

**U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing**

**SECTION 8 PROJECT-BASED VOUCHER PROGRAM**

**AGREEMENT TO ENTER INTO A  
HOUSING ASSISTANCE PAYMENTS CONTRACT**

**NEW CONSTRUCTION OR REHABILITATION**

**PART I**

Public reporting burden for this collection of information is estimated to average 0.5 hours. This includes the time for collecting, reviewing and reporting the data. The information is being collected as required by 24 CFR 983.152, which requires the PHA to enter into an Agreement with the owner prior to execution of a HAP contract for PBV assistance as provided in §983.153. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. Assurances of confidentiality are not provided under this collection.

Privacy Act Statement. HUD is committed to protecting the privacy of individuals' information stored electronically or in paper form, in accordance with federal privacy laws, guidance, and best practices. HUD expects its third-party business partners, including Public Housing Authorities, who collect, use maintain, or disseminate HUD information to protect the privacy of that information in Accordance with applicable law.

## **1.1 Parties**

This Agreement to Enter into Housing Assistance Payments Contract (“Agreement”) is between:

\_\_\_\_\_ (“PHA”) and  
\_\_\_\_\_ (“owner”).

## **1.2 Purpose**

The owner agrees to develop the Housing Assistance Payments Contract (“HAP Contract”) units to in accordance with Exhibit B and to comply with Housing Quality Standards (“HQS”), and the PHA agrees that, upon timely completion of such development in accordance with the terms of the Agreement, the PHA will enter into a HAP Contract with the owner of the Contract units.

### **1.3 Contents of Agreement**

This Agreement consists of Part I, Part II, and the following Exhibits:

EXHIBIT A: The approved owner's PBV proposal. (Selection of proposals must be in accordance with 24 CFR 983.51.)

EXHIBIT B: Description of work to be performed under this Agreement, including:

- if the Agreement is for rehabilitation of units, this exhibit must include the rehabilitation work write-up and, where the PHA has determined necessary, specifications and plans.
- if the Agreement is for new construction of units, the work description must include the working drawings and specifications.
- any additional requirements beyond HQS relating to quality, design and architecture that the PHA requires.
- work items resulting from compliance with the design and construction requirements of the Fair Housing Act and implementing regulations at 24 CFR 100.205, the accessibility requirements under section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR 8.22 and 8.23, and accessibility requirements under Titles II and III of the Americans with Disabilities Act at 28 CFR parts 35 and 36, as applicable.

EXHIBIT C: Description of housing, including:

- project site.
- total number of units in project covered by this Agreement.
- locations of contract units on site.
- number of contract units by area (size) and number of bedrooms and bathrooms.
- services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent to owner.
- utilities available to the contract units, including a specification of utility services to be paid by the owner (without charges in addition to rent) and utility services to be paid by the tenant.

- estimated initial rent to owner for the contract units.

EXHIBIT D: The HAP contract.

## 1.4 Significant Dates

- A. **Effective Date of the Agreement:** The Agreement must be executed promptly after PHA notice of proposal selection to the owner has been given. The PHA may not enter this Agreement with the owner until a subsidy layering review has been performed and an environmental review has been satisfactorily completed in accordance with HUD requirements.
- B. A project may either be a single-stage or multi-stage project. A single-stage project will have the same Agreement effective date for all contract units. A multi-stage project will separate effective dates for each stage.

### \_\_\_\_\_ **Single-stage project**

- i. Effective Date for all contract units: \_\_\_\_\_
- ii. Date of Commencement of the Work: The date for commencement of work is not later than \_\_\_\_\_ calendar days after the effective date of this Agreement.
- iii. Time for Completion of Work: The date for completion of the work is not later than \_\_\_\_\_ calendar days after the effective date of this Agreement.

### \_\_\_\_\_ **Multi-Stage Project**

Enter the information for each stage upon execution of the Agreement for the corresponding stage.

STAGE	NUMBER OF UNITS	EFFECTIVE DATE	DATE OF COMMENCEMENT OF WORK	TIME FOR COMPLETION OF WORK


### 1.5 Nature of the Work

\_\_\_\_\_ This Agreement is for **New Construction** of units to be assisted by the project-based Voucher program.

\_\_\_\_\_ This Agreement is for **Rehabilitation** of units to be assisted by the project-based Voucher program.

### 1.6 Schedule of Completion

- A. Timely Performance of Work: The owner agrees to begin work no later than the date for commencement of work as stated in Section 1.4. In the event the work is not commenced, diligently continued and completed as required under this Agreement, the PHA may terminate this Agreement or take other appropriate action. The owner agrees to report promptly to the PHA the date work is commenced and furnish the PHA with progress reports as required by the PHA.
- B. Time for Completion: All work must be completed no later than the end of the period stated in Section 1.4. Where completion in stages is provided for, work related to units included in each stage shall be completed by the stage completion date and all work on all stages must be completed no later than the end of the period stated in Section 1.4.
- C. Delays: If there is a delay in the completion due to unforeseen factors beyond the owner’s control as determined by the PHA, the PHA agrees to extend the time for completion for an appropriate period as determined by the PHA in accordance with HUD requirements.

### 1.7 Changes in Work

- A. The owner must obtain prior PHA approval for any change from the work specific in Exhibit B which would alter the design or quality of the rehabilitation or construction. The PHA is not required to approve any changes requested by the owner. PHA approval of any change may be conditioned on establishment of a lower initial rent to owner at the amounts determined by PHA.



- B. If the owner makes any changes in the work without prior PHA approval, the PHA may establish lower initial rents to owner at the amounts determined by PHA in accordance with HUD requirements.
- C. The PHA (or HUD in the case of insured or coinsured mortgages) may inspect the work during rehabilitation or construction to ensure that work is proceeding on schedule, is being accomplished in accordance with the terms of the Agreement, meets the level of material described in Exhibit B and meets typical levels of workmanship for the area.

**1.8 Work completion**

- A. Conformance with Exhibit B: The work must be completed in accordance with Exhibit B. The owner is solely responsible for completion of the work.
- B. Evidence of Completion: When the work is completed, the owner must provide the PHA with the following:
  - 1. A certification by the owner that the work has been completed in accordance with the HQS and all requirements of this Agreement.
  - 2. A certification by the owner that the owner has complied with labor standards and equal opportunity requirements in the development of the housing. (See 24 CFR 983.155(b)(1)(ii).)
  - 3. Additional Evidence of Completion: At the discretion of the PHA, or as required by HUD, this Agreement may specify additional documentation that must be submitted by owner as evidence of completion of the housing. Check the following that apply:
    - \_\_\_\_\_ A certificate of occupancy or other evidence that the contract units comply with local requirements.
    - \_\_\_\_\_ An architect’s or developer’s certification that the housing complies with:
      - \_\_\_\_\_ the HQS;
      - \_\_\_\_\_ State, local, or other building codes;
      - \_\_\_\_\_ Zoning;
      - \_\_\_\_\_ The rehabilitation work write-up for rehabilitated housing;

\_\_\_\_\_ The work description for newly constructed housing; or

\_\_\_\_\_ Any additional design or quality requirements pursuant to this Agreement.

## **1.9 Inspection and Acceptance by the PHA of Completed Contract Units**

- A. Completion of Contract Units: Upon receipt of owner notice of completion of Contract units, the PHA shall take the following steps:
  - 1. Review all evidence of completion submitted by owner.
  - 2. Inspect the units to determine if the housing has been completed in accordance with this Agreement, including compliance with the HQS and any additional requirements imposed by the PHA under this Agreement.
- B. Non-Acceptance: If the PHA determines the work has not been completed in accordance with this Agreement, including non-compliance with the HQS, the PHA shall promptly notify the owner of this decision and the reasons for the non-acceptance. The parties must not enter into the HAP contract.
- C. Acceptance: If the PHA determines housing has been completed in accordance with this Agreement, and that the owner has submitted all required evidence of completion, the PHA must submit the HAP contract for execution by the owner and must then execute the HAP contract.

## **1.10 Acceptance where defects or deficiencies are reported:**

- A. If other defects or deficiencies exist, the PHA shall determine whether and to what extent the defects or deficiencies are correctable, whether the units will be accepted after correction of defects or deficiencies, and the requirements and procedures for such correction and acceptance.
- B. Completion in Stages: Where completion in stages is provided for, the procedures of this paragraph shall apply to each stage.

## **1.11. Execution of HAP Contract**

- A. Time and Execution: Upon acceptance of the units by the PHA, the owner and the PHA execute the HAP contract.

- B. Completion in Stages: Where completion in stages is provided for the number and types of units in each stage, and the initial rents to owner for such units, shall be separately shown in Exhibit C of the contract for each stage. Upon acceptance of the first stage, the owner shall execute the contract and the signature block provided in the contract for that stage. Upon acceptance of each subsequent stage, the owner shall execute the signature block provided in the contract for such stage.
- C. Form of Contract: The terms of the contract shall be provided in Exhibit D of this Agreement. There shall be no change in the terms of the contract unless such change is approved by HUD headquarters. Prior to execution by the owner, all blank spaces in the contract shall be completed by the PHA.
- D. Survival of owner Obligations: Even after execution of the contract, the owner shall continue to be bound by all owner obligations under the Agreement.

### **1.12 Initial determination of rents**

- A. The estimated amount of initial rent to owner shall be established in Exhibit C of this Agreement.
- B. The initial amount of rent to owner is established at the beginning of the HAP contract term.
- C. The estimated and initial contract rent for each units may in no event exceed the amount authorized in accordance with HUD regulations and requirements. Where the estimated initial rent to owner exceeds the amount authorized in accordance with HUD regulations, the PHA shall establish a lower initial rent tow owner, in accordance with HUD regulations and requirements.

### **1.13 Uniform Relocation Act**

- A. A displaced person must be provided relocation assistance at the levels described in and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655) and implementing regulations at 49 CFR part 24.
- B. The cost of required relocation assistance may be paid with funds provided by the owner, or with local public funds, or with funds available from other sources. Payment of relocation assistance must be paid in accordance with HUD requirements.

- C. The acquisition of real property for a project to be assisted under the program is subject to the URA and 49 CFR part 24, subpart B.
- D. The PHA must require the owner to comply with the URA and 49 CFR part 24.
- E. In computing a replacement housing payment to a residential tenant displaced as a direct result of privately undertaken rehabilitation or demolition of the real property, the term “initiation of negotiations” means the execution of the Agreement between the owner and the PHA.

#### **1.14 Protection of In-Place Families**

- A. In order to minimize displacement of in-place families, if a unit to be placed under Contract is occupied by an eligible family on the proposal selection date, the in-place family must be placed on the PHA’s waiting list (if they are not already on the list) and, once their continued eligibility is determined, given an absolute selection preference and referred to the project owner for an appropriately sized unit in the project.
- B. This protection does not apply to families that are not eligible to participate in the program on the proposal selection date.
- C. The term “in-place family” means an eligible family residing in a proposed contract unit on the proposal selection date.
- D. Assistance to in-place families may only be provided in accordance with the program regulations and other HUD requirements.

