



City of Manistee Housing Commission

273 6th Avenue • Manistee, Michigan 49660

**Work Session Agenda
Tuesday, July 28, 2020
Virtual Meeting by Zoom
4:00 PM**

Good afternoon. Today is Tuesday, July 28, 2020. I am Clinton McKinven-Copus, Executive Director and Secretary for the City of Manistee Housing Commission. The Work Session of the Housing Commission is being conducted remotely. Members of the Board of Commissioners are in separate locations and not at the normal meeting location of the Harborview Community Room. President Dale Priester will call the Work Session to order shortly.

There will be no video associated with this meeting; it will be solely audio. The reason for this is projecting video through Zoom sometimes causes a delay, which makes communication in this scenario difficult and awkward.

In just a moment, we will start individually unmuting the microphones of each member of the Housing Commission Board. We are unmuting them individually to make sure there is no disruptive audio feedback coming from each of them. Individually unmuting the calls allows us to identify the source of any disruptive audio issues easily. Program Director Lindsay McIntyre is assisting me with this meeting, and you may hear her voice if we have an issue that requires her assistance.

The microphones of all members of the Housing Commission Board, Ms. McIntyre, and myself will always be live unless there is an audio disruption. Ms. McIntyre will now begin to unmute and check each microphone that will be live during the meeting.

We will now activate microphones one by one and individually call on each Housing Commission Board member to confirm they can hear and be heard. Once complete, the Executive Director/Secretary will continue reading below.

As a reminder, Housing Commission Board members, please clearly state your name before speaking, or making a motion or a second. Roll call will be taken by the Executive Director/Secretary, as usual.

Now that activating the microphones is complete, President Priester will now call the meeting to order.

¹ The Commission Secretary/Executive Director shall make a written record of Commissioner attendance.

1. Call to Order/Roll Call¹

2. Introduction of Work Session Purpose and Presenters

Clinton McKinven-Copus

- Melissa Worden Reno & Cavanaugh
- Jessica Babridge Reno & Cavanaugh
- Jonathan Nesburg Commonwealth Development Corporation
- Naomi Byrne EJP Consulting Group, LLC

3. Presentation of the Development Contract between Commonwealth Development Corporation and the City of Manistee Housing Commission, and All Related Agreements, Structures, Actions, and Arrangements

- Melissa Worden, Presenter
- Jessica Babridge, Presenter
- Jonathan Nesburg, Resource
- Naomi Byrne, Resource

4. Discussion and Q & A of the Development Contract between Commonwealth Development Corporation and the City of Manistee Housing Commission

- Clinton McKinven-Copus, Facilitator

5. Presentation of Resolutions Related to the Development Contract and Submission of the Low-Income Housing Tax Credit Application

- Melissa Worden, Presenter
- Jessica Babridge, Presenter
 - Resolution 2020-06 Public Housing Portfolio Development Agreement
 - Resolution 2020-07 Ratification of Century Terrace and Harborview Apartments
LIHTC Application Agreements
- Jonathan Nesburg, Resource
- Naomi Byrne, Resource

6. Discussion and Q & A of the Resolutions Related to the Development Contract and Submission of the Low-Income Housing Tax Credit Application

- Clinton McKinven-Copus, Facilitator

7. Public Comment

At this time, citizens may comment on general Housing Commission affairs. The Commission President may recognize citizens in attendance who wish to comment. Citizen comments are not limited to agenda items but should be directed to Housing Commission services, activities, or areas of involvement. The City of Manistee Housing Commission Public Comment Policy limits each individual to a three [3] minute statement. The City of Manistee Housing Commission will receive public comments at this time and will respond at a later date if the Housing Commission determines a response is appropriate.

Every person waiting in the virtual waiting room will be called by the last four digits of their telephone number.

The Executive Director/Secretary will unmute and call on each person who has called into the meeting by the last four digits of their phone number and ask if they would like to comment on Housing Commission affairs. Once complete, the meeting back will be turned back over to President Priester for adjournment.

8. Adjournment

At the adjournment of the Work Session, President Priester will call the Regular Meeting of the Commission to order.



City of Manistee Housing Commission

273 6th Avenue • Manistee, Michigan 49660

Tuesday, July 28, 2020

Meeting Agenda

Immediately following the Work Session – VIRTUAL MEETING

The Regular Meeting of the City of Manistee Housing Commission Board of Commissioners will be called to order immediately following the adjournment of the Work Session.

1. Call to Order/Roll Call

The Commission Secretary/Executive Director shall make a written record of Commissioner attendance.

2. Amendments to Agenda

3. Public Comments on Agenda Related Items

All individuals attending the virtual meeting will wait in a virtual waiting room, with their microphones muted. When it comes time for the public comment, each person waiting in the virtual waiting room will be called individually by the last four digits of their telephone number. Individuals will be asked if they have a comment on an agenda item or if they are passing.

It is **very important** that those giving comments have a good phone connection and no sound or noise whatsoever in the background (televisions and all forms of audio should be muted); otherwise, there will be disruptive audio. If the caller cannot correct the issue, we will move on to the next person in line.

Please be aware that for those calling, when they first call in, their full telephone number may be visible for a period of time on the recording, although we will work quickly to alter what's displayed so that it is just the last four digits of your telephone number.

At this time, citizens who wish to comment on items related to the agenda may do so. The City of Manistee Housing Commission's Public Comment Policy limits each individual to a three [3] minute statement.

The Executive Director/Secretary or the Program Director will unmute and call on each person who has called into the meeting by the last four digits of their phone number and ask if they would like to comment on an agenda related item. Once complete, the meeting back will be turned back over to President Priester.

4. Consent Agenda

Agenda items marked with an [] are on the consent agenda and considered by the Executive Director to be routine matters. Prior to approval of the Consent Agenda Commissioners may remove an item from the Consent Agenda. Items removed from the consent agenda will come before the Commissioners, as stated on the agenda.*

Consent Agenda items include:

a. Approval of Minutes

- i. Annual Meeting – June 23, 2020*
- ii. Regular Meeting – June 23, 2020*

b. Financial Reports

[Financial documents are redacted in compliance with the requirements of the Federal Privacy Act. All personally identifying information of current and past program participants has been redacted.]

i. Public Housing Financial Statements*

- 1. Public Housing Financial Statement
 - a. April 30, 2020
- 2. Public Housing Bank Reconciliation
 - a. April 30, 2020
- 3. Public Housing Current Year vs. Prior Year
 - a. April 30, 2020

ii. Domestic Violence Grant Program*

- 1. Domestic Violence Grant Program Financial Statement
 - a. April 30, 2020
- 2. Domestic Violence Bank Reconciliation
 - a. April 30, 2020

iii. Security Deposits Reconciliation*

- 1. Security Deposit Reconciliation
 - a. April 30, 2020

c. Resolutions

Consent Agenda resolutions are matters of compliance with the U.S. Department of Housing and Urban Development or federal law that requires the adoption of a policy or provision of public housing benefits. The contents of these Resolutions, items of compliance, policy, and regulation are not debatable but are required to maintain regulatory compliance.

- i. Resolution 2020-04 Write-off Of Doubtful Accounts July 2020*
- ii. Resolution 2020-05 Adoption of COVID-19 Statutory and Regulatory Waivers*

5. Old Business

- a. There are no items of old business to come before the Commissioners

6. New Business

- a. Resolution 2020-04 Write-off Of Doubtful Accounts July 2020*
- b. Resolution 2020-05 Adoption of COVID-19 Statutory and Regulatory Waivers*
- c. Resolution 2020-06 Public Housing Portfolio Development Agreement
- d. Resolution 2020-07 Ratification of Century Terrace and Harborview Apartments LIHTC Application Agreements

7. Reports and Communications

At this time the Commissioners may receive reports or Communications from:

- a. Executive Director Report
- b. Staff Reports
- c. Commissioner Reports/Comments
- d. Received Communications
 - i. None received

8. Public Comment

At this time, citizens may comment on general Housing Commission affairs. The Commission President may recognize citizens in attendance who wish to comment. Citizen comments are not limited to agenda items but should be directed to Housing Commission services, activities, or areas of involvement. The City of Manistee Housing Commission Public Comment Policy limits each individual to a three [3] minute statement. The City of Manistee Housing Commission will receive public comments at this time and will respond at a later date if the Housing Commission determines a response is appropriate.

Every person waiting in the virtual waiting room will be called by the last four digits of their telephone number.

The Executive Director/Secretary will unmute and call on each person who has called into the meeting by the last four digits of their phone number and ask if they would like to comment on Housing Commission affairs. Once complete, the meeting back will be turned back over to President Priester for adjournment.

9. Adjournment

10. Announcements and Upcoming Meetings

- a. Regular Commission Meeting
August 25, 2020, 4:00 PM



City of Manistee Housing Commission

273 6th Avenue • Manistee, Michigan 49660

Meeting Minutes
June 23, 2020
Annual Meeting

Meeting Start Time: 4:05 PM.

Roll Call:

Commissioner	Present	Absent Excused	Absent Non-Excused
Dale Priester	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Doug Parkes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
James Bond	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Karen Goodman.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kelly Tomaszewski	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Housing Commission Staff Present:

Staff Member	Present
Clinton McKinven-Copus, Executive Director/Commission Secretary	<input checked="" type="checkbox"/>
Lindsay McIntyre, Program Director	<input checked="" type="checkbox"/>
Cindy Scott, Financial Analyst/Procurement Assistant	<input checked="" type="checkbox"/>
Kevin Helminiak, Maintenance Dept. Crew Leader	<input type="checkbox"/>
Anthony Mastrapasqua, Maintenance Staff	<input checked="" type="checkbox"/>

Others Present:

- None

Election of Officers:

Commission Secretary Clinton McKinven-Copus opened the floor for nominations for the office of President of the Housing Commission. Commissioner Doug Parkes nominated Commissioner Dale Priester to the office of President. Commissioner James Bond seconded the nomination of Commissioner Dale Priester.

Commission Secretary Clinton McKinven-Copus called for additional nominations, upon hearing no additional nominations for the office of President, nominations were closed.

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Commission Secretary Clinton McKinven-Copus performed a roll call vote on the nomination of Commissioner Priester to the office of President.

Commissioner	Yes	No	Absent	Results
Dale Priester	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Not Approved
Doug Parkes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
James Bond	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Karen Goodman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Kelly Tomaszewski	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Commission Secretary Clinton McKinven-Copus turned leadership of the remainder of the Annual Meeting to Commission President Dale Priester.

President Dale Priester called for nominations from the floor for the office of Commission Vice-President/Secretary. Before nominations were received, Commission Secretary Clinton McKinven-Copus explained the combination of the offices of Vice-President and Treasurer for the coming year. The rationale for the combination of these two offices is that over the next twelve months, CMHC shall enter into contracts and financial commitments for our transition from public housing to a RAD converted multifamily project. Given the financial commitments and contractual requirements of this conversion, the Commissioners need someone with a strong background on the RAD conversion project and an understanding of the related financial commitments.

Commissioner James Bond nominated Commissioner Doug Parkes for the office of Vice-President/Treasurer. Commission Kelly Tomaszewski seconded the nomination. President Priester called for additional nominations, upon hearing no additional nominations for the office of Vice-President/Treasurer, nominations were closed.

President Priester requested Commission Secretary Clinton McKinven-Copus perform a roll call vote on the nomination of Commissioner Doug Parkes to the office of Vice-President/Treasurer. Commission Secretary Clinton McKinven-Copus performed the roll call vote, and the results are as follows.

Commissioner	Yes	No	Absent	Results
Dale Priester	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Not Approved
Doug Parkes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
James Bond	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Karen Goodman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Kelly Tomaszewski	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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Commission Presidential Appointments:

President Priester made the following appointments to the standing committees of the Board of Commissioners:

Audit Committee:

Chair (per By-Laws) – Commission Treasurer
Commission General Council
Commission President

Personnel Committee:

Doug Parkes
Kelly Tomaszewski
Commission General Council

New Business:

Resolution #	Title:			Motion By:	Second By:
AM 2020-01	Establishment of Regular Meetings			Bond	Parkes
Commissioner	Yes	No	Absent	Results	
Dale Priester	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Not Approved	
Doug Parkes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
James Bond	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Karen Goodman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Kelly Tomaszewski	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

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Meeting Adjourned

Adjournment Time: 4:10 PM		Motion By: Parkes		Second By: Bond
Commissioner	Yes	No	Absent	Results
Dale Priester	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Not Approved
Doug Parkes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
James Bond	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Krista McDougall	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Kelly Tomaszewski	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Dale Priester
President

Clinton McKinven-Copus
Executive Director/Secretary
City of Manistee Housing Commission



City of Manistee Housing Commission

273 6th Avenue • Manistee, Michigan 49660

Meeting Minutes
June 23, 2020
Regular

Meeting Start Time: 4:11 P.M.

Roll Call:

Commissioner	Present	Absent Excused	Absent Non-Excused
Dale Priester	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Doug Parkes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
James Bond	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Karen Goodman.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kelly Tomaszewski	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Housing Commission Staff Present:

Staff Member	Present
Clinton McKinven-Copus, Executive Director/Commission Secretary	<input checked="" type="checkbox"/>
Lindsay McIntyre, Program Director	<input checked="" type="checkbox"/>
Cindy Scott, Financial Analyst/Procurement Assistant	<input checked="" type="checkbox"/>
Kevin Helminiak, Maintenance Dept. Crew Leader	<input type="checkbox"/>
Anthony Mastrapasqua Maintenance Department	<input checked="" type="checkbox"/>

Others Present:

- None

Amendments to the Agenda:

- None

Public Hearing for the 2020-2025 5-year Plan:

President Priester opened the Public Hearing for the 2020-2025 5-Year Plan. No members of the general public were present on the Zoom call. The date, time, and information of the public hearing had been announced to the general public and residents of the City of Manistee Housing Commission.

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Executive Director, Clinton McKinven-Copus informed the Commissioners that no written comments on the 5-year Plan had been received.

President Priester then closed the Public Hearing.

Public Comment on Agenda Related Items:

- No members of the general public were present on the Zoom call.

Consent Agenda:

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a. Approval of Minutes

- i. Regular Meeting – April 28, 2020*

b. Financial Reports

[Financial documents are redacted in compliance with the requirements of the Federal Privacy Act. All personally identifying information of current and past program participants has been redacted.]

i. Public Housing Financial Statements*

1. Public Housing Financial Statement
 - a. March 31, 2020
2. Public Housing Bank Reconciliation
 - a. March 31, 2020
3. Public Housing Current Year vs. Prior Year
 - a. March 31, 2020

ii. Domestic Violence Grant Program*

1. Domestic Violence Grant Program Financial Statement
 - a. March 31, 2020
2. Domestic Violence Grant Program Bank Reconciliation
 - a. March 31, 2020

iii. Security Deposits Reconciliation*

1. Security Deposit Reconciliation
 - a. March 31, 2020

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iv. Resolutions

Consent Agenda resolutions are matters of compliance with the U.S. Department of Housing and Urban Development or federal law that requires the adoption of a policy or provision of public housing benefits. The contents of these Resolutions, items of compliance, policy, and regulation are not debatable but are required to maintain regulatory compliance.

i. No Resolutions on Consent Agenda*

Consent Agenda		Motioned By: Parkes			Second By: Bond
Commissioner	Yes	No	Absent	Results	
Dale Priester	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Not Approved	
Doug Parkes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
James Bond	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Krista McDougall	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Kelly Tomaszewski	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

Old Business:

- None

New Business:

Resolution # 2020-03	Title: Adoption of the 2020-2025 5-year Plan			Motion By: Tomaszewski	Second By: Bond
Commissioner	Yes	No	Absent	Results	
Dale Priester	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Not Approved	
Doug Parkes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
James Bond	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Krista McDougall	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Kelly Tomaszewski	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

Executive Director's Report:

- Executive Director, Clinton McKinven-Copus provided the Commissioners with updates concerning:
 - CARES Act Funding
 - The CMHC COVID-19 Response Plan

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Other Staff Reports:

- None

Finances:

- Approved with Consent Agenda

Committee Reports:

- None

Communications:

- None received

Public Comment:

- No members of the general public were present on the Zoom call.

Commissioner Report/Comments:

- None

Meeting Adjourned

Adjournment Time: 4:47 P.M.		Motion By: Bond		Second By: Parkes
Commissioner	Yes	No	Absent	Results
Dale Priester	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Not Approved
Doug Parkes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
James Bond	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Krista McDougall	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Kelly Tomaszewski	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Dale Priester
President

Clinton McKinven-Copus
Executive Director/Secretary
City of Manistee Housing Commission

Housing Authority Acct Specialists, Inc.
PO Box 545
Sparta, WI 54656-0545
608-269-6490

To the Board of Commissioners
And Management:

Manistee Housing Commission
Public Housing
273 Sixth Avenue
Manistee, MI 49660

Enclosed are the following reports for the month ending April 30, 2020. These reports have been compiled in accordance with Generally Accepted Accounting Principles (GAAP):

- I. Financial Statements
- II. Journal Register
- III. General Ledger

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them. This report is offered as a review of your past operations and is a basis for decisions for your future policies.

Respectfully Submitted:

Housing Authority Acct Specialists, Inc.

DOCUMENT REDACTED
PER FEDERAL PRIVACY ACT
ALL PERSONALLY IDENTIFYING INFORMATION
OF CURRENT AND PAST PROGRAM PARTICIPANTS
HAS BEEN REDACTED

**Manistee Housing Commission
Low Rent Public Housing
Balance Sheet
As of April 30, 2020**

ASSETS

CURRENT ASSETS

Cash

1111.2 - NOW Account	\$	619,416.90
1111.3 - HRA Account		10,683.80
1111.4 - Money Market Savings		55,965.47
1117 - Petty Cash Fund		250.00
1118 - Change Fund		50.00
		<u>686,366.17</u>

Total Cash

Receivables

1122 - Tenants Accounts Receivable	6,008.15
1122.1 - Allowance for Doubtful Accounts-TAR	(5,624.31)
1129 - Accounts Receivable-Other	2,521.50
	<u>2,905.34</u>

Total Receivables

Other Current Assets

1211 - Prepaid Insurance	8,593.69
	<u>8,593.69</u>

Total Other Current Assets

TOTAL CURRENT ASSETS

697,865.20

NONCURRENT ASSETS

Fixed Assets

1400 - Construction in Progress-CFP	5,296.95
1400.6 - Land	360,271.62
1400.61 - Land Improvements	89,807.07
1400.7 - Buildings	4,657,515.77
1400.71 - Building Improvements	5,467,684.26
1400.72 - Non-dwelling Structures	8,525.00
1400.8 - Furn., Equip., Mach.-Dwellings	274,977.59
1400.9 - Furn., Equip., Mach.-Admin	338,865.61
1400.95 - Accumulated Depreciation-ALL	(8,877,562.33)
	<u>2,325,381.54</u>

Total Fixed Assets

Other Noncurrent Assets

1701 - Deferred Outflows	58,084.96
	<u>58,084.96</u>

Total Other Noncurrent Assets

TOTAL NONCURRENT ASSETS

2,383,466.50

TOTAL ASSETS

\$ 3,081,331.70

**Manistee Housing Commission
Low Rent Public Housing
Balance Sheet
As of April 30, 2020**

LIABILITIES AND EQUITY

LIABILITIES

Current Liabilities

2111 - Vendors and Contractors	\$	42,347.30
2114 - Tenant Security Deposits		50,000.00
2117.12 - FSA Withheld		987.67
2117.13 - MERS HCSP Withheld		50.00
2117.14 - AFLAC Pre-Tax		534.87
2117.15 - MERS 457		107.90
2117.16 - Roth 457		49.83
2117.5 - Pension Withheld		1,965.89
2119.2 - Interfund Payable - DVG		935.90
2131 - EPC Loan - Current		34,468.02
2133 - Capital Lease - 2016 F250 - Current		3,708.30
2134 - Capital Lease - 2019 F250 - Current		3,360.26
2135 - Accrued Wages/Payroll Taxes Payable		4,690.91
2135.1 - Accrued Comp. Absences-Current		25,901.49
2137 - Payments in Lieu of Taxes		51,478.62
Total Current Liabilities		<u>220,586.96</u>

Noncurrent Liabilities

2132 - EPC Loan - Noncurrent	930,012.94
2135.3 - Accrued Comp. Absences-Non Current	17,428.46
2138 - Net Pension Liability	71,206.00
2139 - Capital Lease - 2016 F250 - Non Current	1,429.61
2140 - Capital Lease - 2019 F250 - Non Current	20,661.71
2701 - Deferred Inflows	284.00
Total Noncurrent Liabilities	<u>1,041,022.72</u>

TOTAL LIABILITIES

1,261,609.68

EQUITY

2806.1 - Invested in Capital Assets	<u>1,401,805.50</u>
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Unrestricted Net Assets

2806 - Unrestricted Net Position	487,120.70
2820.00 - HUD Operating Reserve - Memo	487,981.32
2820.01 - HUD Operating Reserve-Contra	(487,981.32)
Current Year Profit/Loss - Public Housing/CFP	(69,204.18)
Total Unrestricted Net Assets	<u>417,916.52</u>

TOTAL EQUITY

1,819,722.02

TOTAL LIABILITIES/EQUITY

\$ 3,081,331.70

Manistee Housing Commission
Low Rent Public Housing
Statement of Revenue & Expense
For the 1 Month and 4 Months Ended April 30, 2020

	1 Month Ended	4 Months Ended	BUDGET	VARIANCE
	<u>April 30, 2020</u>	<u>April 30, 2020</u>		
Operating Revenue				
Tenant Rental Revenue				
3110 - Dwelling Rental Revenue	\$ 49,665.00	\$ 198,850.00	\$ 600,210	\$ 401,360.00
3120 - Tenant Revenue - Excess Utilities	611.96	2,429.02	8,000	5,570.98
3690 - Tenant Revenue - Other	2,525.00	6,911.87	37,880	30,968.13
Total Tenant Rental Revenue	<u>52,801.96</u>	<u>208,190.89</u>	<u>646,090</u>	<u>437,899.11</u>
HUD PHA Grant Revenue				
3401.1 - Operating Grants	0.00	0.00	65,986	65,986.00
3401.2 - Operating Subsidy	49,180.34	196,721.34	703,715	506,993.66
Total HUD PHA Grant Revenue	<u>49,180.34</u>	<u>196,721.34</u>	<u>769,701</u>	<u>572,979.66</u>
Other Revenue				
3610 - Interest Income	137.40	553.54	1,130	576.46
3690.1 - Other Revenue	0.00	91.32	2,000	1,908.68
3690.4 - Laundry Revenue	1,192.07	4,883.98	13,300	8,416.02
3690.6 - Fraud Recovery Revenue	425.56	1,063.90	2,000	936.10
3690.7 - Management Fee - DVG	833.33	3,332.33	10,000	6,667.67
Total Other Revenue	<u>2,588.36</u>	<u>9,925.07</u>	<u>28,430</u>	<u>18,504.93</u>
Total Operating Revenue	<u>104,570.66</u>	<u>414,837.30</u>	<u>1,444,221</u>	<u>1,029,383.70</u>
Operating Expenses				
Administration				
4110 - Administrative Wages	13,703.43	61,826.71	157,752	95,925.29
4130 - Legal Expense	568.37	1,841.12	10,000	8,158.88
4140 - Staff Training	0.00	0.00	8,000	8,000.00
4170 - Accounting Fees	1,496.88	3,962.52	9,600	5,637.48
4171 - Auditing	0.00	0.00	8,760	8,760.00
4182 - Employee Benefits - Admin	7,083.86	29,607.50	88,000	58,392.50
4185 - Telephone	3,721.63	10,934.57	22,810	11,875.43
4190.1 - Publications	239.00	239.00	2,000	1,761.00
4190.2 - Membership Dues and Fees	390.00	2,114.00	2,500	386.00
4190.3 - Admin Service Contracts	3,201.37	13,719.24	45,000	31,280.76
4190.4 - Office Supplies	1,253.13	3,413.08	11,000	7,586.92
4190.5 - Other Sundry-Misc.	1,481.90	3,305.64	10,000	6,694.36
Total Administration	<u>33,139.57</u>	<u>130,963.38</u>	<u>375,422</u>	<u>244,458.62</u>
Tenant Services				
4220 - Rec., Pub., & Other Services	0.00	0.00	50	50.00
4221 - Resident Employee Stipend	550.00	2,200.00	6,600	4,400.00
4230 - Contract Costs-Cable & Other	59.96	239.83	0	(239.83)
Total Tenant Services	<u>609.96</u>	<u>2,439.83</u>	<u>6,650</u>	<u>4,210.17</u>

Manistee Housing Commission
Low Rent Public Housing
Statement of Revenue & Expense
For the 1 Month and 4 Months Ended April 30, 2020

	1 Month Ended	4 Months Ended		
	<u>April 30, 2020</u>	<u>April 30, 2020</u>	<u>BUDGET</u>	<u>VARIANCE</u>
Utilities				
4310 - Water & Sewer	4,624.55	18,545.16	58,800	40,254.84
4320 - Electricity	10,587.65	42,550.64	117,000	74,449.36
4330 - Gas	3,360.29	13,344.88	35,000	21,655.12
Total Utilities	<u>18,572.49</u>	<u>74,440.68</u>	<u>210,800</u>	<u>136,359.32</u>
Ordinary Maint. & Operations				
4410 - Maintenance Wages	8,161.48	37,382.16	110,000	72,617.84
4420 - Materials	5,529.91	17,266.29	40,000	22,733.71
4430.01 - Garbage Removal	1,379.35	5,808.98	18,000	12,191.02
4430.02 - Heating & Cooling Contracts	723.25	2,480.64	15,000	12,519.36
4430.03 - Snow Removal Contracts	0.00	0.00	100	100.00
4430.04 - Elevator Contracts	2,379.52	14,448.58	20,000	5,551.42
4430.05 - Landscape & Grounds Contracts	0.00	0.00	5,000	5,000.00
4430.06 - Unit Turnaround Contracts	401.90	4,500.90	5,000	499.10
4430.07 - Electrical Contracts	0.00	0.00	2,500	2,500.00
4430.08 - Plumbing Contracts	0.00	1,291.99	2,500	1,208.01
4430.09 - Extermination Contracts	3,559.00	10,494.00	25,000	14,506.00
4430.11 - Routine Maintenance Contracts	330.00	468.00	5,000	4,532.00
4430.12 - Miscellaneous Contracts	120.00	726.20	5,000	4,273.80
4433 - Employee Benefits - Maint.	5,516.21	23,168.04	70,300	47,131.96
4440 - Staff Training-Maintenance	0.00	0.00	1,000	1,000.00
Total Ordinary Maint. & Oper	<u>28,100.62</u>	<u>118,035.78</u>	<u>324,400</u>	<u>206,364.22</u>
General Expense				
4510 - Insurance	8,105.82	32,423.28	95,710	63,286.72
4520 - Payment in Lieu of Taxes	3,125.00	12,500.00	37,500	25,000.00
4550 - Compensated Absences	0.00	0.00	6,000	6,000.00
4570 - Collection Losses	11.07	30.76	12,000	11,969.24
4580 - Interest Expense	5,532.94	22,284.72	65,600	43,315.28
Total General Expense	<u>16,774.83</u>	<u>67,238.76</u>	<u>216,810</u>	<u>149,571.24</u>
Total Routine Operating Expenses	<u>97,197.47</u>	<u>393,118.43</u>	<u>1,134,082</u>	<u>740,963.57</u>
Non-Routine Expense				
Extraordinary Maintenance				
Total Extraordinary Maintenance	0.00	0.00	0	0.00
Casualty Losses-Not Cap.				
Total Casualty Losses	0.00	0.00	0	0.00
Total Non-Routine Expenses	0.00	0.00	0	0.00
Total Operating Expenses	<u>97,197.47</u>	<u>393,118.43</u>	<u>1,134,082</u>	<u>740,963.57</u>
Operating Income (Loss)	<u>7,373.19</u>	<u>21,718.87</u>	<u>310,139</u>	<u>288,420.13</u>
Depreciation Expense				
4800 - Depreciation - Current Year	24,055.00	96,220.00	0	(96,220.00)
Total Depreciation Expense	<u>24,055.00</u>	<u>96,220.00</u>	<u>0</u>	<u>(96,220.00)</u>

Manistee Housing Commission
Low Rent Public Housing
Statement of Revenue & Expense
For the 1 Month and 4 Months Ended April 30, 2020

	1 Month Ended	4 Months Ended	<u>BUDGET</u>	<u>VARIANCE</u>
	<u>April 30, 2020</u>	<u>April 30, 2020</u>		
Surplus Credits & Charges				
Total Surplus Credits & Charges	0.00	0.00	0	0.00
Capital Expenditures				
7510 - Principal Payments - EPC	4,000.12	15,873.63	50,340	34,466.37
7511 - Principal Payments - 2016 F250	453.31	1,799.85	5,510	3,710.15
7512 - Principal Payments - 2019 F250	410.30	1,628.48	4,990	3,361.52
7520 - Replacement of Equipment	0.00	1,556.29	5,000	3,443.71
7590 - Operating Expenditures-Contra	(4,863.73)	(20,858.25)	(65,840)	(44,981.75)
Total Capital Expenditures	0.00	0.00	0	0.00
Other Financial Items				
Total Other Financial Items	0.00	0.00	0	0.00
HUD Net Income (Loss)	<u>\$ 2,509.46</u>	<u>\$ 860.62</u>	<u>\$ 244,299</u>	<u>\$ 243,438.38</u>
GAAP Net Income (Loss)	<u>\$ (16,681.81)</u>	<u>\$ (74,501.13)</u>		

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**Manistee Housing Commission
 CARES Act Operating Grants
 Statement of Revenue & Expense
 For the 1 Month and 4 Months Ended April 30, 2020**

	1 Month Ended	4 Months Ended
1002	<u>April 30, 2020</u>	<u>April 30, 2020</u>
Operating Income		
Revenues - HUD PHA GRANTS		
Total HUD PHA GRANTS	0.00	0.00
Total Operating Income	0.00	0.00
Operating Expenses		
Administration		
Total Administration	0.00	0.00
Ordinary Maint. & Operations		
Total Ordinary Maint. & Oper	0.00	0.00
Extraordinary Maintenance		
Total Extraordinary Maintenance	0.00	0.00
Depreciation Expense		
Total Depreciation Expense	0.00	0.00
Total Operating Expenses	0.00	0.00
Net Income/(Loss)	0.00	0.00

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**Manistee Housing Commission
Capital Fund 501-18
Statement of Revenue & Expense
For the 1 Month and 4 Months Ended April 30, 2020**

	1 Month Ended	4 Months Ended
1018	<u>April 30, 2020</u>	<u>April 30, 2020</u>
Operating Income		
Revenues - HUD PHA GRANTS		
3401.1 - Operating Grants	0.00	46,101.65
3401.3 - Capital Grants	0.00	5,296.95
Total HUD PHA GRANTS	0.00	51,398.60
Total Operating Income	0.00	51,398.60
Operating Expenses		
Administration		
4130 - Legal Expense	24,490.00	24,490.00
4185 - Telephone	0.00	89.98
4190.3 - Admin Service Contracts	0.00	19,867.03
4190.5 - Other Sundry-Misc.	0.00	915.75
Total Administration	24,490.00	45,362.76
Ordinary Maint. & Operations		
4430.04 - Elevator Contracts	0.00	738.89
Total Ordinary Maint. & Oper	0.00	738.89
Extraordinary Maintenance		
Total Extraordinary Maintenance	0.00	0.00
Depreciation Expense		
Total Depreciation Expense	0.00	0.00
Total Operating Expenses	24,490.00	46,101.65
Net Income/(Loss)	(24,490.00)	5,296.95

ALL CURRENT REDACTED INFORMATION HAS BEEN REDACTED FOR FEDERAL PRIVACY ACT PURPOSES TO PROTECT THE IDENTIFYING INFORMATION OF CURRENT AND PAST PROGRAM PARTICIPANTS

**Manistee Housing Commission
Capital Fund 501-19
Statement of Revenue & Expense
For the 1 Month and 4 Months Ended April 30, 2020**

	1 Month Ended	4 Months Ended
1019	<u>April 30, 2020</u>	<u>April 30, 2020</u>
Operating Income		
Revenues - HUD PHA GRANTS		
Total HUD PHA GRANTS	0.00	0.00
Total Operating Income	0.00	0.00
Operating Expenses		
Administration		
Total Administration	0.00	0.00
Ordinary Maint. & Operations		
Total Ordinary Maint. & Oper	0.00	0.00
Extraordinary Maintenance		
Total Extraordinary Maintenance	0.00	0.00
Depreciation Expense		
Total Depreciation Expense	0.00	0.00
Total Operating Expenses	0.00	0.00
Net Income/(Loss)	0.00	0.00

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**Manistee Housing Commission
2020 Capital Fund Grant
Statement of Revenue & Expense
For the 1 Month and 4 Months Ended April 30, 2020**

