parts 59 through 79), or less than a year has passed since FEMA notification regarding such hazards; and
flood insurance is obtained as a condition of approval of the assistance.

Recipient is responsible for assuring that flood insurance under the National Flood Insurance Program is obtained and maintained.

LEAD-BASED PAINT

Housing assisted with State Housing Funds constitutes HUD-associated housing for the purpose of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831 et seq.), and is therefore subject to 24 CFR part 35. Recipients are responsible for testing and abatement activities and shall prohibit the use of lead-based paint whenever State Housing Funds are used directly or indirectly for the construction, rehabilitation, or modernization of residential structures.

PROJECT PROPERTY STANDARDS

Housing that is constructed or rehabilitated with State Housing Funds must meet State Rehabilitation Standards and all applicable local codes, ordinances, and zoning ordinances at the time of project completion. In the absence of local code for new construction or rehabilitation, HOME-assisted new construction or rehabilitation must meet, as applicable: one of three model codes (Uniform Building Code (ICBO), National Building Code (BOCA), Standard Building Code (SBCCI)); or the Council of American Building Officials (CABO) one or two family code; or the Minimum Property Standards (MPS) in 24 CFR 200.925 or 200.926. In addition to the above requirements, new construction projects shall also meet the Model Energy Code. All rental housing assisted with State Housing Funds must be maintained in compliance with Housing Quality Standards and local code requirements for the duration of this Agreement.

*LABOR STANDARDS

All contracts for construction, including rehabilitation, of housing that includes 12 or more State-assisted units shall contain the provisions of the Davis-Bacon Act (40 U.S.C. 276a-5) and the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332). Construction contracts must contain the wage provisions whether one or more than one project is covered by the construction contract so as to cover all laborers and mechanics employed in the development of the entire project, including portions other than the assisted units.

Recipient and its subcontracts shall comply with other federal laws and regulations pertaining to labor standards and HUD Handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs) and shall certify as to compliance with the provisions of this section prior to requesting payment of State Housing Funds.

DEBARMENT AND SUSPENSION

All subcontracts shall contain the certification in Appendix B of 24 CFR part 24 that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in the covered transaction.

DRUG-FREE WORKPLACE

The Recipient shall maintain a Drug-Free Workplace in accordance with STATE HOUSING FUND program requirements.

ANTI-LOBBYING PROVISIONS

The Recipient hereby certifies that no Federal or State appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding 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.

If any funds other than Federal or State 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, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Recipient will require that the language of paragraph (h) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

CONFLICT OF INTEREST

Applicable conflict of interest provisions shall be incorporated in all contracts and safeguards shall be established to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.

No elected or appointed officer or employee of the Recipient may seek or accept any gifts, service, favor, employment, engagement, emolument or economic opportunity which would tend improperly to influence a reasonable person in that position to depart from the faithful and impartial discharge of the duties of that position.

No officer or employee may use his or her position to secure or grant any unwarranted privilege, preference, exemption or advantage for himself or herself, any member of his or her household, any business entity in which he or she has a direct or indirect financial interest, or any other person.

No officer of employee may participate as an agent of Recipient in the negotiation or execution of any contract between Recipient and any private business in which he or she has a direct or indirect financial interest.

No officer or employee of Recipient may suppress any report or other document because it might tend to affect unfavorably his/her financial interests.

INTEREST OF CERTAIN FEDERAL OFFICIALS

No member of or delegate to the Congress of the United States shall be admitted to any share or part of this Agreement or to any benefit to arise from the same.

INTEREST OF MEMBERS, OFFICERS, MEMBERS OF LOCAL GOVERNING BODY, OR OTHER PUBLIC OFFICIALS

No member, officer, or employee of the Recipient 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 1 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.

APPLICABILITY OF UNIFORM ADMINISTRATIVE REQUIREMENTS

1. Recipients that are governmental entities (including public agencies) shall comply with the requirements and standards of OMB Circular A-87, "Principles for Determining Costs Applicable to Grants and Contract with State, Local, and Federally Recognized Indian Tribal Governments;" OMB Circular A-128, "Audits of State and Local Governments" (implemented at 24 CFR Part 44); and 24 CFR Part 85, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments":
2. Community Housing Development Organizations and other nonprofit organizations shall comply with the requirements and standards of OMB Circular A-122, "Cost Principles for Nonprofit Organizations," and with 24 CFR Part 85.

AUDIT

Recipients of federal funds will comply with the requirements of the Single Audit Act of 1984 and 24 CFR Part 84; and if the grant is closed out prior to all funds having been audited, it shall refund to Housing any costs disallowed as a result of any audit conducted after the date of grant close-out. Recipients of state funds will comply with A.R.S. § 35.181.

PERMITS AND LICENSES

Recipient shall obtain any and all federal, state, and local permits and licenses required to execute the project as described in Recipient's Application. Recipient further agrees to abide by all applicable federal, state, and local laws.