#### **1.15 Termination of Agreement and Contract**

The Agreement or HAP contract may be terminated upon at least 30 days notice to the owner by the PHA or HUD if the PHA or HUD determines that the contract units were not eligible for selection in conformity with HUD requirements.

#### **1.16 Rights of HUD if PHA Defaults Under Agreement**

If HUD determines that the PHA has failed to comply with this Agreement, or has failed to take appropriate action to HUD’s satisfaction or as directed by HUD, for enforcement of the PHA’s rights under this Agreement, HUD may assume the PHA’s rights and obligations under the Agreement, and may perform the obligations and enforce the rights of the PHA under the Agreement. HUD will, if it determines that the owner is not in default, pay Annual Contributions for the purpose of providing housing assistance payments with respect to the dwelling unit(s) under this Agreement for the duration of the HAP contract.

## 1.17 Owner Default and PHA Remedies

### A. Owner Default

Any of the following is a default by the owner under the Agreement:

1. The owner has failed to comply with any obligation under the Agreement.
2. The owner has violated any obligation under any other housing assistance payments contract under Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).
3. The owner has committed any fraud or made any false statement to the PHA or HUD in connection with the Agreement.
4. The owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing assistance program.
5. If the property where the contract units are located is subject to a lien or security interest securing a HUD loan or mortgage insured by HUD and:
  - a. The owner has failed to comply with the regulations for the applicable HUD loan or mortgage insurance program, with the mortgage or mortgage note, or with the regulatory agreement; or
  - b. The owner has committed fraud, bribery, or any other corrupt or criminal act in connection with the HUD loan or HUD-insured mortgage.
6. The owner has engaged in any drug-related criminal activity or any violent criminal activity.

### B. PHA Remedies

1. If the PHA determines that a breach has occurred, the PHA may exercise any of its rights or remedies under the Agreement.
2. The PHA must notify the owner in writing of such determination. The notice by the PHA to the owner may require the owner to take corrective action (as verified by the PHA) by a time prescribed in the notice.

3. The PHA's rights and remedies under the Agreement include, but are not limited to: (i) terminating the Agreement; and (ii) declining to execute the HAP contract for some or all of the units.

C. PHA Remedy is not Waived

The PHA's exercise or non-exercise of any remedy for owner breach of the Agreement is not a waiver of the right to exercise that remedy or any other right or remedy at any time.

## **1.18 PHA and Owner Relation to Third Parties**

A. Selection and Performance of Contractor

1. The PHA has not assumed any responsibility or liability to the owner, or any other party for performance of any contractor, subcontractor or supplier, whether or not listed by the PHA as a qualified contractor or supplier under the program. The selection of a contractor, subcontractor or supplier is the sole responsibility of the owner and the PHA is not involved in any relationship between the owner and any contractor, subcontractor or supplier.
2. The owner must select a competent contractor to undertake rehabilitation or construction. The owner agrees to require from each prospective contractor a certification that neither the contractor nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in contract by the Comptroller General or any federal Department or agency. The owner agrees not to award contracts to, otherwise engage in the service of, or fund any contractor that does not provide this certification.

B. Injury Resulting from Work under the Agreement: The PHA has not assumed any responsibility for or liability to any person, including a worker or a resident of the unit undergoing work pursuant to this Agreement, injured as a result of the work or as a result of any other action or failure to act by the owner, or any contractor, subcontractor or supplier.

C. Legal Relationship: The owner is not the agent of the PHA and this Agreement does not create or affect any relationship between the PHA and any lender to the owner or any suppliers, employees, contractor or subcontractors used by the owner in the implementation of the Agreement.

D. Exclusion of Third Party Claims: Nothing in this Agreement shall be construed as creating any right of any third party (other than HUD) to

enforce any provision of this Agreement or the Contract, or to assert any claim against HUD, the PHA or the owner under the Agreement or the Contract.

- E. Exclusion of owner Claims against HUD: Nothing in this Agreement shall be construed as creating any right of the owner to assert any claim against HUD.

## **1.19 PHA-Owned Units**

Notwithstanding Section 1.18 of this Agreement, a PHA may own units assisted under the project-based voucher program, subject to the special requirements in 24 CFR 983.59 regarding PHA-owned units.

## **1.20 Conflict of Interest**

- A. Interest of Members, Officers, or Employees of PHA, Members of Local Governing Body, or Other Public Officials
  - 1. No present or former member or officer of the PHA (except tenant-commissioners), no employee of the PHA who formulates policy or influences decisions with respect to the housing choice voucher program or project-based voucher program, and no public official or member of a governing body or State or local legislator who exercises functions or responsibilities with respect to these programs, shall have any direct or indirect interest, during his or her tenure or for one year thereafter, in the Agreement or HAP contract.
  - 2. HUD may waive this provision for good cause.
- B. Disclosure

The owner has disclosed to the PHA any interest that would be a violation of the Agreement or HAP contract. The owner must fully and promptly update such disclosures.

## **1.21 Interest of Member or Delegate to Congress**

No member of or delegate to the Congress of the United States of America or resident-commissioner shall be admitted to any share or part of the Agreement or HAP contract or to any benefits arising from the Agreement or HAP contract.

## **1.22 Transfer of the Agreement, HAP Contract, or Property**

### **A. PHA Consent to Transfer**

The owner agrees that the owner has not made and will not make any transfer in any form, including any sale or assignment, of the Agreement, HAP contract, or the property without the prior written consent of the PHA. A change in ownership in the owner, such as a stock transfer or transfer of the interest of a limited partner, is not subject to the provisions of this section. Transfer of the interest of a general partner is subject to the provisions of this section.

### **B. Procedure for PHA Acceptance of Transferee**

Where the owner requests the consent of the PHA for a transfer in any form, including any sale or assignment, of the Agreement, the HAP contract, or the property, the PHA must consent to a transfer of the Agreement or HAP contract if the transferee agrees in writing (in a form acceptable to the PHA) to comply with all the terms of the Agreement and HAP contract, and if the transferee is acceptable to the PHA. The PHA's criteria for acceptance of the transferee must be in accordance with HUD requirements.

### **C. When Transfer is Prohibited**

The PHA will not consent to the transfer if any transferee, or any principal or interested party, is debarred, suspended, subject to a limited denial of participation, or otherwise excluded under 2 CFR part 2424, or is listed on the U.S. General Services Administration list of parties excluded from Federal procurement or nonprocurement programs.

## **1.23 Exclusion from Federal Programs**

### **A. Federal Requirements**

The owner must comply with and is subject to requirements of 2 CFR part 2424.

### **B. Disclosure**

The owner certifies that:

1. The owner has disclosed to the PHA the identity of the owner and any principal or interested party.



2. Neither the owner nor any principal or interested party is listed on the U.S. General Services Administration list of parties excluded from Federal procurement and nonprocurement programs; and none of such parties are debarred, suspended, subject to a limited denial of participation, or otherwise excluded under 2 CFR part 2424.

## **1.24 Lobbying Certifications**

- A. The owner certifies, to the best of the owner's knowledge and belief, that:
  1. No Federally appropriated funds have been paid or will be paid, by or on behalf of the owner, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of the Agreement or HAP contract, or the extension, continuation, renewal, amendment, or modification of the HAP contract.
  2. If any funds other than Federally 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 the Agreement or HAP contract, the owner must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- B. This certification by the owner is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352.

## **1.25 Subsidy Layering**

- A. Owner Disclosure

The owner must disclose to the PHA, in accordance with HUD requirements, information regarding any related assistance from the Federal government, a State, or a unit of general local government, or any agency or instrumentality thereof, that is made available or is expected to be made available with respect to the contract units. Such related assistance includes, but is not limited to, any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance.

B. Limit of Payments

Housing assistance payments under the HAP contract must not be more than is necessary, as determined in accordance with HUD requirements, to provide affordable housing after taking account of such related assistance. The PHA will adjust in accordance with HUD requirements the amount of the housing assistance payments to the owner to compensate in whole or in part for such related assistance.

## 1.26 Prohibition of Discrimination

- A. The owner may not refuse to lease contract units to, or otherwise discriminate against, any person or family in leasing of a contract unit, because of race, color, religion, sex, national origin, disability, age, or familial status.
- B. The owner must comply with the following requirements:
1. The Fair Housing Act (42 U.S.C. 3601–19) and implementing regulations at 24 CFR part 100 *et seq.*;
  2. Executive Order 11063, as amended by Executive Order 12259 (3 CFR 1959–1963 Comp., p. 652, and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107;
  3. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d–2000d–4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1;
  4. The Age Discrimination Act of 1975 (42 U.S.C. 6101–6107) and implementing regulations at 24 CFR part 146;
  5. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at part 8 of this title;
  6. Title II of the Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.*;
  7. 24 CFR part 8;
  8. Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135;

9. Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964–1965 Comp., p. 339; 3 CFR, 1966–1970 Comp., p. 684; 3 CFR, 1966–1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60;
10. Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971–1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprise Development); and
11. Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393, and 3 CFR, 1987 Comp., p. 245) (Women’s Business Enterprise).
12. HUD’s Equal Access Rule at 24 CFR 5.105. [OGC- Nonconcurrency: This section failed to reference protections with respect to actual or perceived sexual orientation, gender identity, or marital status in accordance with HUD’s Equal Access Rule at 24 CFR 5.105(a). Revising as indicated above is sufficient to resolve this concern.

C. The PHA and the owner must cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and all related rules and regulations.

## **1.27 Owner Duty to Provide Information and Access to HUD and PHA**

- A. The owner must furnish any information pertinent to this Agreement as may be reasonably required from time to time by the PHA or HUD. The owner shall furnish such information in the form and manner required by the PHA or HUD.
- B. The owner must permit the PHA or HUD or any of their authorized representatives to have access to the premises during normal business hours and, for the purpose of audit and examination, to have access to any books, documents, papers, and records of the owner to the extent necessary to determine compliance with this Agreement.

## **1.28 Notices and Owner Certifications**

- A. Where the owner is required to give any notice to the PHA pursuant to this Agreement, such notice shall be in writing and shall be given in the manner designated by the PHA.

- B. Any certification or warranty by the owner pursuant to the Agreement shall be deemed a material representation of fact upon which reliance was placed when this transaction was entered into.

### **1.29 HUD Requirements**

- A. The Agreement and the HAP contract shall be interpreted and implemented in accordance with all statutory requirements, and will all HUD requirements, including amendments or changes in HUD requirements. The owner agrees to comply with all such laws and HUD requirements.
- B. HUD requirements are requirements that apply to the project-based voucher program. HUD requirements are issued by HUD Headquarters as regulations, *Federal Register* notices, or other binding program directives.