	1 Month Ended	4 Months Ended
1020	<u>April 30, 2020</u>	<u>April 30, 2020</u>
Operating Income		
Revenues - HUD PHA GRANTS		
Total HUD PHA GRANTS	0.00	0.00
Total Operating Income	0.00	0.00
Operating Expenses		
Administration		
Total Administration	0.00	0.00
Ordinary Maint. & Operations		
Total Ordinary Maint. & Oper	0.00	0.00
Extraordinary Maintenance		
Total Extraordinary Maintenance	0.00	0.00
Depreciation Expense		
Total Depreciation Expense	0.00	0.00
Total Operating Expenses	0.00	0.00
Net Income/(Loss)	0.00	0.00

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Manistee Housing Commission
CARES Act Operating Grants

Program ID:	1 Month Ended	Cumulative	BUDGET	BALANCE
MI07800000120DC - \$29,109	April 30, 2020	April 30, 2020		
MI07800000220DC - \$71,876				
Administration				
1410 - Administration	\$ 0.00	\$ 0.00	\$ 100,985.00	\$ 100,985.00
Total Administration	<u>0.00</u>	<u>0.00</u>	<u>100,985.00</u>	<u>100,985.00</u>
A & E				
Total A & E Fees	0.00	0.00	0.00	0.00
Site Improvements				
Total Site Improvements	0.00	0.00	0.00	0.00
Dwelling Structures				
Total Dwelling Structures	0.00	0.00	0.00	0.00
Dwelling Equipment				
Total Dwelling Equipment	0.00	0.00	0.00	0.00
Nondwelling Structures				
Total Nondwelling Structures	0.00	0.00	0.00	0.00
General Capital Activity				
Total General Capital Activity	0.00	0.00	0.00	0.00
Total Grant Funds Expended	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 100,985.00</u>	<u>\$ 100,985.00</u>
1600 - Grant Funding	<u>0.00</u>	<u>0.00</u>	<u>100,985.00</u>	<u>100,985.00</u>
Over/(Under) Funding	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

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Manistee Housing Commission
Capital Fund 501-18

Program ID:	1 Month Ended	Cumulative	BUDGET	BALANCE
MI28P078501-18 **1518**	April 30, 2020	April 30, 2020		
Administration				
1406 - Operations	\$ 0.00	\$ 65,986.80	\$ 65,986.80	\$ 0.00
1408 - Management Improvement	0.00	32,368.22	32,993.40	625.18
1410 - Administration	0.00	32,993.40	32,993.40	0.00
Total Administration	<u>0.00</u>	<u>131,348.42</u>	<u>131,973.60</u>	<u>625.18</u>
A & E				
Total A & E Fees	0.00	0.00	0.00	0.00
Site Improvements				
Total Site Improvements	0.00	0.00	0.00	0.00
Dwelling Structures				
Total Dwelling Structures	0.00	0.00	0.00	0.00
Dwelling Equipment				
Total Dwelling Equipment	0.00	0.00	0.00	0.00
Nondwelling Structures				
Total Nondwelling Structures	0.00	0.00	0.00	0.00
General Capital Activity				
1480 - General Capital Activity	24,490.00	156,918.02	197,960.40	41,042.38
Total General Capital Activity	<u>24,490.00</u>	<u>156,918.02</u>	<u>197,960.40</u>	<u>41,042.38</u>
Total Grant Funds Expended	<u>\$ 24,490.00</u>	<u>\$ 288,266.44</u>	<u>\$ 329,934.00</u>	<u>\$ 41,667.56</u>
1600 - Grant Funding	<u>0.00</u>	<u>288,266.44</u>	<u>329,934.00</u>	<u>41,667.56</u>
Over/(Under) Funding	<u>\$ (24,490.00)</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

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Manistee Housing Commission
Capital Fund 501-19

Program ID:	1 Month Ended	Cumulative	BUDGET	BALANCE
MI28P078501-19 **1519**	April 30, 2020	April 30, 2020		
Administration				
1406 - Operations	\$ 0.00	\$ 65,986.80	\$ 65,986.80	\$ 0.00
1408 - Management Improvement	0.00	0.00	32,230.00	32,230.00
1410 - Administration	0.00	0.00	32,230.00	32,230.00
Total Administration	0.00	65,986.80	130,446.80	64,460.00
A & E				
Total A & E Fees	0.00	0.00	0.00	0.00
Site Improvements				
Total Site Improvements	0.00	0.00	0.00	0.00
Dwelling Structures				
Total Dwelling Structures	0.00	0.00	0.00	0.00
Dwelling Equipment				
Total Dwelling Equipment	0.00	0.00	0.00	0.00
Nondwelling Structures				
Total Nondwelling Structures	0.00	0.00	0.00	0.00
General Capital Activity				
1480 - General Capital Activity	0.00	2,065.00	193,469.20	191,404.20
Total General Capital Activity	0.00	2,065.00	193,469.20	191,404.20
Total Grant Funds Expended	\$ 0.00	\$ 68,051.80	\$ 323,916.00	\$ 255,864.20
1600 - Grant Funding	0.00	68,051.80	323,916.00	255,864.20
Over/(Under) Funding	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

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Manistee Housing Commission
2020 Capital Fund Grant

Program ID:	1 Month Ended	Cumulative	BUDGET	BALANCE
MI28P078501-20 **1520**	April 30, 2020	April 30, 2020		
Administration				
1406 - Operations	\$ 0.00	\$ 0.00	\$ 65,986.80	\$ 65,986.80
1408 - Management Improvement	0.00	0.00	32,993.40	32,993.40
1410 - Administration	0.00	0.00	32,993.40	32,993.40
Total Administration	0.00	0.00	131,973.60	131,973.60
A & E				
Total A & E Fees	0.00	0.00	0.00	0.00
Site Improvements				
Total Site Improvements	0.00	0.00	0.00	0.00
Dwelling Structures				
Total Dwelling Structures	0.00	0.00	0.00	0.00
Dwelling Equipment				
Total Dwelling Equipment	0.00	0.00	0.00	0.00
Nondwelling Structures				
Total Nondwelling Structures	0.00	0.00	0.00	0.00
General Capital Activity				
1480 - General Capital Activity	0.00	0.00	208,258.40	208,258.40
Total General Capital Activity	0.00	0.00	208,258.40	208,258.40
Total Grant Funds Expended	\$ 0.00	\$ 0.00	\$ 340,232.00	\$ 340,232.00
1600 - Grant Funding	0.00	0.00	340,232.00	340,232.00
Over/(Under) Funding	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

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Manistee Housing Commission

Cash Disbursements Journal

April 1, 2020 - April 30, 2020

Date	Reference	Account	Description	Amount
04/01/20	10709	10011111.2	Consumers Energy	(30.00)
04/01/20	10709	10011122	Consumers Energy	30.00
04/01/20	10710	10011111.2	Consumers Energy	(39.50)
04/01/20	10710	10011122	Consumers Energy	39.50
04/01/20	10711	10011111.2	DTE Energy	(39.50)
04/01/20	10711	10011122	DTE Energy	39.50
04/01/20	10712	10011111.2	Consumers Energy	(53.00)
04/01/20	10712	10011122	Consumers Energy	53.00
04/01/20	10713	10011111.2	Consumers Energy	(61.66)
04/01/20	10713	10011122	Consumers Energy	61.66
04/01/20	10714	10011111.2	Consumers Energy	(61.66)
04/01/20	10714	10011122	Consumers Energy	61.66
04/01/20	10715	10011111.2	Reserve Account	(700.00)
04/01/20	10715	10014190.5	Reserve Account	700.00
04/01/20	10716	10011111.2	Alerus Retirement Solutions	(157.73)
04/01/20	10716	10012117.15	Alerus Retirement Solutions	107.90
04/01/20	10716	10012117.16	Alerus Retirement Solutions	49.83
04/01/20	10717	10011111.2	Alerus Retirement Solutions	(50.00)
04/01/20	10717	10012117.13	Alerus Retirement Solutions	50.00
04/01/20	10718	10011111.2	AmTrust North America Inc	(570.00)
04/01/20	10718	10014510	AmTrust North America Inc	570.00
04/01/20	10719	10011111.2	AT & T Long Distance	(750.44)
04/01/20	10719	10014185	AT & T Long Distance	750.44
04/01/20	10720	10011111.2	AT & T Mobility	(1,623.47)
04/01/20	10720	10014185	AT & T Mobility	1,623.47
04/01/20	10721	10011111.2	Byline Bank	(9,378.09)
04/01/20	10721	10012131	Byline Bank	4,000.12
04/01/20	10721	10014580	Byline Bank	5,377.97
04/01/20	10721	10017510	Byline Bank	4,000.12
04/01/20	10721	10017590	Byline Bank	(4,000.12)
04/01/20	10722	10011111.2	CDM Mobile Shredding, Inc.	(45.00)
04/01/20	10722	10014190.3	CDM Mobile Shredding, Inc.	45.00
04/01/20	10723	10011111.2	Consumers Energy	(8,659.67)
04/01/20	10723	10014320	Consumers Energy	8,659.67
04/01/20	10724	10011111.2	DTE Energy	(3,360.29)
04/01/20	10724	10014330	DTE Energy	3,360.29
04/01/20	10725	10011111.2	Ford Credit	(481.03)
04/01/20	10725	10012133	Ford Credit	453.31
04/01/20	10725	10014580	Ford Credit	27.72
04/01/20	10725	10017511	Ford Credit	453.31
04/01/20	10725	10017590	Ford Credit	(453.31)

Manistee Housing Commission

Cash Disbursements Journal

April 1, 2020 - April 30, 2020

Date	Reference	Account	Description	Amount
04/01/20	10726	10011111.2	Griffin Pest Solutions	(3,559.00)
04/01/20	10726	10014430.09	Griffin Pest Solutions	3,559.00
04/01/20	10727	10011111.2	HD Supply Facilities Mtce	(255.82)
04/01/20	10727	10014420	HD Supply Facilities Mtce	255.82
04/01/20	10728	10011111.2	Principal Financial Group	(1,408.64)
04/01/20	10728	10014182	Principal Financial Group	804.78
04/01/20	10728	10014433	Principal Financial Group	603.86
04/01/20	10729	10011111.2	Servpro of Manistee, Ludington, and Cadillac	(120.00)
04/01/20	10729	10014430.12	Servpro of Manistee, Ludington, and Cadillac	120.00
04/01/20	10730	10011111.2	Staples	(243.74)
04/01/20	10730	10014190.4	Staples	13.20
04/01/20	10730	10014420	Staples	230.54
04/01/20	10731	10011111.2	Sun Life Financial	(643.19)
04/01/20	10731	10014182	Sun Life Financial	400.43
04/01/20	10731	10014433	Sun Life Financial	242.76
04/01/20	10732	10011111.2	VSP	(269.16)
04/01/20	10732	10014182	VSP	145.29
04/01/20	10732	10014433	VSP	123.87
04/01/20	10733	10011111.2	██████████	(100.00)
04/01/20	10733	10014221	██████████	100.00
04/01/20	10734	10011111.2	██████████	(200.00)
04/01/20	10734	10014221	██████████	200.00
04/01/20	10735	10011111.2	██████████	(50.00)
04/01/20	10735	10014221	██████████	50.00
04/01/20	10736	10011111.2	██████████	(200.00)
04/01/20	10736	10014221	██████████	200.00
04/01/20	10737	10011111.2	Consumers Energy	(1,927.98)
04/01/20	10737	10014320	Consumers Energy	1,927.98
04/01/20	10738	10011111.2	Jackpine Business Centers	(955.00)
04/01/20	10738	10014190.4	Jackpine Business Centers	955.00
04/01/20	10739	10011111.2	Mika Meyers PLC	(568.37)
04/01/20	10739	10014130	Mika Meyers PLC	568.37
04/01/20	10740	10011111.2	PNC Bank	(1,191.70)
04/01/20	10740	10014190.2	PNC Bank	390.00
04/01/20	10740	10014190.3	PNC Bank	280.00
04/01/20	10740	10014190.5	PNC Bank	521.70
04/01/20	10741	10011111.2	Reno & Cavanaugh PLLC	(24,490.00)
04/01/20	10741	10184130	Reno & Cavanaugh PLLC	24,490.00
04/01/20	10741	15181480	Reno & Cavanaugh PLLC	24,490.00
04/01/20	10741	15189800	Reno & Cavanaugh PLLC	(24,490.00)
04/01/20	10742	10011111.2	Servpro of Manistee, Ludington, and Cadillac	(401.90)
04/01/20	10742	10014430.06	Servpro of Manistee, Ludington, and Cadillac	401.90

**Manistee Housing Commission
Cash Disbursements Journal**

April 1, 2020 - April 30, 2020

Date	Reference	Account	Description	Amount
04/01/20	10743	10011111.2	Staples	(157.48)
04/01/20	10743	10014420	Staples	157.48
04/01/20	10744	10011111.2	US Bank Equipment Finance	(1,014.31)
04/01/20	10744	10014190.3	US Bank Equipment Finance	1,014.31
04/01/20	13345	10011111.2	CMHC - West Shore FSA	(282.69)
04/01/20	13345	10011111.3	CMHC - West Shore FSA	282.69
04/01/20	13346	10011111.2	United Steel Workers of America	(3.00)
04/01/20	13346	10012117.6	United Steel Workers of America	3.00
04/01/20	13347	10011111.2	United Steel Workers of America	(63.91)
04/01/20	13347	10012117.9	United Steel Workers of America	63.91
04/01/20	13348	10011111.2	CMHC - West Shore FSA	(282.69)
04/01/20	13348	10011111.3	CMHC - West Shore FSA	282.69
04/01/20	13349	10011111.2	United Steel Workers of America	(63.71)
04/01/20	13349	10012117.9	United Steel Workers of America	63.71
04/07/20	10745	10011111.2	██████████	(100.00)
04/07/20	10745	10012114	██████████	100.00
04/07/20	10746	10011111.2	██████████	(21.00)
04/07/20	10746	10012114	██████████	21.00
04/07/20	10747	10011111.2	AT & T	(1,222.54)
04/07/20	10747	10014185	AT & T	1,222.54
04/07/20	10748	10011111.2	Cadillac Plgb. & Htg. Supply Co., Inc.	(61.20)
04/07/20	10748	10014420	Cadillac Plgb. & Htg. Supply Co., Inc.	61.20
04/07/20	10749	10011111.2	Charter Business	(59.96)
04/07/20	10749	10014230	Charter Business	59.96
04/07/20	10750	10011111.2	City of Manistee	(4,624.55)
04/07/20	10750	10014310	City of Manistee	4,624.55
04/07/20	10751	10011111.2	Crystal Lock & Supply	(330.00)
04/07/20	10751	10014430.11	Crystal Lock & Supply	330.00
04/07/20	10752	10011111.2	Custom Sheet Metal & Heating	(723.25)
04/07/20	10752	10014430.02	Custom Sheet Metal & Heating	723.25
04/07/20	10753	10011111.2	Fastenal Company	(3,869.37)
04/07/20	10753	10014420	Fastenal Company	3,869.37
04/07/20	10754	10011111.2	H.A.A.S., Inc.	(1,496.88)
04/07/20	10754	10014170	H.A.A.S., Inc.	1,496.88
04/07/20	10755	10011111.2	Jackpine Business Centers	(179.99)
04/07/20	10755	10014190.4	Jackpine Business Centers	179.99
04/07/20	10756	10011111.2	Kushner & Company	(100.00)
04/07/20	10756	10014190.3	Kushner & Company	100.00

Manistee Housing Commission

Cash Disbursements Journal

April 1, 2020 - April 30, 2020

Date	Reference	Account	Description	Amount
04/07/20	10757	10011111.2	McCardel Water Conditioning	(33.25)
04/07/20	10757	10014190.5	McCardel Water Conditioning	33.25
04/07/20	10758	10011111.2	Nan McKay & Associates, Inc.	(239.00)
04/07/20	10758	10014190.1	Nan McKay & Associates, Inc.	239.00
04/07/20	10759	10011111.2	Next IT	(1,600.01)
04/07/20	10759	10014190.3	Next IT	1,600.01
04/07/20	10760	10011111.2	The PI Company	(13.45)
04/07/20	10760	10014190.5	The PI Company	13.45
04/07/20	10761	10011111.2	The Pioneer Group	(213.50)
04/07/20	10761	10014190.5	The Pioneer Group	213.50
04/07/20	10762	10011111.2	Republic Services	(1,379.35)
04/07/20	10762	10014430.01	Republic Services	1,379.35
04/07/20	10763	10011111.2	Schindler Elevator Corp.	(2,379.52)
04/07/20	10763	10014430.04	Schindler Elevator Corp.	2,379.52
04/07/20	10764	10011111.2	Staples	(104.94)
04/07/20	10764	10014190.4	Staples	104.94
04/07/20	10765	10011111.2	Wahr Hardware, Inc.	(837.35)
04/07/20	10765	10014420	Wahr Hardware, Inc.	837.35
04/16/20	10766	10011111.2	Alerus Retirement Solutions	(157.73)
04/16/20	10766	10012117.15	Alerus Retirement Solutions	107.90
04/16/20	10766	10012117.16	Alerus Retirement Solutions	49.83
04/16/20	10767	10011111.2	Alerus Retirement Solutions	(50.00)
04/16/20	10767	10012117.13	Alerus Retirement Solutions	50.00
04/16/20	10768	10011111.2	Alerus Retirement Solutions	(157.73)
04/16/20	10768	10012117.15	Alerus Retirement Solutions	107.90
04/16/20	10768	10012117.16	Alerus Retirement Solutions	49.83
04/16/20	10769	10011111.2	Alerus Retirement Solutions	(50.00)
04/16/20	10769	10012117.13	Alerus Retirement Solutions	50.00
04/16/20	10770	10011111.2	Blarney Castle Fleet Program	(24.99)
04/16/20	10770	10014420	Blarney Castle Fleet Program	24.99
04/16/20	10771	10011111.2	Charter Business	(125.18)
04/16/20	10771	10014185	Charter Business	125.18
04/16/20	10772	10011111.2	Ford Motor Credit	(537.55)
04/16/20	10772	10012134	Ford Motor Credit	410.30
04/16/20	10772	10014580	Ford Motor Credit	127.25
04/16/20	10772	10017512	Ford Motor Credit	410.30
04/16/20	10772	10017590	Ford Motor Credit	(410.30)
04/16/20	10773	10011111.2	Great Lakes Collection Agency	(11.07)
04/16/20	10773	10014570	Great Lakes Collection Agency	11.07
04/16/20	10774	10011111.2	Next IT	(61.00)
04/16/20	10774	10014190.3	Next IT	61.00

Manistee Housing Commission

Cash Disbursements Journal

April 1, 2020 - April 30, 2020

Date	Reference	Account	Description	Amount
04/16/20	10775	10011111.2	Olson Lumber Company	(93.16)
04/16/20	10775	10014420	Olson Lumber Company	93.16
04/29/20	13350	10011111.2	CMHC - West Shore FSA	(282.69)
04/29/20	13350	10011111.3	CMHC - West Shore FSA	282.69
			Transaction Balance	<u>0.00</u>

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Manistee Housing Commission

Cash Receipts Journal

April 1, 2020 - April 30, 2020

Date	Reference	Account	Description	Amount
04/30/20	117	10011111.2	April Cash Receipts	56,586.96
04/30/20	117	10011122	April TAR Collections	(53,372.00)
04/30/20	117	10011122.1	April Bad Debt Collections	(454.00)
04/30/20	117	10012114	April Security Deposit Collections	(310.00)
04/30/20	117	10013690.7	Management Fee Income - DVG	(833.33)
04/30/20	117	10013690.4	Laundry Income	(1,192.07)
04/30/20	117	10013690.6	Restitution - Wisniewski	(425.56)
04/30/20	118	10011111.2	Operating Subsidy	49,180.34
04/30/20	118	10013401.2	Operating Subsidy	(49,180.34)
04/30/20	119	10011111.2	NOW/Sweep Interest	127.83
04/30/20	119	10011111.3	HRA Interest	0.40
04/30/20	119	10011111.4	MM Savings Interest	9.17
04/30/20	119	10013610	Interest Income - April	(137.40)
Transaction Balance				<u>0.00</u>

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Manistee Housing Commission

Journal Entry Journal

April 1, 2020 - April 30, 2020

Date	Reference	Account	Description	Amount
04/01/20	309.1	10011690	To record April checks that cleared the bank in March.	(10,405.38)
04/01/20	309.1	10011111.2	To record April checks that cleared the bank in March.	10,405.38
04/30/20	335	10011122	To record charges to tenants per April 2020 Statement of Operations.	52,801.96
04/30/20	335	10013110	To record charges to tenants per April 2020 Statement of Operations.	(49,665.00)
04/30/20	335	10013120	To record charges to tenants per April 2020 Statement of Operations.	(611.96)
04/30/20	335	10013690	To record charges to tenants per April 2020 Statement of Operations.	(2,525.00)
04/30/20	336	10011122	To record transfers of security deposits to A/R per April 2020 Statement of Operations.	(523.00)
04/30/20	336	10012114	To record transfers of security deposits to A/R per April 2020 Statement of Operations.	523.00
04/30/20	PH1	10019998	To record units available.	214.00
04/30/20	PH1	10019999	To record units available.	(214.00)
04/30/20	PH2	10012137	To record estimated monthly PILOT expense.	(3,125.00)
04/30/20	PH2	10014520	To record estimated monthly PILOT expense.	3,125.00
04/30/20	PH3	10014800	To record estimated monthly depreciation expense.	24,055.00
04/30/20	PH3	10011400.95	To record estimated monthly depreciation expense.	(24,055.00)
04/30/20	RT1	10019996	To record units leased.	198.00
04/30/20	RT1	10019997	To record units leased.	(198.00)
04/30/20	RT2	10014510	To record monthly insurance write off.	7,535.82
04/30/20	RT2	10011211	To record monthly insurance write off.	(7,535.82)
04/30/20	RT3	10012117.12	To record HRA transactions per bank statement.	597.83
04/30/20	RT3	10011111.3	To record HRA transactions per bank statement.	(597.83)
04/30/20	RT4	10014110	To record payroll transactions per bank statement.	13,703.43
04/30/20	RT4	10014410	To record payroll transactions per bank statement.	8,161.48
04/30/20	RT4	10012117.4	To record payroll transactions per bank statement.	(2,259.68)
04/30/20	RT4	10012117.5	To record payroll transactions per bank statement.	(1,311.89)
04/30/20	RT4	10012117.9	To record payroll transactions per bank statement.	(63.71)
04/30/20	RT4	10012117.12	To record payroll transactions per bank statement.	(565.38)
04/30/20	RT4	10012117.13	To record payroll transactions per bank statement.	(100.00)
04/30/20	RT4	10012117.14	To record payroll transactions per bank statement.	(357.42)
04/30/20	RT4	10012117.15	To record payroll transactions per bank statement.	(215.80)
04/30/20	RT4	10012117.16	To record payroll transactions per bank statement.	(99.66)
04/30/20	RT4	10014182	To record payroll transactions per bank statement.	979.29
04/30/20	RT4	10014433	To record payroll transactions per bank statement.	535.75
04/30/20	RT4	10014190.3	To record payroll transactions per bank statement.	101.05
04/30/20	RT4	10011111.2	To record payroll transactions per bank statement.	(18,507.46)
04/30/20	RT5	10012117.4	To record SHWF debit for payment of health insurance per bank statement.	2,259.68
04/30/20	RT5	10014182	To record SHWF debit for payment of health insurance per bank statement.	4,754.07
04/30/20	RT5	10014433	To record SHWF debit for payment of health insurance per bank statement.	4,009.97
04/30/20	RT5	10011111.2	To record SHWF debit for payment of health insurance per bank statement.	(11,023.72)
04/30/20	RT6	10012117.5	To record MERS contribution per bank statement.	1,300.82

Manistee Housing Commission

Journal Entry Journal

April 1, 2020 - April 30, 2020

Date	Reference	Account	Description	Amount
04/30/20	RT6	10011701	To record MERS contribution per bank statement.	1,200.00
04/30/20	RT6	10011111.2	To record MERS contribution per bank statement.	(2,500.82)
04/30/20	RT7	10012117.14	To record AFLAC debit per bank statement.	357.42
04/30/20	RT7	10011111.2	To record AFLAC debit per bank statement.	(357.42)
04/30/20	RT8	10012820.00	To record adjustment to Operating Reserve to reflect current month profit or loss.	(2,509.46)
04/30/20	RT8	10012820.01	To record adjustment to Operating Reserve to reflect current month profit or loss.	2,509.46
Transaction Balance				0.00

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Manistee Housing Commission

General Ledger

April 1, 2020 - April 30, 2020

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
10011111.2	NOW Account			621,159.35		
04/01/20	309.1	3	To record April checks that cleared the bank in March.		10,405.38	
04/01/20	10709	2	Consumers Energy		(30.00)	
04/01/20	10710	2	Consumers Energy		(39.50)	
04/01/20	10711	2	DTE Energy		(39.50)	
04/01/20	10712	2	Consumers Energy		(53.00)	
04/01/20	10713	2	Consumers Energy		(61.66)	
04/01/20	10714	2	Consumers Energy		(61.66)	
04/01/20	10715	2	Reserve Account		(700.00)	
04/01/20	10716	2	Alerus Retirement Solutions		(157.73)	
04/01/20	10717	2	Alerus Retirement Solutions		(50.00)	
04/01/20	10718	2	AmTrust North America Inc		(570.00)	
04/01/20	10719	2	AT & T Long Distance		(750.44)	
04/01/20	10720	2	AT & T Mobility		(1,623.47)	
04/01/20	10721	2	Byline Bank		(9,378.09)	
04/01/20	10722	2	CDM Mobile Shredding, Inc.		(45.00)	
04/01/20	10723	2	Consumers Energy		(8,659.67)	
04/01/20	10724	2	DTE Energy		(3,360.29)	
04/01/20	10725	2	Ford Credit		(481.03)	
04/01/20	10726	2	Griffin Pest Solutions		(3,559.00)	
04/01/20	10727	2	HD Supply Facilities Mtce		(255.82)	
04/01/20	10728	2	Principal Financial Group		(1,408.64)	
04/01/20	10729	2	Servpro of Manistee, Ludington, and Cadillac		(120.00)	
04/01/20	10730	2	Staples		(243.74)	
04/01/20	10731	2	Sun Life Financial		(643.19)	
04/01/20	10732	2	VSP		(269.16)	
04/01/20	10733	2	[REDACTED]		(100.00)	
04/01/20	10734	2	[REDACTED]		(200.00)	
04/01/20	10735	2	[REDACTED]		(50.00)	
04/01/20	10736	2	[REDACTED]		(200.00)	
04/01/20	10737	2	Consumers Energy		(1,927.98)	
04/01/20	10738	2	Jackpine Business Centers		(955.00)	
04/01/20	10739	2	Mika Meyers PLC		(568.37)	
04/01/20	10740	2	PNC Bank		(1,191.70)	
04/01/20	10741	2	Reno & Cavanaugh PLLC		(24,490.00)	
04/01/20	10742	2	Servpro of Manistee, Ludington, and Cadillac		(401.90)	
04/01/20	10743	2	Staples		(157.48)	
04/01/20	10744	2	US Bank Equipment Finance		(1,014.31)	
04/01/20	13345	2	CMHC - West Shore FSA		(282.69)	
04/01/20	13346	2	United Steel Workers of America		(3.00)	
04/01/20	13347	2	United Steel Workers of America		(63.91)	
04/01/20	13348	2	CMHC - West Shore FSA		(282.69)	
04/01/20	13349	2	United Steel Workers of America		(63.71)	
04/07/20	10745	2	[REDACTED]		(100.00)	
04/07/20	10746	2	[REDACTED]		(21.00)	
04/07/20	10747	2	AT & T		(1,222.54)	
04/07/20	10748	2	Cadillac Plgb. & Htg. Supply Co., Inc.		(61.20)	
04/07/20	10749	2	Charter Business		(59.96)	
04/07/20	10750	2	City of Manistee		(4,624.55)	
04/07/20	10751	2	Crystal Lock & Supply		(330.00)	
04/07/20	10752	2	Custom Sheet Metal & Heating		(723.25)	
04/07/20	10753	2	Fastenal Company		(3,869.37)	
04/07/20	10754	2	H.A.A.S., Inc.		(1,496.88)	
04/07/20	10755	2	Jackpine Business Centers		(179.99)	
04/07/20	10756	2	Kushner & Company		(100.00)	
04/07/20	10757	2	McCardel Water Conditioning		(33.25)	

Manistee Housing Commission

General Ledger

April 1, 2020 - April 30, 2020

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
04/07/20	10758	2	Nan McKay & Associates, Inc.		(239.00)	
04/07/20	10759	2	Next IT		(1,600.01)	
04/07/20	10760	2	The PI Company		(13.45)	
04/07/20	10761	2	The Pioneer Group		(213.50)	
04/07/20	10762	2	Republic Services		(1,379.35)	
04/07/20	10763	2	Schindler Elevator Corp.		(2,379.52)	
04/07/20	10764	2	Staples		(104.94)	
04/07/20	10765	2	Wahr Hardware, Inc.		(837.35)	
04/16/20	10766	2	Alerus Retirement Solutions		(157.73)	
04/16/20	10767	2	Alerus Retirement Solutions		(50.00)	
04/16/20	10768	2	Alerus Retirement Solutions		(157.73)	
04/16/20	10769	2	Alerus Retirement Solutions		(50.00)	
04/16/20	10770	2	Blarney Castle Fleet Program		(24.99)	
04/16/20	10771	2	Charter Business		(125.18)	
04/16/20	10772	2	Ford Motor Credit		(537.55)	
04/16/20	10773	2	Great Lakes Collection Agency		(11.07)	
04/16/20	10774	2	Next IT		(61.00)	
04/16/20	10775	2	Olson Lumber Company		(93.16)	
04/29/20	13350	2	CMHC - West Shore FSA		(282.69)	
04/30/20	117	1	April Cash Receipts		56,586.96	
04/30/20	118	1	Operating Subsidy		49,180.34	
04/30/20	119	1	NOW/Sweep Interest		127.83	
04/30/20	RT4	3	To record payroll transactions per bank statement.		(18,507.46)	
04/30/20	RT5	3	To record SHWF debit for payment of health insurance per bank statement.		(11,023.72)	
04/30/20	RT6	3	To record MERS contribution per bank statement.		(2,500.82)	
04/30/20	RT7	3	To record AFLAC debit per bank statement.		(357.42)	
			Totals for 10011111.2		<u>(1,742.45)</u>	<u>619,416.90</u>
10011111.3	HRA Account			10,433.16		
04/01/20	13345	2	CMHC - West Shore FSA		282.69	
04/01/20	13348	2	CMHC - West Shore FSA		282.69	
04/29/20	13350	2	CMHC - West Shore FSA		282.69	
04/30/20	119	1	HRA Interest		0.40	
04/30/20	RT3	3	To record HRA transactions per bank statement.		(597.83)	
			Totals for 10011111.3		<u>250.64</u>	<u>10,683.80</u>
10011111.4	Money Market Savings			55,956.30		
04/30/20	119	1	MM Savings Interest		9.17	
			Totals for 10011111.4		<u>9.17</u>	<u>55,965.47</u>
10011117	Petty Cash Fund			250.00		
			Totals for 10011117		<u>0.00</u>	<u>250.00</u>
10011118	Change Fund			50.00		
			Totals for 10011118		<u>0.00</u>	<u>50.00</u>
10011122	Tenants Accounts Receivable			6,815.87		
04/01/20	10709	2	Consumers Energy		30.00	
04/01/20	10710	2	Consumers Energy		39.50	
04/01/20	10711	2	DTE Energy		39.50	
04/01/20	10712	2	Consumers Energy		53.00	
04/01/20	10713	2	Consumers Energy		61.66	
04/01/20	10714	2	Consumers Energy		61.66	
04/30/20	117	1	April TAR Collections		(53,372.00)	

