

LOUISIANA HOUSING CORPORATION
NEIGHBORHOOD LANDLORD RENTAL PROGRAM
REGULATORY AGREEMENT

[PROJECT BORROWER]

[PROJECT NAME]

[COMPLETE PROJECT ADDRESS]

_____ , 2018

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**NEIGHBORHOOD LANDLORD RENTAL PROGRAM
REGULATORY AGREEMENT**

This **NEIGHBORHOOD LANDLORD RENTAL PROGRAM REGULATORY AGREEMENT** (the “**NLRP Regulatory Agreement**”) constitutes a legally binding agreement for the expenditure of CDBG Funds following environmental clearance and is made as of the **1st day of _____, 2018**, between

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

and

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

WITNESSETH

WHEREAS, the LHC in partnership with the State of Louisiana, Division of Administration, Office of Community Development (“**OCD**”) is establishing the Neighborhood Landlord Rental Program (“**NLRP Initiative**”) to provide assistance to approved applicants (“**Applicant**”) who will construct new residential rental housing units (“**New Units**”) or will renovate existing residential rental housing units (“**Existing Units**”) located in areas adversely affected by the floods identified by DR-4263 or DR-4277 in which FEMA Individual Assistance (“**Great Floods of 2016**”); and

WHEREAS, under the NLRP Initiative, the LHC has accepted applications from Applicants who will construct New Units or will renovate Existing Units in a project with not more than seven (7) residential housing units (“**Qualified Project**”) located in one of the parishes declared to be disaster areas (“**Eligible Parish**”) as a result of the Great Floods of 2016; and

WHEREAS, the NLRP Initiative required an Applicant either to (i) partner with a pre-qualified commercial lender to provide the Applicant a firm commitment to provide the Eligible Applicant mortgage lien 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, the NLRP Initiative required each Construction Loan to be structured with a promissory note (“**Construction Note**”) secured by a mortgage (“**Construction Mortgage**”) to be negotiated and assigned by the Construction Lender to the “LOUISIANA HOUSING CORPORATION” following completion of construction or renovation of a residential housing unit and upon receipt by the Construction Lender of a guaranteed payment (“**Take-out Commitment**”) by the LHC; and

WHEREAS, all advances by the Construction Lender on the Construction Loan, plus unpaid accrued interest on the Construction Loan for LMI Landlords, in an amount not to exceed \$ _____ will be paid in full to the Construction Lender to a specified date (“**Construction Loan Pay-off Date**”) that the Construction Lender is paid in full provided that the Borrower has executed (i) this NLRP Loan Agreement, (ii) the NLRP Note, (iii) the NLRP Loan Mortgage, (iv) the NLRP Regulatory Agreement, and (v) the NLRP Guaranty (collectively, the “**LHC NLRP Legal Documents**”) in order to evidence the LHC loan to the Borrower of NLRP Funds not to exceed \$ _____ (the “**NLRP Loan**”); and

WHEREAS, the Construction Loan Pay-off Date will be the later of later of (i) the date all residential rental units in a Qualified Project have been initially occupied by Qualified Households if the NLRP

Permanent Mortgage is not a senior first lien mortgage or (ii) the Completion Date if the NLRP Permanent Mortgage will be in the senior first lien position following discharge and payment of the Construction Loan; and

WHEREAS, the LHC has a minimum of \$46.5 million of Community Development Block Grant Funds (“**CDBG Funds**”) made available to the LHC by OCD for the NLRP Initiative; and

WHEREAS, the Borrower has delivered to the Construction Lender its Construction Note in a principal amount not to exceed \$ [redacted] evidencing its obligation to repay the Construction Loan; and

WHEREAS, the LHC and the Borrower desire to enter into this NLRP Regulatory Agreement to provide a framework within which the LHC and Borrower agree to comply with the requirements of the NLRP Initiative 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) Minimum Project Term From Completion Date: Five (5) years from the initial lease up of an eligible tenant, and the continued renting to an eligible tenant.

b.

(A) Project Type:

- _____ New Construction
- _____ Substantial Rehabilitation
- _____ Acquisition and Rehabilitation

(B) Approved Budget:

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

Total: [\$ _____]

(C) 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			

(D) Project Construction/Rehabilitation Start Date: _____, 2018

(E) Estimated Completion Schedule From Start Date:

Ten Percent (10%): _____, 2018

Twenty-Five Percent (25%): _____, 2018

Fifty Percent (50%): _____, 2018

Seventy-Five Percent (75%): _____, 2018

One Hundred Percent (100%): _____, 2018

(F) Qualified Project Description:

Project Name: _____

Parish: _____

(I) 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 Five (5) years from the initial lease up of an eligible tenant, and the continued renting to an eligible tenant.

“**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 approved budget attached hereto as **Exhibit B**.

“**Approved Budget**” means the Estimate and Certificate of Costs contained in the Closing Index, including the Construction Lender Fees.