### **1.30 Applicability of Part II Provisions — Check All that Apply**

- \_\_\_\_\_ Training, Employment, and Contracting Opportunities  
Section 2.1 applies if the total of the contract rents for all units under the proposed HAP contract, over the maximum term of the contract, is more than \$200,000.
- \_\_\_\_\_ Equal Employment Opportunity  
Section 2.2 applies only to construction contracts of more than \$10,000.
- \_\_\_\_\_ Labor Standards Requirements  
Sections 2.4, 2.8, and 2.10 apply only when this Agreement covers nine or more units.
- \_\_\_\_\_ Flood Insurance  
Section 2.11 applies if units are located in areas having special flood hazards and in which flood insurance is available under the National Flood Insurance Program.

**EXECUTION OF THE AGREEMENT**

<b>PUBLIC HOUSING AGENCY (PHA)</b> <b>Name of PHA (Print)</b>
By:
Signature of authorized representative
Name and official title (Print)
Date
<b>OWNER</b> <b>Name of Owner (Print)</b>
By:
Signature of authorized representative
Name and official title (Print)
Date

**U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing**

**SECTION 8 PROJECT-BASED VOUCHER PROGRAM**

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**NEW CONSTRUCTION OR REHABILITATION**

**PART II**

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## **2.1 Training, Employment, and Contracting Opportunities**

- A. The project assisted under this Agreement is subject to the requirements of section 3 of the Housing Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. The owner shall carry out the provisions of section 3 and the regulations issued by HUD as set forth in 24 CFR part 135 and all applicable rules and orders of HUD issued thereunder prior to the execution of this Agreement. This shall be a condition of the Federal financial assistance provided to the project, binding upon the owner, the owner's contractors and subcontractors, successors and assigns. Failure to fulfill these requirements shall subject the owner, the owner's contractors and subcontractors, successors and assigns to the sanctions specified by this Agreement, and to such sanctions as are specified by 24 CFR part 135.
- B. The owner shall incorporate or cause to be incorporated into any contract or subcontract for work pursuant to this Agreement in excess of \$100,000 the following clause:

1. The work to be performed under this contract is subject to the requirements of section 3 of the Housing Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3 shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
2. The parties to this Agreement agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
3. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, and shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
4. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
5. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135

require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

6. Pursuant to 24 CFR §135.90, recipients of HUD financial assistance that is subject to Part 135 requirements, are required to submit Section 3 Annual Reports on Form HUD-60002 to the Office of Fair Housing and Equal Opportunity (FHEO). This form must be submitted electronically and can be found at [www.hud.gov/section3](http://www.hud.gov/section3).
7. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.
8. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 405e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible: (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprise. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

## **2.2 Equal Employment Opportunity**

- A. The owner shall incorporate or cause to be incorporated into any contract in excess of \$10,000 for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 CFR chapter 60, which is to be performed pursuant to this Agreement, the following nondiscrimination clause:

During the performance of this contract, the contractor agrees as follows:

1. The contractor will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, creed, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising;



layoffs or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

2. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, creed, sex, or national origin.
3. The contractor will send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding, a notice to be provided by or at the direction of the Government advising the labor union or workers representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. The contractor of will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and with the rules, regulations, and relevant orders of the Secretary of Labor.
5. The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by HUD and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
6. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the rules, regulations, or orders, the contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions as may be imported and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor or as otherwise provided by law.

7. The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Government may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Government, the contractor may request the United States to enter into such litigation to protect the interest of the United States.
  
- B. The owner agrees to be bound by the above nondiscrimination clause with respect to his or her own employment practices when participating in federally assisted construction work.
  
- C. The owner agrees to assist and cooperate actively with HUD and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the nondiscrimination clause and the rules, regulations, and relevant orders of the Secretary of Labor, to furnish HUD and the Secretary of Labor such information as they may require for the supervision of such compliance, and to otherwise assist HUD in the discharge of HUD's primary responsibility for securing compliance.
  
- D. The owner further agrees to refrain from entering into any contract or contract modification subject to Executive Order No. 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the nondiscrimination clause as may be imposed upon contractors and subcontractors by HUD or the Secretary of Labor pursuant to the Executive Order. In addition, if the owner fails or refuses to comply with these undertakings, HUD may take any or all of the following actions; cancel, terminate, or suspend in whole or in part this Agreement; refrain from extending any further assistance to the owner under the program with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from the owner, and refer the case to the Department of Justice for appropriate legal proceedings.

## 2.3 Reserved

## 2.4 HUD—Federal Labor Standards Provisions

The owner is responsible for inserting the entire text of section 2.4 of this Agreement in all construction contracts and, if the owner performs any rehabilitation work on the project, the owner must comply with all provisions of section 2.4. (Note: Sections 2.4(b) and (c) apply only when the amount of the prime contract exceeds \$100,000.)

*(a)(1) Minimum Wages. (i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project) will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made part hereof regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under section l(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.*

*Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-*

1321)) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

(ii)(A) Any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination;

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, U.S. Department of Labor, Washington, D. C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.

*(D) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(B) or (C) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.*

*(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determinations or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.*

*(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program: Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.*

*(2) Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractors under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and*

*on account of the contractor or subcontractor to the respective employees to whom they are due.*

*(3)(i) Payrolls and Basic Records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.*

*(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD the PHA. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included in weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g. the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at:  
<http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor*

*site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit them to the applicant, sponsor, or owner, as the case may be, for transmission to HUD, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sponsoring government agency (or the applicant, sponsor, or owner).*

*(B) Each payroll submitted shall be accompanied by a “Statement of Compliance,” signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:*

*(1) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5(a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i) and that such information is correct and complete;*

*(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR part 3;*

*(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.*

*(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the “Statement of Compliance” required by paragraph (a)(3)(ii)(B) of this section.*

*(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution*

*under section 1001 of Title 18 and section 231 of Title 31 of the United States Code.*

*(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.*

*(4) Apprentices and Trainees.(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the*



*contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employee and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.*

*(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted*

*under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.*

*(iii) Equal Employment Opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.*

*(5) Compliance with Copeland Act Requirements. The contractor shall comply with the requirements of 29 CFR part 3 which are incorporated by reference in this Agreement.*

*(6) Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in section 2.4(a)(1) through (11) and such other clauses as HUD or its designee may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this section 2.4(a).*

*(7) Contract Terminations; Debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.*

*(8) Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.*

*(9) Disputes Concerning Labor Standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the PHA, HUD, the U. S. Department of Labor, or the employees or their representatives.*

*(10) Certification of Eligibility. (i) By entering into this Agreement, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR part 24.*

*(ii) No part of this Agreement shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR part 24.*

*(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, section 1010, Title 18, U.S.C., "Federal Housing Administration transactions, provides in part: "Whoever, for the purpose of ...influencing in any way the action of such Administration...makes, utters or publishes any statement, knowing the same to be false... shall be fined not more than \$5,000 or imprisoned not more than two years, or both."*

*11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Agreement are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Agreement to his employer.*

*(b) Contract Work Hours and Safety Standards Act. The provisions of this paragraph (b) are applicable only where the amount of the prime contract exceeds \$100,000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.*

*(1) Overtime Requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the*

*basic rate of pay for all hours worked in excess of forty hours in such workweek.*

*(2) Violation; Liability for Unpaid Wages; Liquidated Damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$25 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.*

*(3) Withholding for Unpaid Wages and Liquidated Damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.*

*(4) Subcontractors. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.*

*(c) Health and Safety. The provisions of this paragraph (c) are applicable only where the amount of the prime contract exceeds \$100,000.*

- (1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous to his health and safety as established under construction safety and health standards promulgated by the Secretary of Labor by regulation.*
- (2) The contractor shall comply with all regulations issue by the Secretary of Labor pursuant to Title 29 part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, 40 USC 3701 et seq.*
- (3) The contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontract as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.*

**2.5 Reserved**

**2.6 Reserved**

**2.7 Reserved**

**2.8 Wage and Claims Adjustments**

The owner shall be responsible for the correction of all violations under section 2.4, including violations committed by other contractors. In cases where there is evidence of underpayment of salaries or wages to any laborers or mechanics (including apprentices and trainees) by the owner or other contractor or a failure by the owner or other contractor to submit payrolls and related reports, the owner shall be required to place an amount in escrow, as determined by HUD sufficient to pay persons employed on the work covered by the Agreement the difference between the salaries or wages actually paid such employees for the total number of hours worked and the full amount of wages required under this Agreement, as well as an amount determined by HUD to be sufficient to satisfy any liability of the owner or other contractor for liquidated damages pursuant to section 2.4. The amounts withheld may be disbursed by HUD for and on account of the owner or other contractor to the respective employees to whom they are due, and to the Federal Government in satisfaction of liquidated damages under section 2.4.

## **2.9 Reserved**

### **2.10 Evidence of Unit(s) Completion; Escrow**

- A. The owner shall evidence the completion of the unit(s) by furnishing the PHA, in addition to the requirements listed in Part I of this Agreement, a certification of compliance with the provisions of sections 2.4 and 2.8 of this Agreement, and that to the best of the owner's knowledge and belief there are no claims of underpayment to laborers or mechanics in alleged violation of these provisions of the Agreement. In the event there are any such pending claims to the knowledge of the owner, the PHA, or HUD, the owner will place a sufficient amount in escrow, as directed by the PHA or HUD, to assure such payments.
- B. The escrows required under this section and section 2.8 of shall be paid to HUD, as escrowee, or to an escrowee designated by HUD, and the conditions and manner of releasing such escrows shall be designated and approved by HUD.

### **2.11 Flood Insurance**

If the project is located in an area that has been identified by the Federal Emergency Management Agency as an area having special flood hazards and if the sale of flood insurance has been made available under the National Flood Insurance Program, the owner agrees that: (1) the project will be covered, during the life of the property, by flood insurance in an amount at least equal to its development or project cost (less estimated land cost) or to the limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less; and (2) that it will advise any prospective purchaser or transferee of the property in writing of the continuing statutory requirement to maintain such flood insurance during the life of the property.

# AMERICAN FAMILY HOUSING



Response to Request for Proposals (RFP):  
Permanent Supportive Housing

Prepared for: City of Garden Grove  
Attn: Nate Robbins  
11222 Acacia Parkway  
Garden Grove, CA 92840

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Welcome Home

March 2, 2021

Nate Robbins  
Senior Program Specialist  
Community and Economic Development Department  
City of Garden Grove  
11222 Acacia Parkway  
Garden Grove, CA 92840

Dear Nate,

I am pleased to present this response to the RFP for Permanent Supportive Housing issued by the City of Garden Grove. American Family Housing is submitting a proposal for 8 of the 24 Project-Based Vouchers (PBV's) as identified by the City. The 8 PBV's we are submitting a proposal for will be used for our 10 unit property located at 11742 Stuart Drive in the City of Garden Grove. American Family Housing brings 40 years of experience in developing and managing affordable housing to meet the needs of communities and residents. We are uniquely qualified to operate housing and social services together, with both in-house property management and in-house supportive services.