Manistee Housing Commission

General Ledger

April 1, 2020 - April 30, 2020

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
04/30/20	335	3	To record charges to tenants per April 2020 Statement of Operations.		52,801.96	
04/30/20	336	3	To record transfers of security deposits to A/R per April 2020 Statement of Operations.		<u>(523.00)</u>	
			Totals for 10011122		<u>(807.72)</u>	<u>6,008.15</u>
10011122.1	Allowance for Doubtful Accounts-TAR			(5,170.31)		
04/30/20	117	1	April Bad Debt Collections		<u>(454.00)</u>	
			Totals for 10011122.1		<u>(454.00)</u>	<u>(5,624.31)</u>
10011129	Accounts Receivable-Other			2,521.50		
			Totals for 10011129		<u>0.00</u>	<u>2,521.50</u>
10011211	Prepaid Insurance			16,129.51		
04/30/20	RT2	3	To record monthly insurance write off.		<u>(7,535.82)</u>	
			Totals for 10011211		<u>(7,535.82)</u>	<u>8,593.69</u>
10011400	Construction in Progress-CFP			5,296.95		
			Totals for 10011400		<u>0.00</u>	<u>5,296.95</u>
10011400.6	Land			360,271.62		
			Totals for 10011400.6		<u>0.00</u>	<u>360,271.62</u>
10011400.61	Land Improvements			89,807.07		
			Totals for 10011400.61		<u>0.00</u>	<u>89,807.07</u>
10011400.7	Buildings			4,657,515.77		
			Totals for 10011400.7		<u>0.00</u>	<u>4,657,515.77</u>
10011400.71	Building Improvements			5,467,684.26		
			Totals for 10011400.71		<u>0.00</u>	<u>5,467,684.26</u>
10011400.72	Non-dwelling Structures			8,525.00		
			Totals for 10011400.72		<u>0.00</u>	<u>8,525.00</u>
10011400.8	Furn., Equip., Mach.-Dwellings			274,977.59		
			Totals for 10011400.8		<u>0.00</u>	<u>274,977.59</u>
10011400.9	Furn., Equip., Mach.-Admin			338,865.61		
			Totals for 10011400.9		<u>0.00</u>	<u>338,865.61</u>
10011400.95	Accumulated Depreciation-ALL			(8,853,507.33)		
04/30/20	PH3	3	To record estimated monthly depreciation expense.		<u>(24,055.00)</u>	
			Totals for 10011400.95		<u>(24,055.00)</u>	<u>(8,877,562.33)</u>
10011690	Undistributed Debits			10,405.38		
04/01/20	309.1	3	To record April checks that cleared the bank in March.		<u>(10,405.38)</u>	
			Totals for 10011690		<u>(10,405.38)</u>	<u>0.00</u>
10011701	Deferred Outflows			56,884.96		
04/30/20	RT6	3	To record MERS contribution per bank statement.		<u>1,200.00</u>	
			Totals for 10011701		<u>1,200.00</u>	<u>58,084.96</u>
10012111	Vendors and Contractors			(42,347.30)		
			Totals for 10012111		<u>0.00</u>	<u>(42,347.30)</u>

Manistee Housing Commission

General Ledger

April 1, 2020 - April 30, 2020

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
10012114	Tenant Security Deposits			(50,334.00)		
04/07/20	10745	2	██████████		100.00	
04/07/20	10746	2	██████████		21.00	
04/30/20	117	1	April Security Deposit Collections		(310.00)	
04/30/20	336	3	To record transfers of security deposits to A/R per April 2020 Statement of Operations.		<u>523.00</u>	
			Totals for 10012114		<u>334.00</u>	<u>(50,000.00)</u>
10012117.12	FSA Withheld			(1,020.12)		
04/30/20	RT3	3	To record HRA transactions per bank statement.		597.83	
04/30/20	RT4	3	To record payroll transactions per bank statement.		<u>(565.38)</u>	
			Totals for 10012117.12		<u>32.45</u>	<u>(987.67)</u>
10012117.13	MERS HCSP Withheld			(100.00)		
04/01/20	10717	2	Alerus Retirement Solutions		50.00	
04/16/20	10767	2	Alerus Retirement Solutions		50.00	
04/16/20	10769	2	Alerus Retirement Solutions		50.00	
04/30/20	RT4	3	To record payroll transactions per bank statement.		<u>(100.00)</u>	
			Totals for 10012117.13		<u>50.00</u>	<u>(50.00)</u>
10012117.14	AFLAC Pre-Tax			(534.87)		
04/30/20	RT4	3	To record payroll transactions per bank statement.		(357.42)	
04/30/20	RT7	3	To record AFLAC debit per bank statement.		<u>357.42</u>	
			Totals for 10012117.14		<u>0.00</u>	<u>(534.87)</u>
10012117.15	MERS 457			(215.80)		
04/01/20	10716	2	Alerus Retirement Solutions		107.90	
04/16/20	10766	2	Alerus Retirement Solutions		107.90	
04/16/20	10768	2	Alerus Retirement Solutions		107.90	
04/30/20	RT4	3	To record payroll transactions per bank statement.		<u>(215.80)</u>	
			Totals for 10012117.15		<u>107.90</u>	<u>(107.90)</u>
10012117.16	Roth 457			(99.66)		
04/01/20	10716	2	Alerus Retirement Solutions		49.83	
04/16/20	10766	2	Alerus Retirement Solutions		49.83	
04/16/20	10768	2	Alerus Retirement Solutions		49.83	
04/30/20	RT4	3	To record payroll transactions per bank statement.		<u>(99.66)</u>	
			Totals for 10012117.16		<u>49.83</u>	<u>(49.83)</u>
10012117.4	125 Medical Withheld			0.00		
04/30/20	RT4	3	To record payroll transactions per bank statement.		(2,259.68)	
04/30/20	RT5	3	To record SHWF debit for payment of health insurance per bank statement.		<u>2,259.68</u>	
			Totals for 10012117.4		<u>0.00</u>	<u>0.00</u>
10012117.5	Pension Withheld			(1,954.82)		
04/30/20	RT4	3	To record payroll transactions per bank statement.		(1,311.89)	
04/30/20	RT6	3	To record MERS contribution per bank statement.		<u>1,300.82</u>	
			Totals for 10012117.5		<u>(11.07)</u>	<u>(1,965.89)</u>
10012117.6	PAC Withheld			(3.00)		

Manistee Housing Commission

General Ledger

April 1, 2020 - April 30, 2020

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
04/01/20	13346	2	United Steel Workers of America		3.00	
			Totals for 10012117.6		<u>3.00</u>	<u>0.00</u>
10012117.9	Union Dues Withheld			(63.91)		
04/01/20	13347	2	United Steel Workers of America		63.91	
04/01/20	13349	2	United Steel Workers of America		63.71	
04/30/20	RT4	3	To record payroll transactions per bank statement.		<u>(63.71)</u>	
			Totals for 10012117.9		<u>63.91</u>	<u>0.00</u>
10012119.2	Interfund Payable - DVG			(935.90)		
			Totals for 10012119.2		<u>0.00</u>	<u>(935.90)</u>
10012131	EPC Loan - Current			(38,468.14)		
04/01/20	10721	2	Byline Bank		4,000.12	
			Totals for 10012131		<u>4,000.12</u>	<u>(34,468.02)</u>
10012132	EPC Loan - Noncurrent			(930,012.94)		
			Totals for 10012132		<u>0.00</u>	<u>(930,012.94)</u>
10012133	Capital Lease - 2016 F250 - Current			(4,161.61)		
04/01/20	10725	2	Ford Credit		453.31	
			Totals for 10012133		<u>453.31</u>	<u>(3,708.30)</u>
10012134	Capital Lease - 2019 F250 - Current			(3,770.56)		
04/16/20	10772	2	Ford Motor Credit		410.30	
			Totals for 10012134		<u>410.30</u>	<u>(3,360.26)</u>
10012135	Accrued Salaries and Wages			(4,690.91)		
			Totals for 10012135		<u>0.00</u>	<u>(4,690.91)</u>
10012135.1	Accrued Comp. Absences-Current			(25,901.49)		
			Totals for 10012135.1		<u>0.00</u>	<u>(25,901.49)</u>
10012135.3	Accrued Comp. Absences-Non Current			(17,428.46)		
			Totals for 10012135.3		<u>0.00</u>	<u>(17,428.46)</u>
10012137	Payments in Lieu of Taxes			(48,353.62)		
04/30/20	PH2	3	To record estimated monthly PILOT expense.		<u>(3,125.00)</u>	
			Totals for 10012137		<u>(3,125.00)</u>	<u>(51,478.62)</u>
10012138	Net Pension Liability			(71,206.00)		
			Totals for 10012138		<u>0.00</u>	<u>(71,206.00)</u>
10012139	Capital Lease - 2016 F250 - Non Current			(1,429.61)		
			Totals for 10012139		<u>0.00</u>	<u>(1,429.61)</u>
10012140	Capital Lease - 2019 F250 - Non Current			(20,661.71)		
			Totals for 10012140		<u>0.00</u>	<u>(20,661.71)</u>
10012701	Deferred Inflows			(284.00)		
			Totals for 10012701		<u>0.00</u>	<u>(284.00)</u>
10012806	Unrestricted Net Position			(487,120.70)		
			Totals for 10012806		<u>0.00</u>	<u>(487,120.70)</u>
10012806.1	Invested in Capital Assets			(1,401,805.50)		
			Totals for 10012806.1		<u>0.00</u>	<u>(1,401,805.50)</u>

**Manistee Housing Commission
General Ledger**

April 1, 2020 - April 30, 2020

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
10012820.00	HUD Operating Reserve - Memo			(485,471.86)		
04/30/20	RT8 3		To record adjustment to Operating Reserve to reflect current month profit or loss.		(2,509.46)	
			Totals for 10012820.00		<u>(2,509.46)</u>	<u>(487,981.32)</u>
10012820.01	HUD Operating Reserve-Contra			485,471.86		
04/30/20	RT8 3		To record adjustment to Operating Reserve to reflect current month profit or loss.		2,509.46	
			Totals for 10012820.01		<u>2,509.46</u>	<u>487,981.32</u>
10013110	Dwelling Rental Revenue			(149,185.00)		
04/30/20	335 3		To record charges to tenants per April 2020 Statement of Operations.		(49,665.00)	
			Totals for 10013110		<u>(49,665.00)</u>	<u>(198,850.00)</u>
10013120	Tenant Revenue - Excess Utilities			(1,817.06)		
04/30/20	335 3		To record charges to tenants per April 2020 Statement of Operations.		(611.96)	
			Totals for 10013120		<u>(611.96)</u>	<u>(2,429.02)</u>
10013401.2	Operating Subsidy			(147,541.00)		
04/30/20	118 1		Operating Subsidy		(49,180.34)	
			Totals for 10013401.2		<u>(49,180.34)</u>	<u>(196,721.34)</u>
10013610	Interest Income			(416.14)		
04/30/20	119 1		Interest Income - April		(137.40)	
			Totals for 10013610		<u>(137.40)</u>	<u>(553.54)</u>
10013690	Tenant Revenue - Other			(4,386.87)		
04/30/20	335 3		To record charges to tenants per April 2020 Statement of Operations.		(2,525.00)	
			Totals for 10013690		<u>(2,525.00)</u>	<u>(6,911.87)</u>
10013690.1	Other Revenue			(91.32)		
			Totals for 10013690.1		<u>0.00</u>	<u>(91.32)</u>
10013690.4	Laundry Revenue			(3,691.91)		
04/30/20	117 1		Laundry Income		(1,192.07)	
			Totals for 10013690.4		<u>(1,192.07)</u>	<u>(4,883.98)</u>
10013690.6	Fraud Recovery Revenue			(638.34)		
04/30/20	117 1		Restitution - Wisniewski		(425.56)	
			Totals for 10013690.6		<u>(425.56)</u>	<u>(1,063.90)</u>
10013690.7	Management Fee - DVG			(2,499.00)		
04/30/20	117 1		Management Fee Income - DVG		(833.33)	
			Totals for 10013690.7		<u>(833.33)</u>	<u>(3,332.33)</u>
10014110	Administrative Wages			48,123.28		
04/30/20	RT4 3		To record payroll transactions per bank statement.		13,703.43	
			Totals for 10014110		<u>13,703.43</u>	<u>61,826.71</u>
10014130	Legal Expense			1,272.75		
04/01/20	10739 2		Mika Meyers PLC		568.37	
			Totals for 10014130		<u>568.37</u>	<u>1,841.12</u>

Manistee Housing Commission

General Ledger

April 1, 2020 - April 30, 2020

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
10014170	Accounting Fees			2,465.64		
04/07/20	10754	2	H.A.A.S., Inc.		1,496.88	
			Totals for 10014170		<u>1,496.88</u>	<u>3,962.52</u>
10014182	Employee Benefits - Admin			22,523.64		
04/01/20	10728	2	Principal Financial Group		804.78	
04/01/20	10731	2	Sun Life Financial		400.43	
04/01/20	10732	2	VSP		145.29	
04/30/20	RT4	3	To record payroll transactions per bank statement.		979.29	
04/30/20	RT5	3	To record SHWF debit for payment of health insurance per bank statement.		4,754.07	
			Totals for 10014182		<u>7,083.86</u>	<u>29,607.50</u>
10014185	Telephone			7,212.94		
04/01/20	10719	2	AT & T Long Distance		750.44	
04/01/20	10720	2	AT & T Mobility		1,623.47	
04/07/20	10747	2	AT & T		1,222.54	
04/16/20	10771	2	Charter Business		125.18	
			Totals for 10014185		<u>3,721.63</u>	<u>10,934.57</u>
10014190.1	Publications			0.00		
04/07/20	10758	2	Nan McKay & Associates, Inc.		239.00	
			Totals for 10014190.1		<u>239.00</u>	<u>239.00</u>
10014190.2	Membership Dues and Fees			1,724.00		
04/01/20	10740	2	PNC Bank		390.00	
			Totals for 10014190.2		<u>390.00</u>	<u>2,114.00</u>
10014190.3	Admin Service Contracts			10,517.87		
04/01/20	10722	2	CDM Mobile Shredding, Inc.		45.00	
04/01/20	10740	2	PNC Bank		280.00	
04/01/20	10744	2	US Bank Equipment Finance		1,014.31	
04/07/20	10756	2	Kushner & Company		100.00	
04/07/20	10759	2	Next IT		1,600.01	
04/16/20	10774	2	Next IT		61.00	
04/30/20	RT4	3	To record payroll transactions per bank statement.		101.05	
			Totals for 10014190.3		<u>3,201.37</u>	<u>13,719.24</u>
10014190.4	Office Supplies			2,159.95		
04/01/20	10730	2	Staples		13.20	
04/01/20	10738	2	Jackpine Business Centers		955.00	
04/07/20	10755	2	Jackpine Business Centers		179.99	
04/07/20	10764	2	Staples		104.94	
			Totals for 10014190.4		<u>1,253.13</u>	<u>3,413.08</u>
10014190.5	Other Sundry-Misc.			1,823.74		
04/01/20	10715	2	Reserve Account		700.00	
04/01/20	10740	2	PNC Bank		521.70	
04/07/20	10757	2	McCardel Water Conditioning		33.25	
04/07/20	10760	2	The PI Company		13.45	
04/07/20	10761	2	The Pioneer Group		213.50	
			Totals for 10014190.5		<u>1,481.90</u>	<u>3,305.64</u>
10014221	Resident Employee Stipend			1,650.00		
04/01/20	10733	2	██████████		100.00	
04/01/20	10734	2	██████████		200.00	
04/01/20	10735	2	██████████		50.00	

Manistee Housing Commission

General Ledger

April 1, 2020 - April 30, 2020

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
04/01/20	10736	2	██████████		200.00	
			Totals for 10014221		<u>550.00</u>	<u>2,200.00</u>
10014230	Contract Costs-Cable & Other			179.87		
04/07/20	10749	2	Charter Business		59.96	
			Totals for 10014230		<u>59.96</u>	<u>239.83</u>
10014310	Water & Sewer			13,920.61		
04/07/20	10750	2	City of Manistee		4,624.55	
			Totals for 10014310		<u>4,624.55</u>	<u>18,545.16</u>
10014320	Electricity			31,962.99		
04/01/20	10723	2	Consumers Energy		8,659.67	
04/01/20	10737	2	Consumers Energy		1,927.98	
			Totals for 10014320		<u>10,587.65</u>	<u>42,550.64</u>
10014330	Gas			9,984.59		
04/01/20	10724	2	DTE Energy		3,360.29	
			Totals for 10014330		<u>3,360.29</u>	<u>13,344.88</u>
10014410	Maintenance Wages			29,220.68		
04/30/20	RT4	3	To record payroll transactions per bank statement.		8,161.48	
			Totals for 10014410		<u>8,161.48</u>	<u>37,382.16</u>
10014420	Materials			11,736.38		
04/01/20	10727	2	HD Supply Facilities Mtce		255.82	
04/01/20	10730	2	Staples		230.54	
04/01/20	10743	2	Staples		157.48	
04/07/20	10748	2	Cadillac Plgb. & Htg. Supply Co., Inc.		61.20	
04/07/20	10753	2	Fastenal Company		3,869.37	
04/07/20	10765	2	Wahr Hardware, Inc.		837.35	
04/16/20	10770	2	Blarney Castle Fleet Program		24.99	
04/16/20	10775	2	Olson Lumber Company		93.16	
			Totals for 10014420		<u>5,529.91</u>	<u>17,266.29</u>
10014430.01	Garbage Removal			4,429.63		
04/07/20	10762	2	Republic Services		1,379.35	
			Totals for 10014430.01		<u>1,379.35</u>	<u>5,808.98</u>
10014430.02	Heating & Cooling Contracts			1,757.39		
04/07/20	10752	2	Custom Sheet Metal & Heating		723.25	
			Totals for 10014430.02		<u>723.25</u>	<u>2,480.64</u>
10014430.04	Elevator Contracts			12,069.06		
04/07/20	10763	2	Schindler Elevator Corp.		2,379.52	
			Totals for 10014430.04		<u>2,379.52</u>	<u>14,448.58</u>
10014430.06	Unit Turnaround Contracts			4,099.00		
04/01/20	10742	2	Servpro of Manistee, Ludington, and Cadillac		401.90	
			Totals for 10014430.06		<u>401.90</u>	<u>4,500.90</u>
10014430.08	Plumbing Contracts			1,291.99		
			Totals for 10014430.08		<u>0.00</u>	<u>1,291.99</u>
10014430.09	Extermination Contracts			6,935.00		
04/01/20	10726	2	Griffin Pest Solutions		3,559.00	
			Totals for 10014430.09		<u>3,559.00</u>	<u>10,494.00</u>

**Manistee Housing Commission
General Ledger**

April 1, 2020 - April 30, 2020

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
10014430.11	Routine Maintenance Contracts			138.00		
04/07/20	10751	2	Crystal Lock & Supply		330.00	
			Totals for 10014430.11		<u>330.00</u>	<u>468.00</u>
10014430.12	Miscellaneous Contracts			606.20		
04/01/20	10729	2	Servpro of Manistee, Ludington, and Cadillac		120.00	
			Totals for 10014430.12		<u>120.00</u>	<u>726.20</u>
10014433	Employee Benefits - Maint.			17,651.83		
04/01/20	10728	2	Principal Financial Group		603.86	
04/01/20	10731	2	Sun Life Financial		242.76	
04/01/20	10732	2	VSP		123.87	
04/30/20	RT4	3	To record payroll transactions per bank statement.		535.75	
04/30/20	RT5	3	To record SHWF debit for payment of health insurance per bank statement.		4,009.97	
			Totals for 10014433		<u>5,516.21</u>	<u>23,168.04</u>
10014510	Insurance			24,317.46		
04/01/20	10718	2	AmTrust North America Inc		570.00	
04/30/20	RT2	3	To record monthly insurance write off.		7,535.82	
			Totals for 10014510		<u>8,105.82</u>	<u>32,423.28</u>
10014520	Payment in Lieu of Taxes			9,375.00		
04/30/20	PH2	3	To record estimated monthly PILOT expense.		3,125.00	
			Totals for 10014520		<u>3,125.00</u>	<u>12,500.00</u>
10014570	Collection Losses			19.69		
04/16/20	10773	2	Great Lakes Collection Agency		11.07	
			Totals for 10014570		<u>11.07</u>	<u>30.76</u>
10014580	Interest Expense			16,751.78		
04/01/20	10721	2	Byline Bank		5,377.97	
04/01/20	10725	2	Ford Credit		27.72	
04/16/20	10772	2	Ford Motor Credit		127.25	
			Totals for 10014580		<u>5,532.94</u>	<u>22,284.72</u>
10014800	Depreciation - Current Year			72,165.00		
04/30/20	PH3	3	To record estimated monthly depreciation expense.		24,055.00	
			Totals for 10014800		<u>24,055.00</u>	<u>96,220.00</u>
10017510	Principal Payments - EPC			11,873.51		
04/01/20	10721	2	Byline Bank		4,000.12	
			Totals for 10017510		<u>4,000.12</u>	<u>15,873.63</u>
10017511	Principal Payments - 2016 F250			1,346.54		
04/01/20	10725	2	Ford Credit		453.31	
			Totals for 10017511		<u>453.31</u>	<u>1,799.85</u>
10017512	Principal Payments - 2019 F250			1,218.18		
04/16/20	10772	2	Ford Motor Credit		410.30	
			Totals for 10017512		<u>410.30</u>	<u>1,628.48</u>
10017520	Replacement of Equipment			1,556.29		
			Totals for 10017520		<u>0.00</u>	<u>1,556.29</u>

Manistee Housing Commission

General Ledger

April 1, 2020 - April 30, 2020

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
10017590	Operating Expenditures-Contra			(15,994.52)		
04/01/20	10721	2	Byline Bank		(4,000.12)	
04/01/20	10725	2	Ford Credit		(453.31)	
04/16/20	10772	2	Ford Motor Credit		(410.30)	
			Totals for 10017590		<u>(4,863.73)</u>	<u>(20,858.25)</u>
10019996	Unit Months Leased			607.00		
04/30/20	RT1	3	To record units leased.		198.00	
			Totals for 10019996		<u>198.00</u>	<u>805.00</u>
10019997	Unit Months Leased - Contra			(607.00)		
04/30/20	RT1	3	To record units leased.		(198.00)	
			Totals for 10019997		<u>(198.00)</u>	<u>(805.00)</u>
10019998	Unit Months Available			642.00		
04/30/20	PH1	3	To record units available.		214.00	
			Totals for 10019998		<u>214.00</u>	<u>856.00</u>
10019999	Unit Months Available - Contra			(642.00)		
04/30/20	PH1	3	To record units available.		(214.00)	
			Totals for 10019999		<u>(214.00)</u>	<u>(856.00)</u>
10183401.1	Operating Grants			(46,101.65)		
			Totals for 10183401.1		<u>0.00</u>	<u>(46,101.65)</u>
10183401.3	Capital Grants			(5,296.95)		
			Totals for 10183401.3		<u>0.00</u>	<u>(5,296.95)</u>
10184130	Legal Expense			0.00		
04/01/20	10741	2	Reno & Cavanaugh PLLC		24,490.00	
			Totals for 10184130		<u>24,490.00</u>	<u>24,490.00</u>
10184185	Telephone			89.98		
			Totals for 10184185		<u>0.00</u>	<u>89.98</u>
10184190.3	Administrative Service Contracts			19,867.03		
			Totals for 10184190.3		<u>0.00</u>	<u>19,867.03</u>
10184190.5	Other Sundry-Misc.			915.75		
			Totals for 10184190.5		<u>0.00</u>	<u>915.75</u>
10184430.04	Elevator Contracts			738.89		
			Totals for 10184430.04		<u>0.00</u>	<u>738.89</u>
15181406	Operations			65,986.80		
			Totals for 15181406		<u>0.00</u>	<u>65,986.80</u>
15181408	Management Improvement			32,368.22		
			Totals for 15181408		<u>0.00</u>	<u>32,368.22</u>
15181410	Administration			32,993.40		
			Totals for 15181410		<u>0.00</u>	<u>32,993.40</u>
15181480	General Capital Activity			132,428.02		
04/01/20	10741	2	Reno & Cavanaugh PLLC		24,490.00	
			Totals for 15181480		<u>24,490.00</u>	<u>156,918.02</u>
15181600	Grant Funding			288,266.44		

Manistee Housing Commission

General Ledger

April 1, 2020 - April 30, 2020

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
			Totals for 15181600		<u>0.00</u>	<u>288,266.44</u>
15181699	Grant Funding Contra			(288,266.44)		
			Totals for 15181699		<u>0.00</u>	<u>(288,266.44)</u>
15189800	Grant Cost Contra			(263,776.44)		
04/01/20	10741	2	Reno & Cavanaugh PLLC		(24,490.00)	
			Totals for 15189800		<u>(24,490.00)</u>	<u>(288,266.44)</u>
15191406	Operations			65,986.80		
			Totals for 15191406		<u>0.00</u>	<u>65,986.80</u>
15191480	General Capital Activity			2,065.00		
			Totals for 15191480		<u>0.00</u>	<u>2,065.00</u>
15191600	Grant Funding			68,051.80		
			Totals for 15191600		<u>0.00</u>	<u>68,051.80</u>
15191699	Grant Funding Contra			(68,051.80)		
			Totals for 15191699		<u>0.00</u>	<u>(68,051.80)</u>
15199800	Grant Cost Contra			(68,051.80)		
			Totals for 15199800		<u>0.00</u>	<u>(68,051.80)</u>
			Report Total			<u>0.00</u>
Net Profit/(Loss)						
Current Period					<u>(41,171.81)</u>	
Year-to-Date					<u>(69,204.18)</u>	

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Manistee Housing Commission
Bank Account Reconciliation Transmittal

Public Housing Checking - 851620

April 1, 2020 - April 30, 2020

General Ledger

Balance per General Ledger (Account 10011111.2) at 04/01/20	621,159.35
Activity for the month:	
Total Debits (Deposits and Additions)	116,300.51
Total Credits (Checks and Payments)	<u>(118,042.96)</u>
Unadjusted General Ledger Balance at 04/30/20	619,416.90
Total Adjustments	<u>0.00</u>
Reconciled General Ledger Balance at 04/30/20	<u><u>619,416.90</u></u>

Bank

Balance per Bank Statement at 04/30/20	620,835.95
Total Additions (Deposits and Additions in Transit)	0.00
Total Subtractions (Checks and Payments in Transit)	(1,419.05)
Total Bank Errors	<u>0.00</u>
Adjusted Bank Balance at 04/30/20	<u><u>619,416.90</u></u>

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**Manistee Housing Commission
Bank Account Reconciliation Worksheet**

Public Housing Checking
April 1, 2020 - April 30, 2020

Reference	Date	GL Account	Description	Amount
Bank Statement Information				
			Beginning Bank Balance	621,715.57
Cleared Deposits & Additions				
117	04/30/20	Multiple	April Cash Receipts	56,586.96
118	04/30/20	10013401.2	Operating Subsidy	49,180.34
119	04/30/20	Multiple	NOW/Sweep Interest	127.83
309.1	04/01/20		To record April checks that cleared the bank in March.	10,405.38
			Total	116,300.51
			Statement Total	116,300.51
			Difference	0.00
Cleared Checks & Payments				
10655	03/01/20	10014190.5	Cindy Scott	6.95
10699	03/11/20	Multiple	McCardel Water Conditioning	33.25
10702	03/11/20	10014190.5	The PI Company	85.25
10709	04/01/20	10011122	Consumers Energy	30.00
10710	04/01/20	10011122	Consumers Energy	39.50
10711	04/01/20	10011122	DTE Energy	39.50
10712	04/01/20	10011122	Consumers Energy	53.00
10713	04/01/20	10011122	Consumers Energy	61.66
10714	04/01/20	10011122	Consumers Energy	61.66
10715	04/01/20	10014190.5	Reserve Account	700.00
10716	04/01/20	Multiple	Alerus Retirement Solutions	157.73
10717	04/01/20	10012117.13	Alerus Retirement Solutions	50.00
10718	04/01/20	10014510	AmTrust North America Inc	570.00
10719	04/01/20	10014185	AT & T Long Distance	750.44
10720	04/01/20	10014185	AT & T Mobility	1,623.47
10721	04/01/20	Multiple	Byline Bank	9,378.09
10722	04/01/20	10014190.3	CDM Mobile Shredding, Inc.	45.00
10723	04/01/20	10014320	Consumers Energy	8,659.67
10724	04/01/20	10014330	DTE Energy	3,360.29
10725	04/01/20	Multiple	Ford Credit	481.03
10726	04/01/20	10014430.09	Griffin Pest Solutions	3,559.00
10727	04/01/20	10014420	HD Supply Facilities Mtce	255.82
10728	04/01/20	Multiple	Principal Financial Group	1,408.64
10729	04/01/20	10014430.12	Servpro of Manistee, Ludington, and Cadillac	120.00
10730	04/01/20	Multiple	Staples	243.74
10731	04/01/20	Multiple	Sun Life Financial	643.19
10732	04/01/20	Multiple	VSP	269.16
10733	04/01/20	10014221	[REDACTED]	100.00
10734	04/01/20	10014221	[REDACTED]	200.00
10735	04/01/20	10014221	[REDACTED]	50.00
10736	04/01/20	10014221	[REDACTED]	200.00
10737	04/01/20	10014320	Consumers Energy	1,927.98
10738	04/01/20	10014190.4	Jackpine Business Centers	955.00
10739	04/01/20	10014130	Mika Meyers PLC	568.37
10740	04/01/20	Multiple	PNC Bank	1,191.70
10741	04/01/20	Multiple	Reno & Cavanaugh PLLC	24,490.00
10742	04/01/20	10014430.06	Servpro of Manistee, Ludington, and Cadillac	401.90
10743	04/01/20	10014420	Staples	157.48
10744	04/01/20	10014190.3	US Bank Equipment Finance	1,014.31
10747	04/07/20	10014185	AT & T	1,222.54
10748	04/07/20	10014420	Cadillac Plgb. & Htg. Supply Co., Inc.	61.20
10749	04/07/20	10014230	Charter Business	59.96
10750	04/07/20	10014310	City of Manistee	4,624.55
10751	04/07/20	10014430.11	Crystal Lock & Supply	330.00
10752	04/07/20	10014430.02	Custom Sheet Metal & Heating	723.25
10753	04/07/20	10014420	Fastenal Company	3,869.37

**Manistee Housing Commission
Bank Account Reconciliation Worksheet**

Public Housing Checking
April 1, 2020 - April 30, 2020

Reference	Date	GL Account	Description	Amount
10754	04/07/20	10014170	H.A.A.S., Inc.	1,496.88
10755	04/07/20	10014190.4	Jackpine Business Centers	179.99
10756	04/07/20	10014190.3	Kushner & Company	100.00
10757	04/07/20	Multiple	McCardel Water Conditioning	33.25
10758	04/07/20	10014190.1	Nan McKay & Associates, Inc.	239.00
10759	04/07/20	10014190.3	Next IT	1,600.01
10761	04/07/20	10014190.5	The Pioneer Group	213.50
10762	04/07/20	10014430.01	Republic Services	1,379.35
10763	04/07/20	10014430.04	Schindler Elevator Corp.	2,379.52
10764	04/07/20	10014190.4	Staples	104.94
10765	04/07/20	10014420	Wahr Hardware, Inc.	837.35
10766	04/16/20	Multiple	Alerus Retirement Solutions	157.73
10767	04/16/20	10012117.13	Alerus Retirement Solutions	50.00
10768	04/16/20	Multiple	Alerus Retirement Solutions	157.73
10769	04/16/20	10012117.13	Alerus Retirement Solutions	50.00
10770	04/16/20	10014420	Blarney Castle Fleet Program	24.99
10771	04/16/20	10014185	Charter Business	125.18
10772	04/16/20	Multiple	Ford Motor Credit	537.55
10773	04/16/20	10014570	Great Lakes Collection Agency	11.07
10774	04/16/20	10014190.3	Next IT	61.00
10775	04/16/20	10014420	Olson Lumber Company	93.16
13342	03/04/20	10012117.9	United Steel Workers of America	62.43
13344	03/04/20	10012117.9	United Steel Workers of America	62.43
RT4	04/30/20		To record payroll transactions per bank statement.	18,507.46
RT5	04/30/20		To record SHWF debit for payment of health insurance per bank statement.	11,023.72
RT6	04/30/20		To record MERS contribution per bank statement.	2,500.82
RT7	04/30/20		To record AFLAC debit per bank statement.	357.42
			Total	117,180.13
			Statement Total	117,180.13
			Difference	0.00
			Ending Bank Balance	620,835.95
Reconciled Bank Information				
			Ending Bank Balance	620,835.95
Open Deposits & Additions				
			Total	0.00
Open Checks & Payments				
10245	09/01/19	10011122	██████████	23.00
10319	10/11/19	10011122	██████████	0.22
10745	04/07/20	10012114	██████████	100.00
10746	04/07/20	10012114	██████████	21.00
10760	04/07/20	10014190.5	The PI Company	13.45
13343	03/04/20	10011111.3	CMHC - West Shore FSA	282.69
13345	04/01/20	10011111.3	CMHC - West Shore FSA	282.69
13346	04/01/20	10012117.6	United Steel Workers of America	3.00
13347	04/01/20	10012117.9	United Steel Workers of America	63.91
13348	04/01/20	10011111.3	CMHC - West Shore FSA	282.69
13349	04/01/20	10012117.9	United Steel Workers of America	63.71
13350	04/29/20	10011111.3	CMHC - West Shore FSA	282.69
			Total	1,419.05
			Reconciled Bank Balance	619,416.90

Bank Account Reconciliation Summary

Bank Statement Information

**Manistee Housing Commission
Bank Account Reconciliation Worksheet**

Public Housing Checking
April 1, 2020 - April 30, 2020

Reference	Date	GL Account	Description	Amount
Beginning Bank Balance				621,715.57
+ Cleared Deposits & Additions				116,300.51
- Cleared Checks & Payments				117,180.13
Ending Bank Balance				<u>620,835.95</u>
Reconciled Bank Information				
+ Open Deposits & Additions				0.00
- Open Checks & Payments				1,419.05
Reconciled Bank Balance				<u><u>619,416.90</u></u>
General Ledger Information				
Unadjusted General Ledger Balance				619,416.90
+/- Total Adjustments				0.00
Adjusted General Ledger Balance				<u><u>619,416.90</u></u>
Unreconciled Amount				<u><u>0.00</u></u>