“**Authorized Borrower Representative**” means [TBD].

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

“**Borrower**” means [TBD].

“**Closing**” means the date all NLRP 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 NLRP 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**”

“**Construction Lender**” means [TBD].

“**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.

“**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 NLRP Permanent Mortgage is not a senior first lien mortgage or (ii) the Completion Date if the NLRP 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 or renovate the Qualified Project and place the Qualified Project in service as described in Section 1.1 of this NLRP Regulatory Agreement.

“**Eligible Costs**” means the following:

1. Development hard costs. Development hard costs are the actual cost of constructing or rehabilitating housing.
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.

“**Guarantors**” means [TBD].

“**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 that NLRP Funds may not be used:

1. to purchase land from a person or person that has an identity of interest with the Eligible Borrower.
2. for development, operations or modernization of public housing financed under the 1973 Act (Public Housing Capital and Operating Funds).
3. for the cost of acquiring land that was purchased prior to the receipt of NLRP Project funding

4. to refinance any loan.

“**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 Construction Loan Pay-off Date and the Permanent Lender on and after the Construction Loan Pay-off Date.

“**NLRP Funds**” means the CDBG Funds of approximately Thirty-six Million Dollars (\$36,000,000).

“**NLRP Loan**” means the loan by LHC funded with NLRP Funds to discharge the Construction Loan in accordance with the Take-out Commitment.

“**NLRP Loan Documents**” means the following documents:

- NLRP Loan Agreement
- NLRP Loan Promissory Note
- NLRP Loan Mortgage
- UCC Financing Statement
- NLRP Guaranty by Applicant and principals of applicant

“**NLRP Mortgage**” means the Neighborhood Landlord Rental Program Mortgage, Pledge of Leases and Rents and Security Agreement dated [REDACTED], 2018 by the Borrower in favor of the Lender.

“**NLRP Note**” the Neighborhood Landlord Rental Program Promissory Note dated as of [REDACTED], 2018, evidencing the Construction Loan.

“**NLRP Program Requirements**” means the requirements for the investment or loan of CDBG Funds.

“**NLRP Regulatory Agreement**” means this Community Development Block Grant Program Regulatory Agreement.

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

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

“**Qualified Household**” means a tenant household in which the household income does not exceed the lower of (i) 80% of AMI as published by HUD and 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 Applicant.

“**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 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 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.

“**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: [TBD]

Guarantor(s): [TBD]

Construction Lender: [TBD]

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 and in which each residential housing unit is a Qualified Unit.

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

“**Qualified Project Term**” means five (5) years from the Completion Date.

“**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.

“**Set Aside Units**” For Qualified Projects with more than four residential housing units, the NLRP Initiative requires a specified number of 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 Housing Units	Qualified Household Incomes	Set-Aside Units	Minimum Affordability Period
4 or fewer units	80% AMI and below	None	five (5) years
5 units	80% AMI and below	One (1) for 50% AMI Household	five (5) years
6 units	80% AMI and below	Two (2) for 30% AMI Household	five (5) years
7 units	80% AMI and below	Three (3) for 30% AMI Household	five (5) years

“**Take-out Commitment**” means the NLRP Funds that the LHC guarantees to the Construction Lender and to the Borrower to be used on the Construction Loan Pay-off Date to discharge the Construction Loan which will not exceed \$ [REDACTED].

“**Take-out Commitment Agreement**” means the Take-out Commitment Agreement as of [REDACTED], 2018 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 NLRP Regulatory Agreement and the contents of the Application and Underwriting Model, including the certifications contained therein shall constitute a material part of this NLRP 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 NLRP 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 NLRP 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	NLRP Loan Documents
Attachment H	Federal Grant Requirements
Attachment I	Underwriting Model
Attachment J	Supplemental Provisions
Attachment K	NLRP Loan Term Sheet
Attachment L	NLRP 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 NLRP 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 Qualified Project Term and shall be binding upon the Borrower and its successors, assigns, heirs, grantees or lessees to the land or the Qualified Project for the Qualified Project Term, 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 NLRP 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 NLRP Regulatory Agreement. Participating Parties shall carry out their responsibilities in **Attachment A** to this NLRP 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 NLRP Regulatory Agreement.

(B) The Borrower shall execute the NLRP Note and NLRP 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 NLRP Regulatory Agreement. The NLRP Funds are a debt on the Qualified Project, which may be called in the event of an Event of Default in accordance with the NLRP Mortgage. The NLRP Note and NLRP Mortgage shall incorporate the provisions of the NLRP Loan Term Sheet attached hereto as **Attachment K** and terms of the NLRP Loan Documents are incorporated into this NLRP Regulatory Agreement.

(C) Development of the Qualified Project shall commence at the time specified in Section 1.1(G) of this NLRP Regulatory Agreement and shall be completed by the time specified in Section 1.1(H) 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 Qualified Project Term, 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 Qualified Project Term, 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 Qualified Project Term.