This site has operated as affordable housing for more than 25 years. We propose to modernize the building, beautify landscaping around the property, add space for service provision and resident activities, and bring an art component to the building. Once completed, 11742 Stuart Drive will be a source of pride and an asset for the City. Investing in this property will allow AFH to maintain a high-quality housing product, which will enable formerly homeless residents to thrive and attain housing stability, and become active members of the Garden Grove community.

I hereby declare that the only person, persons, company, or parties interested in the proposal as principals are named herein; that the proposal is made without collusion with any other person, persons, company, or parties submitting a proposal; that it is in all respects fair and in good faith without collusion or fraud, and that the signer has full authority to bind the proposer. Should you have any questions, you may contact me by email at [milo@afhusa.org](mailto:milo@afhusa.org) or by telephone at (714) 897-3221 x101. We look forward to your consideration and opportunity to work with the city on its first supportive housing project.

Sincerely,

A handwritten signature in black ink, appearing to read "Milo Peinemann", written over a horizontal line.

Milo Peinemann  
Chief Executive Officer



**PROJECT DESCRIPTION**

American Family Housing (AFH) will rehabilitate ten units of housing at 11742 Stuart Drive in an existing 13,000 square foot two-story wood frame apartment building. Eight units will be permanent supportive housing (PSH) units, one unit will be for a household earning less than 50% AMI and one unit will be for an on-site resident manager. There are 4 one bedroom units and 6 two bedroom units. At this time, there are thirteen tenants occupying seven of the ten units. AFH owns the site and no entitlements are needed for the proposed scope of work.

Stuart Drive tenants will have access to on-site and off-site programs that are flexible and responsive to tenants’ needs. The voluntary services are target population-specific, culturally-specific and linguistically-appropriate. Housing is the primary intervention for tenants, emphasizing a street-to-home model that incorporates “wrap- around” service delivery.

**Offices:** AFH will provide two offices on-site for the property manager and supportive services staff. Design of the offices will address sound transmission so as to maximize privacy.

**Community Space:** The courtyard will be an appealing space for interaction, a welcoming space with shaded seating and a barbecue area. A designated smoking area will be provided. The common area landscape design aesthetic shall be warm, pleasant and convey a hopeful positive message, and will include living items into the décor such as plants that might be integrated into a potential tenant gardening program. The project will include security cameras to ensure everyone’s safety. There will be an on-site laundry room.

**Units -** Renovation will include painting and finishes, doors and hardware, new flooring, updated cabinets with new countertops, energy-efficient appliances, updated plumbing and HVAC as well as electrical upgrades. Units will be prewired for internet and cable TV access.

**The neighboring community** is located within a mile of schools, recreation, transportation a grocery store, retail, restaurants, pharmacies and banks. The Garden Grove community serves as the foundation to introduce social service programs that are designed to help tenants to successfully maintain independent living, and obtain assistance in the coordination of their housing and service needs. Case management services guarantee that those who have special needs will gain better access to services they need in order to heal from mental and physical trauma.

**Proposed Rents and Income Table:**

# of units	# of BR	AMI	Proposed Rents	Income Limits				
				Household size	1	2	3	4
4	1	30%	\$720	30%	\$26,910	\$30,750	\$34,590	\$38,430
4	2	30%	\$864	50%	\$44,850	\$51,250	\$57,650	\$64,050
1	2	50%	\$971					
1	2	MGR	NA					

**Site Photos:**



**Site photos**





Site Photo







**Supportive Services Budget**

<b>EXPENSE ITEM (Non-staff)</b>	<b>AMOUNT</b>		<b>Funding Sources</b>
Client transportation	1,500		Project budget
Equipment (#2 FTE - 2 work cell phones)	720		Project budget
Staff Training (2# FTE @ \$)	1,000		AFH
Supplies	1,500		Project budget
Resident move-in expenses	0		
Community Engagement Activities	1,500		Project budget
Other costs (ie) software licensing, IT support, Flex fund for clients	800		Project budget
Admin Expenses	4,000		AFH
Staff Mileage	1,000		AFH
<b>Total</b>	<b>12,020</b>		
<b>EXPENSE ITEM (Staff)</b>			
	<b>SALARY AMOUNT</b>		<b>BENEFITS AMOUNT</b>
<i>Staff Position: Clinician/ Residential Service Coordinator</i>	FTE: 0.1	\$ 8,000	1,840
<i>Staff Position: Case Manager + Coordinator</i>	FTE: 0.5	\$ 24,000	5,520
<b>Total Staff Expenses</b>	<b>\$39,360</b>		
<b>TOTAL Non-Staff Expenses</b>	<b>\$12,020</b>		
<b>Total</b>	<b>\$51,380</b>		

**Supportive Services Provided to Tenants**

Intensive case management and additional supportive services is provided to the PBV Residents. Case management meets with PBV Residents a minimum of twice per month and provides an overnight direct contact for PBV Residents or Property Management to contact for emergencies on weekends/weekday evenings.

Individuals and families receive a comprehensive range of basic and supportive services to provide stable housing that lead them to economic security and enhanced quality of life. AFH addresses the multiple life challenges specific to each PBV Resident/family, and creates a plan of action developed by the Case Manager and individual(s) participating in the program.

All PBV Residents are given an opportunity to work with a Case Manager to develop and implement a service plan that specifies their current goals. The case management team engages with each PBV Resident, including attempts to engage with those declining services, at minimum, monthly to provide

support and services noted above. PBV Residents are able to meet with a Case Manager in a private space at the Project.

Working under a Housing First and “Whatever It Takes” philosophy, Provider utilizes strategies from evidence-based models and practices, including: Recovery Model, Critical Time Intervention, Harm Reduction, Person-Centered, and Motivational Interviewing.

The goal of service for every PBV Resident is centered on building a relationship and developing trust between the Case Manager and the PBV Resident to assist the individual in his or her journey toward improved health and well-being.

AFH is strongly committed to fostering personal growth and self-sufficiency throughout our program, and offer a range of services in support of that goal including: mental health counseling, employment advising and placement, support groups, life skills training, budgeting education, housing searches and placement, nutritional programs, and intensive case management. Our goal is to provide opportunities for struggling individuals and families so that they may achieve self-sustainability by increasing household income, developing life skills and coping mechanisms, securing permanent housing, and addressing the life issues that led to homelessness.

The team members will engage PBV Residents on all levels using a health-enhancing harm reduction approach.

AFH will refer PBV Residents who are struggling with unmanaged substance use issues, mental health, and combinations thereof, and/or face impending eviction proceedings due to lease violations to appropriate off-site referral and resources.

### **Budget including funding sources**

See attached budget and funding sources. Below are some key assumptions related to our proposed financing structure:

- **Project Based Vouchers** – We are requesting Project Based Vouchers from the City of Garden Grove for the eight affordable units via this RFP. This will allow us to rent units to tenants with special needs so that the City can gain eight units of supportive housing. The budget provides an allowance for the relocation of all of the existing residents. We will hire a relocation consultant to interview the tenants and develop a more accurate relocation budget.
- **Acquisition Costs:**
  - We estimate the current as-is market value for the site to be \$2,300,000. While our proposal does not actually contemplate a sale of the property to a different entity, we are accounting for the value of the existing site which has no affordability restrictions. This is an opportunity for the City to support the long-term affordability of nine units of affordable housing at a relatively low per unit subsidy amount.
  - A \$600,000 conventional term loan from a Bank would be in first position and provide another portion of the site cost. American Family Housing would provide a \$1,700,000 loan in 2nd position with a 30-year term.



## PROJECT DESCRIPTION

- **Construction Costs:**
  - **Prevailing wages** – Not applicable, the number of units is below the threshold for prevailing wage for the HOME program.
  
- **Project Financing:**
  - **Predevelopment/bridge loans** – None, AFH is using its own funds for predevelopment expenses.
  
  - **Construction loans** – No conventional construction loan is needed. AFH proposes to use the City of Garden Grove funds for construction period expenses.
  
  - **Permanent Loans** –

<b>Lien Position</b>	<b>Lender/Status</b>	<b>Amount</b>	<b>Rate</b>	<b>Type</b>
1st	Bank (Committed)	\$600,000	4.00%	Amortizing
2nd	AFH (Committed)	\$1,700,000	2.50%	Amortizing
3rd	City of Garden Grove (Applied for)	\$1,400,000	0.00%	Residual Receipts

## FINANCING

PROJECT NAME	Stuart Apartments	DATE	02/27/21
STREET ADDRESS	11742 Stuart Avenue		
CITY	Garden Grove, California		
NAME OF SPONSOR	American Family Housing		

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### USES OF FUNDS

	Acquisition	Construction	Permanent	Per Unit
Land & Buiding Contribution	2,300,000	2,300,000	2,300,000	230,000
Construction	-	742,589	742,589	74,259
Soft	-	463,996	520,022	52,002
Contingency	-	137,389	137,389	13,739
Deferred Costs*	-	56,026	-	0
<b>TOTAL</b>	<b>2,300,000</b>	<b>3,700,000</b>	<b>3,700,000</b>	<b>370,000</b>

\*Developer Fee, Perm. Lender Fees, Capitalized Reserves

ok

### SOURCES OF FUNDS

	Acquisition	Construction	Permanent	Per unit
Bank Mortgage	600,000	600,000	600,000	60,000
AFH Loan	1,700,000	1,700,000	1,700,000	170,000
GG - HOME	0.00	1,343,974	1,400,000	140,000
Garden Grove - Successor Agency		0	0	-
Deferred Costs		56,026		-
<b>TOTAL</b>	<b>2,300,000</b>	<b>3,700,000</b>	<b>3,700,000</b>	<b>370,000</b>
Surplus/(gap)	-	-	-	

### CITY LOAN

	# Units	Per Unit	Total
0 BR	0	-	-
1 BR	4	140,000	560,000
2 BR	6	140,000	840,000
3 BR	0	-	-
<b>TOTAL</b>	<b>10</b>		<b>1,400,000</b>

TOTAL CITY FUNDS REQUESTED	<b>1,400,000</b>
TOTAL BANK FUNDS REQUESTED	<b>600,000</b>



## PROJECT / DEVELOPMENT COSTS

PROJECT NAME           Stuart Apartments  
 STREET ADDRESS       11742 Stuart Avenue  
 CITY                    Garden Grove, California  
 NAME OF SPONSOR      American Family Housing