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Manistee Housing Commission
Bank Account Reconciliation Transmittal

HRA Account - 20016093
April 1, 2020 - April 30, 2020

General Ledger

Balance per General Ledger (Account 10011111.3) at 04/01/20	10,433.16
Activity for the month:	
Total Debits (Deposits and Additions)	848.47
Total Credits (Checks and Payments)	(597.83)
Unadjusted General Ledger Balance at 04/30/20	<u>10,683.80</u>
Total Adjustments	<u>0.00</u>
Reconciled General Ledger Balance at 04/30/20	<u><u>10,683.80</u></u>

Bank

Balance per Bank Statement at 04/30/20	9,553.04
Total Additions (Deposits and Additions in Transit)	1,130.76
Total Subtractions (Checks and Payments in Transit)	0.00
Total Bank Errors	<u>0.00</u>
Adjusted Bank Balance at 04/30/20	<u><u>10,683.80</u></u>

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**Manistee Housing Commission
Bank Account Reconciliation Worksheet**

HRA Account
April 1, 2020 - April 30, 2020

Reference	Date	GL Account	Description	Amount
Bank Statement Information				
			Beginning Bank Balance	10,150.47
Cleared Deposits & Additions				
119	04/30/20		NOW/Sweep Interest	0.40
			Total	<u>0.40</u>
			Statement Total	<u>0.40</u>
			Difference	<u>0.00</u>
Cleared Checks & Payments				
RT3	04/30/20		To record HRA transactions per bank statement.	597.83
			Total	<u>597.83</u>
			Statement Total	<u>597.83</u>
			Difference	<u>0.00</u>
			Ending Bank Balance	<u><u>9,553.04</u></u>
Reconciled Bank Information				
			Ending Bank Balance	9,553.04
Open Deposits & Additions				
13343	03/04/20		CMHC - West Shore FSA	282.69
13345	04/01/20		CMHC - West Shore FSA	282.69
13348	04/01/20		CMHC - West Shore FSA	282.69
13350	04/29/20		CMHC - West Shore FSA	282.69
			Total	<u>1,130.76</u>
Open Checks & Payments				
			Total	<u>0.00</u>
			Reconciled Bank Balance	<u><u>10,683.80</u></u>
Bank Account Reconciliation Summary				
Bank Statement Information				
			Beginning Bank Balance	10,150.47
			+ Cleared Deposits & Additions	0.40
			- Cleared Checks & Payments	<u>597.83</u>
			Ending Bank Balance	9,553.04
Reconciled Bank Information				
			+ Open Deposits & Additions	1,130.76
			- Open Checks & Payments	<u>0.00</u>
			Reconciled Bank Balance	<u><u>10,683.80</u></u>
General Ledger Information				
			Unadjusted General Ledger Balance	10,683.80
			+/- Total Adjustments	<u>0.00</u>
			Adjusted General Ledger Balance	<u><u>10,683.80</u></u>
			Unreconciled Amount	<u><u>0.00</u></u>

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Manistee Housing Commission
Bank Account Reconciliation Transmittal

Money Market Savings - 558567

April 1, 2020 - April 30, 2020

General Ledger

Balance per General Ledger (Account 10011111.4) at 04/01/20	55,956.30
Activity for the month:	
Total Debits (Deposits and Additions)	9.17
Total Credits (Checks and Payments)	<u>0.00</u>
Unadjusted General Ledger Balance at 04/30/20	55,965.47
Total Adjustments	<u>0.00</u>
Reconciled General Ledger Balance at 04/30/20	<u><u>55,965.47</u></u>

Bank

Balance per Bank Statement at 04/30/20	55,965.47
Total Additions (Deposits and Additions in Transit)	0.00
Total Subtractions (Checks and Payments in Transit)	0.00
Total Bank Errors	<u>0.00</u>
Adjusted Bank Balance at 04/30/20	<u><u>55,965.47</u></u>

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**Manistee Housing Commission
Bank Account Reconciliation Worksheet**

Money Market Savings
April 1, 2020 - April 30, 2020

Reference	Date	GL Account	Description	Amount
Bank Statement Information				
			Beginning Bank Balance	55,956.30
Cleared Deposits & Additions				
119	04/30/20		NOW/Sweep Interest	9.17
			Total	<u>9.17</u>
			Statement Total	<u>9.17</u>
			Difference	<u>0.00</u>
Cleared Checks & Payments				
			Total	0.00
			Statement Total	<u>0.00</u>
			Difference	<u>0.00</u>
			Ending Bank Balance	<u>55,965.47</u>
Reconciled Bank Information				
			Ending Bank Balance	55,965.47
Open Deposits & Additions			Total	<u>0.00</u>
Open Checks & Payments			Total	<u>0.00</u>
			Reconciled Bank Balance	<u><u>55,965.47</u></u>
Bank Account Reconciliation Summary				
Bank Statement Information				
			Beginning Bank Balance	55,956.30
			+ Cleared Deposits & Additions	9.17
			- Cleared Checks & Payments	<u>0.00</u>
			Ending Bank Balance	55,965.47
Reconciled Bank Information				
			+ Open Deposits & Additions	0.00
			- Open Checks & Payments	<u>0.00</u>
			Reconciled Bank Balance	<u><u>55,965.47</u></u>
General Ledger Information				
			Unadjusted General Ledger Balance	55,965.47
			+/- Total Adjustments	<u>0.00</u>
			Adjusted General Ledger Balance	<u><u>55,965.47</u></u>
			Unreconciled Amount	<u><u>0.00</u></u>

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Manistee Housing Commission
Low Rent Public Housing
Comparative Statement of Revenue & Expense

	1 Month Ended April 30, 2020	1 Month Ended April 30, 2019	4 Months Ended April 30, 2020	4 Months Ended April 30, 2019
Operating Income				
3110 - Dwelling Rental Revenue	\$ 49,665.00	\$ 50,392.00	\$ 198,850.00	\$ 199,527.00
3120 - Tenant Revenue - Excess Utilities	611.96	447.68	2,429.02	1,792.72
3689 - Tenant Revenue - Cable TV	0.00	0.00	0.00	5,410.00
3690 - Tenant Revenue - Other	2,525.00	1,620.04	6,911.87	11,394.53
3401.2 - Operating Subsidy	49,180.34	43,422.67	196,721.34	175,832.33
3610 - Interest Income	137.40	85.98	553.54	337.40
3690.1 - Other Revenue	0.00	0.00	91.32	0.00
3690.2 - Gain/Loss-Sale of Fixed Assets	0.00	7,250.00	0.00	7,250.00
3690.4 - Laundry Revenue	1,192.07	2,011.17	4,883.98	4,939.58
3690.6 - Fraud Recovery Revenue	425.56	206.18	1,063.90	824.72
3690.7 - Management Fee - DVG	833.33	833.00	3,332.33	3,332.00
Total Operating Income	\$ 104,570.66	\$ 106,268.72	\$ 414,837.30	\$ 410,640.28
Operating Expenses				
Routine Expense				
4110 - Administrative Wages	\$ 13,703.43	\$ 20,599.15	\$ 61,826.71	\$ 61,698.97
4130 - Legal Expense	568.37	648.47	1,841.12	1,901.36
4170 - Accounting Fees	1,496.88	1,024.38	3,962.52	3,085.02
4182 - Employee Benefits - Admin	7,083.86	7,703.13	29,607.50	30,550.98
4185 - Telephone	3,721.63	2,239.90	10,934.57	6,665.82
4190.1 - Publications	239.00	175.00	239.00	175.00
4190.2 - Membership Dues and Fees	390.00	0.00	2,114.00	1,474.00
4190.3 - Admin Service Contracts	3,201.37	6,256.79	13,719.24	16,055.60
4190.4 - Office Supplies	1,253.13	1,080.60	3,413.08	3,483.52
4190.5 - Other Sundry-Misc.	1,481.90	590.86	3,305.64	1,383.23
4221 - Resident Employee Stipend	550.00	550.00	2,200.00	2,200.00
4230 - Contract Costs-Cable & Other	59.96	0.00	239.83	5,967.25
4310 - Water & Sewer	4,624.55	4,455.60	18,545.16	18,548.16
4320 - Electricity	10,587.65	11,355.45	42,550.64	44,988.93
4330 - Gas	3,360.29	3,930.22	13,344.88	13,859.84
4410 - Maintenance Wages	8,161.48	12,007.30	37,382.16	36,960.17
4420 - Materials	5,529.91	1,763.10	17,266.29	9,280.31
4430.01 - Garbage Removal	1,379.35	1,701.32	5,808.98	6,986.81
4430.02 - Heating & Cooling Contracts	723.25	0.00	2,480.64	3,250.19
4430.03 - Snow Removal Contracts	0.00	0.00	0.00	47.79
4430.04 - Elevator Contracts	2,379.52	0.00	14,448.58	12,327.96
4430.05 - Landscape & Grounds Contracts	0.00	0.00	0.00	700.00
4430.06 - Unit Turnaround Contracts	401.90	646.00	4,500.90	646.00
4430.07 - Electrical Contracts	0.00	0.00	0.00	1,043.17
4430.08 - Plumbing Contracts	0.00	175.00	1,291.99	400.00
4430.09 - Extermination Contracts	3,559.00	1,409.00	10,494.00	5,886.00
4430.11 - Routine Maintenance Contracts	330.00	0.00	468.00	35.00
4430.12 - Miscellaneous Contracts	120.00	100.00	726.20	2,164.25
4433 - Employee Benefits - Maint.	5,516.21	5,952.77	23,168.04	24,937.91
4510 - Insurance	8,105.82	7,705.60	32,423.28	30,217.40
4520 - Payment in Lieu of Taxes	3,125.00	2,740.00	12,500.00	10,960.00
4570 - Collection Losses	11.07	0.00	30.76	135.14
4580 - Interest Expense	5,532.94	5,672.29	22,284.72	22,810.71

**Manistee Housing Commission
Low Rent Public Housing
Comparative Statement of Revenue & Expense**

	1 Month Ended April 30, 2020	1 Month Ended April 30, 2019	4 Months Ended April 30, 2020	4 Months Ended April 30, 2019
Total Routine Expense	\$ <u>97,197.47</u>	\$ <u>100,481.93</u>	\$ <u>393,118.43</u>	\$ <u>380,826.49</u>

Manistee Housing Commission
Low Rent Public Housing
Comparative Statement of Revenue & Expense

	1 Month Ended April 30, 2020	1 Month Ended April 30, 2019	4 Months Ended April 30, 2020	4 Months Ended April 30, 2019
Non-Routine Expense				
Extraordinary Maintenance				
Total Extraordinary Maintenance	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Casualty Losses-Not Cap.				
Total Casualty Losses	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total Non-Routine Expense	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total Operating Expenses	<u>\$ 97,197.47</u>	<u>\$ 100,481.93</u>	<u>\$ 393,118.43</u>	<u>\$ 380,826.49</u>
Operating Income (Loss)	<u>\$ 7,373.19</u>	<u>\$ 5,786.79</u>	<u>\$ 21,718.87</u>	<u>\$ 29,813.79</u>
Depreciation Expense				
4800 - Depreciation - Current Year	\$ 24,055.00	\$ 24,595.00	\$ 96,220.00	\$ 98,380.00
Total Depreciation Expense	<u>\$ 24,055.00</u>	<u>\$ 24,595.00</u>	<u>\$ 96,220.00</u>	<u>\$ 98,380.00</u>
Surplus Credits & Charges				
Total Surplus Credits & Charges	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Capital Expenditures				
7510 - Principal Payments - EPC	\$ 4,000.12	\$ 3,436.75	\$ 15,873.63	\$ 13,638.04
7511 - Principal Payments - 2016 F250	453.31	427.18	1,799.85	1,696.13
7512 - Principal Payments - 2019 F250	410.30	0.00	1,628.48	0.00
7520 - Replacement of Equipment	0.00	0.00	1,556.29	0.00
7530 - Cash Proceeds-Sale of Equipment	0.00	(7,250.00)	0.00	(7,250.00)
7590 - Operating Expenditures-Contra	<u>(4,863.73)</u>	<u>3,386.07</u>	<u>(20,858.25)</u>	<u>(8,084.17)</u>
Total Capital Expenditures	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
HUD Net Income (Loss)	<u><u>\$ 2,509.46</u></u>	<u><u>\$ 1,922.86</u></u>	<u><u>\$ 860.62</u></u>	<u><u>\$ 14,479.62</u></u>

Housing Authority Acct Specialists, Inc.
PO Box 545
Sparta, WI 54656-0545
608-269-6490

To the Board of Commissioners
And Management:

Manistee Housing Commission
Domestic Violence Grant
273 Sixth Avenue
Manistee, MI 49660

Enclosed are the following reports for the month ending April 30, 2020. These reports have been compiled in accordance with Generally Accepted Accounting Principles (GAAP):

- I. Financial Statements
- II. Journal Register
- III. General Ledger

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them. This report is offered as a review of your past operations and is a basis for decisions for your future policies.

Respectfully Submitted:

Housing Authority Acct Specialists, Inc.

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**Manistee Housing Commission
Domestic Violence Grant
Balance Sheet
As of April 30, 2020**

ASSETS

CURRENT ASSETS

Cash

1111 - Cash - MSHDA	\$	56,963.45
---------------------	----	-----------

Total Cash		56,963.45
-------------------	--	-----------

Receivables

1122 - Tenants Accounts Receivable		(241.00)
------------------------------------	--	----------

1129.4 - Interfund Receivable - P/H		935.90
-------------------------------------	--	--------

Total Receivables		694.90
--------------------------	--	--------

Other Current Assets

Total Other Current Assets		0.00
-----------------------------------	--	------

TOTAL CURRENT ASSETS		57,658.35
-----------------------------	--	-----------

Fixed Assets

1400.7 - Buildings		373,231.29
--------------------	--	------------

1400.98 - Accumulated Depreciation-DVG		(121,332.37)
--	--	--------------

Total Fixed Assets		251,898.92
---------------------------	--	------------

TOTAL ASSETS	\$	309,557.27
---------------------	----	------------

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**Manistee Housing Commission
Domestic Violence Grant
Balance Sheet
As of April 30, 2020**

LIABILITIES AND EQUITY

LIABILITIES

Current Liabilities

2111 - Vendors and Contractors	\$ 475.71
2114 - Tenant Security Deposits	936.00
Total Current Liabilities	<u>1,411.71</u>

Noncurrent Liabilities

2128 - Mortgage 1 - MSHDA (Forgivable)	166,000.00
2129 - Mortgage 2 - MSHDA (Forgivable)	160,000.00
2130 - Mortgage 3 - MSHDA (Forgivable)	174,000.00
Total Noncurrent Liabilities	<u>500,000.00</u>

TOTAL LIABILITIES

501,411.71

EQUITY

2806.4 - Invested in Capital Assets-DVG	<u>(244,521.08)</u>
---	---------------------

Unrestricted Net Assets

2806 - Unrestricted Net Position	56,448.64
Current Year Profit/(Loss)	(3,782.00)
Total Unrestricted Net Assets	<u>52,666.64</u>

TOTAL EQUITY

(191,854.44)

TOTAL LIABILITIES/EQUITY

\$ 309,557.27

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**Manistee Housing Commission
Domestic Violence Grant
Statement of Revenue & Expense
For the 1 Month and 4 Months Ended April 30, 2020**

	1 Month Ended	4 Months Ended
	<u>April 30, 2020</u>	<u>April 30, 2020</u>
Operating Revenue		
3110 - Dwelling Rental Revenue	\$ 1,120.00	\$ 4,480.00
3690 - Tenant Revenue - Other	0.00	150.00
Total Operating Revenue	1,120.00	4,630.00
Operating Expenses		
Administration		
4170 - Accounting Fees	263.54	649.16
4172 - Management Fees	833.33	3,332.33
Total Administration	1,096.87	3,981.49
Ordinary Maint. & Operations		
4430.02 - Heating & Cooling Contracts	181.15	181.15
4430.07 - Electrical Contracts	0.00	150.84
Total Ordinary Maint. & Oper	181.15	331.99
General Expense		
4590 - Other General Expense	129.94	518.52
Total General Expense	129.94	518.52
Total Routine Operating Expenses	1,407.96	4,832.00
Depreciation Expense		
4800 - Depreciation - Current Year	895.00	3,580.00
Total Depreciation Expense	895.00	3,580.00
Capital Expenditures		
Total Capital Expenditures	0.00	0.00
Net Income (Loss)	\$ (287.96)	\$ (202.00)

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE. THIS DOCUMENT REDACTED TO PROTECT PRIVACY OF CURRENT AND PAST PROGRAM PARTICIPANTS.

**Manistee Housing Commission
DVG Cash Disbursements Journal**

April 1, 2020 - April 30, 2020

Date	Reference	Account	Description	Amount
04/01/20	2757	20011111	DTE Energy	(73.50)
04/01/20	2757	20014590	DTE Energy	73.50
04/07/20	2758	20011111	City of Manistee	(34.34)
04/07/20	2758	20014590	City of Manistee	34.34
04/07/20	2759	20011111	Consumers Energy	(22.10)
04/07/20	2759	20014590	Consumers Energy	22.10
04/07/20	2760	20011111	Custom Sheet Metal & Heating	(181.15)
04/07/20	2760	20014430.02	Custom Sheet Metal & Heating	181.15
04/07/20	2761	20011111	H.A.A.S., Inc.	(263.54)
04/07/20	2761	20014170	H.A.A.S., Inc.	263.54
04/07/20	2762	20011111	Manistee Housing Commission	(833.33)
04/07/20	2762	20014172	Manistee Housing Commission	833.33
Transaction Balance				<u>0.00</u>

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Manistee Housing Commission

DVG Cash Receipts Journal

April 1, 2020 - April 30, 2020

Date	Reference	Account	Description	Amount
04/30/20	104	20011111	April Cash Receipts	1,352.00
04/30/20	104	20011122	April TAR Collections	(1,352.00)
Transaction Balance				<u>0.00</u>

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Manistee Housing Commission

DVG Journal Entry Journal

April 1, 2020 - April 30, 2020

Date	Reference	Account	Description	Amount
04/30/20	304	20011122	To record charges to tenants per April 2020 Statement of Operations.	1,120.00
04/30/20	304	20013110	To record charges to tenants per April 2020 Statement of Operations.	(1,120.00)
04/30/20	DVG1	20014800	To record estimated depreciation expense.	895.00
04/30/20	DVG1	20011400.98	To record estimated depreciation expense.	(895.00)
Transaction Balance				<u>0.00</u>

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**Manistee Housing Commission
General Ledger**

April 1, 2020 - April 30, 2020

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
20011111	Cash - MSHDA			57,019.41		
04/01/20	2757	2	DTE Energy		(73.50)	
04/07/20	2758	2	City of Manistee		(34.34)	
04/07/20	2759	2	Consumers Energy		(22.10)	
04/07/20	2760	2	Custom Sheet Metal & Heating		(181.15)	
04/07/20	2761	2	H.A.A.S., Inc.		(263.54)	
04/07/20	2762	2	Manistee Housing Commission		(833.33)	
04/30/20	104	1	April Cash Receipts		1,352.00	
			Totals for 20011111		<u>(55.96)</u>	<u>56,963.45</u>
20011122	Tenants Accounts Receivable			(9.00)		
04/30/20	104	1	April TAR Collections		(1,352.00)	
04/30/20	304	3	To record charges to tenants per April 2020 Statement of Operations.		1,120.00	
			Totals for 20011122		<u>(232.00)</u>	<u>(241.00)</u>
20011129.4	Interfund Receivable - P/H			935.90		
			Totals for 20011129.4		<u>0.00</u>	<u>935.90</u>
20011400.7	Buildings			373,231.29		
			Totals for 20011400.7		<u>0.00</u>	<u>373,231.29</u>
20011400.98	Accumulated Depreciation-DVG			(120,437.37)		
04/30/20	DVG1	3	To record estimated depreciation expense.		(895.00)	
			Totals for 20011400.98		<u>(895.00)</u>	<u>(121,332.37)</u>
20012111	Vendors & Contractors			(475.71)		
			Totals for 20012111		<u>0.00</u>	<u>(475.71)</u>
20012114	Tenant Security Deposits			(936.00)		
			Totals for 20012114		<u>0.00</u>	<u>(936.00)</u>
20012128	Mortgage 1 - MSHDA (Forgivable)			(166,000.00)		
			Totals for 20012128		<u>0.00</u>	<u>(166,000.00)</u>
20012129	Mortgage 2 - MSHDA (Forgivable)			(160,000.00)		
			Totals for 20012129		<u>0.00</u>	<u>(160,000.00)</u>
20012130	Mortgage 3 - MSHDA (Forgivable)			(174,000.00)		
			Totals for 20012130		<u>0.00</u>	<u>(174,000.00)</u>
20012806	Unrestricted Net Assets			(56,448.64)		
			Totals for 20012806		<u>0.00</u>	<u>(56,448.64)</u>
20012806.4	Invested in Capital Assets-DVG			244,521.08		
			Totals for 20012806.4		<u>0.00</u>	<u>244,521.08</u>
20013110	Dwelling Rental			(3,360.00)		
04/30/20	304	3	To record charges to tenants per April 2020 Statement of Operations.		(1,120.00)	
			Totals for 20013110		<u>(1,120.00)</u>	<u>(4,480.00)</u>
20013690	Tenant Income			(150.00)		
			Totals for 20013690		<u>0.00</u>	<u>(150.00)</u>
20014170	Accounting Fees			385.62		
04/07/20	2761	2	H.A.A.S., Inc.		263.54	
			Totals for 20014170		<u>263.54</u>	<u>649.16</u>

**Manistee Housing Commission
General Ledger**

April 1, 2020 - April 30, 2020

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
20014172	Management Fees			2,499.00		
04/07/20	2762	2	Manistee Housing Commission		833.33	
			Totals for 20014172		<u>833.33</u>	<u>3,332.33</u>
20014430.02	Heating & Cooling Contracts			0.00		
04/07/20	2760	2	Custom Sheet Metal & Heating		181.15	
			Totals for 20014430.02		<u>181.15</u>	<u>181.15</u>
20014430.07	Electrical Contracts			150.84		
			Totals for 20014430.07		<u>0.00</u>	<u>150.84</u>
20014590	General Expense			388.58		
04/01/20	2757	2	DTE Energy		73.50	
04/07/20	2758	2	City of Manistee		34.34	
04/07/20	2759	2	Consumers Energy		22.10	
			Totals for 20014590		<u>129.94</u>	<u>518.52</u>
20014800	Depreciation - Current Year			2,685.00		
04/30/20	DVG1	3	To record estimated depreciation expense.		895.00	
			Totals for 20014800		<u>895.00</u>	<u>3,580.00</u>
20019996	Unit Months Leased			6.00		
			Totals for 20019996		<u>0.00</u>	<u>6.00</u>
20019997	Unit Months Leased - Contra			(6.00)		
			Totals for 20019997		<u>0.00</u>	<u>(6.00)</u>
			Report Total			<u>0.00</u>
Net Profit/(Loss)						
Current Period			(1,182.96)			
Year-to-Date			<u>(3,782.00)</u>			

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Manistee Housing Commission
Bank Account Reconciliation Transmittal

DVG Checking - 0610226573
April 1, 2020 - April 30, 2020

General Ledger

Balance per General Ledger (Account 20011111) at 04/01/20	57,019.41
Activity for the month:	
Total Debits (Deposits and Additions)	1,352.00
Total Credits (Checks and Payments)	<u>(1,407.96)</u>
Unadjusted General Ledger Balance at 04/30/20	56,963.45
Total Adjustments	<u>0.00</u>
Reconciled General Ledger Balance at 04/30/20	<u><u>56,963.45</u></u>

Bank

Balance per Bank Statement at 04/30/20	57,796.78
Total Additions (Deposits and Additions in Transit)	0.00
Total Subtractions (Checks and Payments in Transit)	(833.33)
Total Bank Errors	<u>0.00</u>
Adjusted Bank Balance at 04/30/20	<u><u>56,963.45</u></u>

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**Manistee Housing Commission
Bank Account Reconciliation Worksheet**

DVG Checking
April 1, 2020 - April 30, 2020

Reference	Date	GL Account	Description	Amount	
Bank Statement Information					
				Beginning Bank Balance	57,019.41
Cleared Deposits & Additions					
104	04/30/20	20011122	April Cash Receipts	1,352.00	
				Total	1,352.00
				Statement Total	1,352.00
				Difference	0.00
Cleared Checks & Payments					
2757	04/01/20	20014590	DTE Energy	73.50	
2758	04/07/20	20014590	City of Manistee	34.34	
2759	04/07/20	20014590	Consumers Energy	22.10	
2760	04/07/20	20014430.02	Custom Sheet Metal & Heating	181.15	
2761	04/07/20	20014170	H.A.A.S., Inc.	263.54	
				Total	574.63
				Statement Total	574.63
				Difference	0.00
				Ending Bank Balance	57,796.78
Reconciled Bank Information					
				Ending Bank Balance	57,796.78
Open Deposits & Additions					
				Total	0.00
Open Checks & Payments					
2762	04/07/20	20014172	Manistee Housing Commission	833.33	
				Total	833.33
				Reconciled Bank Balance	56,963.45
Bank Account Reconciliation Summary					
Bank Statement Information					
Beginning Bank Balance				57,019.41	
+ Cleared Deposits & Additions				1,352.00	
- Cleared Checks & Payments				574.63	
Ending Bank Balance				57,796.78	
Reconciled Bank Information					
+ Open Deposits & Additions				0.00	
- Open Checks & Payments				833.33	
Reconciled Bank Balance				56,963.45	
General Ledger Information					
Unadjusted General Ledger Balance				56,963.45	
+/- Total Adjustments				0.00	
Adjusted General Ledger Balance				56,963.45	
Unreconciled Amount				0.00	

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RESOLUTION 2020-03
Write Off of Doubtful Accounts July 2020

**DOCUMENT REDACTED IN COMPLIANCE WITH THE FEDERAL PRIVACY ACT:
 PERSONALLY IDENTIFYING INFORMATION OF CURRENT AND PAST PROGRAM
 PARTICIPANTS HAS BEEN REDACTED**

WHEREAS, it is the intention of the City of Manistee Housing Commission (the “CMHC”) to fully collect all rent and related charges assessed to residents, and

WHEREAS, the City of Manistee Housing Commission has made every reasonable attempt to collect on the accounts listed in this resolution;

NOW, THEREFORE, on the motion of Commissioner, and supported by Commissioner, and voted upon as follows, **BE IT RESOLVED**, that the CMHC adopts the following resolution:

NOW, THEREFORE, IT IS HEREBY RESOLVED that the City of Manistee Housing Commission Board of Commissioners authorize that the following accounts and amounts owed to be written off:

Name	Owed	Reason	Action Taken
Bialik, Jean	\$81.00	Move Out / Medical Care	Sent to collections/recorded in EIV
Fritz, Susan K.	\$80.00	Deceased	Sent to collections/recorded in EIV
Thibert, Mark J.	\$141.00	Deceased	Sent to collections/recorded in EIV
Vanhorn, Susan D.	\$168.00	Move Out / Abandoned Unit	Sent to collections/recorded in EIV
Green, Ian	\$50.00	Move Out / Abandoned Unit	Sent to collections/recorded in EIV
Quenrud, Stacy	\$1090.00	Move Out / Abandoned Unit	Sent to collections/recorded in EIV
Bradford, Michael J.	\$1980.00	Deceased	Sent to collections/recorded in EIV
Miller, Paul	\$610.00	Deceased	Sent to collections/recorded in EIV
Dumas, Brent	\$781.00	Eviction	Sent to collections/recorded in EIV
Jennings, Nicole M.	\$2201.68	Eviction	Sent to collections/recorded in EIV
TOTAL	\$7,182.68		

Commissioner	Approve	Against	Absent
Dale Priester	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Doug Parkes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Karen Goodman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kelly Tomaszewski	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
James Bond	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

RESOLUTION DECLARED

Passed Failed

CERTIFICATION

By the signatures of the President and Executive Director below, it is CERTIFIED that on July 28, 2020, the City of Manistee Housing Commission Board of Commissioners approved Resolution 2020-04 and that the foregoing is a true and correct copy.

Dale Priester, President

Clinton McKinven-Copus, Executive Director

PENDING APPROVAL



RESOLUTION 2020-05

Adoption of COVID-19 Statutory and Regulatory Waivers

WHEREAS, the City of Manistee Housing Commission [CMHC], a Public Housing Authority [PHA] of the U.S. Department of Housing and Urban Development [HUD], and

WHEREAS, HUD issued Notice PIH 2020-13 [HA], Rev-1 on July 2, 2020, which provides COVID-19 Statutory and Regulatory Waivers and Alternative Requirements for the Public Housing, Housing Choice Voucher, Indian Housing Block Grant and Indian Community Development Block Grant programs, Suspension of Public Housing Assessment System and Section Eight Management Assessment Program to provide relief to these agencies in response to the COVID-19 pandemic, and

WHEREAS, Notice PIH 2020-13 [HA], Rev-1 requires, in addition to the public posting of any waivers applied by the PHA, and the notification of affected residents, adoption of the applied waivers by the PHA’s Commissioners, and

WHEREAS, Notice PIH 2020-13 [HA], Rev-1 is attached to this Resolution as Attachment 1 with the waivers which CMHC intends to apply highlighted:

NOW, THEREFORE, on the motion of Commissioner [REDACTED], and supported by Commissioner [REDACTED], and voted upon as follows, **BE IT RESOLVED**, that the CMHC adopts the following resolution:

NOW, THEREFORE, IT IS HEREBY RESOLVED that the City of Manistee Housing Commission Board of Commissioners approves of the application of the statutory and regulatory waivers highlighted in Attachment 1.

Commissioner	Approve	Against	Absent
Dale Priester	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Doug Parkes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Karen Goodman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kelly Tomaszewski	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
James Bond	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

RESOLUTION DECLARED

Passed Failed

CERTIFICATION

By the signatures of the President and Executive Director below, it is CERTIFIED that on July 28, 2020, the City of Manistee Housing Commission Board of Commissioners approved Resolution 2020-05 and that the foregoing is a true and correct copy.

Dale Priester, President

Clinton McKinven-Copus, Executive Director

Pending Approval



ATTACHMENT 1 - RESOLUTION 2020-05

OFFICE OF PUBLIC AND INDIAN HOUSING

SPECIAL ATTENTION OF:

NOTICE PIH 2020-13 (HA), REV-1

Issued: July 2, 2020

Office Directors of Public Housing;
Regional Directors; Public Housing
Agencies; Offices of Native American
Programs; Indian Tribes, and
Tribally Designated Housing Entities.

Expires: This Notice remains in effect until
amended, superseded or rescinded.

Supersedes: Notice PIH 2020-05

Cross References: PIH Notice 2018-18; PIH
Notice 2019-11; PIH Notice 2011-64; 82 FR
5458 (January 18, 2017); 83 FR 35490 (July
26, 2018)

SUBJECT: COVID-19 Statutory and Regulatory Waivers and Alternative Requirements for the Public Housing, Housing Choice Voucher, Indian Housing Block Grant and Indian Community Development Block Grant programs, Suspension of Public Housing Assessment System and Section Eight Management Assessment Program, Revision 1

1. PURPOSE

The Coronavirus Aid, Relief and Economic Security (CARES) Act (Public Law 116-136) provides the U.S. Department of Housing and Urban Development (HUD) with broad authority to waive or establish alternative requirements for numerous statutory and regulatory requirements for the Public Housing program, Housing Choice Voucher (HCV) program, Indian Housing Block Grant (IHBG) program, and Indian Community Development Block Grant (ICDBG) program.

In Notice PIH 2020-05, published on April 10, 2020, HUD exercised its authority under the CARES Act to establish waivers and administrative flexibilities to provide relief to Public Housing Agencies (PHAs), Indian tribes, and tribally designated housing entities (TDHEs) in response to the COVID-19 pandemic. In this revision to that Notice, HUD restates the waivers and alternative requirements established previously in Notice PIH 2020-05, provides additional waivers and alternative requirements, extends the periods of availability for previously established waivers and alternative requirements, and issues technical amendments to several of the previously established waivers and alternative requirements. A complete list of revisions is included in the Appendix to this Notice.

This Notice also carries forward information on previously specified HUD actions, such as the temporary suspension of the Public Housing Assessment System (PHAS) and the Section Eight Management Assessment Program (SEMAP). With respect to the Public Housing and HCV programs, use of any waiver or alternative requirement established by HUD is at the discretion of the PHA; however, HUD strongly encourages PHAs to utilize any and all waivers and alternative requirements as necessary to keep Public Housing and HCV

programs operational to the extent practicable. HUD also encourages PHAs to utilize waivers and alternative requirements to expand housing assistance opportunities, including to families on waiting lists; providing affordable, safe housing during this time assists in addressing issues like homelessness and overcrowding that contribute to risk factors during the COVID-19 pandemic.