(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 Qualified Project Term. 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 the 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 NLRP Regulatory Agreement have been completed consistent with the terms of this NLRP 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 NLRP 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 Construction Loan Pay-off 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 NLRP 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 Minimum Qualified Project Term.

(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 NLRP 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 NLRP 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 NLRP 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 NLRP 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 NLRP 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 NLRP 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 NLRP 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 NLRP 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 NLRP 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 NLRP Regulatory Agreement as a whole rather than to any particular section or subdivision hereof.

(C) Any amendment to this NLRP Regulatory Agreement executed in accordance with Section 3.6 of this NLRP Regulatory Agreement shall have the same force and effect upon the Borrower and the Corporation as does this NLRP 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 NLRP Regulatory Agreement and has agreed to restrict the uses to which the Qualified Project can be put for the Minimum Qualified Project Term.

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 NLRP Regulatory Agreement.

SECTION 4.11 Termination

This NLRP Regulatory Agreement shall become effective upon its execution and delivery. This NLRP Regulatory Agreement shall remain in full force and effect for a term and period equal to the Minimum Qualified Project Term. Notwithstanding the immediately preceding sentence, this NLRP 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 NLRP 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 NLRP 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 NLRP Regulatory Agreement in accordance with its terms. This NLRP Regulatory Agreement shall be revived according to the original Qualified Project Term, however, if during the original Qualified Project Term 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 NLRP 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 NLRP

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 NLRP 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 NLRP 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 NLRP 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 NLRP Regulatory Agreement and CDBG Funds Regulations, including the enforcement of this NLRP 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 NLRP 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: Edselle Keith Cunningham, Jr.

Title: Executive Director

By: _____

Print Name: _____

NOTARY PUBLIC

Print Name: _____

Bar Roll/Notary No.: _____

My Commission Expires: _____

IN WITNESS WHEREOF, the parties execute this NLRP 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:

[BORROWER]

By: _____

By: _____

Print Name: _____

Name: _____

Title: _____

By: _____

Print Name: _____

[BORROWER]

By: _____

Name: _____

Title: _____

ATTACHMENT A

DESCRIPTION OF PARTICIPATING PARTY ACTIVITIES

Construction Lender: Construction Lender ([REDACTED]) will (i) execute Take-out Commitment Agreement, (ii) loan \$ [REDACTED] 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 \$ [REDACTED] to Construction Lender and (ii) loan \$ [REDACTED] of NLRP Funds to Borrower to discharge the Construction Loan on the Construction Loan Pay-off 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 \$ _____

⁽²⁾Architect Agreement dated _____ with _____ for \$ _____ for total Architectural Fees of \$ _____

ATTACHMENT C

DESCRIPTION OF BORROWER ACTIVITIES

- Borrower will enter into a Construction Loan with the Construction Lender
- Borrower will execute a Construction Contract with [REDACTED] to build New Units or renovate Existing Units in the Qualified Project
- Borrower shall execute and/or has executed and delivered the following NLRP Loan Documents:
 - i. Conditional Reservation of CDBG Funds
 - ii. Takeout Commitment Agreement
 - iii. NLRP Loan Agreement
 - iv. NLRP Note
 - v. NLRP Mortgage
 - vi. NLRP Regulatory Agreement
 - vii. Guaranty of NLRP 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 **N/A**, 2018.

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 NLRP 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 NLRP 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.
- At the end of each calendar year, but in no event later than February 15th of the succeeding calendar year, the Borrower shall submit a new lease of lease roll over.

ATTACHMENT F
CONSTRUCTION AND EXPENDITURE SCHEDULE

[Refer to Initial Underwriting Model]

ATTACHMENT G
NLRP LOAN DOCUMENTS

Not Attached – NLRP Loan Documents contained in the Closing Docket

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:

[TAXPAYER/BORROWER]

By: _____

By: _____

Print Name: _____

Name: _____

Title: _____

By: _____

Print Name: _____

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.

- 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 NLRP 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 NLRP Regulatory Agreement. By executing this NLRP 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).

ATTACHMENT I
UNDERWRITING MODEL

Not attached – on file with Louisiana Housing Corporation

ATTACHMENT J
SUPPLEMENTAL PROVISIONS

ATTACHMENT K
NLRP LOAN TERM SHEET

ATTACHMENT L
PROPERTY STANDARDS

As required by the LHC architectural review and contained in (i) the schedule of values approved by the LHC and (ii) the NLRP Loan Agreement.

EXHIBIT M
TENANT INCOME CERTIFICATION
VERIFICATION OF INCOME

-This can be located at <http://www.lhc.la.gov/page/neighborhood-landlord-program>

Under Program Document

EXHIBIT A

PROPERTY DESCRIPTION - LAND