RESIDENTIAL ONLY	TOTAL COST	\$/UNIT
<b>ACQUISITION</b>		
Land & Building	2,300,000	230,000
Closing Costs	-	-
<b>SUBTOTAL: ACQUISITION</b>	<b>2,300,000</b>	230,000
<b>HARD COSTS</b>		
Rehab-construction	623,343	62,334
Overhead and Profit	87,268	8,727
Insurance	14,212	
Bonds	17,765	
Prevailing Wage	-	
<b>SUBTOTAL: HARD COSTS</b>	<b>742,589</b>	71,061
<b>SOFT COSTS</b>		
Project Soft Costs to Date	3,500	350
Architecture & Engineering - Additional Work	35,000	3,500
Construction Manager	15,000	1,500
City Permits	10,000	1,000
<b>SUBTOTAL: TECHNICAL CONSULTANTS</b>	<b>63,500</b>	6,350
Construction Lender Fee	-	-
Construction Interest Reserve	-	-
Permanent Lender Fees	10,600	1,060
Loan Fee	12,000	1,200
<b>SUBTOTAL: FINANCING COSTS</b>	<b>22,600</b>	2,260
Developer Fee	226,388	22,639
Legal - HOME Documents	5,000	500
Capitalized Reserve	56,026	5,603
Local Permits and Fees	-	-
Waste Management Deposit	-	-
Marketing	-	-
Lease-Up	-	-
Appliances	-	-
Relocation & Tenant Expenses	122,388	12,239
Administrative and Organizational	-	-
Real Estate Taxes	-	-
Insurance	3,500	350
Escrow, Title and Recording	15,620	1,562
Appraisal	5,000	500
<b>SUBTOTAL: MISC SOFT COSTS</b>	<b>433,922</b>	43,392
<b>SUBTOTAL: SOFT COSTS</b>	<b>520,022</b>	52,002
Hard Cost Contingency	111,388	11,139
Soft Cost Contingency	26,001	2,600
<b>SUBTOTAL: CONTINGENCY</b>	<b>137,389</b>	13,739
<b>TOTAL DEVELOPMENT COSTS</b>	<b>3,700,000</b>	370,000
<b>DEFERRED COSTS</b>		
Capitalized Reserves	(56,026)	100% of Capitalized Reserves
<b>SUB-TOTAL OF DEFERRED COSTS</b>	<b>(56,026)</b>	



### **Who we are- American Family Housing**

American Family Housing (AFH) brings nearly 40 years of experience in developing and managing affordable housing to meet the needs of communities and residents. We are experts in providing housing-first, evidence based services to homeless individuals and families, so that residents can achieve stability and contribute to their community. Currently, AFH operates 63 sites, offering affordable housing and permanent supportive housing to 267 households in Los Angeles, Orange, and San Bernardino Counties. Recently AFH gained national attention with the completion of Potter's Lane, 16 units of permanent supportive housing in a structure built from repurposed shipping containers.

### **SUPPORTIVE SERVICES**

About 25% of AFH's affordable housing units are considered service enriched permanent supportive housing and are reserved for households with one disabled family member. About 10% of the units are set aside for formerly homeless Veterans. Homeless families are 2x more likely to have a disabled household member than the general population. AFH provides service enriched permanent supportive housing reserved for households with one disabled family member in about 25% of its affordable housing units.

AFH permanent supportive housing provides flexible and responsive services based on each individual's need and ensure long term housing stability, including but not limited to, budgeting, employment services, children's services, counseling-therapeutic, credit, and housing, crisis intervention, and eviction prevention. The program goal is to address issues that jeopardize housing stability and place adults and families at-risk for returning to homelessness. American Family Housing utilizes the HMIS database to track and report services provided to clients receiving assistance in our Permanent Supportive Housing programs. Please click [here](#) to learn more about these reporting practices and your privacy rights.

### **AMERICAN FAMILY HOUSING KEY PERSONNEL**

#### **Milo Peinemann | Chief Executive Officer**

Mr. Peinemann is the Chief Executive Officer of American Family Housing. Milo has over 15 years of senior management, relationship management, housing development, and non-profit finance experience. He has a proven record of strategic leadership and relationship-building in times of transition and change including a diverse background in urban planning, real estate financial analysis and transactions, operational budgeting, and strategic planning. Mr. Peinemann has secured projects and funding streams that increased sustainability and diversity of revenues, and enhanced relationships with internal and external stakeholders. Milo joined American Family Housing as CEO in October 2017. Prior to joining AFH, Milo served as Chief Strategy Officer for New Directions for Veterans and has substantial experience in affordable housing development and finance.

Milo has a Master of Arts Degree in Planning from the University of Southern California, and Bachelor of Arts in History and English from University of California, Berkeley. He participated in an Education Abroad program at the University of York in England.

#### **Ryan Lehman | Director of Real Estate Development**

Mr. Lehman has been with American Family Housing since July 2019 and is responsible for coordinating and managing all necessary resources through concept development, design, regulatory permitting, construction and final project closeout of assigned development projects. Responsibilities range from coordination with city and county planning officials, working with development and finance consultants,



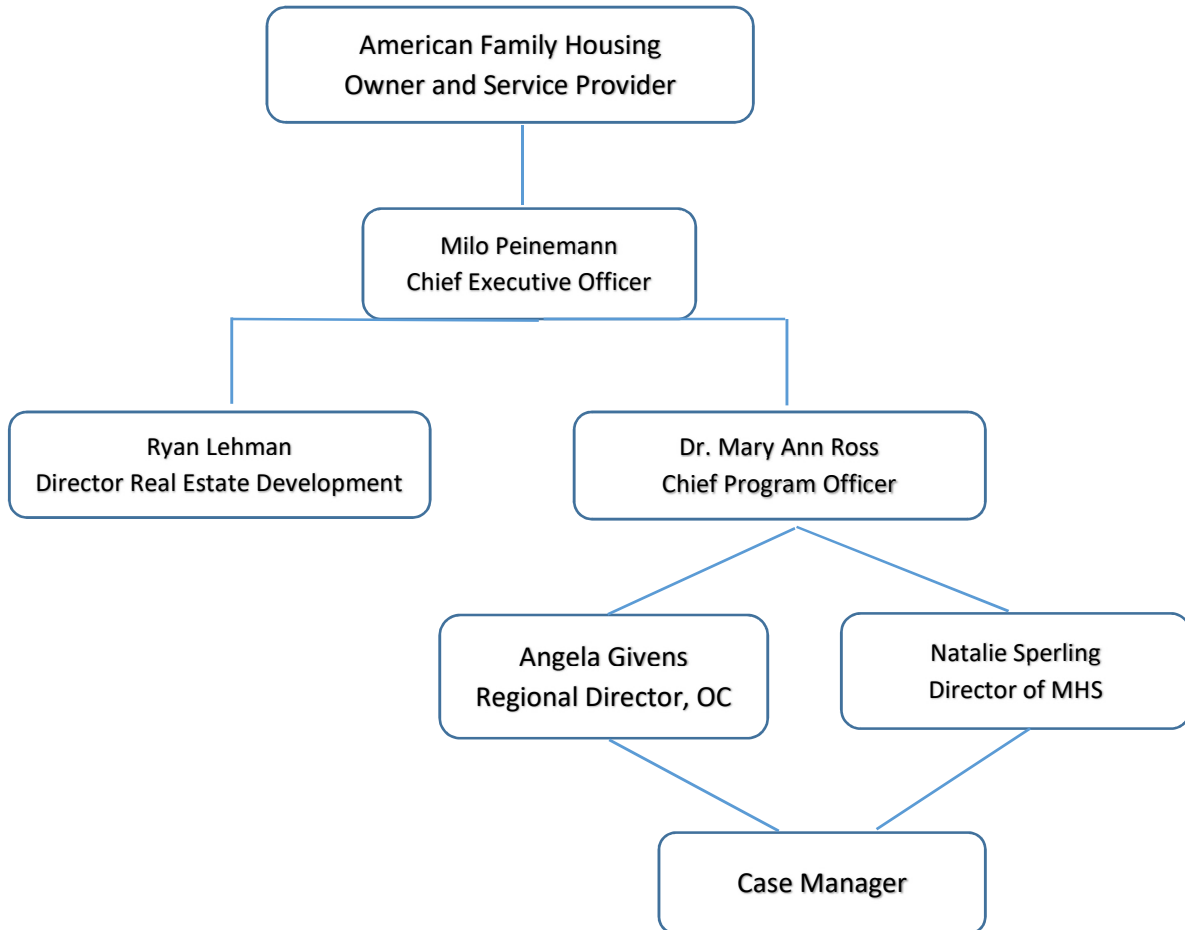
Statement of Qualifications- Owner and Service Provider Team

contracted developers, and general supervision through all aspects of project development, construction and closeout. Prior to joining AMF, Ryan was Senior Project Manager with A Community of Friends, one of the leading developers of special needs affordable rental housing in Southern California. He was responsible for predevelopment, deal structuring, oversight of the design and entitlement process, assembling of complex layered financing, and managing projects during the construction, lease-up and permanent conversion phases.

**Mary Ann Ross | Chief Program Officer**

Dr. Mary Ann Ross holds a Ph.D. in Psychology, a Master’s in Education, a B.A. in Criminal Justice/Social Work, and holds credentials/certifications in Substance Use Disorder Treatment and Human Resources Management. Dr. Ross has twenty-five years of experience in Executive Management and expertise in the fields of Mental Health, Corrections, Substance Use Disorder Treatment, Permanent and Supportive Housing and Nonprofit Management and Consulting. As an executive, Dr. Ross has directed the service continuum of organizations in the public and private sector, designed and directed multiple “landmark” social service programs, successfully wrote and secured state and federal grants, managed multi-million-dollar projects, monitored the compliance of state and federal contracts, and served as the sole Clinical Director of 40 permanent and supportive housing sites.

Project Name	Address	# of Units	Type	Population Served
<b>Completed</b>				
<b>Locust (2019)</b>	13811 Locust Street	3	New Construction	General affordable for families
<b>Potters Lane (2017)</b>	15171 Jackson St., Midway City	16	New Construction	Homeless veterans with special needs
<b>Locust Apartments (2015)</b>	14242, 14262, & 14282 Locust St., Westminster	12	Renovation of existing building with assistance from the City of Westminster	Eight of the units are for homeless people with special needs
<b>In Construction</b>				
<b>Isla Intersections (Partnership with Clifford Beers Housing)</b>	283 W. Imperial Highway, Los Angeles	54	New Construction	Homeless people with special needs, 10 veteran units
<b>In Predevelopment</b>				
<b>Casa Paloma</b>	15162 Jackson St, Midway City	71	New Construction	Homeless families and individuals in 48 of the units
<b>Alhambra</b>	Downtown Alhambra	50	New Construction	Homeless families and individuals in 24 of the 50 units

**Organizational chart showing lines of responsibility:****List of team members and their duties as part of the team:**

**Regional Director** provides strong leadership to ensure AFH operates a safe and secure system of affordable housing with services that is outcome and performance driven and that all programs are focused on maintaining permanent housing for clients. In coordination with the CPO, the Regional Director is responsible for maintaining the highest quality services and efficiency of operations while further developing relationships with funders and partners. The Regional Director ensures timely submission of all internal and external program reporting on the data base such as HMIS, SAGE, E-Snaps and CHAMP.

