

LOUISIANA HOUSING CORPORATION
RENTAL RESTORATION AND DEVELOPMENT PROGRAM
REGULATORY AGREEMENT

Dated as of _____, 2024

LOUISIANA HOUSING CORPORATION,
as Permanent Lender

and

as Borrower

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RRDP REGULATORY AGREEMENT

This **RRDP REGULATORY AGREEMENT** (the “**RRDP Regulatory Agreement**”) constitutes a legally binding agreement for the expenditure of CDBG-DR Funds following environmental clearance and is made as of the ____ day of _____, 2024, between

LOUISIANA HOUSING CORPORATION
(hereinafter referred to as the “**LHC**” or “**Corporation**”)

and

BORROWER
(hereinafter referred to as the “**Borrower**”)

WITNESSETH

WHEREAS, the **LOUISIANA HOUSING CORPORATION**, a public body corporate and politic and an instrumentality of the State of Louisiana, and its successors and assigns (the “**LHC**”) in partnership with the State of Louisiana, Division of Administration, Office of Community Development (“**OCD**”) established the Rental Restoration And Development Program (“**RRDP**”) within parishes (“**FEMA Declared Disaster Parishes**”) adversely affected by Hurricanes Laura, Delta, Ida and the May 2021 floods (“**FEMA Declared Disasters**”); and

WHEREAS, LHC released a Notice of Funding Availability (“**RRDP NOFA**”) on March 20, 2023 describing the purposes of RRDP and the application process in which LHC will accept applications from applicants (“**Borrower**” or “**Applicant**”) who will construct new residential rental housing units (“**New Units**”) or will repair and/or renovate vacant residential rental housing units (“**Existing Units**”) in a project that will not exceed seven (7) residential housing units (“**Qualified Project**”); and

WHEREAS, RRDP provides assistance to approved Applicants who agree to construct New Units outside of a Special Flood Hazard Area and/or to repair and renovate Existing Units in order to increase the availability of affordable rental housing for households at or below eighty percent (80%) area median income (“**Qualified Household**”) within FEMA Declared Disaster Parishes; and

WHEREAS, LHC has accepted applications from Applicants under RRDP who agreed to construct New Units or to repair and renovate Existing Units within a project of not more than seven (7) units (“**Qualified Project**”) located in the FEMA Declared Disaster Parishes associated with Hurricanes Laura, Delta, and Ida and with the May 2021 Floods; and

WHEREAS, RRDP requires an Applicant either to (i) partner with a pre-qualified commercial lender (“**Construction Lender**”) to provide the Applicant a firm commitment to provide construction financing (“**Construction Loan**”) of a Qualified Project or (ii) fully fund all development costs of the Qualified Project with the Applicant’s own funds; and

WHEREAS, RRDP provides a guaranteed pay-off or pay-down of the Construction Loan following completion of the construction or renovation of each unit in a Qualified Project within a budget, including hard construction costs and related soft costs, as approved by LHC (“**Approved Budget**”); and

WHEREAS, aggregate advances on a Construction Loan plus accrued interest will be paid by LHC through a specified date herein described (“**Conversion Date**”) provided that the Borrower has executed the (i)

RRDP Loan Agreement, (ii) RRDP Note, (iii) RRDP Mortgage, (iv) RRDP Regulatory Agreement, and (v) RRDP Guaranty (collectively, “**RRDP Legal Documents**”); and

WHEREAS, LHC has a minimum of \$32 million of Community Development Block Grant Funds (“**CDBG Funds**”) for RRDP divided equally between the FEMA Declared Disaster Parishes associated with Hurricanes Laura and Delta and the FEMA Declared Disaster Parishes associated with Hurricane Ida and the May 2021 Floods; and

WHEREAS, the Borrower has submitted an application in accordance with the RRDP NOFA and a Take-out Commitment by LHC has been executed with the Borrower and _____ as Construction Lender; and

WHEREAS, the Borrower has executed and delivered to the Construction Lender a construction note evidencing the Borrower’s obligation to the Construction Lender in a principal amount not to exceed \$_____ (the “**Lender Construction Loan**”); and

WHEREAS, the Lender Construction Loan is within the maximum amount of all advances by the Construction Lender to the Borrower up to the LHC guarantee payment by LHC of \$_____ (“**LHC Take-out Commitment Amount**”) through the Conversion Date based upon the Approved Budget and other financial information and materials submitted by the Borrower and approved by the Construction Lender and LHC; and

WHEREAS, the Borrower agrees that the RRDP Loan will only repay amounts advanced by the Construction Lender under the Construction Loan up to the LHC Take-out Commitment Amount pursuant to the RRDP Loan Agreement; and

WHEREAS, the LHC and the Borrower desire to enter into this RRDP Regulatory Agreement to provide a framework within which the LHC and Borrower agree to comply with the requirements of the RRDP pursuant to which the CDBG Funds were awarded;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises hereinafter set forth, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE I. PROJECT DESCRIPTION

SECTION 1.1 Project-Specific Provisions

(A) Sources of Funds:

Construction Loan & LHC Take-Out Commitment:	[\$_____]
Other Funds:	[\$_____]
Other Funds:	[\$_____]
Total:	[\$_____]

(B) Affordability Period: Determined based on the type of proposed construction and number of units:

-A period of five (5) complete calendar years for all rehabilitation

-A period of ten (10) complete calendar years for all reconstruction and new construction

-A period of twenty (20) complete calendar years for all new construction consisting of 5 or more units in accordance with HOME program standards of 24CFR92.252(e)

(C) Project Type:

_____ New Construction
 _____ Rehabilitation
 _____ ~~Acquisition and Rehabilitation~~ Reconstruction

(D) Approved Budget:

~~Land Acquisition:~~ [\$ _____]
 Construction Costs: [\$ _____]
 Soft Costs: [\$ _____]
 Construction Lender Fees: [\$ _____]
 Construction Monitoring Fee: [\$ _____]
 Closing Costs: [\$ _____]
 Environmental Review Expenses: [\$ _____]
 Other Costs: [\$ _____]
Total: [\$ _____]

(E) Qualified Unit Description Configuration:

Qualified Unit Number	Unit Addresses	Bedrooms in each unit				
		0 BR	1 BR	2 BR	3 BR	4/More
#1						
#2						
#3						
#4						
#5						
#6						
#7						

Specify Qualified Units by the designated income classes.

Qualified Unit Number	Unit Addresses	Tenants ≤ 50%	Tenants > 50% ≤ 80%
#1			
#2			
#3			
#4			
#5			
#6			
#7			

(F) Project Construction/Rehabilitation Start Date: _____, 20

(G) Estimated Completion Schedule From Start Date:

Ten Percent (10%):	_____ , 20
Twenty-Five Percent (25%):	_____ , 20
Fifty Percent (50%):	_____ , 20
Seventy-Five Percent (75%):	_____ , 20
One Hundred Percent (100%):	_____ , 20

(H) Qualified Project Description:

Project Name: _____
 Parish: _____

(G) Name and Contact Information of Borrower

Borrower Name: _____
 Borrower Address: _____
 City/State: _____
 Contact Person: _____
 Phone: _____
 E-Mail: _____

SECTION 1.2 Definitions

The definitions of terms in this section shall apply throughout this Agreement unless their context clearly requires otherwise:

“Affordability Period” means

- A period of five (5) complete calendar years for all rehabilitation
- A period of ten (10) complete calendar years for all reconstruction and new construction
- A period of twenty (20) complete calendar years for all new construction consisting of 5 or more units in accordance with HOME program standards of 24CFR92.252(e).