SUMMARY OF REVISIONS

The Appendix to this Notice lists all non-editorial revisions and additions to Notice PIH 2020-05 that are included in this Notice. Such changes are also summarized below:

- Waivers HCV-11 through HCV-14 are new, as are PH-11 and PH-12.
- While the period of availability for the Designated Housing Plan 60-day notification remains unchanged, expiring on July 31, 2020, the periods of availability for all other public housing and HCV waivers and alternative requirements that previously ended prior to December 31, 2020, are extended to December 31, 2020. Other timeframe extensions are as follows:
 - For any housing quality standards (HQS) provision that authorizes a PHA to rely upon an owner's certification as to the absence of life-threatening conditions, the PHA is now required to perform an inspection of the unit no later than 1 year from the date of the owner's certification, rather than no later than October 31, 2020.
 - For any PHA that employs biennial HQS inspections, the PHA is required to perform an inspection as soon as reasonably possible but no later than 1 year from the date on which the biennial inspection would have been required in the absence of a waiver, rather than no later than October 31, 2020.
 - HUD is clarifying that the period of availability for Capital Fund grants is extended by one year from the obligation and expenditure end dates in the Line of Credit Control System (LOCCS) as of April 10, 2020.
- HUD is requiring PHAs to post publicly or otherwise make available to the public a list of all waivers and alternative requirements the PHA chooses to apply in addition to notifying affected residents and owners of the impact of applicable waivers and alternative requirements.
- HUD is providing an extension of the Indian Housing Plan submission deadline for IHBG recipients with a tribal program year start date of 10/1/2020.
- HUD is providing further extensions of the Annual Performance Report submission deadlines.
- HUD is waiving 24 CFR 1000.342 to not count IHBG-CARES funds towards an Indian tribe's undisbursed funds from prior years when applying the Undisbursed Funds Factor (UDFF) under the IHBG formula.
- HUD is clarifying that the ICDBG waivers and alternative requirements specified in this Notice apply only to ICDBG-CARES grants (the new ICDBG funding provided under the CARES Act), FY 2019, and FY 2020 ICDBG funds.
- For a list of technical corrections, please refer to the Appendix.

2. BACKGROUND

An outbreak of a respiratory disease caused by a novel (new) coronavirus has as of this date been detected in over 200 countries world-wide, including in the United States. The virus has been named “severe acute respiratory syndrome coronavirus 2” (SARS-CoV-2) and the disease it causes has been named “Coronavirus Disease 2019” (“COVID-19”). On January 31, 2020, Secretary of Health and Human Services Alex M. Azar II declared a public health emergency for the United States to aid the nation’s healthcare community in responding to COVID-19. On March 13, 2020, President Donald J. Trump declared the COVID-19 pandemic a national emergency.

The Federal Government is working closely with state, local, Tribal, and territorial partners, as well as public health partners, to respond to this public health threat. While various parts of the country are experiencing different levels of COVID-19 activity all 50 states have reported cases of COVID-19 to the Centers for Disease Control and Prevention (CDC).

The COVID-19 pandemic presents significant challenges for HUD and our PHA, Tribal, and TDHE partners to continue to carry out HUD’s fundamental mission to provide decent, safe, and sanitary affordable housing for low-income families. Program operations have been severely impacted as PHAs, tribes, and TDHEs comply with critically important advisories and directives from public health professionals, including social distancing and other preventive practices that will slow the spread of COVID-19 and reduce the risk of exposure.

On March 27, 2020, President Trump signed the CARES Act into law, which authorizes over \$2 trillion in emergency assistance and health care response for individuals, families and businesses affected by the COVID-19 pandemic, and emergency appropriations to support Executive Branch agency operations during the COVID-19 pandemic. The CARES Act further provides HUD with broad authority, in the context of the COVID-19 pandemic, to waive statutes and regulations (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment) for the Public Housing and HCV programs, IHBG program, and ICDBG program. Through issuance of this Notice, HUD is exercising this authority to provide PHAs, Indian tribes, and TDHEs with flexibility to adjust program practices where necessary to prioritize mission critical functions when normal operations are restricted and severely constrained, further prevent the spread of COVID-19, and mitigate the health risks posed by COVID-19 to PHA, Tribal, and TDHE staff, families, landlords, and their communities at large.

3. CONTINUED OPERATIONS DURING THE COVID-19 PANDEMIC

The waivers implemented through this Notice provide administrative relief and allow for alternative approaches to various aspects of PHA, Tribal, and TDHE operations. With this flexibility, HUD strongly encourages PHAs, Indian tribes, and TDHEs to continue using available funding to house families, keep families in their homes, and conduct critical operations that can be done remotely and safely. Some critical functions for PHAs include, but are not limited to issuing vouchers so families can find housing, processing Requests for Tenancy Approvals (RFTAs) so families can be approved to move into a unit, processing requests for portability moves, ensuring occupancy of public housing units, processing minimum rent hardship exemptions, and completing reexaminations for participants who have experienced a decrease in income. Some critical functions for Indian tribes and TDHEs

include but are not limited to ensuring low income Native American families remain housed, alleviating severe overcrowding, and carrying out eligible affordable housing activities.

HUD encourages PHAs, Indian tribes, and TDHEs to apply the waivers authorized in this Notice based on local circumstances and needs. HUD also encourages PHAs, Indian tribes, and TDHEs to document and expeditiously implement plans for alternative procedures in order to provide stable housing for some of our country's most vulnerable families. Alternative processes may include electronic transmission of information to families, conducting briefings online, conducting conference calls, or using self-service features on the PHA's, Indian tribe's, or TDHE's website if available, and providing business-reply envelopes or secure drop-box apparatuses for document or rent submission for assisted families that do not have access to the Internet.

PHAs and industry groups are encouraged to work together with each other and with HUD during this challenging time to share ideas on how these critical functions can continue in order to house families. Likewise, it is imperative that Indian tribes, as well as regional and national organizations representing Native American housing interests, work together and with HUD's Office of Native American Programs (ONAP) and its area offices to find and share safe and efficient methods to carry out affordable housing activities to support low-income Indian families and their health in Indian Country and across the nation.

It is important to note that, for the Public Housing and HCV programs, HUD has not provided waiver authority that would allow tenants to stop paying their portion of the rent as determined by the PHA. Thus, it is critically important for PHAs to have revised procedures in place to allow for the timely completion of interim reexaminations for decreases in family income (see further discussion of this topic and the waiver authority/alternative requirement (PH and HCV-3) provided in Section I, paragraph 7, of this Notice).

4. WAIVER AND ALTERNATIVE REQUIREMENT AUTHORITY

These waivers and alternative requirements are established under the authority of the CARES Act as well as Secretary Carson's finding that these waivers and alternative requirements are necessary for the safe and effective administration of the Public Housing and HCV programs, consistent with the purposes described under the CARES Act, to prevent, prepare for, and respond to COVID-19.

The Secretary may waive and/or establish alternative requirements for additional statutory and regulatory provisions in addition to these waivers by subsequent Notice.

With respect to the waivers and alternative requirements under Native American programs, such waivers and alternative requirements are also established under the authority of the CARES Act and Secretary Carson's finding that all waivers provided under this Notice are necessary to expedite or facilitate the use of Indian Housing Block Grant and Indian Community Development Block Grant funds to prevent, prepare for, and respond to the coronavirus. HUD will continue to assess the need for further waiver relief as the COVID-19 pandemic unfolds, and Indian tribes and TDHEs are encouraged to submit any additional waiver requests to their area ONAPs. HUD will consider all requests and determine whether to approve additional relief.

5. WAIVER AND ALTERNATIVE REQUIREMENT APPLICABILITY

Through this Notice HUD is making the new waivers and alternative requirements listed in this Notice effective immediately as of the date of this Notice for those PHAs that elect to adopt them. The waivers and alternative requirements previously established in Notice PIH 2020-05 and restated in this Notice remain effective as of April 10, 2020. PHAs may adopt the use of any of these waivers at any time during the period of availability (see Section 6 below).

With respect to the Public Housing program, the CARES Act provides that the Secretary may waive or specify alternative requirements for any provision of any statute or regulation that the Secretary administers in connection with the use of amounts made available under the CARES Act supplemental appropriation, the FY 2020 Operating Fund and Capital Fund appropriations, and any prior Operating Fund or Capital Fund appropriations. See Notice PIH 2020-07, "Implementation of Supplemental Guidance to the Federal Fiscal Year 2020 Operating Fund Appropriations," available here: <https://www.hud.gov/sites/dfiles/PIH/documents/PIH2020-07.pdf>.

With respect to the HCV program, the CARES Act provides that the Secretary may waive or specify alternative requirements for any provision of any statute or regulation that the Secretary administers in connection with the use of amounts made available under the CARES Act supplemental appropriation or under the FY 2020 Tenant-Based Rental Assistance (TBRA) appropriation. This means the waiver/alternative requirements are applicable to the HCV program, including special purpose vouchers such as Mainstream vouchers, Family Unification Program (FUP) vouchers, and HUD-Veterans Affairs Supportive Housing (HUD-VASH) vouchers, provided that HCV program operations including those special purpose vouchers are supported by amounts provided by the FY 2020 TBRA appropriation (including FY 2020 renewal funding, FY 2020 administrative fees, and FY 2020 new special purpose voucher allocations) or amounts from the CARES Act supplemental appropriation during the period of applicability. See Notices PIH 2020-08, CARES Act – HCV Program Administrative Fees, and PIH 2020-09, "CARES Act Mainstream Funding for Public Housing Authorities (PHAs) Awarded Funding Allocations in the 2017 and 2019 Competitions," available here: https://www.hud.gov/program_offices/public_indian_housing/publications/notices.

The use of these waivers is at the discretion of the individual PHA. A PHA may choose to apply all, some, or none of the waivers to their Public Housing and HCV programs. PHAs may continue to request regulatory waivers from HUD in accordance with Notice PIH 2018-16 for waivers that are not covered by this Notice, however, the PHA may not implement those waivers until the waiver request is approved by HUD.

Some of the waivers require the use of alternative requirements. If the PHA adopts a waiver with an alternative requirement, the PHA must comply with all the terms and conditions of the alternative requirement. Please see the individual waiver descriptions for information on the applicable alternative requirements.

PHAs are required to keep written documentation that record which waivers the PHA applied to their programs(s) and the effective dates. A summary of the available waivers/alternative requirements and a suggested format for such documentation is included as Attachment I to

this Notice. A PHA does not need to notify HUD or receive HUD approval to begin utilizing these waivers/alternative requirements. However, HUD may subsequently require the PHA to provide information to HUD on the waivers used by the PHA and the date the PHA applied the waiver to its program(s).

If a PHA chooses to apply any of the waivers provided for in this Notice, the PHA is required to publicly post or otherwise make available to the public a list of such waivers and alternative requirements by whatever means it considers most effective (e.g., posting to its Web site, posting in central and any satellite offices and properties) as soon as practicable. The PHA also is required to notify affected residents and owners of any impacts that the waiver and alternative requirement (where applicable) may have on them by whatever means it considers most effective as soon as practicable.¹ HUD recognizes that the COVID-19 pandemic presents unique challenges from a staffing and communication perspective and encourages PHAs to adapt their communications in consideration of local conditions and resources. For example, a PHA may need to initially provide this notification by placing information on its website and as a voice-mail message and following up with more formal written notice as circumstances allow.

HUD reminds PHAs that all materials, notices, and communications to families regarding the use of the waiver authorities must be clearly communicated and provided in a manner that is effective for persons with hearing, visual, and other communication-related disabilities consistent with Section 504 of the Rehabilitation Act (Section 504) and HUD's Section 504 regulation, and Titles II or III of the Americans with Disabilities Act (ADA) and implementing regulations. Section 504 and the ADA require recipients to ensure effective communication with applicants, participants, and members of the public and to provide appropriate auxiliary aids and services where necessary to afford individuals with hearing, vision, and other communication-related disabilities an equal opportunity to access information. PHAs must provide appropriate auxiliary aids and services necessary to ensure effective communication in all notices and communications, which includes ensuring that information is provided in appropriate accessible formats as needed, e.g., Braille, audio, large type, assistive listening devices, and sign language interpreters, accessible websites and other electronic communications (See 24 CFR 8.6, 28 CFR 35.160, and 28 CFR 36.303).

PHAs must also continue to take reasonable steps to ensure meaningful access to their programs and activities to Limited English Proficient (LEP) individuals. As an aid to recipients, HUD published Final Guidance to Federal Financial Assistance Recipients: Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (LEP Guidance) in the Federal Register on January 22, 2007 (72 FR 2732).

¹ Although PHAs are required to notify all affected families and owners as soon as practicable, in the case of PH-10: Tenant Notifications for Changes to Project Rules and Regulations, PHAs are specifically required to notify affected families within 30 days of making changes to Public Housing project rules and regulations.

LEP guidance and information is available here:

<https://www.federalregister.gov/documents/2007/01/22/07-217/final-guidance-to-federal-financial-assistance-recipients-regarding-title-vi-prohibition-against>.

6. PERIOD OF AVAILABILITY

With respect to the Public Housing and HCV programs, pursuant to the CARES Act, the waivers/alternative requirements established in Notice PIH 2020-05 published on April 10, 2020, remain effective as of April 10, 2020. The new waivers/alternative requirements established in this Notice (HCV-11 through HCV-14 and PH-11 and PH-12) are effective for immediate use by PHAs as of the date of this Notice. The specific statute, regulation, and/or sub-regulatory guidance being waived (as applicable), the period of availability, and the alternative requirement (if applicable), are found in Section 1, paragraphs 7 through 12 of this Notice.

The period of availability for the public housing and HCV waivers is in most cases extended to December 31, 2020. Other waivers have unique dates, such as when the period of availability is dependent on a PHA's fiscal year end date or based on a specific action or activity. PHAs that adopted waivers/alternative requirements established in Notice PIH 2020-05 published April 10, 2020 may continue to operate under those waivers/alternative requirements through the extended availability periods.

The period of availability for these waivers/alternative requirements, collectively or individually, may be further extended by PIH Notice should HUD determine this to be necessary. PHAs are not required to keep the waiver/ alternative requirement in-place for the full period of availability (including any extension) but may at any time choose to revert to regular program requirements and operations.

With respect to Native American programs, pursuant to the CARES Act, waivers and alternative requirements provided under the IHBG program and the ICDBG program are deemed to be effective as of the date the Indian tribe or TDHE began preparing for the COVID-19 pandemic. In accordance with the Act, this waiver relief is available only for IHBG funding and ICDBG funding provided under the CARES Act, and IHBG and ICDBG funding appropriated under the FY 2020 Consolidated Appropriations Act (Public Law 116-94). Since the initial issuance of this PIH Notice 2020-05, HUD subsequently determined that the waiver authority under the "Community Development Fund" account in the CARES Act also authorized HUD to issue waivers and alternative requirements with respect to ICDBG funding appropriated under the FY 2019 Consolidated Appropriations Act (Public Law 116-6). Accordingly, this Notice includes conforming technical changes allowing waivers and alternative requirements issued under this Notice to apply to both FY 2019 and FY 2020 ICDBG funding. The 15 percent cap on public services was also lifted by Congress with respect to FY 2019 ICDBG funding when ICDBG grantees are carrying out activities that prevent, prepare for, and respond to COVID-19.

The waivers and alternative requirements issued under the IHBG and ICDBG programs are generally available until funds are expended, unless otherwise noted under specific waivers below. HUD is allowing waivers and alternative requirements to remain available to Indian

tribes and TDHEs until funds are expended because all funds subject to these waivers and alternative requirements must be used to prevent, prepare for, and respond to COVID-19. A summary of the waivers and alternative requirements issued under the IHBG and ICDBG programs is provided in Attachment II to this Notice.

SECTION I: WAIVERS APPLICABLE TO THE PUBLIC HOUSING AND HCV PROGRAMS

7. WAIVERS APPLICABLE TO BOTH THE PUBLIC HOUSING AND HCV PROGRAMS

PH and HCV-1: PHA 5-Year and Annual Plan Submission Dates: Significant Amendment Requirements

Statutory Authority: Section 5A(a)(1), Section 5A(b)(1), Section 5A(g), and Section 5A(h)(2) of the United States Housing Act of 1937 (hereafter “the USHA of 1937”)

Regulatory Authority: 24 CFR §§ 903.5(a)(3), 903.5(b)(3), 903.13(c), 903.21, 903.23

Description: For all PHAs, after submission of their first 5-Year Plan, all subsequent 5-Year Plans must be submitted once every five PHA fiscal years, no later than 75 days before the commencement of the PHA's fiscal year. Non-qualified PHAs must also submit their Annual Plan no later than 75 days before the commencement of their fiscal year. Qualified PHAs are not required to submit an annual plan to HUD but are required to hold an annual hearing to discuss proposed plans for the upcoming fiscal year, and are required to submit an annual civil rights certification.

Due to the potential postponement of public hearings due to limitations on large public gatherings, HUD is waiving these requirements, and providing alternative deadlines for some PHAs. Specifically, HUD is establishing an alternative requirement under which PHAs with 6/30/20 or 9/30/20 fiscal year-end (FYE) dates must submit their 5-Year (if due in 2020) and Annual Plans or civil rights certification for qualified PHAs no later than 10/18/20 (75 days before 1/1/21) and PHAs with 12/31/20 FYE dates must submit their 5-Year (if due in 2020) and annual plans no later than 1/16/21(75 days before 4/1/21). Please see the chart below:

PHA FYE	Revised Submission Requirement	Revised Due Date
6/30/20 and 9/30/20	75 days before 1/1/21	10/18/20
12/31/20	75 days before 4/1/21	1/16/21

Unless HUD subsequently revises this waiver authority and alternative requirement, PHAs with FYE dates of 3/31 are not impacted by this waiver and are required to submit the 5-Year (if due in 2020) and Annual Plan no later than 75 days before the commencement of their fiscal years.

In addition, the statute and regulations further provide that a significant amendment or modification to the Annual Plan may not be adopted until the PHA has duly called a meeting of its board of directors (or similar governing body) and the meeting, at which the amendment or modification is adopted, is open to the public, and that notification of the amendment or modification is provided to and approved by HUD.

HUD is waiving these requirements and establishing an alternative requirement that any change to a PHA policy, except for changes related to Section 18, Section 22, or the Rental Assistance Demonstration (RAD), that would normally trigger significant amendment requirements of the PHA Plan, may be effectuated without completing the significant amendment process. PHAs are advised that the accessibility, language access, and other nondiscrimination requirements related to the significant amendment process are not waived.

The PHA is required to notify public housing residents and HCV families of any impacts that the significant amendment may have on them by whatever means it considers most effective as soon as practicable. As noted earlier, HUD recognizes that the COVID-19 pandemic presents unique challenges from a staffing and communication perspective and encourages PHAs to adapt their communications in consideration of local conditions and resources. For example, a PHA may need to initially provide this notification by placing information on its website and as a voice-mail message and following up with more formal written notice as circumstances allow. All materials, notices, and communications must be clearly communicated and provided in a manner that is effective for persons with hearing, visual, and other communication-related disabilities consistent with Section 504 of the Rehabilitation Act (Section 504) and HUD's Section 504 regulation, and Titles II or III of the Americans with Disabilities Act (ADA) and implementing regulations.

All materials, notices, and communications must also be provided in a manner that takes reasonable steps to ensure equal access by those with limited English Proficiency.

Period of Availability: The period of availability for the waiver of the significant amendment process ends on December 31, 2020. The period of availability for the 5-Year/Annual Plan submission varies depending on the end date of the PHA fiscal year. Please see the description section above.

PH and HCV-2: Family Income and Composition: Delayed Annual Examinations

Statutory Authority: Section 3(a)(1) of the USHA of 1937

Regulatory Authority: 24 CFR § 982.516(a)(1) - HCV

Regulatory Authority: 24 CFR § 960.257(a) - Public Housing

Description: PHAs are required to conduct a reexamination of family income and composition at least annually. Recognizing the foreseeable difficulties in complying with this requirement in light of the COVID-19 pandemic, HUD is waiving this statutory and regulatory requirement to permit PHAs to delay annual reexaminations of HCV and public housing families. However, if the PHA delays annual reexaminations for HCV families under this authority, it must also comply with the alternative requirement regarding the application of an increase in the payment standard amount during the Housing Assistance Payment (HAP) contract term (see HCV-7 below) if applicable, so as not to delay the application of the increased payment standard amount to the family's HAP calculation.

Period of Availability: All annual recertifications due in Calendar Year (CY) 2020 must be completed by December 31, 2020.

PH and HCV-3: Family Income and Composition: Annual Examination; Income Verification Requirements

Regulatory Authority: 24 CFR §5.233(a)(2) - HCV and Public Housing

Regulatory Authority: 24 CFR §960.259(c) – Public Housing

Regulatory Authority: 24 CFR §982.516(a) - HCV

Sub-regulatory Guidance: PIH Notice 2018-18

Description: PHAs are required to use the Enterprise Income Verification (EIV) System for verification of family income at the annual examination. 24 CFR §960.259(c) and 24 CFR §982.516(a) require PHAs to obtain third-party verification, or document in the tenant file why third-party verification was not available, during mandatory reexaminations or recertifications of family composition and income. 24 CFR §5.233(a)(2) requires PHAs to use EIV as a third-party source to verify tenant employment and income information during mandatory reexaminations or recertifications of family composition and income in accordance with §5.236 and administrative guidance issued by HUD. PIH Notice 2018-18 describes the required verification hierarchy process PHAs must follow. HUD understands that documentation may be difficult to obtain as a result of the COVID-19 pandemic. PHAs are also facing challenges with securely accessing HUD systems while many if not all staff are working remotely.

To address these challenges, HUD is waiving the requirements to use the income hierarchy described by PIH Notice 2018-18 and will allow PHAs to forgo third-party income verification requirements for annual reexaminations, including the use of EIV, if the PHA wishes to conduct the annual recertification rather than delaying the family's annual recertification (as permitted under PH and HCV-2 above).

During the allowable period of availability, PHAs may consider self-certification as the highest form of income verification to process annual reexaminations. This may occur over the telephone (but must be documented by PHA staff with a contemporaneous written record), through an email or postal mail with a self-certification form by the tenant, or through other electronic communications. PHAs are encouraged to incorporate procedures to remind families of the obligation to provide true and complete information.

PHAs are further reminded that there is no HUD requirement that income and family composition examinations and recertifications must be conducted in-person unless determined necessary as a reasonable accommodation for a person with a disability. In such cases, PHAs may look to applicable public health guidelines and any state or local ordinance on how to maintain appropriate health precautions (e.g., social distancing).

PHAs that conduct annual examinations under this waiver/alternative requirement will be responsible for addressing any material discrepancies that may arise later. For example, if a tenant self-certified that the tenant lost their job, but later the EIV Income Validation Tool (IVT) shows the tenant's employment continued, the PHA must take enforcement action in accordance with their policies and procedures.

Period of Availability: The period of availability to conduct annual reexaminations using these modified verification requirements ends on December 31, 2020.

PH and HCV-4: Family Income and Composition: Interim Examinations

Statutory Authority: Section 3(a)(1) of the USHA of 1937

Regulatory Authority: 24 CFR § 5.233(a)(2) - HCV and Public Housing

Regulatory Authority: 24 CFR § 982.516(c)(2) - HCV

Regulatory Authority: 24 CFR §§ 960.257(a), (b), and (d); 960.959(c) - Public Housing

Sub-regulatory Guidance: PIH Notice 2018-18

Description: For the HCV and Public Housing programs, PHAs are required to adopt policies (in their Administrative Plans and Admissions and Continued Occupancy Plans (ACOPs), respectively) prescribing when and under what conditions the family must report a change in family income or composition. However, at any time that a family requests an interim determination of family income or composition because of any changes since the last determination, the PHA must make the interim determination within a reasonable time after the family's request. In most cases, the reason a family requests an interim determination is due to a loss in income or a change in family composition.

PHAs are required to use EIV for verification of family income at interim reexamination. 24 CFR §960.259(c) and 24 CFR §982.516(a) require PHAs to obtain third-party verification, or document in the tenant file why third-party verification was not available, during mandatory reexaminations or recertifications of family composition and income. 24 CFR § 5.233(a)(2) requires PHAs to use EIV as a third-party source to verify tenant employment and income information during mandatory reexaminations or recertifications of family composition and income in accordance with §5.236 and administrative guidance issued by HUD. PIH Notice 2018-18 further describes the required verification hierarchy process PHAs must follow.

To assist PHAs that may be prioritizing the processing of interim reexaminations due to decreases in family income and mitigate the challenges of transferring documentation during periods of shelter-in-place/stay-at-home efforts in response to the COVID-19 pandemic, HUD is waiving the requirements to use the income verification hierarchy as described by PIH Notice 2018-18. HUD will allow PHAs to forgo third-party income verification requirements for interim reexaminations, including the required use of EIV. During the allowable period of eligibility, PHAs may consider self-certification as the highest form of income verification to process interim reexaminations. This may occur over the telephone (with a contemporaneous written record by the PHA staff person), through an email with a self-certification form by the family, or through other electronic communications.

As noted in the previous waiver description, there is no HUD requirement that income and family composition examinations and recertifications must be conducted in-person unless it may be necessary as a reasonable accommodation for a person with a disability. In such cases, PHAs may look to applicable public health guidelines and any state or local ordinance on how to maintain appropriate health precautions (e.g., social distancing).

PHAs that conduct interim reexaminations under this waiver/alternative requirement will be responsible for addressing any material discrepancies that may arise later. For example, if a tenant self-certified that the tenant lost their job, but later the EIV IVT Report shows the

tenant's employment continued, the PHA must take enforcement action that is consistent with its policies and procedures.

PHAs may wish to review and adjust their interim reexamination policies (e.g., revising the PHA requirements when families must report increases in income between annual reexaminations or revising the policy regarding how to determine the effective date of an interim examination). PHAs should see HCV-1 and PH-4 for information on how these types of changes can be expedited.

Period of Availability: The period of availability ends on December 31, 2020.

PH and HCV-5: Enterprise Income Verification (EIV) Monitoring

Regulatory Authority: 24 CFR § 5.233 – Public Housing and HCV

Sub-regulatory Guidance: PIH Notice 2018-18

Description: PIH Notice 2018-18 specifies the required monitoring of EIV reports. For example, PHAs are required to monitor the Deceased Tenants Report, the Identity Verification Report, the Immigration Report, the IVT Report, and the Multiple Subsidy Report and the New Hires Report on a monthly basis. Recognizing the challenges PHAs are facing with many if not all staff working remotely, HUD is waiving the mandatory EIV monitoring requirements. PHAs are reminded that EIV data is overwritten; monthly or quarterly reports must be downloaded to preserve the data for a particular month or quarter.

Period of Availability: The period of availability ends on December 31, 2020.

PH and HCV-6: Family Self-Sufficiency (FSS) Contract of Participation: Contract Extension

Regulatory Authority: 24 CFR § 984.303(d)

Description: Part 984 establishes the requirements for the Section 8 and Public Housing FSS program. Section 984.303(d) authorizes a PHA to extend a family's contract of participation for a period not to exceed two years upon a finding of good cause. HUD has made a determination that the circumstances surrounding COVID-19 qualify as "good cause" to extend family contracts, and FSS programs may consider this expanded definition of "good cause" as they make their determinations on each family's eligibility for an extension.

Period of Availability: The period of availability during which the PHA may extend the family's contract of participation using COVID-19 as the "good cause" ends on December 31, 2020.

PH and HCV-7: Waiting List: Opening and Closing; Public Notice

Regulatory Authority: 24 CFR § 982.206(a)(2)

Sub-regulatory Guidance: PIH Notice 2012-34

Description: The HCV program regulations require that when a PHA opens its waiting list, the PHA must give public notice by publication in a local newspaper of general circulation and also by minority media and other suitable means; these same practices are strongly encouraged in the Public Housing program. Recognizing the foreseeable difficulties in complying with this requirement in light of the COVID-19 pandemic, HUD is waiving this requirement and is providing an alternative requirement that the PHA may provide public notice in a voicemail message on its main or general information telephone number and through its website (if such a PHA website is available). PHAs must comply with applicable fair housing and other civil rights requirements when they provide public notice under this alternative requirement, including ensuring effective communication with persons with hearing, visual, and other communication-related disabilities. PHAs must ensure effective communication with persons with disabilities in all notifications and communications. For example, a PHA that chooses to provide public notice through a voice-mail message must ensure the notice is accessible for persons with hearing impairments, which may include also distributing the notice by email and public postings on websites. The voice-mail notice also must comply with all other applicable civil rights requirements, including ensuring meaningful access for persons with limited English proficiency. See 24 CFR 5.105(a) (“Nondiscrimination and Equal Opportunity”).

Period of Availability: The period of availability ends on December 31, 2020.

8. HOUSING CHOICE VOUCHER PROGRAM WAIVERS – HOUSING QUALITY STANDARDS (HQS) INSPECTIONS

Introduction: HUD recognizes the unprecedented challenge the COVID-19 pandemic poses to PHAs in carrying out the most essential of their HCV program administrative responsibilities – ensuring that assisted families are living in decent, safe, and sanitary housing. HQS inspections protect the health and safety of HCV families. However, conducting physical inspections of units in many communities during the COVID-19 pandemic poses its own health risks for families, participating owners, and PHA personnel, and may run counter to public health orders, directives, or recommendations such as shelter-in-place or other social distancing practices designed to contain and reduce exposure to COVID-19. In order to provide PHAs with the necessary flexibilities to continue to allow families to lease units and to postpone normally required HQS inspections for units under HAP contract, HUD is authorizing the use of the HQS-related waivers and alternative requirements listed in this section. PHAs are in the best position to determine which (if any) of these waivers should be applied to their HCV programs based on the needs and current conditions in their local communities.

PHAs that delay inspections under these waivers must inspect the units as soon as reasonably possible when it is again safe to do so, but must complete all delayed unit inspections no later than the date specified in this Notice (or subsequent extensions provided by HUD). HUD has

established relatively short periods of availability for these HQS waivers given the health and safety nature of these requirements. However, HUD will consider extending these HQS waivers and alternative requirements if HUD determines an extension is necessary.

Any PHA that applies any of these waivers to its HCV program retains the right to conduct an HQS inspection on any assisted unit at any time. The PHA must grant the reasonable accommodation requests of tenants with disabilities related to HQS inspections. For example, a tenant with a respiratory disability may ask that an HQS inspection be delayed in light of COVID-19 or that the inspectors wear masks and gloves and maintain a six foot distance when entering their unit. Likewise, the PHA may always choose to conduct an initial inspection on a unit a family wishes to lease if such an inspection is determined to be warranted by the PHA, regardless of whether the PHA chooses to apply the initial HQS inspection waivers to its HCV program. Crucially, use of any of these waivers by the PHA does not relieve owners of their responsibility to maintain the unit in accordance with HQS as required in the HAP contract, nor does it in any way restrict the PHA from taking action to enforce the owner's obligations. Furthermore, use of any of these waivers by the PHA does not create any right in any third party (such as with the assisted family) to require enforcement of the HQS requirements by HUD or the PHA, or to assert any claim against HUD or the PHA, for damages, injunction or other relief, for alleged failure to enforce the HQS (see § 982.407).

HQS-1: Initial Inspection Requirements

Statutory Authority: Section 8(o)(8)(A)(i), Section 8(o)(8)(C) of the USHA of 1937

Regulatory Authority: 24 CFR §§ 982.305(a), 982.305(b), 982.405

Description: Section 8(o)(8)(A)(i) requires that the PHA must inspect the unit before any assistance payment is made to determine whether the unit meets HQS. Section 8(o)(8)(C) requires the PHA to conduct the initial inspection within certain time frames after receiving the RFTA. Section 982.305 provides that the PHA may not approve the assisted tenancy or execute a HAP contract until the unit has been inspected by the PHA and passes HQS. Additionally, Section 982.305 requires that the PHA must inspect the unit to determine that the unit satisfies the HQS before the beginning of the initial lease term, and that the PHA must perform this inspection within either 15 days or within a reasonable time depending on the size of the PHA.

HUD is waiving these requirements and providing an alternative requirement. In order to place the unit under HAP contract and commence making payments, the PHA may rely on the owner's certification that the owner has no reasonable basis to have knowledge that life-threatening conditions exist in the unit or units in question instead of conducting an initial inspection. At minimum, the PHA must require this owner certification. However, the PHA may add other requirements or conditions in addition to the owner's certification but is not required to do so. The PHA is required to conduct an HQS inspection on the unit as soon as reasonably possible but no later than the 1-year anniversary date of the owner's certification.

This waiver and alternative requirement may also be applied to PHA-owned units if the independent entity is unable to perform the inspection.

Period of Availability: The period of availability for a PHA to accept an owner's self-certification for an initial inspection ends on December 31, 2020. For any unit for which a PHA accepted an owner's self-certification, the PHA must conduct an HQS inspection as soon as reasonably possible but no later than the 1-year anniversary of the date of the owner's certification.