**Director Mental Health Services** position provides strong leadership to MSW interns, counselor and Case Manager. As part of a multi-disciplinary team, the Director of Mental Health Services travels to multiple locations to meet and work with clients to attain wellness and recovery and sustain permanent housing. The Director of Mental Health Services provides intensive mental health and case management services to ensure housing stability, improved health outcomes, increased wellness and recovery, and community integration. The Director of Mental Health Services maintains the highest quality provision of direct individual and group therapeutic services while fostering internal teamwork and continuity of care with other service provider partners.

**The Case Manager** travels to multiple location in the Orange County area or LA area to case management and assist with clients' attainment of housing and recovery support service. The Case Manager's Primary responsibilities are to outreach and engage new clients, coordinate housing, support clients with mental and primary health recovery services, and ensure community integration. The person in this position uses harm reduction model to help maintain the highest quality services and foster collaboration between clients and programs. The case manager is required work a 40-hour workweek and may find it necessary to work some evenings and weekends to meet with clients.

**Documentation that the service provider is certified by the U.S. Internal Revenue Service as a 501(c)3 tax exempt non-profit corporation, and is in good standing with both state and federal requirements.**

See IRS 501(c)3 Letter at end of SOQ. AFH is in good standing with both state and federal requirements.



**Service Provider Experience**

American Family Housing develops and manages service-enriched housing in Los Angeles, Orange, and San Bernardino Counties. American Family Housing is committed to providing case management and referral for a variety of supportive services (Mental Health Care, Substance Abuse, Educational Enrichment, Employment Development, Physical Health Care, and Legal Assistance) to the residents in "affordable" units (earning less than 50% of Area Median Income). In addition, our staff provides Life Skills Training, Benefits Assistance, and Representative Payee assistance to the affordable population and other residents who need assistance

**i. Include a minimum of three (3) project summaries outlining-**

Project name and address	Beginning date and end date of services	Months providing services	Type of SN population	# of SN units	Total # of units	Principals involved and role.
Potter's Lane, 15171 Jackson St., Midway City, CA 92655	May 2017	41	Homeless and chronically homeless. Veterans	17	18	Owner and service provider
14242, 14262, 14282 Locust St., Westminster CA	May 2015	65	Homeless with mental illness	8	12	Owner and service provider
9845 San Vicente Ave., South Gate, CA	Greater than 12 months	Greater than 12 months	Homeless with mental illness	4	11	Owner and service provider
Della Rosa 14800 Beach Boulevard, Westminster, CA 92683	July 2020	7	Homeless with mental illness	25	50	Service provider

**ii. Include detailed experience with implementation of Mainstream (or similar) Vouchers-**

**Orange County Programs Permanent Supportive (PSH Programs)**

AFH's Permanent Housing and Interim Housing programs consist of two categories: scattered-site housing, and site-based (or project-based) housing. Scattered site housing is where AFH leases a unit in a larger apartment building for a person who is participating in our Supportive Housing program; or where a person who is participating in our Supportive Housing program leases a unit, then receives supportive services from AFH. A Permanent Housing Program is where there is a property owner, a long-term rental lease, and the household has a tenancy in place at that property. An interim housing program is run directly by AFH, is a short-term occupancy agreement of no more than 30 days, and has a focus on securing a long-term rental lease with a property owner.

**Della Rosa project, Westminster, CA - Scope of Work – PBV Units:**

Intensive case management and additional supportive services are provided to the 25 PBV Residents. Case management staff meet with PBV Residents a minimum of twice per month and provide an overnight direct contact for PBV Residents or Property Management to contact for emergencies on weekends/weekday evenings. Individuals and families receive a comprehensive range of basic and



## Statement of Qualifications-Service Provider Experience

supportive services to provide stable housing that leads them to economic security and enhanced quality of life. AFH addresses the multiple life challenges specific to each PBV Resident/family, and creates a plan of action developed by the Case Manager and individual(s) participating in the program.

All PBV Residents will be given an opportunity to work with a Case Manager to develop and implement a service plan that specifies their current goals. The case management team will engage with each PBV Resident, including attempts to engage with those declining services, at minimum, monthly to provide support and services noted above. PBV Residents will be able to meet with a Case Manager in a private space at the Project.

Working under a Housing First and “Whatever It Takes” philosophy, Provider utilizes strategies from evidence-based models and practices, including: Recovery Model, Critical Time Intervention, Harm Reduction, Person-Centered, and Motivational Interviewing.

The goal of service for every PBV Resident is centered on building a relationship and developing trust between the Case Manager and the PBV Resident to assist the individual in his or her journey toward improved health and well-being.

AFH is strongly committed to fostering personal growth and self-sufficiency throughout our program, and offers a range of services in support of that goal including: mental health counseling, employment advising and placement, support groups, life skills training, budgeting education, housing searches and placement, nutritional programs, and intensive case management. Our goal is to provide opportunities for struggling individuals and families so that they may achieve self-sustainability by increasing household income, developing life skills and coping mechanisms, securing permanent housing, and addressing the life issues that led to homelessness.

The team members engage PBV Residents on all levels using a health-enhancing harm reduction approach.

AFH refers PBV Residents who are struggling with unmanaged substance use issues, mental health, and combinations thereof, and/or face impending eviction proceedings due to lease violations to appropriate off-site referral and resources.

The supportive services provided to PBV Residents by AFH Case Managers and their approximate or estimated frequency is shown below:

Intensive Case Management Activity	Frequency
Assessment of Service Needs: Includes outreach & engagement and authorization to participate	Weekly
Case management (Please see below for all Case Manager activities)	Weekly – Frequency is increased as needed
Employment and Training Assistance	Weekly
Education Services	Weekly
Food	As needed
Legal Services	As needed per assessment



## Statement of Qualifications-Service Provider Experience

Life Skills Training	Monthly
Mental Health Services	Weekly
Outpatient Health Services	As needed
Outreach Services	As needed
Substance Abuse Treatment Services	As needed
Transportation	As needed

### **Supportive Housing - Site-Based Programs**

#### **Potters Lane – 15 households**

In 2017, the opening of Potters Lane in Midway City, CA, had a great impact on the narrative around supportive housing for Veterans, as well as the need to innovate in order to reduce construction costs. Potters Lane was the first residential community funded by state bond funds under the Veterans Housing and Homelessness Prevention Program (VHHP) to open in California. Its remarkably rapid construction was made possible by AFH's use of recycled shipping containers.

There are 15 qualifying units and 1 manager unit. Eight (8) of the units are prioritized for chronically homeless Veterans under the Veterans Affairs Supportive Housing (VASH) program. Two (2) more units are prioritized for Veterans who do not work with the US Dept. of Veterans Affairs. The remaining five (5) qualifying units have been prioritized for Veterans, but is expected to be shifted for use by chronically homeless individuals (regardless of Veteran status) as Orange County is rapidly approaching "functional zero" homelessness.

The purpose of the program is to provide tenants with supportive services that include case management, life and social skills development, linkages to medical and mental services, job search and resume writing, recovery groups and family reunification.

- Operational funding source: Rental revenues from project-based vouchers and from tenant rent, and the VA
- Capital funding source: State of California Dept. of Housing and Community Development, Federal Home Loan Bank of San Francisco Affordable Housing Program (AHP).
- Capital Funding Source.
- Number of households / clients: 15/15
- Location: Midway City, CA.
- Services Planning Area: Central.
- Population: referred to AFH through the US Dept. of Veterans Affairs if they are qualifying Veterans who are eligible for VASH; otherwise, through the Coordinated Entry System (CES).

### **Supportive Housing - Scattered Site Programs**

#### **HUD- funded Supportive Housing**

- The Orange County Permanent and Supportive Housing (PSH) Program consists of 35 households living in independent apartments spread throughout Orange County, California. The Orange County PSH Program offers low-barrier affordable housing, health care, and supportive services to help individuals and families lead more stable lives. Staffing for this program is comprised of one (1) Program Manager and two (2) case managers who provide clinical oversight and intensive case management to individuals and families.





## Statement of Qualifications-Service Provider Experience

- Funding source: OC Continuum of Care funds both rental subsidies and all staff costs. AFH is funded for 27 units directly, and six (6) units under the Bonus Project, a collaborative partnership headed by another Orange County agency in which AFH is a sub-grantee.
- Number of households / clients: 35/85
- Location: Units in Huntington Beach, Westminster, and Stanton communities.
- Services Planning Areas: Central and North.
- Target population: referred to AFH through the Coordinated Entry System.

### **Housing for Health Orange County**

The Housing for Health Orange County Program currently consists of 169 households who are in housing, or homeless. Living in independent apartments spread throughout Orange County, California. Most of the apartments are secured in partnership with Orange County's United Way. The Orange County PSH Program offers low-barrier affordable housing, health care, and supportive services to help individuals and families lead more stable lives. Staffing for this program is comprised of one (1) Program Manager and two (2) case managers who provide clinical oversight and intensive case management to individuals and families.

Orange County Housing Authority Voucher Program is a collaboration between Mercy House, Friendship Shelter, Jamboree and United Way. The purpose of the program is to provide housing navigation, sustainability services, financial assistance and after care services for individuals and families experiencing homelessness.

- Funding source: Rental subsidies provided by vouchers provided by the County of Orange, by the City of Santa Ana, and by the City of Anaheim. Services funded by the County of Orange Healthcare Agency (OCHCA) Whole Person Care program is the source of funds for all staff costs.
- Number of households / clients: 169/ 169
- Location: Units in Fountain valley, Santa Ana, Garden Grove, Irvine, Huntington Beach, Fullerton, Costa Mesa, Anaheim, Westminster, and San Juan Capistrano communities.
- Services Planning Areas: South, Central and North.
- Target population: The target population is referred to AFH through the OCHCA. Referrals are high-risk, high-utilizers of the healthcare system who are eligible for Medi-Cal, who have repeated and avoidable incidents of use of emergency rooms, hospital admission, or nursing facility placement. Most people have two or more chronic conditions, such as mental health and/or substance use disorders; are currently experiencing homelessness; or will experience homelessness upon release from institutions (e.g., hospital, skilled nursing facility, rehabilitation facility, jail/prison, etc.).

## **LOS ANGELES COUNTY PROGRAMS**

### **Supportive Housing – Scattered-Site Programs**

#### **LA County Dept. of Health Services /DHS – 100 Households**

The purpose of the **DHS Program** is to provide intensive case management services to assist high utilizers of the health care system to secure and maintain permanent housing.

The DHS Program consists of a multidisciplinary team of Clinicians and Case Managers that serve nine-nine (99) families, individuals and transitional-aged youth that reside in scattered-sites or rather independent apartments across Los Angeles County. The DHS Program utilizes the evidenced-based practices of the Harm Reduction Model and Housing First Philosophy to create individualized housing plans that meet clients “where they are” while actively addressing barriers specific to housing stability. DHS Program services include, but are not limited to— referrals and linkages to shelters, mainstream benefits, identification and birth certificates, medical and mental health services, housing navigation, and wrap-around/aftercare services upon placement into PSH.