“Affordable Rents” means the rents for each residential rental housing unit by bedroom size published by LHC by parish location for each Qualified Project. Affordable Rents will be based on the rent limitations at 24 CFR §92.252(a) under the HOME Investment Partnership Program. Affordable Rents will be posted on the LHC’s website each year and may be obtained from HUD’s website at <https://www.hudexchange.info/programs/home/home-rent-limits/>

“Application” means the RRDP Application required to be submitted by an Eligible Applicant for a Take-out Commitment in connection with the RRDP Initiative

“Approved Budget” means the budget attached hereto as **Attachment B**.

“Authorized Borrower Representative” means [_____]

“Authorized Officer of the Corporation” means the Chairman, Executive Director of the Corporation, and/or Secretary of the Corporation.

“Borrower” means [_____]

“Closing” means the date all RRDP Loan Documents are executed and a title policy with appropriate endorsements is released to the Construction Lender and the LHC as Permanent Lender.

“Closing Docket” means a docket on disk or in a hard binder containing all RRDP Loan Documents, including other required documents and proceedings identified in the Closing Index.

“Closing Index” means the standard Index of Closing Documents that the LHC has approved in advance of Closing.

“Completion Certificate” means the certificate to be delivered to the Construction Lender and to the LHC that the construction and/or renovation of the Qualified Project is completed and that the residential units in the Qualified Project have received certificates of occupancy.

“Completion Date” means the date that a Completion Certificate is delivered to the LHC.

“Compliance Certificate” means [_____].

“Construction Lender” means [_____].

“Construction Lender Fees” means any fee in the Approved Budget that is charged to the Borrower,

including commitment fees, closing fees, legal fees and construction monitoring fees.

“Construction Loan” means the Construction Loan originated by the Construction Lender to Borrower to finance the construction of a New Unit or the renovation of an Existing Unit in a Qualified Project.

“Construction Note Pay-off Date” mean the later of (i) the date all residential rental units in a Qualified Project have been initially occupied by Qualified Households if the RRDP Permanent Mortgage is not a senior first lien mortgage or (ii) the Completion Date if the RRDP Permanent Mortgage will be in the senior first lien position following discharge and payment of the Construction Loan.

“Corporation” means the Louisiana Housing Corporation.

“Development Budget” means the Sources of Funds required to construct New Units or to renovate Existing Units in the Qualified Project as described in the Approved Budget.

“Eligible Costs” means the following:

1. Development hard costs. Development hard costs are the actual cost of constructing or rehabilitating housing pursuant to a fixed price construction contract.
2. Related soft costs. Other reasonable and necessary costs incurred by the Borrower, Construction Lender or LHC and associated with the financing or development (or both) of New Units or Existing Units assisted with CDBG Funds as contained in the Approved Budget.

“Guarantors” means [_____]

“HUD” means the U. S. Department of Housing and Urban Development.

“Income Restricted” means that residential housing units in the Qualified Project may only be rented to a Qualified Household during the Affordability Period,

Ineligible Costs: means the following costs are ineligible under RRDP:

- Any cost to purchase land or property before or after the NOFA was published;
- Any cost for development, operations, or modernization of public housing financed under the 1973 Act (Public Housing Capital and Operating Funds);
- Any cost to refinance any loan; and
- Any Developer or Consultant fees.

“Legally Binding Agreement” means a legally enforceable written agreement of a Participating Party to provide financial resources to develop or construct or rehabilitate the Qualified Project.

“Lender” means the Construction Lender prior to the Conversion Date and the Permanent Lender on and after the Conversion Date.

“OCD” means State of Louisiana, Division of Administration, Office of Community Development.

“OMB” means the Federal Office of Management and Budget.

“Participating Party” means any person, firm, corporation, or public or private entity that has executed a Legally Binding Agreement identified below:

Corporation: Louisiana Housing Corporation
2415 Quail Drive
Baton Rouge, LA 70808

Borrower:

Guarantor(s):

Construction Lender:

Permanent Lender: Louisiana Housing Corporation
2415 Quail Drive
Baton Rouge, LA 70808

Identification as a “Participating Party” means that the Corporation, in selecting the Borrower for the award of CDBG Funds, relied in material part upon a representation by the Borrower that the parties so identified will complete a specified portion of the Qualified Project or a specific activity necessary for the completion of the Qualified Project.

“Qualified Household” means a tenant household in which household income does not exceed the lower of (i) 80% of AMI published by HUD as adjusted by family size or (ii) such lower amount for Set-aside Units as required for a Take-out Commitment. No member of a Qualified Household may be related to the Borrower. The Tenant Income Certification must be completed for each Qualified Household at initial occupancy of a Qualified Unit.

“Qualified Project” means a project not in excess of seven (7) residential housing units located in an Eligible Parish and in which each residential housing unit is a Qualified Unit on a site or sites together with any building (including a manufactured housing unit) or buildings located on the site(s) that are under common ownership, management, and financing and are to be assisted with CDBG-DR Funds as a single undertaking located within a five mile radius of each other within a single governmental entity (if located within a city, town, or other similar political subdivision then all sites must be within the same political subdivision for rental projects. If located outside of a local jurisdiction then all sites must be within the same Parish. The Qualified Project includes all the activities associated with the site and building.

“Qualified Project Site” means the land described in **Exhibit A**.

“Qualified Unit” means a residential rental unit that is Income Restricted and Rent Restricted

“Rent Restricted” means that the rent charged a Qualified Household during the Affordability Period may not exceed Affordable Rents.

“Rent Mechanism” means the Affordable Rents established by the LHC for residential rental units that are Rent Restricted.

“RRDP Funds” means the CDBG-DR Funds of approximately Thirty-two Million Dollars (\$32,000,000).

“RRDP Loan” means the loan by LHC funded with RRDP Funds to pay down the Construction Loan in accordance with the Take-out Commitment.

“RRDP Loan Documents” means the following documents:

- RRDP Loan Agreement
- RRDP Loan Promissory Note
- RRDP Loan Mortgage
- UCC Financing Statement
- RRDP Guaranty by Applicant and principals of applicant
- RRDP Take-Out Commitment Agreement

“RRDP Mortgage” means the RRDP Mortgage, Pledge of Leases and Rents and Security Agreement dated _____, 202_, by the Borrower in favor of the Lender.

“RRDP Note” the RRDP Promissory Note dated as of _____, 202_, evidencing the Construction Loan.

“RRDP Regulatory Agreement” means this RRDP Regulatory Agreement.

“Set Aside Units” For Qualified Projects with more than four residential housing units, the RRDP will require a specified number of set-aside units (“Set-Aside Units”) to be occupied by Qualified Households with lower household incomes based upon the number of residential housing units in a Qualified Project and for an Affordability Period as specified below:

Residential Rental Housing Units	Qualified Household Incomes	Set-Aside Units
4 or fewer units	80% AMI and below	None
5 units	80% AMI and below	One (1) for 50% AMI Household
6-7 units	80% AMI and below	Two (2) for 50% AMI Household

“Take-out Commitment” means the RRDP Funds not in excess of \$ _____ that the LHC guarantees to the Construction Lender and to the Borrower to be used on the Conversion Date to pay down the Construction Loan.