HQS-2: Project-Based Voucher (PBV) Pre-HAP Contract Inspections: PHA Acceptance of Completed Units

Statutory Authority: Section 8(o)(8)(A) of the USHA of 1937

Regulatory Authority: 24 CFR §§ 983.103(b), 983.156(a)(1)

Description: The statute and regulations at § 983.103(b) provide that the PHA must inspect each contract unit before execution of the HAP contract and that the HAP contract may not be executed until the units fully comply with HQS. For rehabilitated and newly constructed units, § 983.156(a)(1) further provides that the PHA must inspect the units to determine if the housing has been completed in accordance with the Agreement to Enter into the HAP Contract (AHAP), including compliance with the HQS and any additional requirement imposed by the PHA under the Agreement.

HUD is waiving the HQS inspection requirement and establishing an alternative requirement. Instead of conducting the pre-HAP contract HQS inspection, the PHA may rely on the owner's certification that the owner has no reasonable basis to have knowledge that life-threatening conditions exist in the unit or units in question. At minimum the PHA must require the owner's certification. However, the PHA may add other requirements or conditions in addition to the owner's certification but is not required to do so. The PHA is required to conduct an HQS inspection on the unit as soon as reasonably possible but no later than the 1-year anniversary date of the owner's certification.

If the PHA has imposed an additional requirement under the AHAP for newly constructed or rehabilitated projects, the PHA may choose to allow the owner to certify that the PHA requirement has been met instead of inspecting the housing to make that determination.

This waiver and alternative requirement may also be applied to PHA-owned units if the independent entity is unable to perform the inspection.

Period of Availability: The period of availability for PHAs to accept owner's self-certification for the pre-HAP inspection/completion of work requirement ends on December 31, 2020. For any unit for which a PHA accepted an owner's self-certification, the PHA must conduct an HQS inspection as soon as reasonably possible but no later than the 1-year anniversary of the date of the owner's certification.

HQS-3: Initial Inspection: Non-Life-Threatening Deficiencies (NLT) Option

Statutory Authority: Section 8(o)(8)(A)(ii) of the USHA of 1937

Regulatory Authority: Housing Opportunity Through Modernization Act (HOTMA) of 2016: Implementation of Various Section 8 Voucher Provisions, 82 Fed. Reg. 5458 (published January 18, 2017)

Description: Section 8(o)(8)(A)(ii) provides the PHA with the option to choose to approve an assisted tenancy, execute the HAP contract, and begin making housing assistance payments on a unit that fails the initial HQS inspection, provided the unit's failure to meet HQS is the result only of NLT conditions. The statute further requires that the PHA must withhold housing assistance payments from the owner if the NLT conditions are not corrected within 30 days.

HUD is waiving the requirement that the PHA must withhold the payment if the NLT repairs are not made in 30 days. Instead, the PHA may provide an extension of up to an additional 30 days to the owner to make the NLT repairs and continue to make payments to the owner during the period of that maximum 30-day extension. If the owner has not made the NLT repairs by the end of the PHA extension period, the PHA must withhold payments.

This NLT initial inspection option is available to the PHA for both tenant-based units and project-based units. This waiver and alternative requirement may also be applied to PHA-owned units if the independent entity is unable to perform the inspection.

Period of Availability: The period of availability for the PHA to approve an extension of up to an additional 30 days ends on December 31, 2020. The extension to make the NLT repairs may extend beyond December 31, 2020, depending on the date the PHA approved the extension. For example, if the PHA approved the extension on December 15, 2020, the maximum extension provided to the owner would be January 15, 2021.

HQS-4: HQS Initial Inspection Requirement: Alternative Inspection Option

Statutory Authority: Section 8(o)(8)(A)(iii) of the USHA of 1937

Regulatory Authority: Housing Opportunity Through Modernization Act (HOTMA) of 2016: Implementation of Various Section 8 Voucher Provisions, 82 Fed. Reg. 5458 (published January 18, 2017)

Description: Section 8(o)(8)(A)(iii) provides the PHA with the option to authorize occupancy of a unit prior to the initial inspection being completed if the unit had in the previous 24 months passed an alternative inspection. Under the statute the PHA may then make assistance payments retroactive to the beginning of the lease term once the unit had been determined to meet HQS pursuant to the PHA's inspection. The HOTMA HCV Federal Register Notice that implemented this statutory option further provided that the PHA must inspect the unit within 15 days of the RFTA.

HUD is waiving the requirement that the PHA must conduct its own inspection of the unit in order to commence making assistance payments under the Initial Inspection – Alternative Inspection option. Under this waiver and alternative requirement, the PHA may commence assistance payments at the beginning of the lease term based on the alternative inspection and

the owner's certification that the owner has no reasonable basis to have knowledge that life-threatening conditions exist in the unit or units in question. At minimum, the PHA must require this owner certification. The PHA may add other requirements or conditions in addition to the owner's certification but is not required to do so. The PHA must conduct the HQS inspection for the unit for which it has commenced assistance payments under this waiver authority as soon as reasonably possible but no later than the 1-year anniversary date of the owner's certification.

This initial inspection option is available to the PHA for both tenant-based units and project-based units.

This waiver and alternative requirement may also be applied to PHA-owned units if the independent entity is unable to perform the inspection.

Period of Availability: The period of availability for the waiver to place a unit under HAP contract and commence payments ends on December 31, 2020. For any unit for which a PHA entered into a HAP contract and commenced payment pursuant to this alternative requirement, the PHA must conduct an HQS inspection as soon as reasonably possible but no later than the 1-year anniversary of the date of the owner's certification.

HQS-5: HQS Inspection Requirement: Biennial Inspections

Statutory Authority: Section 8(o)(D) of the USHA of 1937

Regulatory Authority: 24 CFR §§ 982.405(a), 983.103(d)

Description: The statute and the regulations require the PHA to inspect the unit not less often than biennially during the term of the HAP contract. (Per the recent Federal Register Notice, 85 Fed. Reg. 11381 (Feb. 27, 2020), small rural PHAs may instead inspect the unit not less often than triennially, but since small rural PHAs do not have the authority to begin using a three-year inspection interval until after the next scheduled inspection after Feb. 27, 2020, is carried out, the majority of small rural PHAs have not yet moved from a biennial to a triennial requirement.) HUD is waiving this requirement and is allowing PHAs to delay biennial inspections for both tenant-based and PBV units. All delayed biennial inspections must be completed as soon as reasonably possible but no later than one year after the date the biennial inspection would have been required absent the waiver.

This waiver and alternative requirement may also be applied to PHA-owned units if the independent entity is unable to perform the inspection.

Period of Availability: The PHA must conduct the delayed biennial inspection as soon as reasonably possible but no later than one year after the date the biennial inspection would have been required absent the waiver.

HQS-6: HQS Interim Inspections

Statutory Authority: Section 8(o)(8)(F) of the USHA of 1937

Regulatory Authority: 24 CFR §§ 982.405(g), 983.103(e)

Description: The statute requires that upon notification to the PHA by a family or government official that the assisted unit does not comply with the HQS, the PHA must inspect the unit within 24 hours of when the PHA received the notification if the condition is life-threatening. 24 CFR 982.405(g) provides that if the reported condition is not life-threatening, the PHA must inspect the unit within 15 days. The regulation further provides that in the event of extraordinary circumstances HUD may waive the 24-hour or the 15-day inspection requirement until such time as an inspection is feasible.

HUD is waiving these requirements and establishing an alternative requirement for both tenant-based and PBV units. If the reported deficiency is life-threatening, the PHA must notify the owner of the reported life-threatening deficiency and that the owner must either correct the life-threatening deficiency within 24 hours of the PHA notification or provide documentation (e.g., text or email a photo to the PHA) that the reported deficiency does not exist. In the case of a reported non-life-threatening deficiency, the PHA must notify the owner of the reported deficiency within 30 days and the owner must either make the repair or document that the deficiency does not exist within 30 days of the PHA notification or any approved PHA extension. The PHA may add other requirements or conditions in addition to the owner's documentation but is not required to do so.

As is the case under the current HCV program requirements, the PHA is not required to conduct an on-site inspection to verify the repairs have been made but may rely on alternative verification methods (e.g., photos submitted by the owner, tenant certification, etc.).

This waiver may also be applied to PHA-owned units if the independent entity is unable to perform the inspection.

Period of Availability: The period of availability ends on December 31, 2020. After December 31, 2020, the PHA must conduct the HQS inspection in accordance with the applicable time periods upon notification by a family or government official that the assisted unit does not comply with the HQS.

HQS-7: PBV Turnover Unit Inspections

Regulatory Authority: 24 CFR § 983.103(c)

Description: The regulation requires that before providing assistance to a new family in a PBV contract unit, the PHA must inspect the unit. HUD is waiving this regulatory requirement and providing as an alternative requirement the PHA may rely on the owner's certification that the owner has no reasonable basis to have knowledge that life-threatening conditions exist in the unit or units in question to allow a new family to occupy the vacated PBV unit. At minimum the PHA must require this owner certification. However, the PHA may add other requirements or conditions in addition to the owner's certification but is not required to do so. The PHA is required to conduct the HQS inspection on the unit as soon as

reasonably possible, but no later than the 1-year anniversary date of the owner's certification. This waiver may also be applied to PHA-owned units if the independent entity is unable to perform the inspection.

Period of Availability: The period of availability to fill a turnover PBV unit without conducting an HQS inspection ends on December 31, 2020. For any unit for which a PHA accepted an owner's self-certification, the PHA must conduct an HQS inspection as soon as reasonably possible but no later than the 1-year anniversary of the date of the owner's certification.

HQS-8: PBV HAP Contract: HQS Inspections to Add or Substitute Units

Statutory Authority: Section 8(o)(8)(A) of the USHA of 1937

Regulatory Authority: 24 CFR §§ 983.207(a), 983.207(b)

Sub-regulatory Guidance: Housing Opportunity Through Modernization Act of 2016: Implementation of Various Section 8 Voucher Provisions" (82 Federal Register 5458, Jan. 18, 2017)

Description: At the discretion of the PHA and subject to all PBV requirements (including the program cap and income-mixing requirements), the PHA may amend the HAP contract to add additional PBV contract units or to substitute a different unit for a previously covered contract unit. The PBV requirements include inspecting the proposed substitute or additional unit to determine that the unit meets HQS before it may be added to the HAP contract.

HUD is waiving the HQS inspection requirement. In order to substitute or add a new unit to the PBV HAP contract, the PHA may rely on the owner's certification that the owner has no reasonable basis to have knowledge that life-threatening conditions exist in the unit or units in question instead of conducting an initial inspection. At minimum, the PHA must require the owner's certification. However, the PHA may add other requirements or conditions in addition to the owner's certification but is not required to do so.

This waiver may also be applied to PHA-owned units if the independent entity is unable to perform the inspection.

Period of Availability: The period of availability for PHAs to accept owner's self-certification for an initial inspection ends on December 31, 2020. For any unit added to a PBV HAP contract based upon an owner's self-certification, the PHA must conduct an HQS inspection as soon as reasonably possible but no later than the 1-year anniversary of the date of the owner's certification.

HQS-9: HQS Quality Control Inspections

Regulatory Authority: 24 CFR § 982.405(b), 983.103(e)(3)

Description: The regulations require PHAs to conduct supervisory quality control inspections of a sampling of units under contract. HUD is waiving this regulatory requirement.

Period of Availability: The period of applicability ends on December 31, 2020.

HQS-10: Housing Quality Standards: Space and Security

Regulatory Authority: § 982.401(d)

Description: The regulation establishes a minimum standard for adequate space for both an HCV- and PBV-assisted family. Specifically, it requires that each dwelling unit have at least 1 bedroom or living/sleeping room for each 2 persons. HUD is waiving this requirement for PHAs where the PHA wishes to assist a current participant that needs to add a member or members to the assisted household as a result of the COVID-19 pandemic, and the additional family members would result in the unit not meeting the space and security standards. This provision does not apply to an initial or new lease. A participant must not enter into a new lease for a unit that does not comply with the space and security standards.

Period of Availability: For any family occupying a unit that does not meet the space and security requirements pursuant to this waiver, the waiver will be in effect for the duration of the current lease term or one year from the date of this Notice, whichever period of time is longer.

HQS-11: Homeownership Option: Initial HQS Inspection

Statutory Authority: Section 8(o)(8)(A)(i), Section 8(y)(3)(B) of the USHA of 1937

Regulatory Authority: 24 CFR § 982.631(a)

Description: The statute provides that HQS re-inspections are not required for homeownership vouchers but does not exempt the unit from the initial HQS inspection. The regulation provides that the PHA may not commence monthly homeownership assistance payments until the PHA has inspected the unit and determined that the unit passes HQS. HUD is waiving this requirement. However, the family is still required to obtain an independent professional inspector in accordance with § 982.631(b)(1) and the PHA is still required to review the independent inspection and has discretion to disapprove the unit for assistance under the homeownership option because of information in the inspection report in accordance with § 982.631(b)(4).

Period of Availability: The period of availability ends on December 31, 2020.

9. HOUSING CHOICE VOUCHER PROGRAM WAIVERS: GENERAL

HCV-1: Administrative Plan

Regulatory Authority: 24 CFR § 982.54(a)

Description: The regulation requires that any revisions of the PHA's administrative plan must be formally adopted by the PHA Board of Commissioners or other authorized PHA officials. Recognizing the likely foreseeable difficulties in complying with this requirement in light of the COVID-19 pandemic, HUD is waiving the requirement to allow the PHA administrative plan to be revised on a temporary basis without Board approval through September 30, 2020. Any informally adopted revisions under this waiver authority must be formally adopted no

later than December 31, 2020.

Period of Availability: The period of availability to informally adopt changes to the PHA administrative plan ends on September 30, 2020; the PHA must formally adopt such revisions no later than December 31, 2020.

HCV-2: Information When Family is Selected: PHA Oral Briefing

Regulatory Authority: 24 CFR § 982.301(a)(1), § 983.252(a)

Description: The regulation requires when the PHA selects a family to participate in either the HCV or PBV program, the PHA must give the family an oral briefing. HUD is waiving this requirement and as an alternative requirement allowing the PHA to conduct the briefing by other means such as a webcast, video call, or expanded information packet. Section 504 and the ADA require PHAs to ensure effective communication with applicants, participants and members of the public in all communications and notices. The PHA must ensure that the method of communication for the briefing effectively communicates with, and allows for equal participation of, each family member, including those with vision, hearing, and other communication-related disabilities, and ensures meaningful access for persons with limited English proficiency.

Period of Availability: The period of availability ends on December 31, 2020.

HCV-3: Term of Voucher: Extensions of Term

Regulatory Authority: 24 CFR § 982.303(b)(1)

Description: The regulation provides that at its discretion, the PHA may grant a family one or more extensions of the initial voucher term in accordance with the PHA policy as described in the PHA administrative plan. HUD is waiving the requirement that the extension(s) must be in accordance with the PHA's administrative plan in order to allow the PHA to provide extensions even though it has been unable to formally amend its policy in the administrative plan.

Period of Availability: The period of availability ends on December 31, 2020.

HCV-4: PHA Approval of Assisted Tenancy: When HAP Contract is Executed

Regulatory Authority: 24 CFR § 982.305(c)

Description: The PHA may not make any housing assistance payments to the owner until the HAP contract is executed. The regulation provides that PHA must use best efforts to execute the HAP contract before the beginning of the lease term and that the HAP contract must be executed no later than 60 days from the beginning of the lease term. Any HAP contract executed after the 60-day period is void and the PHA may not pay any housing assistance payments to the owner. HUD is waiving the regulatory requirement to allow PHAs to execute the HAP contract after the 60-day deadline has passed and make housing assistance

payments back to the beginning of the lease term. However, the PHA and owner must execute the HAP contract no later than 120 days from the beginning of the lease term.

Period of Availability: The period of availability to execute the HAP contract after the normally 60-day period from the beginning of the lease term ends on December 31, 2020.

HCV-5: Absence from Unit

Regulatory Authority: 24 CFR § 982.312

Description: The regulation requires that a family may not be absent from the unit for a period of more than 180 consecutive calendar days for any reason. HUD is waiving this regulatory requirement to allow the PHA at its discretion to continue housing assistance payments and not terminate the HAP contract due to extenuating circumstances (e.g., hospitalization, extended stays at nursing homes, caring for family members).

Period of Availability: The period of availability for the PHA to choose to continue making HAP payments despite the family's absence of more than 180 consecutive days ends on December 31, 2020. The PHA may not make payments beyond December 31, 2020, and the HAP contract will terminate on that date if the family is still absent from the unit.

HCV-6: Automatic Termination of HAP Contract

Regulatory Authority: 24 CFR § 982.455

Description: When an HCV family's income increases to the extent that the housing assistance payment is reduced to \$0, PHAs are required to terminate HAP contracts 180 days after the last housing assistance payment to the owner. In recognition that the COVID-19 pandemic is creating economic and employment instability for many families, as well as situations where families may on a temporary basis be adding members whose additional income may result in a \$0 HAP subsidy calculation, HUD is waiving this requirement. As an alternative requirement, the PHA, upon written notice to the owner and family, may extend the period of time following the last payment to the owner that triggers the automatic termination of the HAP contract. The extension beyond the normally applicable 180 days is determined by the PHA but may not extend beyond December 31, 2020.

Period of Availability: The period of availability for the extension ends December 31, 2020. The PHA may not extend the HAP contract beyond December 31, 2020.

HCV-7: Increase in Payment Standard During HAP Contract Term

Regulatory Authority: 24 CFR § 982.505(c)(4)

Description: The regulation requires that if the payment standard amount is increased during the term of the HAP contract, the increased payment standard amount shall be used to calculate the monthly housing assistance payment for the family beginning at the effective date of the family's first regular reexamination on or after the effective date of the increase in the payment standard amount.

HUD is waiving this requirement and as an alternative requirement allowing the PHAs to apply the increased payment standard at any time (e.g., interim reexamination, owner rent increase) after the effective date of the increase in the payment standard amount, provided the increased payment standard is used to calculate the HAP no later than the effective date of the family's first regular reexamination following the change.

Note that if the PHA has delayed the family's annual recertification under the waiver authority described earlier in this Notice (see PH and HCV-2), the PHA must use the increased payment standard amount to calculate the family's HAP beginning the date that the family's first regular examination would have been effective in the absence of the waiver. Alternatively, the PHA may conduct an interim reexamination where the only change is the increased payment standard amount. Regardless of the method used, the participant must receive the increased payment standard no later than the effective date of the family's first regular reexamination following the increased payment standard.

Period of Availability: The waiver period of availability ends on December 31, 2020.

HCV-8: Utility Allowance Schedule: Required Review and Revision

Regulatory Authority: 24 CFR § 982.517

Description: The regulations require the PHA to review its schedule of utility allowances each year and revise its allowance for a utility category if there has been a change of 10 percent or more in the utility rate since the last time the utility allowance schedule was revised. HUD is waiving this requirement to allow PHAs to delay the review and update of utility allowances.

Period of Availability: Any review and update of utility allowances that were due at some point in time in CY 2020 must be completed no later than December 31, 2020.

HCV-9: Homeownership Option: Homeownership Counseling

Statutory Authority: Section 8(y)(1)(D) of the USHA of 1937

Regulatory Authority: 24 CFR §§ 982.630, 982.636(d)

Description: The statute requires that to be eligible for voucher homeownership assistance the family must participate in a homeownership and housing counseling program provided by the agency. The regulations at § 982.630 provide that before commencement of homeownership assistance for a family, the family must attend and satisfactorily complete the pre-assistance homeownership and housing counseling program required by the PHA. The regulations at § 982.636(d) provide that a family determined eligible for homeownership is moving under portability may purchase a unit if the receiving PHA is administering a voucher homeownership program and is accepting new homeownership families. However, the family must attend the briefing and counseling sessions required by the receiving PHA.

While HUD encourages families to continue to complete briefing and counseling sessions that are operational and can be accomplished in accordance with social distancing directives, HUD is waiving these requirements to allow the PHA to permit the family to purchase the

home without fulfilling the normally applicable pre-assistance homeownership counseling requirements.

Period of Availability: The period of availability ends on December 31, 2020.

HCV-10: Family Unification Program: FUP Youth Age Eligibility to Enter HAP Contract

Statutory Authority: Section 8(x)(2) of the USHA of 1937

Description: The statute provides that a FUP youth must be not more than 24 years of age (not yet reached their 25th birthday) to be eligible to be placed under HAP contract. A FUP youth issued a voucher at 24 years of age may not be able to lease the voucher before their 25th birthday where PHA operations may have been shut down or severely curtailed, unit searches are not possible due to shelter-in-place orders, or where the movement of people is significantly restricted.

HUD is waiving this requirement and providing as an alternative requirement that the PHA may execute a HAP contract on behalf of any otherwise eligible FUP youth not more than 25 years of age (not yet reached their 26th birthday). This waiver may also be applied to the Foster Youth to Independence (FYI) initiative.

Period of Availability: The period of availability ends on December 31, 2020.

HCV-11: Family Unification Program: Length of Assistance for Youth

Statutory Authority: 42 U.S.C. 1437f(x)(2)

Description: The statute limits the availability of assistance to a period “not to exceed 36 months.” COVID-19 may have resulted in job loss or the inability to identify a unit affordable to the youth without rental subsidy. As a result, the youth may again be at risk of homelessness at termination upon having received 36 months of assistance. To prevent such an outcome, HUD is waiving the statutory limitation and establishing an alternative requirement. Specifically, for FUP youth who will reach the 36-month limit between April 10, 2020, and December 31, 2020, a PHA may suspend terminations of assistance for a period of up to six months from the date the youth’s assistance would have been terminated absent this waiver. Depending on the timing and length of the suspension, impacted youth may have their assistance extended beyond December 31, 2020. This waiver does not apply to the FYI initiative as no participant in FYI will have received 36 months of assistance during the period of availability.

Period of Availability: The period of availability to grant the extension ends on December 31, 2020.

HCV-12: Family Unification Program: Timeframe for Referral

Statutory Authority: 42 U.S.C. 1437f(x)(2)

Description: The statute provides that assistance may be provided on behalf of “otherwise eligible youths who have attained at least 18 years of age and not more than 24 years of age and who have left foster care or will leave foster care within 90 days.” Due to the COVID-19 pandemic, it may be difficult for youth to find units that are available for lease within the 90-day timeframe, increasing the risk that such youth may experience homelessness. To prevent such an outcome, HUD is waiving the statutory limitation and establishing an alternative requirement. Specifically, PHAs may accept referrals from child welfare agencies for youth who will leave foster care within 120 days. This waiver may also be applied to the FYI initiative.

Period of Availability: Through December 31, 2020, a PHA may receive referrals of otherwise eligible youth who will leave foster care within 120 days.

HCV-13: Homeownership: Maximum Term of Assistance

Regulatory Authority: 24 C.F.R. §982.634(a)

Description: The regulation establishes a maximum term on homeownership assistance for non-elderly/non-disabled families of 15 years if the initial mortgage has a term of 20 or more years, and 10 years in all other cases. HUD is waiving this term. Specifically, for any family that is in the last year of this term (i.e., the 15th year or the 10th year, as applicable) and that is experiencing financial hardship as a result of the COVID-19 pandemic, a PHA may provide homeownership assistance for up to 1 additional year.

Period of Availability: Through December 31, 2020, a PHA may extend homeownership assistance for up to 1 additional year.

HCV-14: Mandatory Removal of Unit from PBV HAP Contract

Regulatory Authority: 24 C.F.R. §983.211(a); §983.258

Description: Under the PBV program, a PHA is required to remove a unit from a PBV HAP contract after 180 days of zero housing assistance payments to the unit owner on behalf of the family residing in the unit. This situation arises when the family increases its income to such an extent that it no longer requires housing assistance. In recognition that the COVID-19 pandemic is creating uncertainty for owners and families, HUD is waiving this requirement. As an alternative requirement, HUD is authorizing a PHA at its discretion to keep such units under contract for a period of time that exceeds 180 days but does not extend beyond December 31, 2020. Similarly, with respect to 24 C.F.R §983.258, HUD is providing that a PHA that adopts the alternative requirement may resume housing assistance payments on behalf of a family residing in such a unit should the family’s income change at any point during the period of time covered by the extension.

Period of Availability: The period of availability for the extension ends on December 31, 2020.

10. **PUBLIC HOUSING PROGRAM WAIVERS**

PH-1: Fiscal Closeout of Capital Grant Funds

Regulatory Authority: 24 CFR § 905.322(b)

Description: Section 905.322(b) establishes deadlines for the submission of an Actual Development Cost Certificate (ADCC) and an Actual Modernization Cost Certificate (AMCC) (two financial reporting documents required to close out Capital Fund grants). Specifically, the ADCC must be submitted 12 months from the date of completion or HUD termination of a development activity, and the AMCC must be submitted not later than 12 months from the activity's expenditure deadline. HUD is waiving this requirement and extending the deadlines for an ADCC or AMCC that fell between March 1, 2020, and September 30, 2020, by 6 months.

Period of Availability: For ADCC and AMCC forms due between March 1 and September 30, 2020, the deadline for submission is extended by 6 months.

PH-2: Total Development Costs

Regulatory Authority: 24 CFR § 905.314(c) - (d)

Description: The public housing regulations establish a Maximum Project Cost which represents the total amount of public housing funds that may be used for development of a public housing project. The Total Development Cost (TDC) and Housing Construction Cost (HCC) limits are published periodically by HUD. These limits may not be exceeded without a waiver approved by HUD or an exception approved by HUD pursuant to 24 CFR § 905.314(c).

HUD is waiving the TDC and HCC limits to allow the amount of public housing funds committed to development of a project to exceed the applicable TDC and HCC limits by 25 percent without a waiver from HUD. Amounts in excess of 25 percent up to 50 percent may be approved by the HUD program office on a case-by-case basis, if sufficient justification is provided. This waiver applies to public housing development, Mixed-Finance development and Choice Neighborhoods development. However, all other requirements of development set forth in 24 CFR § 905.600 still apply. HUD recognizes that COVID-19 may seriously impact development costs. The lack of available labor; shortage of materials; extended development timeframes; and changes in financial markets, all have the potential to increase development costs above the established HUD TDC and HCC limits.

If a project still exceeds TDC and HCC limits after the increase approved by HUD is taken into consideration, then a PHA may submit a request for an exception pursuant to 24 CFR § 905.314(c) or request a waiver for other good cause for HUD's consideration.

Period of Availability: A complete Development Proposal must be submitted to HUD no later than December 31, 2021, for a project to be eligible for this waiver.

PH-3: Cost and Other Limitations: Types of Labor

Regulatory Authority: 24 CFR § 905.314(j)

Description: This regulation establishes that non-high performer PHAs may use force account labor for modernization activities only when the use of force account labor for such activities has been included in a Capital Fund Program 5-Year Action Plan that is approved by the PHA Board of Commissioners and HUD. HUD will waive this requirement to allow for the use of force account labor for modernization activities even if this activity has not been included in the non-high performer PHA's 5-Year Action Plan.

Period of Availability: The period of availability ends on December 31, 2020.

PH-4: ACOP: Adoption of Tenant Selection Policies

Regulatory Authority: 24 CFR § 960.202(c)(1)

Description: The regulation requires that the PHA policies in the ACOP must be duly adopted and implemented. HUD is waiving this requirement to permit PHAs to adopt and implement changes to the ACOP on an expedited basis, without formal board approval, through September 30, 2020. Any informally adopted revisions under this waiver authority must be formally adopted no later than December 31, 2020.

Period of Availability: The period of availability to informally adopt changes to the PHA administrative plan ends on September 30, 2020; the PHA must formally adopt such revisions no later than December 31, 2020.

PH-5: Community Service and Self-Sufficiency Requirement (CSSR)

Statutory Authority: Section 12(c) of the USHA of 1937

Regulatory Authority: 24 CFR § 960.603(a) and 960.603(b)

Description: The statute and regulations require that each adult resident of public housing, except for any family member that is exempt, must contribute 8 hours per month of community service or participate in an economic self-sufficiency program or a combination of both. A family's noncompliance with the service requirement is grounds for non-renewal of the lease at the end of the lease term. HUD is waiving this requirement and is alternatively suspending the community service and self-sufficiency requirement. If a PHA adopts this waiver, tenants will not be subject to this requirement at the family's next annual reexamination. Upon the family's next annual reexamination, PHAs should report on Form HUD-50058 each individual's CSSR status as either exempt for those that are exempt, or pending for those that are otherwise eligible but for which the suspension prevents a housing authority from determining compliance. After a PHA completes an annual reexamination for any family, the CSSR becomes effective again for family members for the subsequent annual reexamination cycle.

Period of Availability: The period of availability ends on March 31, 2021.

PH-6: Energy Audits

Regulatory Authority: 24 CFR § 965.302

Description: PHAs are required by this regulation to complete an energy audit for each PHA-owned project not less than once every five years. Due to shelter-in-place orders, and closures of many non-essential businesses, access to qualified energy auditors is likely to be limited during the period of time that the program is affected because of the COVID-19 pandemic. Therefore, HUD is waiving this requirement and is alternatively suspending the performance of the audits for one year for those that were due before December 31, 2020.

Period of Availability: The period of availability is one year beyond the date of the energy audit deadline in 2020 for the impacted project.

PH-7: Over-Income Families

Statutory Authority: Section 16(a)(5) of the USHA of 1937

Regulatory Authority: Housing Opportunity Through Modernization Act of 2016: Final Implementation of the Public Housing Income Limit (83 FR 35490, July 26, 2018)

Sub-regulatory Guidance: Notice PIH 2019-11

Description: PHAs are required by statute and the Federal Register Notice to terminate or charge an alternative rent to families whose income exceeds the program maximum income level for two consecutive years. HUD defined the two-year time period as two consecutive reexamination cycles. In order to be consistent with the delay in annual reexaminations permitted under waiver PH and HCV-2, HUD is waiving this requirement and is permitting families to remain in their units and to continue to pay the same rental amount until such time that a PHA conducts the next annual income recertification that would impact the family. In order to adopt this waiver, PHAs must also adopt a waiver under PH and HCV-2.

Period of Availability: The period of availability ends on December 31, 2020.

PH-8: Resident Council Elections

Regulatory Authority: 24 CFR § 964.130(a)(1)

Description: The regulations require that resident councils must adhere to certain minimum standards regarding election procedures, including that all procedures must assure fair and frequent elections of resident council members—at least once every three years for each member. HUD recognizes that conducting resident council elections may not be possible as a result of COVID-19 public health actions. HUD is waiving the regulation to allow PHAs to delay resident council elections beyond the three-year limit if necessary. However, the delayed resident council election must be rescheduled and held as soon as reasonably possible once circumstances permit, after December 31, 2020.

Period of Availability: The period of availability of this waiver ends on December 31, 2020.

PH-9: Review and Revision of Utility Allowances

Regulatory Authority: 24 CFR § 965.507

Description: The regulations require the PHA to review at least annually the basis on which utility allowances have been established and revise allowances if required on the basis of that review. Due to shelter-in-place orders, and closures of many non-essential businesses, PHAs are encouraged to focus administration on critical program functions. Further, access to information on changing utility rates may be limited in some jurisdictions. Therefore, HUD is waiving this requirement to allow PHAs to delay the review and update of utility allowances.

Period of Availability: Any review and update of utility allowances that were due at some point in time in CY 2020 must be completed by December 31, 2020.

PH-10: Tenant Notifications for Changes to Project Rules and Regulations

Regulatory Authority: 24 CFR § 966.5

Description: PHAs are required by this regulation to provide 30-day notice to impacted families for changes to policies, rules and special charges to families. HUD is waiving the requirement to provide such advance notice, except advance notice must be provided for any changes related to tenant charges. Although HUD is waiving the advanced notice, PHAs must still provide adequate notification to impacted families within 30 days of making such changes. HUD encourages PHAs to give advance notice to the extent feasible.

Period of Availability: The period of availability ends on December 31, 2020.

PH-11: Designated Housing Plan Renewals

Statutory Authority: Section 7(f) of the USHA of 1937

Description: The statute requires that PHAs submit a request to HUD to extend the effective period for Designated Housing Plans upon expiration of the Plan's current effective period. All original designations remain in effect for 5 years from the date HUD approves the Plan; renewals beyond the initial 5 years are granted for 2-year periods. HUD is waiving the statute to extend the effective period through December 31, 2020, for plans due to expire between the date of this Notice and December 31, 2020. If the request for renewal is not approved upon the expiration of the extended effective period, the Plan will have expired and the designated project or portion of a project will convert to its original status. Therefore, the PHA will need to submit a renewal request at least 60 days prior to the extended expiration date of December 31, 2020.

Period of Availability: The period of availability ends on December 31, 2020.

PH-12: Public Housing Agency Annual Self-Inspections

Statutory Authority: Section 6(f)(3) of the USHA of 1937

Regulatory Authority: 24 CFR § 902.20(d)

Description: The statute requires PHAs which own or operate public housing to make an annual inspection of each public housing project to determine whether units in the project are maintained to applicable standards and remain safe for residents. HUD is waiving the requirement that the PHA must inspect each project during CY 2020.

This waiver does not alleviate the PHA of its responsibility to provide safe housing. PHAs are reminded to expeditiously identify, respond to, and address serious conditions that could jeopardize life or property.