- Operational funding source: Rental revenues from project-based vouchers or from DHS flexible housing subsidies. All staff costs funded by DHS.
- Capital funding source: N/A. Often uses AFH-owned apartments.
- Number of households / clients: 99/120
- Location: Lomita, Los Angeles, Huntington Park, Gardena, San Pedro, Artesia, Long Beach, South Gate, El Monte, Alhambra, Bellflower, Whittier, Downey, Pasadena, and El Monte.
- Services Planning Area: Services Planning Area 4, 3, 6, 7, 8
- Population: referred to AFH through LA DHS.

**Outreach & Assessment of Service Needs:**

Outreach and engagement is the first step in the relationship building process. Case Managers establish rapport and build a trusting relationship with the Resident. This initial contact could take place in hospitals and clinics, recuperative care settings, transitional housing and emergency shelters, behavioral health facilities, the street, and other locations. The outreach/engagement activities are precursors to assessment, which informs the development of the case management plan that guides all of the supportive services the Resident will participate in. Residents are assessed for service needs (immediate and long-term), and for psychosocial status. Assessment is an on-going process, with the case management plan flexing and changing as the needs of the Resident change.

**Case Management:**

Intensive Case Management Services (ICMS) include the cooperative development of a case management plan using an assessment of service needs assessment psychosocial status. The case management plan addresses future goals, reduction of frequency and quantity of drug and alcohol use (if appropriate), improvement of coping mechanisms for mental health disorders and chronic medical conditions, and improvement of interpersonal relationships. Case Managers assist with applications and paperwork for a variety of supportive programs including, rental applications for the Housing Authority and Section 8 programs, and public benefits (i.e. Medi-Cal/Medicaid, VA benefits, food stamps, social security disability, etc.) and also provide referrals to medical care, mental health services, and other community services, connect Residents with transportation as necessary, provide eviction prevention counseling and advocacy with landlords, and provide on-going outreach and engagement to Residents at their residence and in other community based settings. Case Managers provide individual life skills training such as budgeting and money management, overcoming bad credit, no credit, and/or eviction histories, and arranging for representative payees when appropriate.

Case Managers maintain regular ongoing Resident contact and tailor the intensity of services provided, including the frequency of face-to-face and home visits conducted to Resident’s level of functioning and acuity of needs. The frequency of visits varies and may require a minimum of three (3) or more face-to-



face visits per week at initial engagement and no less than twice a month after Residents are stable in housing and fully engaged in supportive services. ICMS are primarily conducted in the field with the provider meeting regularly with Residents at their housing location, at medical/ service providers' offices, and other locations as appropriate.

**Mental Health & Substance Abuse Treatment Services:**

Case Managers provide referrals to mental health and substance abuse treatment, in addition to on-site supportive services (support groups) being offered by or coordinated by AFH.

**Other Supportive Services:**

Other supportive services linkage includes: education services, food assistance and other immediate needs, legal services, transportation, outpatient services and utility deposits.

**iii. Include a description of current involvement with the Orange County Continuum of Care (CoC) and the Orange County Coordinated Entry system.**

AFH is an active member of Orange County's Continuum of Care (CoC). Applicants for the Stuart Drive site will be referred by the local CoC Coordinated Entry System (CES) to ensure priority is given to the most vulnerable and high-acuity individuals in Orange County. Vulnerability will be determined by the Vulnerability Index & Service Prioritization Decision Assistance Tool (VI-SPDAT), a process that enforces the Housing First practice and assures that high-acuity individuals, who might encounter additional barriers when navigating the extensive housing placement process, are given immediate access to the appropriate resources. Applicants partner with AFH's MSW Clinical Coordinator and a Case Manager to assist them with completing all stages of the process in an expeditious manner.

Applicants will be referred through Orange County's designated Coordinated Entry System (CES), in accordance with the provisions of 25 CCR Section 8305, and in compliance with Housing First requirements consistent with the core components set forth in Welfare and Institutions Code Division 8 Chapter 6.5 Section 8255 subsection (b), and basic tenant protections established under federal, state, and local law.



**References**

- Michelle Zdeba  
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[Michelle.Zdeba@occr.ocgov.com](mailto:Michelle.Zdeba@occr.ocgov.com)  
Project: Casa Paloma, Midway City, CA
- Virginia Correa  
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916-263-6459  
[Virginia.Correa@hcd.ca.gov](mailto:Virginia.Correa@hcd.ca.gov)  
Project: Casa Paloma, Midway City, CA
- Lorrie Blevins  
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[LBlevins@CalHFA.ca.gov](mailto:LBlevins@CalHFA.ca.gov)  
Project: Casa Paloma, Midway City, CA
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415-616-2542  
[ThunberA@fhlbsf.com](mailto:ThunberA@fhlbsf.com)  
Project: Casa Paloma, Midway City, CA
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Los Angeles, CA 90025  
310-622-3373  
[dgrunwald@nationalcore.org](mailto:dgrunwald@nationalcore.org)  
Mariposa on Second, Alhambra, CA

ATLANTA GA 39901-0001

In reply refer to: 0752857574  
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AMERICAN FAMILY HOUSING  
SHELTER FOR THE HOMELESS  
15161 JACKSON ST  
MIDWAY CITY CA 92655-1432

Employer Identification Number: 33-0071782  
Person to Contact: CUSTOMER SERVICE  
Toll Free Telephone Number: 1-877-829-5500

Dear AMERICAN FAMILY HOUSING:

This is in response to your July 24, 2014, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(03) of the Internal Revenue Code in a determination letter issued in JULY 1985.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

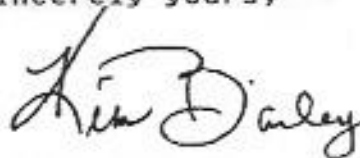
Please refer to our website [www.irs.gov/eo](http://www.irs.gov/eo) for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

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AMERICAN FAMILY HOUSING  
SHELTER FOR THE HOMELESS  
15161 JACKSON ST  
MIDWAY CITY CA 92655-1432

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

A handwritten signature in black ink that reads "Kim D. Bailey". The signature is written in a cursive style with a large initial "K".

Kim D. Bailey  
Operations Manager, AM Operations 3

### **Project Objectives and Goals**

American Family Housing intends to renovate its property at 11742 Stuart Drive, Garden Grove, to adapt its existing apartments for permanent supportive housing for formerly homeless individuals with mental illness. Units will be upgraded and brought to current codes, spaces will be created for social interaction and treatment, appropriate to the residents' needs, and the property revamped for more efficient operation.

Renovation will include conversion of some spaces to be used as offices for counseling and social service space; structural and life- safety upgrades of the building structures; upgrades of the existing shared spaces- living room, patio, community kitchen; creation of a laundry room; installation of a modern HVAC system serving all units; upgrade of plumbing and bathrooms; new surfaces including paint and flooring; new roof; new efficient lighting fixtures in rooms and common areas; new fencing; new windows; and upgrading the landscaping. An existing swimming pool will be filled in, creating a patio space with seating and planting. Internet connectivity will be provided, and rooms will be wired for cable television.

### **Role of AFH Staff in the Development Process**

a) Design of the building will be the responsibility of a project architect, guided by AFH's staff which has deep experience in development of permanent supportive housing. Real Estate Director, Ryan Lehman, will have an ongoing role in the development, supported by his professional staff and a contract construction specialist. Staff commitment is "whatever it takes" at critical periods, averaging 20- hours per week for staff project manager. The design will be further vetted by AFH senior staff, Dr. Mary Ann Ross, the Director of Social Services, and Sean Thiele, AFH Director of Property Management.

b) Coordination of proposed management and service delivery has already begun. The draft service plan and management plan are adapted from comparable projects in AFH's large inventory. The goals help to establish the needs for manager's unit, site office, counseling space, recreation space, security, furnishings, unit amenities, and other features that contribute to successful permanent supportive housing.

c) Design and predevelopment work will span at least six months, including plan submittal. Coordination of this period is about 15-20 hours/week for responsible staff. The Real Estate Director provides strong input several times per week. A larger staff group (CEO, Director of Property Management, Director of Social Services, tenant reps) provides input in the schematic and design development phases.

d) Construction is expected to last 3-4 months. Primary responsibility will lie with the project architect and construction specialist, under the direction of the project manager. The project manager's role will require 15-20 hours/week.

e) Marketing and rent-up for this small property will be activated three months prior to completion. This will require coordination with the project manager, and the Property Management and Service Delivery teams.

### **Procedures to acquire and rehabilitate**

American Family Housing owns the property at 11742 Stuart Drive—renovation is described above.

### **Property Management and Maintenance**

The Property Management division will hire a part-time property manager for this site. Maintenance will be provided by the AFH maintenance team, located a few miles away in Midway City.

### **Marketing and Tenant Selection procedures**

Units shall be marketed in accordance with Affirmative Fair Housing marketing guidelines. All advertising for 11742 Stuart Drive will include prominent use of Equal Housing Opportunity logos, slogans and/or statements of intent to affirmatively market the units.

Outreach to the community will specifically be through newspapers, local government agencies, Community Organizations and internet listings. The outreach will be citywide and reach a diverse racial, ethnic and economic mix.

Permanent Supportive Housing units will be filled by referral from the Orange County Coordinated Entry System.

### **Tenant Selection Procedure**

1. Property Management notifies AFH immediately of any vacancy in a supportive housing unit.
2. AFH submits a request to CES administration for a referral for the unit within 3 business day of receiving a notification of vacancy from the Property Manager.\*
3. Within 3 business day of receiving a referral from CES, AFH will notify Property Manager of the referral and referrals contact information.\*
4. Within 3 business day of receiving notification of a referral from AFH, Property Manager will attempt contact/ contact referral, notify them that a unit is available as well as requirements to qualify for the unit. Property Manager will notify referral that AFH support staff will reach out to help with the application process.\*
5. Within 3 business day of receiving notification from Property Manager that they have made initial contact with referral, AFH staff will attempt contact/ contact referral to begin process of verifying homeless status and special needs status, if applicable.\*
6. During verification process, AFH staff will give timely updates to keep Property



Manager abreast of progress and potential delays.

7. Within 3 business day of completing homeless and special needs verification process, AFH staff with notify Property Manager that referral meets criteria. If applicant does not meet criteria, this process will restart at step 2.\*
8. Upon receiving AFH’s notification that referral meets criteria, Property Management will verify that the household meets the tenant selection criteria for the unit within 5 days.
9. Once Property Management verifies eligibility of tenant, Property Manager will notify tenant that they are eligible and schedule date and time for lease signing and orientation.
10. Property Management will coordinate with AFH on date and time of orientation to ensure AFH is available to assist.