“Take-out Commitment Agreement” means the Take-out Commitment Agreement dated as of _____ 202_ among the LHC, Borrower and Construction Lender.

“Tenant Income Certification” means the Tenant Income Certification with Verification of Income attached hereto as **Attachment N**.

SECTION 1.3 Incorporation by Reference

The provisions of the Application and initial Underwriting Model, including the Approved Budget and certifications and sources and uses therein, are hereby incorporated by reference into this RRDP Regulatory Agreement

Agreement and the contents of the Application and Underwriting Model, including the certifications contained therein shall constitute a material part of this RRDP Regulatory Agreement and shall be deemed to have served as the inducement to the Corporation to award the CDBG Funds referred to herein and shall have the same effect as they would otherwise have if fully set forth herein.

SECTION 1.4 Supplemental Provisions

The Corporation and the Borrower may include in this RRDP Regulatory Agreement provisions in addition to those stated herein, provided that such supplemental provisions are not in conflict with Federal Grant Requirements. Such supplemental provisions shall be included as **Attachment J** to this RRDP Regulatory Agreement.

SECTION 1.5 Schedule of Attachments

The following attachments are appended to this Agreement and are hereto incorporated by reference:

Attachment A	Description of Participating Party Activities
Attachment B	Approved Budget
Attachment C	Description of Borrower Activities
Attachment D	Performance Schedule
Attachment E	Recordkeeping and Reporting
Attachment F	Construction and Expenditure Schedule
Attachment G	RRDP Loan Documents
Attachment H	Federal Grant Requirements
Attachment I	Underwriting Model
Attachment J	Supplemental Provisions
Attachment K	RRDP Loan Term Sheet
Attachment L	RRDP Reporting Requirements
Attachment M	Property Standards
Attachment N	Tenant Income Certification

ARTICLE II. QUALIFIED PROJECT DEVELOPMENT AND MANAGEMENT

SECTION 2.1 General Provisions

(A) The Corporation will enforce the Borrower's obligations set forth in this RRDP Regulatory Agreement and the Federal Grant Requirements set forth in **Attachment H** as covenants running with the land. The covenants shall be in effect for at least the Affordability Period and shall be binding upon the Borrower and its successors, assigns, heirs, grantees or lessees to the land or the Qualified Project for the Affordability Period, unless earlier terminated in accordance with the provisions set forth in the Federal Grant Requirements as **Attachment H** of this Agreement.

(B) The Corporation will monitor the Borrower's performance and will take legal action, as appropriate, including specific performance to enforce the covenants, compliance and other responsibilities of the Borrower's under this RRDP Regulatory Agreement.

(C) Any duly authorized representative of the Corporation, OCD, HUD or OMB shall, at all reasonable times, have access to any portion of the Qualified Project.

(D) The Borrower acknowledges and agrees to indemnify and to hold the Corporation harmless from the consequences of using CDBG Funds to pay for Ineligible Costs. The Borrower agrees that its Guarantors shall likewise hold the Corporation harmless from such consequences.

SECTION 2.2 Development Phase

(A) The Borrower shall carry out the activities set forth as the Borrower's responsibilities in **Attachment C** to this RRDP Regulatory Agreement. Participating Parties shall carry out their responsibilities in **Attachment A** to this RRDP Regulatory Agreement and the Corporation shall carry out its obligation to advance CDBG Funds in accordance with the Qualified Project Development Budget set forth in **Attachment B** of this RRDP Regulatory Agreement.

(B) The Borrower shall execute the RRDP Note and RRDP Mortgage in the forms attached hereto as **Exhibit G** which constitutes a security instrument to secure the Borrower's compliance with its obligations under this RRDP Regulatory Agreement. The RRDP Funds are a debt on the Qualified Project, which may be called in the event of an Event of Default in accordance with the RRDP Mortgage. The RRDP Note and RRDP Mortgage shall incorporate the provisions of the RRDP Loan Term Sheet attached hereto as **Attachment K** and terms of the RRDP Loan Documents are incorporated into this RRDP Regulatory Agreement.

(C) Development of the Qualified Project shall commence at the time specified in Section 1.1(F) of this RRDP Regulatory Agreement and shall be completed by the time specified in Section 1.1(G) of this Agreement. The Construction and Expenditure Schedule by month for the Development Budget is set forth in **Attachment F**.

(D) The Qualified Project shall be developed in accordance with the applicable State and local building codes, rehabilitation standards, ordinances and zoning ordinances or, in the absence of these codes, with the International Residential Code or International Building Code of the International Code Council and shall satisfy the Property Standards contained in **Attachment M**.

(E) The Borrower shall comply with Title VIII of the Civil Rights Act of 1968, 42 U.S.C.3601-19 (Public Law 90-284) and implementing regulations; Executive Order 11063 and regulations at 24 CFR Part 107; Title VI of the Civil Rights Act of 1964 (Public Law 88-352) and regulations at 24 CFR Part 1; the Age Discrimination Act of 1975 (42 U.S.C 6101-07); Section 504 of the Rehabilitation Act of 1973, 29 U.S.C 794 and implementing regulations at 24 CFR Part 8; Executive Order 11246 and regulations at 41 CFR Chapter 60; and the requirements of Section 3 of the Housing and Urban Development Act of 1968 and implementing regulations at 24 CFR Part 135.

SECTION 2.3 Management Phase

(A) During the Affordability Period, units in the Qualified Project shall not be converted to condominium ownership or to a form of cooperative ownership that is not eligible to receive CDBG Funds for rental projects.

(B) During the Affordability Period, the Borrower shall not discriminate against prospective tenants on the basis of their receipt of or eligibility for housing assistance under any Federal, State or local housing assistance program or, except for an elderly housing project or units specifically identified in Section 1.1 of this Agreement as designated for the elderly, on the basis that they have a minor child or children who will be living with them.

(C) The number of units by bedroom distribution specified in Section 1.1 of this Agreement shall be occupied or available, through the Borrower's best efforts, for occupancy by Qualified Households whose incomes do not exceed the percentage limitations specified in Section 1.1 during the Affordability Period.

(D) The Borrower must assure that the type and numbers of units specified in Section 1.1 of this Agreement are occupied or are available for occupancy by Qualified Households in the income classes specified during the Affordability Period. The Rent Mechanism is the schedule of maximum rents to be charged to Qualified Households occupying Qualified Units that establishes Affordability.

(E) The Borrower shall, at least annually recalculate the maximum monthly rent to be charged to Qualified Households occupying Qualified Units that establishes Affordability. The first rent recalculation shall be submitted by the Borrower to the Corporation no later than 60 days prior to initial occupancy.

(F) Marketing shall be done in accordance with all fair housing and equal opportunity requirements.

(G) Local requirements shall not be permitted. Local residency preferences will be allowed to the extent that they are not inconsistent with affirmative fair housing marketing objectives. With respect to any residency preference, persons expected to reside in the community as a result of current or planned employment will be treated as residents.