HUD encourages PHAs that choose not to utilize this waiver, or that wish to conduct inspections on a more limited basis to consider establishing and maintaining methods of performing remote, video-assisted or “virtual” inspections of dwelling units to identify maintenance needs while complying with CDC and local guidelines, especially for those units that may not be inspected this year. PHAs should also consider utilizing electronic means (such as videoconferencing, text messaging and email) of receiving maintenance requests and reports of life-threatening safety concerns directly from residents while minimizing in-person interactions. Additionally, it is recommended that PHAs continue to conduct exterior/site inspections or maintenance evaluations in compliance with social distancing requirements outlined by the CDC. As outlined in Maintenance Guidebook II, Chapter 2, Sections A and B, PHAs are required to establish both a regular and emergency maintenance plan. In separate and forthcoming guidance, HUD will describe an approach for the recommencement of Real Estate Assessment Center inspections. This guidance may also be helpful to PHAs in determining when to resume self-inspections, however, PHAs will be required to complete an inspection of every public housing property during CY 2021.

Period of Availability: The period of availability ends on December 31, 2020.

11. PHAS, SEMAP, AND UNIFORM FINANCIAL REPORTING STANDARDS

a. PHAS

Regulatory Authority: 24 CFR Part 902

Description: Part 902 sets out the indicators by which HUD measures the performance of a PHA. The indicators measure a PHA's physical condition, financial condition, management operations, and Capital Fund obligation and occupancy. HUD is waiving this inspection requirement and is alternatively postponing physical inspections for all PHAs until further notice, except where there is a threat to life or property. HUD will primarily rely on residents' complaints and potentially other sources such as news articles, Congressional inquiries and field office requests to identify threat to life or property.

Further, for PHA that had a PHAS score pending as of the date of this Notice, and for any PHA with a fiscal year ending on or before December 31, 2020, HUD will not issue a new PHAS score unless the PHA requests that a new PHAS score be issued. HUD will instead carry forward the most recent PHAS score on record.

Period of Availability: HUD will resume issuing new PHAS scores beginning with PHAs with fiscal year end dates of March 31, 2021.

b. SEMAP

Regulatory Authority: 24 CFR Part 985

Description: Part 985 sets out the requirements by which Section 8 tenant-based assistance programs are assessed. For PHAs that have a SEMAP score pending as of the date of this Notice, and for any PHA with a fiscal year ending on or before December 31, 2020, HUD will not issue a new SEMAP score unless the PHA requests a that new SEMAP score be issued. HUD will instead carry forward the most recent SEMAP score on record.

Period of Availability: HUD will resume issuing new SEMAP scores beginning with PHAs with fiscal year end dates of March 31, 2021.

c. Uniform Financial Reporting Standards: Filing of Financial Reports; Reporting Compliance Dates

Regulatory Authority: 24 CFR §§ 5.801(c), 5.801(d)(1)

Description: Section 5.801 establishes uniform financial reporting standards (UFRS) for PHAs (and other entities). Section 5.801(c) requires that PHAs submit financial information in accordance with 24 CFR § 5.801(b) annually, not later than 60 days after the end of the fiscal year of the reporting period. Section 5.801(d)(1) requires that PHAs submit their unaudited financial statements not later than 60 calendar days after the end of their fiscal year, and that PHAs submit their audited financial statements not later than 9 months after the end of their fiscal year.

HUD is waiving these requirements and is providing the alternative requirements for the following PHAs:

- (1) PHAs with a FYE of June 30, 2019; September 30, 2019; December 31, 2019; and March 31, 2020, and a deadline to submit audited financial information in accordance with 24 CFR § 5.801(b) and (d); and

FYE	Due Date	Extended Due Date
6/30/2019	3/31/2020	9/30/2020
9/30/2019	6/30/2020	12/31/2020
12/31/2019	9/30/2020	3/31/2021
3/31/2020	12/31/2020	6/30/2021

- (2) PHAs with a FYE of December 31, 2019 and March 31, 2020, and a deadline to submit unaudited financial information in accordance with 24 CFR § 5.801(b) and (d).

FYE	Due Date	Extended Due Date
12/31/2019	2/29/2020	8/31/2020
3/31/2020	5/31/2020	11/30/2020

Period of Availability: Varies by PHA by FYE, see description for details.

12. OTHER WAIVERS AND ADMINISTRATIVE RELIEF

a. PHA Reporting Requirements on HUD Form 50058

Regulatory Authority: 24 CFR Part 908, § 982.158

Sub-regulatory Guidance: PIH Notice 2011-65

Description: PHAs must submit form HUD-50058 no later than 60 calendar days from the effective date of any action recorded on line 2b of the form HUD-50058 or form HUD-50058 MTW (Moving-To-Work). The Notice states HUD will monitor timeliness of reporting and may sanction a PHA for late reporting.

HUD recognizes that PHAs that implement waivers and alternative requirements under this Notice likely will submit form HUD-50058 later than 60 calendar days from the effective date of certain actions, particularly related to reexaminations and inspections. HUD is waiving the 60-day deadline and providing that PHAs must submit form HUD-50058 or HUD-50058 MTW for transactions impacted by implemented waivers and alternative requirements within 90 days of the effective date of action.

Although this waiver provides up to 90 days for PHAs to submit HUD-50058 forms into IMS-PIC (Inventory Management System–PIH Information Center), HUD encourages those PHAs that have operational capacity to do so to continue submitting HUD-50058 forms within the normal 60-day timeframe.

PIH recognizes this Notice and any subsequent Notices providing waiver authority to HUD-50058 submission requirements could impact the PHA's ability to submit HUD-50058 forms into the IMS-PIC system and potentially result in fatal errors. In order to minimize the occurrence of these errors resulting from implementing these waivers, PIH will be issuing guidance in the near future that will provide PHAs with workarounds to avoid any potential issues in the PIC system.

For PHAs that submit HUD-50058 forms and receive a fatal error, PIH will not require these HUD-50058 forms to be re-submitted consistent with the waiver of reporting provisions in the Notice. PIH encourages these PHAs to not re-submit these forms until after PIH issues the revised guidance for HUD-50058 reporting. For PHAs that submit HUD-50058 forms successfully in the interim period before the new reporting guidance is issued, PIH may require corrections to these HUD-50058 forms and re-submission to IMS-PIC.

Period of Availability: The period of availability ends December 31, 2020.

b. Designated Housing Plans: HUD 60-Day Notification

Statutory Authority: Section 7(e)(1) of the USHA of 1937

Description: The statute requires HUD to notify PHAs that have submitted a Designated Housing Plan whether the plan complies with the requirements to establish the designation of a project for occupancy by elderly and/or disabled families no later than 60 days after receiving the plan. Under the statute, if HUD does not respond within 60 days the plan is considered accepted. HUD is temporarily waiving this deadline to ensure that

it can review and adequately address any programmatic and fair housing concerns while its operations are impacted by the COVID-19 pandemic but will complete Designated Housing Plan reviews as expeditiously as possible. HUD is waiving the 60-day notification requirement for those plans submitted after March 1, 2020.

Period of Availability: This waiver ends on July 31, 2020, unless subsequently extended by HUD.

c. Extension of Deadline for Programmatic Obligation and Expenditure of Capital Funds

Statutory Authority: Section 9(j)

Regulatory Authority: 24 CFR § 905.306(d)(5) and 905.306(f)

Description: Section 9(j)(1) requires PHAs to obligate Capital Funds not later than 24 months after the date on which the funds became available, or the date on which the PHA accumulates adequate funds to undertake modernization, substantial rehabilitation, or new construction of units, plus the period of any extension approved under Section 9(j)(2). Section 9(j)(5)(A) requires a PHA to expend Capital Funds not later than four years after the date on which the funds become available for obligation, plus the period of any extension approved under Section 9(j)(2). Section 9(j)(2) authorizes the Secretary to extend the time period for the obligation of Capital Funds for such period as the Secretary determines necessary if the Secretary determines that the failure of the PHA to obligate assistance in a timely manner is attributable to an event beyond the control of the PHA. The authority for extension of the Section 9(j) obligation and extension deadlines for an event beyond the control of the PHA is also found in the implementing regulation at 24 CFR § 905.306 (d)(5). The regulations do not permit extensions of the expenditure dates other than for the period of time of a HUD-approved extension of the obligation deadline.

Period of Availability: HUD is extending both the obligation end date and the expenditure end date for all Capital Fund grants that were open on April 10, 2020, by one year from the obligation and expenditure end date in LOCCS that was in effect on April 10, 2020; however, no programmatic expenditure end date shall be extended beyond one month prior to the closure of the relevant appropriation account, pursuant to 31 U.S.C. § 1552.

SECTION II: WAIVERS APPLICABLE TO NATIVE AMERICAN PROGRAMS

13. WAIVERS AND ALTERNATIVE REQUIREMENTS APPLICABLE TO THE IHBG PROGRAM UNDER THE NATIVE AMERICAN HOUSING ASSISTANCE AND SELF-DETERMINATION ACT OF 1996 (NAHASDA), AS AMENDED

Introduction: The CARES Act provides HUD with broad authority, in the context of the COVID-19 pandemic, to waive statutes and regulations (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment) for the IHBG program. The following waivers and alternative requirements apply only to new IHBG funding provided under the CARES Act (IHBG-CARES grants), and FY 2020 IHBG formula funds under the Further Consolidated Appropriations Act, 2020. IHBG recipients are reminded that these waivers and alternative requirements do not apply to IHBG funds appropriated in any other prior year. In applying these waivers and alternative requirements, IHBG recipients must ensure that they are doing so only with respect to IHBG-CARES grants and their FY 2020 IHBG grant.

The CARES Act also provides that any waivers granted by HUD shall be deemed to be effective as of the date an Indian tribe or TDHE began preparing for COVID-19. Accordingly, the relief provided by the following waivers and alternative requirements will apply retroactively to the date that the respective IHBG recipient began preparing for COVID-19. Additionally, any related costs previously incurred by IHBG recipients that are also eligible and allowable IHBG-CARES costs may be covered or reimbursed with IHBG-CARES grant funding. Recipients should maintain documentation demonstrating when the recipient began preparing for COVID-19. Such documentation should be maintained to ensure that both HUD and the recipient can clearly identify the date when waivers and alternative requirements issued by HUD began to apply, and to support costs incurred by the recipient that it covers or reimburses with IHBG-CARES grant funding.

HUD has determined that the following waivers and alternative requirements are necessary to expedite or facilitate the use of IHBG funds to prevent, prepare for, and respond to COVID-19.

Period of Availability: The period of availability of each IHBG waiver and alternative requirement below ends when funds subject to the waiver and alternative requirement are expended, unless otherwise specified under each waiver and alternative requirement (e.g., IHP/APR deadline extensions).

a. Application Process for IHBG-CARES Grants and Indian Housing Plan (IHP) Requirements

Statutory Authority: Section 101(b), Section 102, and Section 103 of NAHASDA

Regulatory Authority: 24 C.F.R. §§ 1000.214; 1000.218; 1000.220; 1000.224; 1000.226; 1000.228; 1000.230; and 1000.232

Description: Section 101(b), Section 102, and Section 103 of NAHASDA and the implementing regulations in Subpart C of 24 CFR Part 1000 require IHBG recipients to submit an IHP that must be found to be in compliance with NAHASDA as a condition of

receiving an IHBG grant. HUD is required to act on IHP submissions within 60 days or it is deemed approved. These provisions also provide that IHBG recipients may amend their IHPs and outline the process of HUD review of such IHP amendments. Certain IHP amendments that add new activities or involve a decrease in the amount of funds provided to protect and maintain the viability of housing assisted under the 1937 Act known as Formula Current Assisted Stock (FCAS) units require HUD to review such modifications and determine that they comply with NAHASDA. HUD is required to act on such modifications within 30 days.

HUD recognizes the challenges that Indian tribes and TDHEs are facing at the present time. Many IHBG recipients are shut down for business. Many Indian tribes have declared a state of emergency, limited travel, and have imposed social distancing directives to minimize the risk of spreading COVID-19 in their communities. This has had a severe impact on Tribes' and TDHEs' abilities to conduct business.

To facilitate and expedite the use of IHBG-CARES grant funding and FY 2020 IHBG funding for COVID-19 related purposes, HUD is waiving the requirements in Section 101(b), Section 102, and Section 103 of NAHASDA, and regulations in Subpart C of 24 CFR Part 1000, including 24 CFR §§ 1000.214; 1000.218; 1000.220; 1000.224; 1000.226; 1000.228; 1000.230; and 1000.232, only to the extent necessary to establish the following alternative requirements:

In recognition of the limited ability of Indian tribes and TDHEs to conduct regular business at this time, HUD is minimizing application requirements while also ensuring that IHBG recipients will expend CARES Act funding in accordance with the Act and program requirements.

1) *Abbreviated IHP to Receive IHBG-CARES Grant Funding*

Given the current exigent situation, applicants for IHBG-CARES grants funding will only be required to submit an Abbreviated IHP, in accordance with guidance that will be published by HUD in the very near future, in order to receive an IHBG-CARES grant. An Abbreviated IHP is a more streamlined version of the regular IHP.

These Abbreviated IHPs must specify how the IHBG recipient will carry out activities or projects that meet the requirements of the CARES Act (to prevent, prepare for, and respond to COVID-19), will allow the IHBG recipient to rely on certain information included in its previously submitted FY 2020 IHP, and provide HUD with specific information that will be requested in further guidance. To the extent feasible, HUD will expedite its review and approve all Abbreviated IHPs within 15 days to expedite awarding grant funding under the CARES Act.

Abbreviated IHPs that HUD fails to act on in a timely manner will not be deemed to be approved by operation of law.

HUD will also accept any Abbreviated IHPs that cannot be formally adopted by an Indian tribe or TDHE in accordance with their normal policies and procedures for adopting IHPs, provided an official or principal of the Indian tribe or TDHE who is authorized to act on behalf of the Indian tribe or TDHE provides a statement to HUD

indicating that it is not practical or safe for the Indian tribe or TDHE to assemble a board or other governing body to conduct business to secure required approvals, at the time, due to the impact of COVID-19 on operations of the Indian tribe or TDHE (or the beneficiary Indian tribe of the TDHE). The Indian tribe or TDHE should take the necessary action, at a later date, when it is feasible and safe to do so, to either ratify the Abbreviated IHP previously submitted by the official or principal, if required under its policies and procedures, or submit an amendment to the Abbreviated IHP.

2) *Recipients that did Not Submit an IHP in FY 2020*

Section 101(b)(1) of NAHASDA states that the Secretary may make a grant under the Act if an IHP is submitted and determined to comply with the requirements of Section 102 of the Act.

Sections 101(b)(1) and (2) are waived for any Tribe or TDHE that did not submit an IHP, or whose IHP was not approved in FY 2020, and accordingly did not receive an IHBG grant in FY 2020. A Tribe or TDHE that did not receive IHBG funds in FY 2020 may still apply to receive an IHBG-CARES grant, provided it submits an Abbreviated IHP to HUD, in accordance with further guidance that will be published by HUD. HUD may require additional information from these recipients but will seek to streamline the application process to ensure that funding can be awarded as expeditiously as possible, while also ensuring compliance with the CARES Act and NAHASDA. This waiver is necessary to provide an opportunity to all potential IHBG applicants to access this new funding to help address the ongoing crisis, regardless of whether they failed to submit an IHP in FY 2020.

3) *IHP Certifications*

Some Indian tribes and TDHEs have expressed to HUD that under the current conditions, they likely will have difficulty securing required internal approvals to be able to provide HUD with information normally required under a regular IHP. This includes certifications submitted by an Indian tribe authorizing a TDHE to act as its IHBG recipient, and other certifications of compliance required under Section 102(b) of NAHASDA.

Accordingly, HUD is waiving the IHP certification requirements in Section 101-103 of NAHASDA and establishing the following alternative requirements as follows: IHBG recipients are required to provide HUD with all required IHP certifications in their Abbreviated IHPs. However, if an authorized official of an Indian tribe or TDHE provides a statement to HUD indicating that it is not practical or safe for the Indian tribe or TDHE to secure new certifications due to the impact of COVID-19 on its operations, or the operations of a beneficiary Indian tribe, HUD will, consistent with Section 103(d) of NAHASDA, accept all IHP certifications that were previously submitted and accepted by HUD for FY 2020 IHBG grants (or for FY 2019 IHBG grants for those IHBG recipients that have not yet submitted their FY 2020 IHP), in lieu of requiring new tribal certifications to be submitted. IHBG recipients that

choose to use this alternative requirement will be deemed to have submitted such past certifications for the IHBG-CARES grant and will be bound by such certifications, accordingly.

Under this alternative requirement, TDHEs may submit Abbreviated IHPs on behalf of their beneficiary Indian tribes without having to provide any required new IHP Tribal certifications when applying for IHBG CARES Act funds or amending their FY 2020 IHBG IHPs for COVID-19 related purposes. However, these TDHEs are required to consult with their beneficiary Indian tribes that they serve, in a manner that is feasible and when it is safe and practical to do so, and submit any appropriate amendments or certifications to their Abbreviated IHPs if they are directed to do so by the beneficiary Indian tribe.

4) Reprogramming of FY 2020 IHBG Funding

HUD strongly encourages IHBG recipients to consider reprogramming existing FY 2020 IHBG funding to help address COVID-19, because this funding likely is more immediately available. To expedite and facilitate the use of such funds for this purpose, HUD is waiving Section 103 of NAHASDA and 24 CFR § 1000.230 to the extent necessary to allow IHBG recipients to expend IHBG FY 2020 funds on IHBG activities that meet the eligible purposes of the CARES Act (to prevent, prepare for, and respond to COVID-19), including activities made eligible under the waivers and alternative requirements provided in this Notice, without first having to amend their FY 2020 IHP. IHBG recipients that choose to do this must still amend their FY 2020 IHP, at a later date, but prior to submission of their APR, to reflect these new uses or activities, but may request an extension if doing so is not feasible and safe for Tribal or TDHE staff at that time.

Additionally, HUD is waiving the requirement in 24 CFR § 1000.232 that provides that certain IHP amendments that add new activities or involve a decrease in the amount of funds provided to protect and maintain the viability of FCAS units require HUD to review such modifications and determine that they comply with NAHASDA. IHBG recipients may reprogram FY 2020 funding to add new activities and decrease funding for FCAS units without HUD prior review and approval, provided that the IHBG recipient is carrying out eligible COVID-19-related IHBG activities. Similarly, the FY 2020 IHP must be amended to reflect these changes prior to submission of their APR, to reflect these added activities or a decrease in the amount of FCAS funds, but may request an extension if doing so is not feasible and safe for Tribal or TDHE staff at that time.

b. IHP Submission Deadline for Annual IHBG Formula Grants

Statutory Authority: Section 101(b) and 102(a) of NAHASDA

Regulatory Authority: 24 CFR §§ 1000.214, 1000.216, 1000.225

Description: Section 101(b) of NAHASDA permits the Secretary to make a grant on behalf of an Indian tribe for a fiscal year only if the Indian tribe has submitted an IHP for such fiscal year. Section 102(a) of NAHASDA requires the IHP be submitted no later than 75 days before the beginning of each tribal program year.

Due to the disruption in Tribal and TDHE operations caused by COVID-19, and to facilitate recipients' efforts to respond, HUD is waiving these requirements and modifying them to allow for a new IHP submission deadline for recipients with program years beginning April 1, 2020, and July 1, 2020. IHBG recipients with these program years beginning these dates may submit their IHP for their program year on or before October 16, 2020. Additionally, IHBG recipients with program years beginning October 1, 2020, may submit their IHP for their program year on or before January 17, 2021. HUD is also establishing alternative requirements for the content of IHPs.

Original and Extended IHP Due Dates by Program Year Starts

Program Year Starts	Original IHP Due Date	Extended IHP Due Date
4/1/2020	1/17/2020	10/16/2020
7/1/2020	4/17/2020	10/16/2020
10/1/2020	7/18/2020	1/17/2021

As the ongoing COVID-19 pandemic progresses, HUD will assess whether additional extensions are needed and may grant further extensions, if appropriate.

c. Annual Performance Report Submission Deadline

Statutory Authority: Sections 403 and 404 of NAHASDA

Regulatory Authority: 24 CFR § 1000.514

Description: NAHASDA requires that, not less frequently than annually, each recipient must review the activities conducted and housing assisted under the Act to assess compliance with the IHBG program requirements. The results of each review must be included in an Annual Performance Report (APR) submitted to the Secretary under Section 404 and made available to the public. 24 CFR § 1000.514 of IHBG Regulations requires the APR be submitted to HUD within 90 days of the end of a recipient's program year.

Due to the disruption in Tribal and TDHE operations caused by COVID-19, and to facilitate recipients' efforts to respond, HUD is establishing an alternative requirement under which IHBG recipients with Program Years ending December 31, 2019, submit their APRs for their program year on September 27, 2020, IHBG recipients with program years ending March 31, 2020, submit their APR for their program year on December 30, 2020, and IHBG recipients with program years ending June 29, 2020, submit their APR for their program year on December 30, 2020.

Original and Extended APR Due Dates by Program Year Ends

Program Year Ends	Original APR Due Date	Extended APR Due Date
12/31/2019	3/30/2020	9/27/2020
3/31/2020	6/29/2020	12/30/2020
6/29/2020	9/30/2020	12/30/2020

As the ongoing COVID-19 pandemic progresses, HUD will assess whether additional extensions are needed and may grant further extensions, if appropriate.

d. Income Verification

Regulatory Authority: 24 CFR § 1000.128

Description: 24 CFR § 1000.128 requires IHBG recipients to verify that a family is income-eligible. Families are required to provide documentation to verify this determination, and a recipient is required to maintain that documentation. Families may be required by the IHBG recipient to periodically verify income after initial occupancy, and the recipient is required to maintain documentation.

Given the COVID-19 related challenges facing families seeking IHBG assistance, families currently receiving IHBG assistance that are due for income recertification, and Tribal and TDHE staff charged with verifying income and maintaining documentation, HUD is establishing the following alternative requirement under 24 CFR § 1000.128:

- 1) IHBG recipients may deviate from their current written admissions and occupancy policies, and may allow less frequent income recertifications; and
- 2) IHBG recipients may carry out intake and other tasks necessary to verify income remotely if the IHBG recipient or eligible families chooses to do so, including allowing income self-certification over the phone (with a written record by the IHBG recipient's staff), or through an email with a self-certification form signed by a family.

e. Public Health Services

Statutory Authority: Section 202(3) of NAHASDA

Description: Section 202(3) of NAHASDA authorizes the use of IHBG funds for the provision of housing-related services for affordable housing. Under this eligible activity, IHBG funds can be used to provide services such as housing counseling, activities related to the provision of self-sufficiency and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in the IHBG program.

HUD is waiving Section 202(3) and establishing an alternative requirement to the extent necessary to allow IHBG funds to be used to carry out a wide range of public health services under this category of eligible activities. Accordingly, in addition to the housing services normally eligible under Section 202(3), IHBG recipients may be used on a wide

range of public health activities designed to allow IHBG-eligible residents and staff of the IHBG recipient to prepare for, prevent, and respond to COVID-19.

Eligible uses of IHBG funds under this waiver and alternative requirement include, but are not limited to: providing testing, diagnosis or other related services to residents; establishing a fixed or mobile location to conduct testing and treatment; paying for necessary equipment, supplies, and materials, including personal protective equipment; carrying out public health services designed to help staff, eligible residents, and other third-party providers serving eligible residents, prepare for, prevent, and respond to COVID-19; delivering meals on wheels or other food delivery services to eligible residents that are sheltered-in-place and complying with a stay at home order, or otherwise maintaining recommended social distancing.

HUD strongly encourages IHBG grantees to coordinate with recipients of other Federal sources of funding for this purpose, including funding provided by the Indian Health Service, to ensure IHBG funds are used to supplement rather than supplant such funding.

f. COVID-19-Related Assistance to Non-Low Income and Non-Native Families

Statutory Authority: Section 201(b) of NAHASDA

Regulatory Authority: 24 CFR §§ 1000.104, 1000.106, 1000.108, 1000.110; 1000.312, 1000.314, 1000.318

Description: Section 201(b) of NAHASDA and its implementation regulations, except for specified exceptions, limit assistance under eligible housing activities to low-income Indian families.

The COVID-19 pandemic poses a unique threat to the health and safety of Tribal communities. Persons infected with the virus, regardless of income or tribal membership, pose a health risk to the entire community, and low-income families are especially vulnerable given the severe overcrowding in Indian Country, infrastructure challenges, and the lack of access to running water and readily available health care services in many remote communities. To effectively prevent, prepare for, and respond to COVID-19, IHBG recipients may find the need to use IHBG resources or NAHASDA-assisted housing units to provide shelter-in-place housing and public health services to otherwise ineligible persons and families, with the goal of protecting the health and safety of the most vulnerable low-income Native American families who may be infected.

Given this, HUD is waiving Section 201(b) and its implementing regulations, and establishing alternative requirements to the extent necessary to allow IHBG funds to be used by recipients to prevent, prepare for, and respond to COVID-19 through the following limited activities that provide assistance to all affected and threatened people without regard to income limits or Indian status: temporary shelter-in-place, isolation centers, purchasing and making medical testing kits available, purchasing and distributing masks and other personal protection equipment, emergency food preparation and distribution, cleaning and decontamination, and other directly related activities.

Permanent rental assistance, mortgage assistance, housing rehabilitation, and new housing construction may not be provided for the benefit of such otherwise ineligible

families under this waiver and alternative requirement.

This assistance may only be provided to such otherwise ineligible families if: it is provided during the COVID-19 pandemic; if it is designed to protect the health and safety of low-income Native American families; if it is provided on an urgent basis (as documented by the IHBG recipient); and if it is temporary in nature. When providing this assistance, IHBG recipients must maintain records documenting that these criteria were met at the time that such assistance was provided.

Under this waiver and alternative requirement, IHBG recipients may house low-income non-Indian families or over-income Indian and non-Indian families in NAHASDA-assisted units, including FCAS units) to shelter-in-place those families per CDC guidelines to protect low-income Indian families and the Tribal community from the further spread of COVID-19, regardless of income or Indian status. IHBG funds may also be used to provide temporary rental assistance to otherwise ineligible persons or families in privately owned units, hotels/motels, and similar facilities designed to shelter-in-place or isolate infected persons from others, if the criteria under this waiver and alternative requirements are met. The use of NAHASDA-assisted units, including FCAS, or funds for the temporary shelter-in-place or isolation of any individuals shall be temporary and no individual shall be isolated longer than medically necessary.

24 CFR §§ 1000.312 and 1000.314 identify FCAS units as low rent, Mutual Help, and Turnkey III housing units owned and operated by an IHBG recipient. 24 CFR § 1000.318 establishes when these units can be considered FCAS for purposes of the IHBG formula. These regulations are also waived and modified to the extent necessary to not impact the FCAS eligibility of FCAS units used for this purpose of addressing COVID-19 regardless of income or Indian status, provided such units are operated as low income housing dwelling units once no longer needed to shelter-in-place persons, and upon a determination that such units are safe to be occupied again by low income families not infected with COVID-19.

Assistance provided in accordance with this waiver shall not count towards the maximum amount of assistance that IHBG recipients may otherwise provide to non-low-income families specified in 24 CFR § 1000.110.

By providing temporary assistance to address the immediate health, safety, and economic needs of all citizens in Indian Country, recipients can better insure the health and safety of low-income Indian families in their communities.

g. Useful Life

Statutory Authority: Section 205 of NAHASDA

Regulatory Authority: 24 CFR §§ 1000.141, 1000.142, 1000.143, 1000.144, 1000.146, 1000.147

Description: Section 205(a)(2) of NAHASDA requires each dwelling unit in a recipient's housing developed or assisted under the Act will remain affordable, according to binding commitments satisfactory to HUD, for the remaining useful life of the property. The

IHBG regulations require each recipient to describe, in its IHP, its determination of the useful life of the assisted housing units in its developments in accordance with the local conditions of the Indian area of the recipient. By approving the IHP, HUD determines the useful life in accordance with Section 205(a)(2).

HUD is waiving these requirements to determine and maintain affordability during the useful life of housing units assisted with IHBG-CARES grant funding and FY 2020 IHBG funding used to address COVID-19 if that assistance is related to cleanup of COVID-19 contamination and temporary use dwelling units for purposes of housing and quarantining families to inhibit the spread of COVID-19 to low-income Indian families and the Tribal community.

h. Total Development Cost Limits

Regulatory Authority: 24 CFR §§ 1000.156, 1000.158, 1000.160, 1000.162

Description: The IHBG regulations require that affordable housing under NAHASDA be of moderate design with a size and with amenities consistent with unassisted housing offered for sale in the Indian tribe's general geographic area to buyers who are at or below the area median income. To achieve this requirement the recipient must either, adopt written standards for its affordable housing programs that reflect the requirement specified, or use TDC limits published periodically by HUD that establish the maximum amount of funds (from all sources) that the recipient may use to develop or acquire/rehabilitate affordable housing. The limits provided by the TDC may not, without prior HUD approval, exceed by more than 10 percent the TDC maximum cost for the project. Non-dwelling structures used to support an affordable housing activity must be of a design, size and with features or amenities that are reasonable and necessary to accomplish the purpose intended by the structures.

HUD expects that COVID-19 will likely have both a short- and long-term impact on IHBG recipients' programs. Because of the long-term need to prevent, prepare for, and respond to COVID-19, IHBG recipients may find it appropriate to use IHBG-CARES grant funds to acquire or construct new housing units with the goal of reducing severe overcrowding in Indian Country that leave Native American populations, particularly the elderly and persons with disabilities, especially vulnerable to COVID-19. Accordingly, HUD is establishing an alternative requirement relating to limitations on cost or design standards and TDC with respect to dwelling and non-dwelling units developed, acquired or assisted with funding provided to be used by recipients to prevent, prepare for, and respond to COVID-19. An IHBG recipient may exceed the current TDC maximum by 20 percent without HUD review or approval if the purpose of the development, acquisition or assistance is to prevent, prepare for, and respond to COVID-19. The recipient, however, must maintain documentation that indicates the dwelling and non-dwelling units developed, acquired or assisted with this funding will, after this crisis, be for IHBG eligible families and the design, size, and amenities are moderate and comparable to housing in the area. The TDC limits can be exceeded by more than 20 percent if the recipient receives written approval from HUD Headquarters. This waiver applies to both single-family and multi-family housing, as well as non-dwelling structures supporting an activity to prevent, prepare for, and respond to COVID-19.

Period of Availability: This waiver and alternative requirement is available only so long as the Total Development Costs specified in PIH Notice 2019-19 remain in effect.

i. Prohibition Against Investment of CARES Act Grant Funds

Statutory Authority: Section 204(b) of NAHASDA

Regulatory Authority: 24 CFR § 1000.58

Description: Section 204(b) of NAHASDA permits IHBG recipients to invest grant amounts for the purposes of carrying out affordable housing activities in investment securities and other obligations as approved by HUD. Under 24 CFR § 1000.58 of the IHBG regulations, HUD has approved certain IHBG recipients based, among other things, on a history of compliance and capacity, to invest IHBG funding certain securities and interest-bearing accounts for the purpose of carrying out affordable housing activities.

HUD is waiving Section 204(b) of NAHASDA and 24 CFR § 1000.58 and prohibiting the investment of any IHBG funding provided under the CARES Act. Such funding is to be used by recipients to prevent, prepare for, and respond to COVID-19, including to maintain normal operations and fund eligible affordable housing activities under NAHASDA during the period that each recipient's program is impacted by COVID-19. Given the limited scope of this funding to address the immediate health, safety and economic needs of citizens in Indian Country, drawing down funds for investment in securities and long-term interest-bearing accounts is prohibited.

j. IHBG-CARES Funds Not Counted in Undisbursed Funds Factor

Regulatory Authority: 24 CFR § 1000.342

Description: 24 CFR § 1000.342 codifies the UDFP in the IHBG formula. It provides that if an Indian tribe's initial IHBG allocation calculation is \$5 million or more and the Indian tribe has undisbursed IHBG funds on October 1 of the fiscal year for which the allocation is made in an amount that is greater than the sum of the prior 3 years' initial allocation calculations, its grant allocation will be the greater of the initial allocation calculation minus the amount of undisbursed IHBG funds that exceed the sum of the prior 3 years' initial allocation calculations, or its 1996 Minimum.

HUD is waiving 24 CFR § 1000.342 and establishing an alternative requirement to the extent necessary to exclude IHBG-CARES funds from counting towards an Indian tribe's undisbursed IHBG funds from prior years under the UDFP. IHBG-CARES funds are available for a specific purpose under the CARES Act and were allocated by HUD to allow Indian tribes and TDHEs to prevent, prepare for, and respond to COVID-19. If this funding were counted against an Indian tribe and resulted in it receiving less IHBG formula funding under the next IHBG formula allocation, such a reduction in future funding would undermine the purposes of the IHBG-CARES funds and have an adverse impact on Indian tribes working to respond to the current National Emergency.