\*Recognizing that time is of the essence, efforts will be made to have same day turnaround. Contact is defined as a conversation between two parties. Attempted contact is defined as leaving a voicemail, sending a text, email, or letter without receiving a reply

### **Timeline**

<b>11742 Stuart Project Schedule</b>	
<b>Activity</b>	<b>Completion Date</b>
City Council Approval of HOME Loan	May 2021
Submission of plans to Building Department	June 2021
Approval of plans by Building Department	August 2021
Issuance of Building Permit	August 2021
Commencement of Construction	September 2021
Completion of Construction	December 2021
100% Lease-up	January 2022
<b><i>Note site already owned by AFH and no entitlements are needed for the proposed scope of work</i></b>	

### **Flexibility and Project Modifications**

Current plans are preliminary and we expect to make changes, within the approved scope of work and budget.

### **Broader Impacts of Stuart Street project**

The count of homeless persons and families in Orange County, the larger region, the state, and the nation, is astoundingly high. However, the solution for the homeless problem will be permanent supportive housing which is widely distributed. American Family Housing has the capacity to maintain smaller PSH projects which fit communities like Garden Grove, which don’t have reserves of dense residential areas and other facilities which will readily house needy people. Each project is a brick in solving the national problem. And the community problem.

**Exhibit B: Additional Endorsement for Commercial General Liability Policy**

**American Family Housing will provide, if selected**

**CITY OF GARDEN GROVE**  
**REQUEST FOR PROPOSALS FOR PERMANENT SUPPORTIVE HOUSING**

**EXHIBIT C**  
**TO BE INCLUDED IN PROPOSAL**

**PROPOSAL & CONTRACT AGREEMENT**

**PROPOSER'S STATEMENT**

Proposer understands and agrees that this written RFP (or any part thereof specifically designated and accepted by the City of Garden Grove (hereinafter "City")) shall constitute the entire agreement between proposer and the City only after it has been accepted by the City, endorsed by the Clerk of the Council with his/her signature and official seal noting here on the action of approval of the Council, signed by the City Manager or his/her duly authorized agent, and signed by the City Attorney, denoting his/her approval of the form of this document, and its execution, and when it or an exact copy of it has been either delivered to proposer or deposited with the United States Postal Service properly addressed to the proposer with the correct postage affixed thereto.


Proposer further agrees that upon delivery (as defined above) of the accepted agreement he/she will furnish the City all required bonds and certificates of liability insurance within ten (10) days (excluding Saturdays, Sundays and the City's legal holidays), or the funds, check, draft, or proposer's bond substituted in lieu thereof accompanying this proposal shall become the property of the City and shall be considered as payment of damages due to the delay and other causes suffered by the City because of the failure to enter into an Agreement and/or furnish the necessary bonds and because it is distinctly agreed that the proof of damages actually suffered by the City is difficult to ascertain; otherwise said funds, check drafts, or proposer's bond substituted in lieu thereof shall be returned to the undersigned.

Proposer understands that a proposal is required for the entire work, that the estimated quantities set forth in the RFP schedule are solely for the purpose of comparing proposals, and that final compensation under the contract will be based upon the actual quantities of work satisfactorily completed.

All terms contained in the Specifications, the Certification of Non-Discrimination by Owners, and the Workers' Compensation Insurance Certificate are to be incorporated by reference into this Agreement and are made specifically as part of this RFP.

American Family Housing

FIRM

 MYLES A. PEINEMANN II

SIGNED AND PRINTED NAME

Chief Executive Officer

TITLE

3-2-21

DATE

**CITY OF GARDEN GROVE**  
**REQUEST FOR PROPOSALS FOR PERMANENT SUPPORTIVE HOUSING**

**EXHIBIT D**

**PROPOSAL AND CONTRACT AGREEMENT**

**CERTIFICATION OF NONDISCRIMINATION BY OWNER**

The undersigned Owner or corporate officer, during the performance of this contract, certifies as follows:

1. The Owner shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin or any other protected class. The Owner shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, national origin or any other protected class. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Owner agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
2. The Owner shall, in all solicitations or advertisements for employees placed by or on behalf of the Owner, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin or any other protected class.
3. The Owner shall send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Owner's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. The Owner shall comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
5. The Owner shall furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his/her books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation, to ascertain compliance with such rules, regulations, and orders.
6. In the event of the Owner's non-compliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, the contract may be canceled, terminated, or suspended in whole or in part and the Owner may be declared ineligible for further Government contracts or federally assisted construction/services contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulations, or order of the Secretary of Labor, or as otherwise provided by law.
7. The Owner shall include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontract or purchase order as the administering agency may direct as means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event the Owner

becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the

- 8. Owner may request that the United States enter into such litigation to protect the interests of the United States.
- 9. Pursuant to California Labor Code Section 1735, as added by Chapter 643 Stats. 1039, and as amended,

No discrimination shall be made in the employment of persons because of race, religious creed, color national origin, ancestry, physical handicaps, mental condition, marital status, sex of such persons, or any other protected class, except as provided in Section 1420, and any Owner violating this Section is subject to all the penalties imposed for a violation of the Chapter.

American Family Housing

FIRM



MYLES A. PEINEMANN II

SIGNED AND PRINTED NAME

Chief Executive Officer

3-2-21

TITLE

DATE



CITY OF GARDEN GROVE  
REQUEST FOR PROPOSALS FOR PERMANENT SUPPORTIVE HOUSING

**EXHIBIT E – NON-COLLUSION AFFIDAVIT  
TO BE INCLUDED IN PROPOSAL**

PROPOSAL AND CONTRACT AGREEMENT

NON-COLLUSION AFFIDAVIT  
(Title 23 United States Code Section 112 and  
Public Contract Code Section 7106)

To the CITY OF GARDEN GROVE,

In accordance with Title 23 United States Code Section 112 and Public Contract Code 7106 the PROPOSER declares that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the PROPOSER has not directly or indirectly induced or solicited any other PROPOSER to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived or agreed with any PROPOSER or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the PROPOSER has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the PROPOSER or any PROPOSER, or to fix any overhead, profit, or cost element of the bid price, or of that of any other PROPOSER, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the PROPOSER has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

Note: The above Non-collusion Affidavit is part of the Proposal. Signing this Proposal on the signature portion thereof shall also constitute signature of this Non-collusion Affidavit. PROPOSERS are cautioned that making a false certification may subject the certifier to criminal prosecution.

State of California  
County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this 2nd day of March, 20 21, by Myles A Peinemann, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

  
Notary Public Signature



## **EXHIBIT B**

### Description of Work

American Family Housing (AFH) will rehabilitate a small apartment complex at 11742 Stuart Drive in an existing 11,000 square foot two-story wood frame apartment building. There are 10 units: 3 one-bedroom units and 7 two-bedroom units. Eight units are permanent supportive housing (PSH) units, reserved for households earning less than 30% AMI. These units will receive project-based voucher assistance, too. The 8 units consist of 3 one-bedroom units and 5 two-bedroom units. Of the remaining units, 1 two bedroom unit is for a household earning less than 50% AMI and 1 two-bedroom unit is for an on-site resident manager. At this time, there are sixteen tenants occupying six of the ten units. AFH owns the site and no entitlements are needed for the proposed scope of work.

Stuart Drive tenants will have access to on-site and off-site social service programs that are flexible and responsive to tenants' needs. The voluntary services are target population-specific, culturally specific and linguistically- appropriate. Housing is the primary intervention for tenants, emphasizing a street-to home model that incorporates "wrap- around" service delivery.

Offices: AFH will convert the current laundry room to provide on-site office space for the property manager, and support services staff. Design of the offices will address sound transmission to maximize privacy.

Community Space: A designated smoking area will be provided. An existing swimming pool will remain as a form of passive recreation. The common area landscape design aesthetic shall be warm, pleasant and convey a hopeful positive message. The project will include security cameras to ensure everyone's safety.

Units: The unit renovation will include painting and finishes, closet doors and hardware, new flooring, new updated kitchen-cabinets with new countertops, bathroom vanities, energy-efficient appliances, updated ultra-low flow plumbing fixtures and toilets, lever handles on all doors, in unit vent less washer/dryer combo and replace unit light fixtures with energy efficient led lighting fixtures.

Renovations to the building include, drought tolerant landscape, security gates, high efficient exterior and security lighting, garage repairs, replace roof, repair second floor decks, fresh paint and graffiti coating and convert the existing laundry room into office space.

The complex is located within a mile of schools, recreation, transportation, a grocery store, retail, restaurants, pharmacies and banks. The Garden Grove community serves as the foundation to introduce social service programs that are designed to help tenants to successfully maintain independent living, and obtain assistance in the coordination of their housing and service needs. Case management services guarantee that those who have special needs will gain better access to services they need in order to heal from mental and physical trauma.

Work Drawings: Not yet available

Specifications: Not yet available

Compliance with Section 504 of the Rehabilitation Act of 1974:

To meet the requirements of Section 504, we plan to make the site accessible for persons with mobility, hearing or vision impairments.

We plan to follow the requirements of Section 504. All public areas will meet accessibility requirements of Section 504. The on-site office will include a ramp to make the area accessible for all residents, visitors and members of the general public as required by Section 504.

Further, to meet the requirements of Section 504, at least one unit will be designed with increased access to and through the dwelling as required by Section 504. We will include changes to make the unit more accessible for persons with mobility, vision or hearing impairments as required by Section 504. Options include accessible unit entry, adaptable or lower kitchen cabinets, reachable light switches, thermostats and outlet, and bathroom walls with grab bars.



## EXHIBIT C

### Description of Housing

Project Name: Stuart Drive

Address: 11742 Stuart Drive, Garden Grove, CA 92843

County: Orange County

APN: 100-503-01

### Total Contract Units

Located within the 2-story building, 8 of the 10 units are Mainstream PBV units. There is one – 2 BD unit on the first floor for the onsite manager and one 2 BD unit reserved for a very low-income tenant.

- 3 1 BDRM PBV units
- 5 2 BDRM PBV units
- 1 2 BDRM Very Low Income unit
- 1 2 BDRM MNGR's unit

### Services, Maintenance and Equipment

Common area amenities include a swimming pool for passive recreation, and onsite office for management and supportive services staff.

**Services:** American Family Housing, supplemented by third parties through the County of Orange, will provide enriched permanent supportive housing services reserved for households with one disabled family member. AFH provides an array of flexible and responsive permanent supportive housing services based on each individual's need and ensures long term housing stability, including but not limited to budgeting, employment services, children's services, counseling-therapeutic, credit, and housing, crisis intervention, and eviction prevention. The program's goal is to address issues that jeopardize housing stability and place adults and families at-risk for returning to homelessness. American Family Housing utilizes the HMIS database to track and report services provided to clients receiving assistance in our Permanent Supportive Housing programs.

**Maintenance:** The AFH maintenance team, located a few miles away in Midway City, will provide Maintenance.

Utilities Available

The Owner pays all utilities including water, trash, electricity, hot water, heating, and cooling.

Estimated Initial Rents

<b>Unit Type</b>	<b># of Units</b>	<b>Contract Rent</b>
1 BR	3	\$1,718
2 BR	5	\$2,121