(H) All management and maintenance functions shall be performed in compliance with applicable equal opportunity requirements, as specified in **Attachment H** "Federal Grant Requirements".

(I) The Borrower shall submit to the Corporation a written certification, in the format prescribed by the Corporation, executed by an authorized representative of the Borrower, stating that all development-related activities required to be completed by the Borrower in accordance with **Attachment C** of this RRDP Regulatory Agreement have been completed consistent with the terms of this RRDP Regulatory Agreement, and specifying the Completion Date and the actual cost to the Borrower of labor, materials and necessary services for the construction of physical improvements for the Qualified Project.

ARTICLE III. THIRD PARTY CONTRACTS

SECTION 3.1 Labor Standards

The Borrower shall comply with all CDBG Funds Requirements and regulations pertaining to labor standards if the Qualified Project is financed under a common and integrated plan of finance with another Qualified Project.

SECTION 3.2 Assurance of Governmental Approvals

(A) The Borrower warrants that it has obtained, or has reasonable assurance that it will obtain all Federal, State and local governmental approvals and reviews required by law to be obtained by the Borrower for the Qualified Project. Any such approvals which have not been obtained shall be specified in **Attachment J** of this RRDP Regulatory Agreement.

(B) The Borrower warrants that it has not and shall not take any action which might have an adverse environmental effect, would limit the choices among competing environmental alternatives or might alter environmental premises on which the Corporation's environmental findings were based.

SECTION 3.3 Completion of the Project

The Borrower acknowledges that the Corporation, in selecting the Borrower for the award of a Take-out Commitment to the Construction Lender financing the Qualified Project prior to the Conversion Date, relied in material part upon the assured completion of the Qualified Project and that the Borrower assures the Corporation that the activities to be completed by the Borrower shall be completed in accordance with **Attachment C** of this RRDP Regulatory Agreement.

SECTION 3.4 Maintaining Records, Right to Inspect and Copy and Reporting

(A) The Borrower shall keep and maintain books, accounts, reports, files, records and other documents relating to the receipt and disbursement of CDBG Funds for the Affordability Period.

(B) Any duly authorized representative of the Corporation, OCD, OMD, HUD, and HUD Inspector General, at all reasonable times, shall have access to and the right to inspect, copy, audit, and examine all such books, records and other documents of the Qualified Project and of a Participating Party, until the completion of all close-out procedures respecting this award of CDBG Funds and the final settlement and conclusion of all CDBG Program issues.

(C) The Borrower agrees to submit reports to enable the Corporation to comply with the CDBG reporting requirements. The current reports, including the data required, as well as the format, frequency and duration of submission in order for the Corporation to comply with the reporting requirements established by HUD or OMB are enumerated in **Attachment L**. The Borrower agrees to provide such additional reports as may be required from time to time by HUD or OMB.

SECTION 3.5 No Assignment or Succession

The Borrower acknowledges that the Take-out Commitment by the Corporation to the Construction Lender selected by Borrower is not nor shall be deemed to be an assignment of CDBG Funds.

SECTION 3.6 Approval of Amendments

This RRDP Regulatory Agreement shall not be amended in any material respect after its approval and acceptance, without the prior written approval of the Corporation. "Material" shall be defined as anything, in the control of any Participating Party, which cancels or reduces any developmental or financial obligation of any Participating Party by more than ten (10) percent, changes the sites or character of any development activity, or increases any time for performance by a party by more than thirty (30) days.

SECTION 3.7 Disclaimer of Relationships

Nothing contained in this RRDP Regulatory Agreement or in the contract between the parties, nor any act of the Corporation or any of the parties, shall be deemed or construed by any of the parties, or by third persons, to create any relationship of third party beneficiary, principal and agent, limited or general partnership, joint venture, or any association or relationship involving the Corporation.

SECTION 3.8 Conflict of Interest

No person (i) who is an employee, agent, consultant, officer or elected or appointed official of the unit of general local government in which the Qualified Project is located (and the State where the State is the applicant) (or of any designated public agencies) that received CDBG Funds and who exercises or has

exercised any functions or responsibilities with respect to assisted development activities or (ii) who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

SECTION 3.9 Scope of Article III Provisions

The Corporation and the Borrower shall include each of the provisions of this Article in their contracts both with Participating Parties and with other persons, firms, corporations, or public or private entities, including contractors and subcontractors, that have agreed to provide financial or other resources to carry out the Qualified Project.

ARTICLE IV. MISCELLANEOUS

SECTION 4.1 Successors Bound and Enforcement

All provisions of this RRDP Regulatory Agreement shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest and assigns of each of the parties. The provisions of this RRDP Regulatory Agreement may be enforced by the Corporation, OCD, HUD and residents of the Qualified Project.

SECTION 4.2 Remedies Not Impaired

No delay or omission by the Corporation in exercising any right or remedy available under this RRDP Regulatory Agreement shall impair any such right or remedy or constitute a waiver of any default.

SECTION 4.3 Severability

The invalidity of any article, section, subsection, clause or provision of this RRDP Regulatory Agreement, including its exhibits, shall not affect the validity of the remaining articles, sections, subsections, clauses or provisions hereof.

SECTION 4.4 Entire Agreement

This RRDP Regulatory Agreement constitutes the entire agreement between the Corporation and the Borrower with respect to the matters contained herein and supersedes all prior oral and written agreements and all subsequent oral agreements between the Borrower and Corporation with respect to such matters.

SECTION 4.5 Execution in Counterparts

This RRDP Regulatory Agreement may be executed in any number of counterparts. All such counterparts shall be deemed to be originals and together shall constitute one and the same instrument.

SECTION 4.6 Table of Contents, Titles and Headings

Any table of contents, the title of any Articles, and headings of the sections and subsections set forth herein are not a part of this Agreement and shall not be deemed to affect the meaning or construction of any of its provisions.

SECTION 4.7 Rules of Interpretation

(A) This RRDP Regulatory Agreement shall be interpreted in accordance with and governed by the laws of the State of Louisiana.

(B) The words “herein” and “hereof” and words of similar import, without reference to any particular section or subdivision, refer to this RRDP Regulatory Agreement as a whole rather than to any particular section or subdivision hereof.

(C) Any amendment to this RRDP Regulatory Agreement executed in accordance with Section 3.6 of this RRDP Regulatory Agreement shall have the same force and effect upon the Borrower and the Corporation as does this RRDP Regulatory Agreement.

SECTION 4.8 Consideration

The Corporation has provided a Take-out Commitment to the Construction Lender who is financing the construction and/or rehabilitation of the Qualified Project, all for the purpose, among others, of inducing the Borrower to construct or acquire, renovate, equip and operate the Qualified Project. In consideration of the Take-out Commitment awarded by the Corporation to the Construction Lender selected by the Borrower, the Borrower has entered into this RRDP Regulatory Agreement and has agreed to restrict the uses to which the Qualified Project can be put for the Affordability Period.

SECTION 4.9 Reliance

The Borrower hereby recognizes and agrees that the representations and covenants set forth herein by the Borrower may be relied upon by all persons interested in the Qualified Project. In performing its duties and obligations hereunder, the Corporation may rely upon statements and certificates of the Borrower and upon audits, provided by others, of the books and records of the Borrower pertaining to occupancy of the Qualified Project. In addition, the Corporation may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Corporation hereunder in good faith and in conformity with such opinion.