ASSIGNMENT OF RIGHTS, INTERESTS, AND DUTIES

Recipient shall not assign or delegate any of its rights, interests, or duties under this Agreement without the written consent of Housing. Any such assignment or delegation made without the required consent shall be void, and may, at the option of Housing, result in the forfeiture to Housing of all funds provided under this Agreement.

USE OF STATE HOUSING FUNDS IN PROPORTION TO OTHER COMMITTED RESOURCES

Recipient agrees to request reimbursement of State Housing Funds (HOME and HTF funds) in proportion to other committed resources.

RECORDS TO BE MAINTAINED FOR OWNER-OCCUPIED HOUSING REHABILITATION PROGRAMS

Records must be retained for a minimum of five years after the expiration of this contract. If any litigation, claim, negotiation, audit, or other action has been started before the expiration of the regular period of this section the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular period, whichever is later.

Records regarding project requirements (subpart F) and other Federal requirements (subpart H) that apply for the duration of the period of affordability as specified in Sections 92.252 or 92.254, as well as written agreements and inspection and monitoring records and reports must be retained for five years after the required period of affordability as specified in 92.252 or 92.254, as applicable.

Records covering displacements and acquisition must be retained for at least five years after the date by which all persons displaced from the property and all persons whose property is acquired for the project have received final payment to which they are entitled in accordance with 92.353.

Citizens, public agencies, and other interested parties must be provided reasonable access to records, consistent with applicable laws regarding privacy and obligations of confidentiality.

Recipient shall establish and maintain sufficient records to enable the Secretary of US HUD to determine whether Housing has met the requirements. At a minimum, the following records must be established and maintained:

1. Approved Application, including all certifications, resolutions, revisions and/or additions.
2. State Housing Fund (HOME/HTF) Agreement, and any subsequent amendments and/or resolutions.
3. *State Housing Fund Program Summary and Application Guide*, subsequent revisions and any program notices.
4. Records providing a full description of each activity assisted (or being assisted) with State Housing Funds, including its location, the amount of Housing Trust Funds and/or State Housing Funds budgeted, obligated, and expended for the activity. Federal State Housing Funds and State Housing Trust Funds must be accounted for separately.
5. Complaints and/or grievances, if any, and evidence of resolution or status of each complaint.
6. Financial records, in accordance with the applicable requirements listed in OMB Circulars A-128 and Part 85, A-110.
7. Records supporting requests for disbursements of State Housing Funds from Housing, and other information required for the Cash and Management Information (C/MI) system under 92.502, including project set-up and completion reports, and disbursement documentation.
8. Monitoring audits and resolution of audit findings.
9. Financial management and audit files.
10. Correspondence regarding the program.
11. Records indicating the source and amounts of repayments, interest, and other return on investment of State Housing Funds and any matching funds.
12. Fair housing and equal opportunity records containing:
    - Data on the extent to which each racial and ethnic group and single-headed households (by gender of household head) have applied for, participated in, or benefited from, any program or activity funded in whole or in part with State Housing Funds. Such information shall be used only as a basis for further investigation as to compliance with nondiscrimination requirements. No Community is required to attain or maintain any particular statistical measure by race, ethnicity, or gender in covered programs.
    - Data on employment in each of Recipient's operating units funded in whole or in part with State Housing Funds, with such data maintained in the categories prescribed on the Equal Employment Opportunity Commission's EEO-4 form; and documentation of any actions undertaken to ensure equal employment opportunities to all persons regardless of race, color, national origin, sex, or handicap in operating units funded in whole or in part under this part.

*13. Documentation and data on the steps taken to implement outreach programs to minority-owned and women-owned businesses including data indicating the racial, ethnic or gender character of each business entity receiving a contract or subcontract to be paid with State Housing Funds; the amount of the contract or subcontract, and documentation of the steps to assure that minority- and women-owned business enterprises have an equal opportunity to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction, and services. Lists must be compiled of all minority-and women-owned business enterprises within the Recipient's political jurisdiction.

14. Records of Procurement for each agreement for professional service or material/equipment procured including compliance with Recipient's procurement code, written evidence that the procurement method was followed, bid/solicitation specification and/or scope of work, method to determine prices, evaluation

criteria and procedures, written contract/agreement, amendments/change orders and justification and approval for each, evidence of monitoring by the Recipient to ensure financial and programmatic compliance, copies of local business/supplier and minority or women-owned business enterprise policies.