SECTION 4.10 Sale or Transfer of the Qualified Project

The Borrower hereby covenants and agrees not to sell, transfer or otherwise dispose of the Qualified Project. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Qualified Project in violation of this Section 4.10 shall be null, void and without effect, shall cause a reversion of title to the Borrower, and shall be ineffective to relieve the Borrower of its obligations under this RRDP Regulatory Agreement.

SECTION 4.11 Termination

This RRDP Regulatory Agreement shall become effective upon its execution and delivery. This RRDP Regulatory Agreement shall remain in full force and effect for a term and period equal to the Affordability Period. Notwithstanding the immediately preceding sentence, this RRDP Regulatory Agreement, and all and several of the terms hereof, shall terminate and be of no further force and effect in the event of involuntary non-compliance with the provisions of this RRDP Regulatory Agreement caused by foreclosure by a lender or other transfer in lieu of foreclosure. Upon the termination of all and several of the terms of this RRDP Regulatory Agreement, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this RRDP Regulatory Agreement

Regulatory Agreement in accordance with its terms. This RRDP Regulatory Agreement shall be revived according to the original Affordability Period, however, if during the original Affordability Period the Borrower before the foreclosure or other transfer, or any entity that includes the Borrower or those with whom the Borrower has or had family or business ties, obtains an ownership interest in the Qualified Project or Project Site.

SECTION 4.12 Covenants to Run with the Land

The Borrower hereby subjects the Qualified Project (including the Qualified Project Site) to the covenants, reservations and restrictions set forth in this RRDP Regulatory Agreement. The Corporation and the Borrower hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land to the extent permitted by law and shall pass to and be binding upon the Borrowers' successors in title to the Qualified Project throughout the term of this RRDP Regulatory Agreement. Each and every contract, deed, mortgage or other instrument hereafter executed affecting or conveying the Qualified Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

SECTION 4.13 Burden and Benefit

The Corporation and the Borrower hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the land in that the Borrower's legal interest in the Qualified Project is rendered less valuable thereby. The Corporation and the Borrower hereby further declare their understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Qualified Project by qualified tenants occupying Low-Income Units, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the CDBG Fund allocation was made by the Corporation.

SECTION 4.14 Uniformity; Common Plan

The covenants, reservations and restrictions hereof shall apply uniformly to the entire Qualified Project in order to establish and carry out a common plan for the use, development and improvement of the Qualified Project Site.

SECTION 4.15 Enforcement

If the Borrower defaults in the performance or observation of any covenant, agreement or obligation of the Borrower set forth in this RRDP Regulatory Agreement, and if such default remains uncured for a period of thirty (30) days after written notice thereof shall have been given by the Corporation to the Borrower, then the Corporation, HUD and residents of the Qualified Project, acting on the Borrower's behalf or on behalf of the Corporation, or the Corporation shall declare an "Event of Default" to have occurred hereunder, and, at its option, may take any one or more of the following steps:

(A) By mandamus or other suit, action or proceeding at law, including injunctive relief, require the Borrower to perform its obligations and covenants hereunder or enjoin any acts or things which may be unlawful or in violation of the rights of the Corporation hereunder;

(B) Have access to and inspect, examine and make copies of all the books and records of the Borrower pertaining to the Qualified Project; or

(C) Take such other action at law as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Borrower hereunder.

All fees, costs and expenses of the Corporation incurred in taking any action pursuant to this Section 4.15 shall be the sole responsibility of the Borrower, and the Borrower, as security for the payment of any such fees, costs and expenses, hereby grants, bargains, sells and conveys to the Corporation, a lien on the Qualified Project.

SECTION 4.16 Recording and Filing

The Borrower shall cause this RRDP Regulatory Agreement, all amendments and supplements hereto and thereto, to be recorded and filed in the conveyance and mortgage property records of the Parish and in such other places as the Corporation may reasonably request. The Borrower shall pay all fees and charges incurred in connection with any such recording.

SECTION 4.17 Governing Law

This RRDP Regulatory Agreement shall be governed by the laws of the State of Louisiana and such Federal laws and regulations as may be applicable to the enforcement of this RRDP Regulatory Agreement and CDBG Funds Regulations, including the enforcement of this RRDP Regulatory Agreement by tenants and/or former or prospective tenants of the Qualified Project.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK – SIGNATURE PAGE FOLLOW]

IN WITNESS WHEREOF, the parties execute this RRDP Regulatory Agreement as of the date first above written and warrant that they possess all of the requisite power and authority to enter into this Agreement.

WITNESSES:

LOUISIANA HOUSING CORPORATION

By: _____

Print Name: _____

By: _____

Name: Marjorianna Willman

Title: Executive Director

By: _____

Print Name: _____

NOTARY PUBLIC

Print Name: _____

Bar Roll/Notary No.: _____

My Commission Expires: _____

IN WITNESS WHEREOF, the parties execute this RRDP Regulatory Agreement as of the date first above written and warrant that they possess all of the requisite power and authority to enter into this Agreement.

WITNESSES:

By: _____

Print Name: _____

By: _____

Print Name: _____

BORROWER

By: _____

Name: _____

Title: _____

NOTARY PUBLIC

Print Name: _____

Bar Roll/Notary No.: _____

My Commission Expires: _____

ATTACHMENT A

DESCRIPTION OF PARTICIPATING PARTY ACTIVITIES

Construction Lender: Construction Lender will (i) execute Take-out Commitment Agreement, (ii) loan \$_____ to Borrower to construct and/or rehabilitate the Qualified Project and (iii) monitor construction and/or renovation of the Qualified Project.

Louisiana Housing Corporation: As Permanent Lender will (i) execute Take-out Commitment evidencing a Take-out Commitment of \$_____ to Construction Lender and (ii) loan \$_____ of RRDP Funds to Borrower to pay down the Construction Loan on the Conversion Date.

ATTACHMENT B

APPROVED BUDGET

The Sources of Funds referenced in Section 1.1 are to be used in the following Approved Budget below is to be used by the Borrower to pay for the following eligible costs:

(A) Development Hard Costs

DESCRIPTION	COST
Construction Costs ⁽¹⁾	
TOTAL	

(B) Acquisition (Soft) Costs

DESCRIPTION	COST
Land	
TOTAL	

(C) Related Soft Costs

DESCRIPTION	COST
Construction Cost per Construction Contract	
Architectural Fee	
Survey & Engineering	
Construction Lender Financing Costs / Loan Fees	
Interest During Construction	
Closing Costs & Legal Fees	
Construction Monitoring Fee	
Contingency for Qualified Project	
TOTAL	

(D) TOTAL

TOTAL of (A) (B) and (C)	
---------------------------------	--

⁽¹⁾Construction Contract with _____ dated _____ for \$ _____.

ATTACHMENT C

DESCRIPTION OF BORROWER ACTIVITIES

- Borrower will enter into a Construction Loan with the Construction Lender
- Borrower will execute a Construction Contract with _____ to build New Units or renovate Existing Units in the Qualified Project
- Borrower shall execute and/or has executed and delivered the following RRDP Loan Documents:
 - i. Conditional Reservation of CDBG-DR Funds
 - ii. Takeout Commitment Agreement
 - iii. RRDP Loan Agreement
 - iv. RRDP Note
 - v. RRDP Mortgage
 - vi. RRDP Regulatory Agreement
 - vii. Guaranty of RRDP Loan by Guarantors

ATTACHMENT D

PERFORMANCE SCHEDULE

(a) The Required Qualified Project Documentation or evidence of the following requirements described below must be submitted to the Louisiana Housing Corporation by the Borrower not later than _____, 202__.

New construction:

- 1) Site plan
- 2) Floor plan
- 3) Front, side and rear elevations
- 4) Certification Regarding Sources and Uses of Funds Statement and No Duplication of Funds
- 5) Preliminary checklist indicating Entergy Star compliance with appropriate standards
- 6) Evidence that project meets zoning requirements
- 7) Evidence that the proposed housing unit is not in a flood hazard area
- 8) Construction Contract
- 9) Stop Work Order Provision Document
- 10) Commitment contingent upon receipt of RRDP Funds

Rehabilitation:

- 1) Site plan
- 2) Photos of front, rear, and sides of exterior
- 3) Photos of each room
- 4) Proposed compliance alignment of the scope of work with HUD CPD Green Building Retrofit Checklist
- 5) Certification Regarding Sources and Uses of Funds Statement and No Duplication of Funds evidence of commitment and availability of all permanent and duplicative funding sources necessary to complete the project
- 6) Evidence that project meets zoning requirements
- 7) Vacancy certification
- 8) Construction Contract (If work has been started on the units)
- 9) Construction Quote (If work hasn't been started on the units)
- 10) Stop Work Order Provision Document
- 11) Commitment contingent upon receipt of RRDP Funds
- 12) Tenant Certification

Minimum Architectural Requirements

1. New Construction
 - New construction shall be restricted to site-built or modular homes that meet the local and state building codes.
 - Design shall provide for an aesthetically pleasing living facility of average/modest construction that is consistent with the character of the surrounding neighborhood, subject to local and state building codes.
2. Minimum Internet/Cable Capacity Requirements: All units must be equipped with networks to provide cable television, telephone and internet access in the living area and each bedroom. The following networks (combined or distinct) must be capable of being accessed and activated by tenants: (i) telephone network installed for phones using CAT5e or better wiring, (ii) network for data installed using CAT5e or better, networked from the unit back to a central location or similar configured wireless network and (iii) TV services network using COAX cable. The wiring for such networks should be available to tenants free of charge but tenants may be charged the actual fee incurred by the Taxpayer for activating and making available any services provided directly by the Project or through third party providers. The equivalent of wireless network access is acceptable.
3. Rehabilitation: Rehabilitation of vacant units shall provide for safe, sanitary, efficient and aesthetically pleasing living facility of average/modest construction upon completion.

(b) The Louisiana Housing Corporation Activities and the Borrower's Activities with respect to the Qualified Project shall be commence and completed in accordance with the following schedule:

<u>Corporation Activity</u>	<u>Date</u>
Execute Agreement	_____
<u>Borrower Activity</u>	<u>Date</u>
Start Construction	_____
Complete Construction	_____
100 Percent Occupancy	_____

ATTACHMENT E

RECORDKEEPING AND REPORTING

- During the Affordability Period the Borrower shall maintain records evidencing verification of Tenant Household Income and the Rents charged Qualified Households.

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ATTACHMENT F
CONSTRUCTION AND EXPENDITURE SCHEDULE

[Refer to Initial Underwriting Model]

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ATTACHMENT G

RRDP LOAN DOCUMENTS

Not Attached – RRDP Loan Documents contained in the Closing Docket

DRAFT

ATTACHMENT H
FEDERAL GRANT REQUIREMENTS

CERTIFICATE OF BORROWER

The undersigned, duly authorized representative off the Borrower, hereby certifies that the Federal Grant Requirements enumerated as **Exhibit A** hereto have been reviewed and that the Borrower has complied with or will comply with all said requirements by executing this certification. The Borrower further certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by HUD in transactions such as the Qualified Project.

WITNESSES:

By: _____

Print Name: _____

By: _____

Print Name: _____

BORROWER

By: _____

Name: _____

Title: _____

NOTARY PUBLIC

Print Name: _____

Bar Roll/Notary No.: _____

My Commission Expires: _____

**EXHIBIT A to ATTACHMENT H
FEDERAL GRANT REQUIREMENTS**

A. Equal Opportunity and Fair Housing

- (a) ***Equal opportunity.*** No person in the United States shall on the grounds of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with CDBG Funds. In addition, the Qualified Project must be operated and managed in accordance with the following:
- (1) The requirements of the **Fair Housing Act** (42 U.S.C. 3601-19) and implementing regulations at 24 CFR part 100; and the regulations at 24 CFR Part 107 (Equal Opportunity in Housing); and **Title VI of the Civil Rights Act of 1964** (42 U.S.C. 2000d) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR Part 1;
 - (2) The prohibitions against discrimination on the basis of age under the **Age Discrimination Act of 1975** (42 U.S.C. 6101-07) and implementing regulations at 24 CFR part 146 Nondiscrimination on the Basis of Age in HUD Programs or Activities Receiving Financial Assistance, and the prohibitions against discrimination against handicapped individuals under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8;
 - (3) The requirements of Executive Order 11246 (3 CFR 1964-65, Comp. p. 339) (Equal Employment Opportunity) and the implementing regulations issued at 41 CFR chapter 60;
 - (4) The requirements of section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) the purpose of which is to ensure that the employment and other economic opportunities generated by Federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low- and very-low income persons, particularly those who are recipients of government assistance for housing.
 - (5) The requirements of Executive Orders 11625 and 12432 (concerning Minority Business Enterprise), and 12138 (concerning Women's Business Enterprise). Consistent with HUD's responsibilities under these Orders, the Borrower must make efforts to encourage the use of minority and women's business enterprises in connection with CDBG funded activities. The Borrower must prescribe procedures acceptable to the Corporation to establish and oversee a minority outreach program within its jurisdiction to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts entered into by the Borrower with such persons or entities, public and private, in order to facilitate the activities of the Borrower to provide affordable housing authorized under the Housing Act or any other federal housing law applicable to such jurisdiction.

- (b) ***Fair housing.*** In accordance with the certification made with its housing strategy, the Borrower must affirmatively further fair housing.
- (c) ***Section 504 of the Rehabilitation Act of 1973 29 U.S.C. 794 and implementing regulations at 24 CFR Part 8.*** Nondiscrimination Based on Handicap in Federally Assisted Programs and Activities apply to all projects with CDBG Funds.

For new construction projects and projects undergoing substantial rehabilitation, five percent (5%) of the units must be accessible to persons with mobility impairments and two percent (2%) of the units must be accessible to persons with hearing impairments. (See 24 CFR 6.22.) Substantial rehabilitation for a multifamily rental project is defined in Section 24 CFR 8.23 as a project with fifteen (15) or more units for which alterations would equal more than seventy-five percent (75%) of the replacement cost for the facility.