15. Records concerning compliance with the lead-based paint requirements of Section 92.355, where applicable.
16. Records supporting requests for waivers of the conflict of interest prohibition in 92.356, where applicable.
17. Records demonstrating compliance with flood insurance requirements under 92.358, where applicable.
18. Records that demonstrate compliance with Housing environmental review requirements in 92.352 (and part 58 of the title).
19. Records required to be maintained in accordance with other applicable laws and regulations set forth in Subpart K of the HOME regulations, this Agreement, and Attachment II -- Certification and other Requirements.
20. In addition to general program files, separate files must be established for each HOME-assisted unit/household. At a minimum, the following records must be established and maintained:
    a. Completed household income certification and annual recertification forms, and supporting documentation.
    b. Written, legally binding agreements between Recipient and project owner under which the Recipient agrees to provide STATE HOUSING FUNDS assistance to the owner of an identifiable project as defined in the regulation.
    c. Evidence of the owner's ownership interest in and the good and marketable nature of the assisted property.
    d. Signed and dated certifications by the owner to occupy the property as a principal residence.
    e. A pre-rehabilitation inspection report describing the deficiencies to be rehabilitated.
    f. Work write-ups, cost estimates, and reviews of each.
    g. Blue prints, plans, and technical specifications.
    h. Records indicating the deficiencies described in the pre-rehabilitation inspection report have been remedied, and an after-rehabilitation inspection report indicating the housing unit(s) complies with HUD local codes.
    i. Evidence of the pre-rehabilitation value of the property and records indicating the after-rehabilitation value does not exceed HUD's 203(b) insuring limit for the area.
    j. Evidence of inspection indicating compliance with local codes, local zoning ordinances, cost-effective energy conservation and effectiveness standards of 25 CFR Part 39, and local rehabilitation standards, where applicable, and an after-rehabilitation appraisal report indicating the value of the property.
    k. The form of State Housing Fund assistance offered, and evidence of liens, deed restrictions, or other encumbrances placed upon the property to assure continued affordability and/or repayment of State Housing Funds invested, as applicable
    l. Copies of formal agreements/contracts with the homeowner, and all subcontractors, indicating compliance with the regulations.
    m. Written, legally binding agreements between the owner of the property, and the contractor(s) completing the rehabilitation, where applicable.
    n. For properties reconstructed, pre- and post-reconstruction blueprint or other documentation regarding unit size of the property, evidence indicating the costs of rehabilitation exceeds the costs of reconstruction.
    o. Owner-signed and dated forms indicating the dates and types of program-related counseling and/or training received, where applicable.

* ***Denotes items that are not required of Recipients who receive only State Housing Trust Funds.***

RESOLUTION NO. 1896

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PRESCOTT VALLEY, A MUNICIPAL CORPORATION OF ARIZONA, AUTHORIZING SUBMISSION OF ONE OR MORE APPLICATIONS FOR STATE HOUSING FUNDS (INCLUDING ANY FEDERAL FUNDING THROUGH THE HOME INVESTMENT PARTNERSHIP PROGRAM AND STATE HOUSING FUNDS); CERTIFYING THAT SAID APPLICATIONS WILL MEET THE COMMUNITY'S HOUSING AND COMMUNITY DEVELOPMENT NEEDS AND THE REQUIREMENTS OF THE APPLICABLE HOUSING PROGRAMS; AUTHORIZING ALL ACTIONS NECESSARY TO IMPLEMENT AND COMPLETE THE ACTIVITIES OUTLINED IN SAID APPLICATIONS; AND PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE AFTER ITS PASSAGE AND APPROVAL ACCORDING TO LAW.

WHEREAS, the Mayor and Common Council of the Town of Prescott Valley desire to undertake affordable housing development activities and support ongoing efforts to repair, rehabilitate, or replace substandard housing in the community; and

WHEREAS, the State of Arizona administers the State Housing Fund Program; and

WHEREAS, the activities in the applications authorized herein will address the community's low-income population housing needs; and

WHEREAS, it is understood that recipients of State Housing Funds are required to comply with applicable program guidelines as well as applicable state and federal statutes and regulations;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PRESCOTT VALLEY, ARIZONA, as follows:

1. That Town staff is authorized to make one or more applications to the State of Arizona for funding from the State Housing Fund, and that Mayor Harvey C. Skoog (or, in his absence, the Vice Mayor) is authorized to sign said applications as well as any related contract or grant documents for receipt and use of these funds. Town staff and officers are further authorized to take all actions necessary to implement and complete the activities outlined in said applications. In particular, Carmen Ogden, Planner (or her designee or replacement) is authorized to take all actions necessary to implement and complete the activities submitted in said applications.

2. That the Town hereby certifies that said applications will meet the community's housing and community development needs and the requirements of the applicable housing programs, and therefore adopts revised Housing Rehabilitation Guidelines (attached hereto) and agrees to comply with all applicable State Housing Fund Program (HOME program and/or State Housing Trust Fund) guidelines and policies (including applicable state and federal statutes and regulations and any certifications contained in the applications.

3. That this Resolution shall be effective after its passage and approval according to law.

RESOLVED by the Mayor and Common Council of the Town of Prescott Valley, Arizona, this 4th day of December, 2014.

Harvey C. Skoog, Mayor

ATTEST:

Diane Russell, Town Clerk

APPROVED AS TO FORM:

Ivan Legler, Town Attorney