Modifications to projects to comply with Section 504 requirements are eligible costs under CDBG. However, compliance with Section 504 requirements may be infeasible or impractical for some projects, depending on where they are in the development process. ***If a new construction or substantial project is underway or has already been completed, and it cannot be modified to meet the accessibility requirements established by Section 504, it is ineligible to receive CDBG assistance.***

For projects in which rehabilitation would not be considered substantial, the Section 504 provisions are applicable only to the maximum extent feasible, i.e., not required if it would impose undue financial and administrative burden. See 24 CFR 8.23.

B. Affirmative Marketing

- (a) The Borrower must adopt affirmative marketing procedures and requirements. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons from all racial, ethnic, and gender groups in the housing market area to the available housing. (The affirmative marketing procedures do not apply to families with housing assistance provided by the PHA). The Borrower must annually assess the affirmative marketing program to determine the success of affirmative marketing actions and any necessary corrective actions.
- (b) The affirmative marketing requirements and procedures adopted must include:
 - (1) Methods for informing the public and potential tenants about federal fair housing laws and the Borrower's affirmative marketing policy (e.g., the use of the Equal Housing Opportunity logotype or slogan in press releases and solicitations, and written communication to fair housing and other groups);
 - (2) Requirements and practices each Borrower must adhere to in order to carry out the Borrower's affirmative marketing procedures and requirements (e.g., use of commercial media, use of community contacts, use of Equal Housing Opportunity logotype or slogan, and display of fair housing poster);
 - (3) Procedures to be used by the Borrower to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing without special outreach (e.g., use of community organizations, places of worship,

employment centers, fair housing groups, or housing counseling agencies);

- (4) Records that will be kept describing actions taken by the Borrower to affirmatively market units and records to assess the results of these actions; and
- (5) A description of how the Borrower will assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.

C. **Displacement, Relocation, and Acquisition** – Borrower shall comply with 24 CFR Section 570.606 and shall keep all records demonstrating compliance with these requirements including, but not limited to, those records required in 24 CFR Section 570.506. Borrower must comply with applicable requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended (49 CFR Part 24) and Section 104(d) of the Housing and Community Development Act of 1974 as amended. These requirements are explained in HUD Handbook 1378 and specify the procedures for the acquisition of property and the treatment of tenants located in the Project.

D. **Labor** – Davis-Bacon wage and reporting requirements applies to projects funded directly by or assisted in whole or in part with CDBG Funds. There are no exemptions or thresholds beyond the standard Davis-Bacon Act \$2,000 threshold that applies to the total value of the project construction, not just the amount of the CDBG assistance. Davis-Bacon will only apply prospectively to a project for which the construction contract was awarded and/or for which construction started prior to the date that the Corporation announced and invited applications for CDBG assistance.

- (a) *General.* Any contract for the construction (rehabilitation or new construction) of affordable housing must contain a provision requiring that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a-5), will be paid to all laborers and mechanics employed in the development of affordable housing involved, and such contracts must also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332). Borrowers, contractors, subcontractors, and other participants must comply with regulations issued under these Acts and with other federal laws and regulations pertaining to labor standards and HUD Handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs), as applicable. The Borrower certifies or will certify to compliance with the provisions of this section before making any payment under such contract.
- (b) *Volunteers.* The prevailing wage provisions of paragraph (a) of this section do not apply to an individual who receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered and who is not otherwise employed at any time in the construction work.
- (c) *Sweat equity.* The prevailing wage provisions of paragraph (a) of this section do not apply to members of an eligible family who provide labor in exchange for acquisition of a property for homeownership or provide labor in lieu of, or as a supplement to, rent payments.

E. **Lead-based paint** - Housing assisted with CDBG Funds constitutes HUD-associated housing for the purpose of the Lead-Based Paint Poisoning Prevention Act of 1992 and the Residential Lead-Based Paint Hazard Reduction Act of 1992 and implementing regulations at 24 CFR part 35. The status of lead-based paint abatement, mitigation and/or removal plans in connection with rehabilitation of pre-

1978 residential properties know or presumed to have lead-based paint must be submitted by the Borrower and must include the applicable worker training programs and, as required, appropriate certifications. If rehabilitation is over \$25,000 per unit, contractor firms must be certified as abatement firms, and workers must be certified as abatement workers. See HUD's at 24 CFR 25.1325 and EPA's at 40 CFR 745.226(c) and (f), respectively. If the CDBG assistance is \$25,000 per unit or less, workers must be trained in a HUD-accepted lead safe work practices course. See HUD lead safe work practices training requirement at 24 CFR 35.1330(a)(4). See www.hud.gov/offices/lead/training

F. Conflict of interest

(a) *Applicability.*

- (1) In the procurement of property and services by the Borrower, the conflict of interest provisions in 24 CFR 85.36 and OMB Circular A-110, respectively, apply.
- (2) In all cases not governed by 24 CFR 85.36 and OMB Circular A-110, the provisions of this section apply. These cases include the acquisition and disposition of real property and the provision of assistance by the Borrower, by subrecipients, or to individuals, housing developers, and other private entities under eligible activities which authorize such assistance (e.g., rehabilitation of housing).¹

¹ See §92.505 concerning the applicability of OMB Circulars.

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

(c) *Persons covered.* The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the Corporation, or sub-recipient which are receiving CDBG Funds.

(d) *Exceptions: Threshold requirements.* Upon the written request of the Corporation, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the CDBG Funds Investment Partnerships Program and the effective and efficient administration of the Corporation's program or project. An exception may be considered only after the Corporation has provided the following:

- (1) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
- (2) An opinion of the Corporation's attorney that the interest for which the exception is sought would not violate state or local law.

- (e) *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the Corporation has satisfactorily met the requirements of paragraph (d) of this section, HUD will consider the cumulative effect of the following factors, where applicable:
- (1) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;
 - (2) Whether the person affected is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
 - (3) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific affected activity in question.
 - (4) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (c) of this section;
 - (5) Whether undue hardship will result either to the Borrower or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and
 - (6) Any other relevant considerations.

G. Flood insurance

- (a) Under the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128), CDBG Funds may not be used with respect to the acquisition, new construction, or rehabilitation of a project located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:
- (1) The community in which the area is situated is participating in the National Flood Insurance Program (see 44 CFR parts 59 through 79), or less than a year has passed since FEMA notification regarding such hazards; and
 - (2) Flood insurance is obtained as a condition of approval of the commitment.
- (b) The Borrower of a Project located in an area identified by FEMA as having special flood hazards are responsible for assuring that flood insurance under the National Flood Insurance Program is obtained and maintained.

H. National Environmental Policy (NEPA) and Related Laws – The National Environmental Policy Act of 1969 (NEPA) and related environmental laws and authorities apply to projects receiving CDBG Funds. The implementing regulations are **24 CFR Part 58** “environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities” must be completed before any CDBG Funds are committed to the project. The Environmental Review Process was completed with respect to the 1216 N. 38th Project on **December 6, 2022** by the U.S. Department of Housing and Urban Development Office of Community Planning and Development.

- I. **Anti-Lobbying Restrictions** – CPD Notice 09-03 states that 24 CFR Part 87, New Restrictions on Lobbying applies to CDBG Funds. Every person who requests or receives CDBG Funds exceeding \$100,000 must submit a certification, and a SF-LLL Disclosure of Lobbying Activities form (if required), at the time that person requests or receives CDBG Funds, *if* that person has made or agreed to make a payment using non-Federally appropriated funds 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 CDBG Funds.

Based upon the foregoing and by executing this RRDP Regulatory Agreement, the Borrower/Borrower hereby certifies, to the best of its knowledge and belief, that:

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

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

- J. **Non-procurement Debarment and Suspension** – In compliance with subpart C of 2 CFR Part 180, as required by 2 CFR Part 2424, the Borrower/Borrower shall not award a contract to a contractor who is debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs.
- J. **Required Signage** – The Borrower/Borrower agrees to post signage in a manner consistent with criteria established by HUD. The signage requirements must be posted not later than five (5) days prior to the execution of this RRDP Regulatory Agreement. By executing this RRDP Regulatory Agreement, the Borrower/Borrower hereby certifies that such signage has been posted at the Project location.
- K. **Section 3 of the Housing and Urban Development Act of 1968** – Borrower agrees to comply with the provisions of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. §1701u) and implementing regulations contained in 24 CFR Part 135 regarding economic opportunities for low

and very low income persons. Borrower shall also keep records demonstrating compliance with the foregoing regulations, including without limitation the provisions of 24 CFR Section 570.506(g)(5).

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ATTACHMENT I
UNDERWRITING MODEL

Not attached – on file with Louisiana Housing Corporation

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ATTACHMENT J
SUPPLEMENTAL PROVISIONS

Refer to Section 1.4 entitled Supplemental Provisions in the RRDP Regulatory Agreement.

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ATTACHMENT K

RRDP LOAN TERM SHEET

Refer to Section 2.2 (B) Developer Phase in the RRDP Regulatory Agreement

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ATTACHMENT L

RRDP REPORTING REQUIREMENTS

The Borrower shall provide an annual report during the Period of Affordability not later than February 15 commencing _____ 15, 202_ providing the following information in the following format:

Borrower Name: _____

Name of Project: _____

Location of Project:

Parish: _____

The residential units in the Qualified Project are located at the following addresses and the Tenant Household Income at initial occupancy of a Unit has been verified by the Borrower using the Tenant Income Certification attached as **Exhibit N** to the NLRF Regulatory Agreement.

Unit Number	Unit Address	Tenant Household Income	Utility Allowance Per Month	Tenant Paid Rent Per Month
#1				
#2				
#3				
#4				
#5				
#6				
#7				

The Borrower hereby certifies that the foregoing Tenant Household Income at initial occupancy and the Tenant Paid Rent per Month stated above comply with the Requirements of the RRDP Program Documents.

WITNESS MY SIGNATURE ON THIS, THE ____ DAY OF _____, 20__.

BY: **[BORROWER]**.

By: _____
Name:

ATTACHMENT M

PROPERTY STANDARDS

All construction must comply with Louisiana State Uniform Construction Code (LSUCC), local planning and zoning, and local authorities and jurisdictions. Federal regulations which may pertain to the specific project such as the Fair Housing and Section 504 of the Rehabilitation Act of 1973, as amended, and the Americans with Disabilities Act of 1990, as amended, also apply. LHC strongly encourages that the 2010 ADA/ABA standard be used when designing accessible units and public facilities.

The construction standards listed below are the minimum requirements. They have been listed for brevity in the body of this announcement. The full list of new construction and reconstruction requirements that shall govern the RRDP Projects can be found in Appendix B to the RRDP NOFA.

Minimum Construction Requirements:

1. Development and Unit Characteristics: The LHC is seeking well-built and attractive multi-family and single-family housing which will be a positive contribution to its community. Borrowers should commit to design elements consistent with quality features and amenities, which should include resource-efficient, healthy, and durable building systems and approaches; fencing and/or access control features as appropriate to the design/location of the project; open space and landscaping; parking, and/or in-unit features including market-standard square-footage of units, window treatments, appliances, and finishes.

2. New Construction & Reconstruction:

- New construction shall be restricted to site-built or modular homes that meet the local and state building codes.
- Design shall provide for an aesthetically pleasing living facility of average/modest construction that is consistent with the character of the surrounding neighborhood, subject to local and state building codes.
- All new construction and reconstruction projects must obtain certification by IBHS for “Fortified Roof” (<https://fortifiedhome.org/>).

3. Resiliency Standards:

- The building footprint (for buildings with residential units) may not be located within or partially within the Special Flood Hazard Area (“SFHA”). Parking is not required to be at or above the building elevation requirements required in the NOFA.
- The building footprint may be in Zone B or X-Shaded (500-YR); however, all building mechanicals and finished residential floors must be built at elevations of no less than three feet above the higher of (a) the lowest point within the building footprint, or (b) the nearest road centerline.
- Irrespective of FIRM designation, the application must clearly establish whether the proposed building footprint experienced flooding by Hurricanes Laura, Delta, Ida and/or the May 2021 floods; if the footprint was flooded, the plan must clearly address how such risks are mitigated, either through elevation above the BFE, flood proofing, or both.

4. Rehabilitation: Rehabilitation of vacant units shall provide for a safe, sanitary, efficient, and aesthetically pleasing living facility of average/modest construction upon completion.

5. Utility Services: All units must include a washer, dryer, and dishwasher.

6. Minimum Internet/Cable Capacity Requirements: All units must be equipped with networks to provide cable television, telephone access, and internet access in the living area and in each bedroom. The following

networks (combined or distinct) must be capable of being accessed and activated by tenants: (i) telephone network installed for phones using CAT5e or better wiring, (ii) network for data installed using CAT5e or better, networked from the unit back to a central location or similarly configured wireless network, and (iii) TV services network using COAX cable. The wiring for such networks should be available to tenants free of charge, but tenants may be charged the actual fee incurred by the Taxpayer for activating and making available any services provided directly by the Project or through third-party providers. The equivalent of wireless network access is acceptable.

7. Carbon Monoxide Law Requirements:

- a) All units must contain at least one operable, life-long, sealed battery carbon monoxide (CO) detector.
- b) The detector packaging should feature phrases including life-long or 10-year and sealed battery or sealed-in lithium battery
- c) The device can be a combination with a smoke detector

8. Energy Efficiency Requirements: All units must be energy-efficient. Since RRDP is funded through the Community Development Block Grant-Disaster Recovery (CDBG-DR) program, all construction must adhere to the Green Building Standards as outlined in Federal Register (FR) 6326-N-01. Requirements vary based on the type of project: new construction or rehabilitation. Specific requirements can be found based on project type in Appendix B. Rehabilitation projects must meet the guidelines specified in the HUD CPD Green Building Retrofit Checklist

The RRDP does not assume responsibility for enforcing or determining compliance with local codes, zoning restrictions, and regulations nor does it make interpretations regarding their application in any specific instance. The Qualified Borrower shall be responsible for obtaining all applicable building permits and inspections leading to obtaining a certificate of occupancy and/or final inspection. These items, including a passed program inspection, will be a prerequisite to close on any property constructed or rehabilitated through the RRDP.

ATTACHMENT N
TENANT INCOME CERTIFICATION
VERIFICATION OF INCOME

Refer to the Tenant Selection packet link at the following site: <https://www.lhc.la.gov/resources-for-housing-recovery?description=&type=7> for an example of a tenant income certification and verification of income documents.

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EXHIBIT A
PROPERTY DESCRIPTION - LAND

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