14. WAIVERS AND ALTERNATIVE REQUIREMENTS APPLICABLE TO THE INDIAN COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Introduction: Pursuant to the CARES Act, HUD may waive, or specify alternative requirements for, any provision of any statute or regulation that HUD administers in connection with the use of amounts made available for the ICDBG program under the CARES Act (ICDBG-CARES grants), and FY 2020 ICDBG funds (both Single Purpose Grants and Imminent Threat Grants) appropriated under the Further Consolidated Appropriations Act of 2020 (Public Law 116–94) (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), upon a finding by HUD that any such waivers or alternative requirements are necessary to expedite or facilitate the use of such amounts to prevent, prepare for, and respond to COVID-19. HUD has since determined that these flexibilities can also be granted with respect to ICDBG funds appropriated under the FY 2019 Consolidated Appropriations Act (Public Law 116-6).

Accordingly, the following waivers and alternative requirements apply only to ICDBG-CARES grants (the new ICDBG funding provided under the CARES Act), and FY 2019 and FY 2020 ICDBG funds. ICDBG grantees are reminded that these waivers and alternative requirements do not apply to ICDBG funds appropriated in any other prior year. In applying these waivers and alternative requirements, ICDBG grantees must ensure that they are doing so only with respect to ICDBG-CARES grant funding and their FY 2019 and FY 2020 ICDBG grant(s).

The CARES Act also provides that any waivers granted by HUD shall be deemed to be effective as of the date an Indian tribe began preparing for COVID-19. Accordingly, the relief provided by following waivers and alternative requirements will apply retroactively to the date that the respective ICDBG grantee began preparing for coronavirus. Additionally, any related costs previously incurred by ICDBG grantees that are also eligible and allowable ICDBG-CARES costs may be covered or reimbursed with ICDBG funding provided under the CARES Act. ICDBG-CARES grantees should maintain documentation demonstrating when the grantee began preparing for COVID-19. Such documentation should be maintained to ensure that both HUD and the grantee can clearly identify the date when waivers and alternative requirements issued by HUD began to apply, and to support costs incurred by the recipient that it covers or reimburses with ICDBG-CARES grant funding.

HUD has determined that the following waivers and alternative requirements are necessary to expedite or facilitate the use of ICDBG funds to prevent, prepare for, and respond to COVID-19.

Period of Availability: The period of availability of each ICDBG waiver and alternative requirement below ends when funds subject to the waiver and alternative requirement are expended, unless otherwise specified under each waiver and alternative requirement.

a. Citizen Participation

Statutory Authority: Section 104 of the Housing and Community Development Act of 1974 (HCD Act)

Regulatory Authority: 24 CFR §§ 1003.604,1003.305(c)(3)

Description: Section 104 of the HCD Act and 24 CFR § 1003.604 requires ICDBG

applicants to consult with residents prior to submitting their funding applications. The regulation mandates minimum citizen participation requirements, including holding one or more meetings to obtain the views of residents. 24 CFR § 1003.305(c)(3) requires ICDBG recipients to meet the citizen participation requirements of 24 CFR § 1003.604 before amending previously awarded ICDBG grants.

Considering COVID-19-related social distancing directives, and other prohibitions against large in-person gatherings, in person citizen meetings are not advised. Accordingly, HUD is waiving 24 CFR § 1003.604(a)(2) and 24 CFR § 1003.305(c)(3), and will not require Indian tribes to hold one or more meetings to obtain the views of residents before applying for ICDBG-CARES grant funding or amending their FY 2020 ICDBG grants to address COVID-19. Indian tribes will continue to be required, however, to meet the citizen participation requirements by publishing or posting information on their plans to use ICDBG grants, and accepting and considering comments, to the extent the Indian tribe determines that that can be done without subjecting residents to unnecessary risks to health and safety. Such alternative requirements to publish or post information for their plans must ensure effective communication with persons with disabilities. Indian tribes may also choose to hold virtual meetings with the public to meet these streamlined citizen participation requirements, if feasible.

When holding a virtual meeting, a grantee should take appropriate steps to ensure effective communication with persons with disabilities consistent with the requirements of accessibility laws, such as Section 504 of the Rehabilitation Act.

For virtual meetings, such steps will include ensuring that information is provided on an accessible website, that e-mails and other digital notifications are accessible, and that the application or platform used to host the hearing is also be accessible. Additional services such as audio description or captioning may also be needed to provide effective communication in a digital context. Helpful guidelines for ensuring the accessibility of web-based and digital materials are available through the World Wide Web Consortium's Web Accessibility Initiative at <https://www.w3.org/WAI/>. Examples of auxiliary aids and services that may be necessary when conducting hearings online can be found at 28 C.F.R. § 35.104. If no method of conducting a virtual hearing is available that appropriately accommodates an individual's disability, the grantee may not hold against the individual his or her inability to participate in the hearing, and an in-person hearing may be scheduled for a later date when the unnecessary risks to the health and safety of participants have alleviated.

Additionally, grantees should be mindful that many low-income persons may not be able to participate in a virtual meeting due to lack of Internet access. Grantees are encouraged to also make any virtual meetings available via telephone so that persons can participate even if they do not have access to the Internet.

b. Application Process for ICDBG-CARES Grants and Funding Criteria

Regulatory Authority: 24 CFR §§ 1003.400, 1003.401, 1003.402; Section I.A.1.b. of the combined FY 2019/2020 ICDBG Notice of Funding Availability (NOFA)

Description: The regulation at 24 CFR § 1003.400 specifies the funding criteria for ICDBG Imminent Threat (IT) grants. It provides that: 1) The urgency and immediacy of the threat must be independently verified before an ICDBG IT application can be approved by HUD; 2) Funds may only be used to deal with imminent threats that are not of a recurring nature and which represent a unique and unusual circumstance, and which impact on an entire service area; 3) HUD will establish grant ceilings. The regulation at 24 CFR § 1003.401 specifies the application process that applicants must follow. The regulation at 24 CFR § 1003.402 addresses the availability of funding and what happens to remaining unobligated ICDBG IT funds at the end of each fiscal year. It provides that if any reserved funds are not used to fund ICDBG IT grants during a fiscal year, they will be added to the allocation of ICDBG funds for the subsequent fiscal year and will be used as if they were a part of the new allocation.

The COVID-19 pandemic has resulted in a declared national emergency and is a domestic and international crisis. This is a unique well-documented emergency that is having an impact on all Tribal communities. Considering this, HUD is waiving and modifying 24 CFR § 1003.400, 24 CFR § 1003.401, 24 CFR § 1003.402, and Section I.A.1.b. of FY 2019/2020 ICDBG NOFA to the extent necessary to provide for the following alternative requirements:

1) Criteria for Funding

HUD issued further guidance in the ICDBG-CARES Implementation Notice (PIH Notice 2020-11) on the application process and criteria for ICDBG applicants applying for ICDBG-CARES grants to address the COVID-19 pandemic.

With respect to applications for ICDBG-CARES grants and FY 2019 and 2020 ICDBG Imminent Threat grants to address the COVID-19 pandemic: The urgency and immediacy of the threat need not be independently verified before approval of an application. The urgency and immediacy of the threat will be presumed by HUD, unless HUD has evidence to the contrary. Similarly, these applications need not demonstrate that COVID-19 is a non-recurring imminent threat and that it has an impact on an entire service area. HUD will presume these criteria are met unless HUD has evidence to the contrary.

2) Grant Ceilings

For ICDBG-CARES grants, HUD is waiving the current ICDBG Imminent Threat grant ceilings (currently set at \$450,000 for projects in areas that have not received a Presidential Major Disaster Declaration, and \$900,000 for areas that have received a Presidential Major Disaster Declaration). HUD published grant ceilings in PIH Notice 2020-11.

HUD may also further revise these grant ceilings in the future depending on how the pandemic evolves, program demand, the availability of additional appropriations, and related factors. HUD will notify Indian tribes in writing if these grant ceilings are revised in the future.

3) Reimbursement of Costs and Letter to Proceed

The CARES Act provides that ICDBG-CARES grant funds provided under the Act may be used to cover or reimburse allocable costs to prevent, prepare for, and respond to COVID-19 incurred by an ICDBG applicant, including costs incurred prior to the enactment of the Act. Accordingly, any previous costs incurred by an ICDBG applicant or grantee before the enactment of the Act may be reimbursed with ICDBG-CARES grant funding.

Considering this, HUD is waiving 24 CFR § 1003.400(b) to the extent necessary to allow ICDBG applicants and grantees to receive ICDBG-CARES grants without having to demonstrate to the satisfaction of HUD that other Tribal funding sources cannot be made available to alleviate the threat. Additionally, HUD will not consider recently awarded IHBG funding provided under the CARES Act, and regular IHBG funding that has already been budgeted in the relevant IHP or contracted, when assessing available Federal resources. HUD is also waiving the letter to proceed provision in 24 CFR § 1003.401(a) so that ICDBG applicants and grantees do not need to have received a letter to proceed from the Area ONAP as a condition of reimbursing themselves for eligible costs already incurred that can be reimbursed pursuant to the CARES Act.

Also, pursuant to 24 CFR § 1003.605(b) and 24 CFR § 58.34(a)(10), grants to provide assistance for temporary or permanent improvements that do not alter environmental conditions and are limited to protection, repair, or restoration activities necessary only to control or arrest the effects from disasters or imminent threats to public safety including those resulting from physical deterioration do not have to submit a Request for Release of funds and certification. However, the responsible entity must document in writing its determination that each activity or project is exempt from environmental review. In the case of imminent threat activities that do not meet the conditions in 24 CFR § 58.34(a)(10) for exemption from environmental review, ICDBG applicants or recipients may not commit ICDBG funds to reimburse expenses for such activities until HUD approves a Request for Release of Funds.

ICDBG-CARES grantees remain responsible for ensuring that they are coordinating locally, and with other Federal agencies, to ensure that funds are used appropriately to address gaps in funding, and to avoid any duplication of benefits.

4) Availability of Funds

HUD is waiving 24 CFR § 1003.402 which provides that if any reserved funds are not used to fund imminent threat grants during a fiscal year, they will be added to the allocation of ICDBG funds for the subsequent fiscal year and will be used as if they were a part of the new allocation. HUD is waiving this regulation to expedite and facilitate the use of ICDBG-CARES grant funds to address COVID-19. If ICDBG-CARES grant funds are not awarded in a fiscal year, HUD will assess how the COVID-19 pandemic is progressing, program demand, available funding, and related factors, and reserves the right to adjust how funding is awarded to ensure needs of tribes are met, including possibly setting aside a portion of funding to address the

needs of Tribes with the greatest needs. HUD may also award additional funding through the IHBG-CARES program if a sufficient amount of ICDBG-CARES funding remains unobligated after a period of time and projected program demand is low.

c. Removal of Public Services 15 Percent Cap under FY 2019 and FY 2020 ICDBG Grants

Statutory Authority: Section 105 of HCD Act

Regulatory Authority: 24 CFR § 1003.201(e); FY 2019/2020 ICDBG NOFA

Description: Section 105 of the HCD Act and the ICDBG implementing regulation at 24 CFR § 1003.201(e) authorize the use of ICDBG funds to carry out public services activities, but provide that the amount of ICDBG funds used for public services shall not exceed 15 percent of the respective ICDBG grant. Congress lifted the 15 percent cap on public services funded under the ICDBG Imminent Threat funding appropriated under the CARES Act and for FY 2019 and FY 2020 ICDBG funding in recognition of the great and immediate need for public services to help address and prepare for the impact of COVID-19 in Tribal communities.

Accordingly, HUD is waiving Section 105 of the HCD Act, 24 CFR § 1003.201(e), and language in the definition of the term “public services” in the FY 19/20 ICDBG NOFA to the extent necessary to remove the 15 percent cap on FY 2019/2020 ICDBG funding (both Single Purpose and Imminent Threat grants), to align with ICDBG Imminent Threat funding provided under the CARES Act. ICDBG grantees that have been awarded FY 2019/2020 ICDBG funds are reminded that they must still comply with the provisions of 24 CFR § 1003.305 if they are seeking to amend their grants to carry out additional public services or other activities to prevent, prepare for, or respond to COVID-19.

d. Rental Assistance, Utility Assistance, Food, Clothing, and Other Emergency Assistance

Statutory Authority: Section 105 of the HCD Act.

Regulatory Authority: 24 CFR § 1003.207(b)(4)

Description: Section 105(a)(8) authorizes the use of ICDBG funds for a variety of public services. Under the implementing regulation at 24 CFR § 1003.207(b)(4), the general rule is that ICDBG funds may not be used for income payments. For purposes of the ICDBG program, income payments mean a series of subsistence-type grant payments made to an individual or family for items such as food, clothing, housing (rent or mortgage) or utilities, but excludes emergency payments made over a period of up to three months to the provider of such items or services on behalf of an individual or family.

COVID-19 is having a substantial negative impact on Native American families’ ability to work, earn an income, pay their rent or mortgage, access or pay for food and clothing, and access many other essential services. Many tribes and TDHEs have reported to HUD

that they shut down and community members are sheltering in place. Additionally, HUD expects that tribes will need to respond to long-term impacts of COVID-19. To help Tribal communities address these challenges, HUD is waiving Section 105(a)(8) and 24 CFR § 1003.207(b)(4) to the extent necessary to establish the following alternative requirement:

- 1) ICDBG grant funds may be used to provide emergency payments for low and moderate income individuals or families impacted by COVID-19 for items such as food, medicine, clothing, and other necessities, as well as rental assistance and utility payment assistance, without regard for the 3-month limitation in 24 CFR § 1003.207(b)(4), but for a period not to exceed six months unless further expanded by HUD at a later date. At this time, emergency mortgage assistance will remain limited to no more than 3 months under 24 CFR § 1003.207(b)(4). However, HUD may provide additional waiver relief for ICDBG-funded mortgage assistance at a later date as the COVID-19 pandemic progresses. Indian tribes are reminded that the CARES Act provided foreclosure and forbearance relief for borrowers under the Section 184 Indian Home Loan Guarantee program, as well as other borrowers.
- 2) These emergency payments must be used to either cover costs incurred directly by the ICDBG grantee in cases where the ICDBG grantee is providing this assistance, or made directly to a third party provider of such items or services on behalf of an individual or family, and may not be paid directly to an individual or family in the form of income payments, debit cards, or similar direct income payments. ICDBG grantees may establish lines of credit with third party providers (e.g., grocery stores) on behalf of specific beneficiary families, provided all expenses can be properly documented and all ICDBG-CARES funds used for this purpose are expended on eligible activities. In all cases, ICDBG grantees must ensure that proper documentation is maintained to ensure that all costs incurred are eligible.

ICDBG grantees using this alternative requirement must document, in its policies and procedures, how they will determine the amount of assistance to be provided is necessary and reasonable.

e. Purchase of Equipment

Regulatory Authority: 24 CFR §§ 1003.207(b)(1); 1003.201(c)(1)(ii)

Description: The purchase of equipment with ICDBG funds is generally ineligible under 24 CFR § 1003.207(b)(1), with some exceptions.

Given the immediate need for medical and personal protective equipment, and other related equipment needed to help prevent, prepare for, and respond to the COVID-19 pandemic in Tribal communities, HUD is waiving 24 CFR § 1003.207(b)(1) and authorizing the use of ICDBG funds for the purchase of equipment necessary to prevent, prepare for, and respond to the COVID-19. Equipment must be used for authorized program purposes, and any proceeds from the disposition of equipment will be

considered ICDBG-CARES program income. HUD may issue further guidance in the future on the disposition of program income after grant closeout.

ICDBG grantees must ensure that ICDBG funds are used to supplement other Federal sources of funding for this purpose, including funding provided by the Indian Health Service, and should not be used to supplant such funding.

f. Operating Expenses for Public Facilities

Regulatory Authority: 24 CFR § 1003.207(b)(2)

Description: 24 CFR § 1003.207(b)(2) provides that expenses associated with repairing, operating or maintaining public facilities, improvements and services are generally ineligible, with some exceptions.

Indian tribes may find the need to use ICDBG funds to fund a variety of public facilities, including constructing facilities for testing, diagnosis, or treatment, rehabilitating existing facilities to establish infectious disease treatment clinics, acquiring and converting hotels, motels, or similar facilities to expand capacity of hospitals to accommodate isolation of patients during recovery, and more. These facilities will likely need to be operated and maintained for the duration of the COVID-19 pandemic. Accordingly, HUD is waiving 24 CFR § 1003.207(b)(2) to the extent necessary to allow the use of ICDBG funds to pay for such operating and maintenance expenses of any public facility, to the extent it is used for COVID-19-related purposes. In incurring such costs, ICDBG grantees may not use this waiver to pay for associated staffing costs of such public facilities. ICDBG grantees must also ensure that ICDBG funds are used to supplement other Federal sources of funding for this purpose, including funding provided by the Indian Health Service, and should not be used to supplant such funding.

g. New Housing Construction by Tribes

Statutory Authority: Section 105 of the HCD Act

Regulatory Authority: 24 CFR § 1003.207(b)(3)

Description: 24 CFR 1003.207(b)(3) generally prohibits the use of ICDBG funds for new housing construction, with some exceptions. ICDBG may be used for new housing construction if provided as last resort housing under 24 CFR Part 42, or when carried out by a Community-Based Development Organization (CBDO).

As HUD found in its 2017 Native American Housing Needs Study, severe overcrowding and substandard housing is a major challenge in Indian Country. These conditions increase risks of infection amongst low- and moderate-income Native American families. Indian tribes may find the need to construct temporary or permanent new housing to help prevent, prepare for, and respond to COVID-19, and may find it necessary to do so without having to carry out such activities through a CBDO. Accordingly, HUD is waiving and modifying Section 105 of the HCD Act and 24 CFR 1003.207(b)(3) to the extent necessary to provide for the following alternative requirement: Indian tribes and tribal organizations may use ICDBG funds to carry out new housing construction when

such construction is carried out to reduce overcrowding, or to otherwise prevent, prepare for, or respond to COVID-19.

When assessing applications for ICDBG-CARES grants that propose to carry out new housing construction, HUD will only fund applications that propose to carry out new housing construction that is clearly designed to prevent, prepare for, and respond to COVID-19, and that the applicant plans to carry out expeditiously. As a reminder, such new housing construction must meet applicable federal accessibility requirements, including requirements under Section 504 of the Rehabilitation Act and 24 CFR part 8 HUD will issue additional ICDBG-CARES implementation guidance in the near future.

15. Further Information. Question concerning this Notice should be submitted by email to the following HUD mailbox: PIH-covidwaivers@hud.gov.

/s/

R. Hunter Kurtz
Assistant Secretary for Public and
Indian Housing

ATTACHMENT 1 - RESOLUTION 2020-05

Attachment I: Summary of Public Housing and HCV Waivers and Alternative Requirements
 (Refer back to the Notice using the item code for a full description and more detailed information.)

This chart summarizes the waivers authorized under this Notice and the availability period for each. As stated in Section 5, PHAs must keep written documentation on the waivers applied by the PHA as well as the effective dates. To fulfill those requirements, PHAs may but are not required to utilize the last two columns to record this information.

Item	Statutory and regulatory waivers	Summary of alternative requirements	Availability Period Ends	Did PHA implement waiver and alternative requirement?	Date of PHA adoption
PH and HCV-1 PHA 5-Year and Annual Plan Submission Dates: Significant Amendment Requirements	<u>Statutory Authority</u> Section 5A(a)(1), Section 5A(b)(1), Section 5A(g), Section 5A(h)(2) <u>Regulatory Authority</u> §§ 903.5(a)(3), 903.5(b)(3), 903.13(c), 903.21, 903.23	<ul style="list-style-type: none"> Alternative dates for submission Changes to significant amendment process 	<ul style="list-style-type: none"> Varies based on FYE 12/31/20 	Yes	07.28.2020
PH and HCV-2 Family Income and Composition: Delayed Annual Examinations	<u>Statutory Authority</u> Section 3(a)(1) <u>Regulatory Authority</u> §§ 982.516(a)(1), 960.257(a)	<ul style="list-style-type: none"> Permits the PHA to delay the annual reexamination of income and family composition HCV PHAs must implement HCV-7 for impacted families if they implement this waiver 	<ul style="list-style-type: none"> 12/31/20 	Yes	07.28.2020
PH and HCV-3 Family Income	<u>Regulatory Authority</u> §§ 5.233(a)(2),	<ul style="list-style-type: none"> Waives the requirements to use the 	<ul style="list-style-type: none"> 12/31/20 	Yes	07.28.2020

**Attachment I: Summary of Public Housing and HCV Waivers and Alternative Requirements
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Item	Statutory and regulatory waivers	Summary of alternative requirements	Availability Period Ends	Did PHA implement waiver and alternative requirement?	Date of PHA adoption
<p>and Composition: Annual Examination; Income Verification Requirements</p>	<p>960.259(c), 982.516(a) <u>Sub-regulatory Guidance</u> PIH Notice 2018-18</p>	<p>income hierarchy, including the use of EIV, and will allow PHAs to consider self-certification as the highest form of income verification</p> <ul style="list-style-type: none"> • PHAs that implement this waiver will be responsible for addressing material income discrepancies that may arise later 		<p>Yes</p>	<p>07.28.2020</p>
<p>PH and HCV-4 Family Income and Composition: Interim Examinations</p>	<p><u>Statutory Authority</u> Section 3(a)(1) <u>Regulatory Authority</u> §§ 5.233(a)(2), 982.516(c)(2), 960.257(a), (b) and (d), 960.259(c) <u>Sub-regulatory Guidance</u> PIH Notice 2018-18</p>	<ul style="list-style-type: none"> • Waives the requirement to use the income verification requirements, including the use of EIV, for interim reexaminations 	<ul style="list-style-type: none"> • 12/31/20 	<p>Yes</p>	<p>07.28.2020</p>

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Item	Statutory and regulatory waivers	Summary of alternative requirements	Availability Period Ends	Did PHA implement waiver and alternative requirement?	Date of PHA adoption
PH and HCV-5 Enterprise Income Verification (EIV) Monitoring	<u>Regulatory Authority</u> § 5.233 <u>Sub-regulatory Guidance</u> PIH Notice 2018-18	<ul style="list-style-type: none"> • Waives the mandatory EIV monitoring requirements. 	<ul style="list-style-type: none"> • 12/31/20 	Yes	07.28.2020
PH and HCV-6 Family Self-Sufficiency (FSS) Contract of Participation: Contract Extension	<u>Regulatory Authority</u> § 984.303(d)	<ul style="list-style-type: none"> • Provides for extensions to FSS contract of participation 	<ul style="list-style-type: none"> • 12/31/20 		
PH and HCV-7 Waiting List: Opening and Closing; Public Notice	<u>Regulatory Authority</u> § 982.206(a)(2) <u>Sub-regulatory Guidance</u> PIH Notice 2012-34	<ul style="list-style-type: none"> • Waives public notice requirements for opening and closing waiting list • Requires alternative process 	<ul style="list-style-type: none"> • 12/31/20 		
HQS-1 Initial Inspection Requirements	<u>Statutory Authority</u> Section 8(o)(8)(A)(i), Section 8(o)(8)(C) <u>Regulatory Authority</u> §§ 982.305(a),	<ul style="list-style-type: none"> • Changes initial inspection requirements, allowing for owner certification 	<ul style="list-style-type: none"> • 12/31/20 		

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Item	Statutory and regulatory waivers	Summary of alternative requirements	Availability Period Ends	Did PHA implement waiver and alternative requirement?	Date of PHA adoption
	982.305(b), 982.405	<p>that there are no life-threatening deficiencies</p> <ul style="list-style-type: none"> Where self-certification was used, PHA must inspect the unit no later than 1-year anniversary of date of owner’s certification. 	<ul style="list-style-type: none"> 1-year anniversary of date of owner’s certification 		
HQS-2: Project-Based Voucher (PBV) Pre-HAP Contract Inspections: PHA Acceptance of Completed Units	<p><u>Statutory Authority:</u> Section 8(o)(8)(A)</p> <p><u>Regulatory Authority:</u> §§ 983.103(b), 983.156(a)(1)</p>	<ul style="list-style-type: none"> Changes inspection requirements, allowing for owner certification that there are no life-threatening deficiencies Where self-certification was used, PHA must inspect the unit no later than 1-year anniversary of date of owner’s certification. 	<ul style="list-style-type: none"> 12/31/20 1-year anniversary of date of owner’s certification 		
HQS-3 Initial Inspection: Non-Life-Threatening Deficiencies (NLT) Option	<p><u>Statutory Authority</u> Section 8(o)(8)(A)(ii)</p> <p><u>Sub-regulatory Guidance</u> HOTMA HCV Federal</p>	<ul style="list-style-type: none"> Allows for extension of up to 30 days for owner repairs of non-life threatening conditions 	<ul style="list-style-type: none"> 12/31/20 		

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Item	Statutory and regulatory waivers	Summary of alternative requirements	Availability Period Ends	Did PHA implement waiver and alternative requirement?	Date of PHA adoption
	Register Notice January 18, 2017				
HQS-4 HQS Initial Inspection Requirement: Alternative Inspection Option	<u>Statutory Authority</u> Section 8(o)(8)(A)(iii) <u>Sub-regulatory Guidance</u> HOTMA HCV Federal Register Notice January 18, 2017	<ul style="list-style-type: none"> • Under Initial HQS Alternative Inspection Option - allows for commencement of assistance payments based on owner certification there are no life-threatening deficiencies • Where self-certification was used, PHA must inspect the unit no later than 1-year anniversary of date of owner's certification. 	<ul style="list-style-type: none"> • 12/31/20 • 1-year anniversary of date of owner's certification 		
HQS-5 HQS Inspection Requirement: Biennial Inspections	<u>Statutory Authority</u> Section 8(o)(D) <u>Regulatory Authority</u> §§ 982.405(a), 983.103(d).	<ul style="list-style-type: none"> • Allows for delay in biennial inspections • All delayed biennial inspections must be completed as soon as reasonably possible but by no later than 1 year after the date on which 	<ul style="list-style-type: none"> • 10/31/20 • 1 year after the date on which the biennial inspection would have been required absent the waiver 		

**Attachment I: Summary of Public Housing and HCV Waivers and Alternative Requirements
(Refer back to the Notice using the item code for a full description and more detailed information.)**

Item	Statutory and regulatory waivers	Summary of alternative requirements	Availability Period Ends	Did PHA implement waiver and alternative requirement?	Date of PHA adoption
		the biennial inspection would have been required absent the waiver.			
HQS-6 HQS Interim Inspections	<u>Statutory Authority</u> Section 8(o)(8)(F) <u>Regulatory Authority</u> §§ 982.405(g), 983.103(e)	<ul style="list-style-type: none"> • Waives the requirement for the PHA to conduct interim inspection and requires alternative method • Allows for repairs to be verified by alternative methods 	<ul style="list-style-type: none"> • 12/31/20 		
HQS-7 PBV Turnover Unit Inspections	<u>Regulatory Authority</u> § 983.103(c)	<ul style="list-style-type: none"> • Allows for PBV turnover units to be filled based on owner certification there are no life-threatening deficiencies • Allows for delayed full HQS inspection NLT than 1-year anniversary of date of owner's certification. 	<ul style="list-style-type: none"> • 12/31/20 • 1-year anniversary of date of owner's certification 		

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Item	Statutory and regulatory waivers	Summary of alternative requirements	Availability Period Ends	Did PHA implement waiver and alternative requirement?	Date of PHA adoption
HQS-8: PBV HAP Contract: HQS Inspections to Add or Substitute Units	<u>Statutory Authority</u> Section 8(o)(8)(A) <u>Regulatory Authority</u> §§ 983.207(a), 983.207(b) <u>Sub-regulatory Guidance</u> HOTMA HCV Federal Register Notice January 18, 2017	<ul style="list-style-type: none"> Allows for PBV units to be added or substituted in the HAP contract based on owner certification there are no life-threatening deficiencies Allows for delayed full HQS inspection NLT 1-year anniversary of date of owner's certification 	<ul style="list-style-type: none"> 12/31/20 1-year anniversary of date of owner's certification 		
HQS-9 HQS Quality Control Inspections	<u>Regulatory Authority</u> §§ 982.405(b), 983.103(e)(3)	<ul style="list-style-type: none"> Provides for a suspension of the requirement for QC sampling inspections 	<ul style="list-style-type: none"> 12/31/20 		
HQS-10 Housing Quality Standards: Space and Security	<u>Regulatory Authority</u> § 982.401(d)	<ul style="list-style-type: none"> Waives the requirement that each dwelling unit have at least 1 bedroom or living/sleeping room for each 2 persons. 	Remains in effect one year from lease term or date of this Notice, whichever is longer		
HQS-11 Homeownership Option: Initial	<u>Statutory Authority</u> Section 8(o)(8)(A)(i), Section 8(y)(3)(B)	<ul style="list-style-type: none"> Waives the requirement to perform an initial HQS inspection in 	<ul style="list-style-type: none"> 12/31/20 		

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Item	Statutory and regulatory waivers	Summary of alternative requirements	Availability Period Ends	Did PHA implement waiver and alternative requirement?	Date of PHA adoption
HQS Inspection	<u>Regulatory Authority</u> § 982.631(a)	order to begin making homeownership assistance payments <ul style="list-style-type: none"> Requires family to obtain independent professional inspection 			
HCV-1 Administrative Plan	<u>Regulatory Authority</u> § 982.54(a)	<ul style="list-style-type: none"> Establishes an alternative requirement that policies may be adopted without board approval Any provisions adopted informally must be adopted formally NLT December 31, 2020 	<ul style="list-style-type: none"> 9/30/20 12/31/20 		
HCV-2 Information When Family is Selected: PHA Oral Briefing	<u>Regulatory Authority</u> §§ 982.301(a)(1), 983.252(a)	<ul style="list-style-type: none"> Waives the requirement for an oral briefing Provides for alternative methods to conduct required voucher briefing 	<ul style="list-style-type: none"> 12/31/20 		
HCV-3 Term of Voucher:	<u>Regulatory Authority</u> § 982.303(b)(1)	<ul style="list-style-type: none"> Allows PHAs to provide voucher 	<ul style="list-style-type: none"> 12/31/20 		

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Item	Statutory and regulatory waivers	Summary of alternative requirements	Availability Period Ends	Did PHA implement waiver and alternative requirement?	Date of PHA adoption
Extensions of Term		extensions regardless of current PHA policy			
HCV-4 PHA Approval of Assisted Tenancy: When HAP Contract is Executed	<u>Regulatory Authority § 982.305(c)</u>	<ul style="list-style-type: none"> • Provides for HAP payments for contracts not executed within 60 days • PHA must not pay HAP to owner until HAP contract is executed 	<ul style="list-style-type: none"> • 12/31/20 		
HCV-5 Absence from Unit	<u>Regulatory Authority § 982.312</u>	<ul style="list-style-type: none"> • Allows for PHA discretion on absences from units longer than 180 days • PHAs must not make HAP payments beyond 12/31/20 for units vacant more than 180 consecutive days 	<ul style="list-style-type: none"> • 12/31/20 		
HCV-6 Automatic Termination of HAP Contract	<u>Regulatory Authority § 982.455</u>	<ul style="list-style-type: none"> • Allows PHA to extend the period of time after the last HAP payment is made before the HAP contract 	<ul style="list-style-type: none"> • 12/31/20 		

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Item	Statutory and regulatory waivers	Summary of alternative requirements	Availability Period Ends	Did PHA implement waiver and alternative requirement?	Date of PHA adoption
		terminates automatically.			
HCV-7 Increase in Payment Standard During HAP Contract Term	<u>Regulatory Authority § 982.505(c)(4)</u>	<ul style="list-style-type: none"> Provides PHAs with the option to increase the payment standard for the family at any time after the effective date of the increase, rather than waiting for the next regular reexamination to do so. 	<ul style="list-style-type: none"> 12/31/20 		
HCV-8 Utility Allowance Schedule: Required Review and Revision	<u>Regulatory Authority § 982.517</u>	<ul style="list-style-type: none"> Provides for delay in updating utility allowance schedule 	<ul style="list-style-type: none"> 12/31/20 		
HCV-9 Homeownership Option: Homeownership Counseling	<u>Statutory Authority Section 8(y)(1)(D)</u> <u>Regulatory Authority §§ 982.630, 982.636(d)</u>	<ul style="list-style-type: none"> Waives the requirement for the family to obtain pre-assistance counseling 	<ul style="list-style-type: none"> 12/31/20 		

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Item	Statutory and regulatory waivers	Summary of alternative requirements	Availability Period Ends	Did PHA implement waiver and alternative requirement?	Date of PHA adoption
HCV-10 Family Unification Program (FUP): FUP Youth Age Eligibility to Enter HAP Contract	<u>Statutory Authority</u> Section 8(x)(2)	<ul style="list-style-type: none"> Allows PHAs to increase age to 26 for foster youth initial lease up 	<ul style="list-style-type: none"> 12/31/20 		
HCV-11 Family Unification Program (FUP): Length of Assistance for Youth	<u>Statutory Authority</u> Section 8(x)(2)	<ul style="list-style-type: none"> Allows PHAs to suspend terminations of assistance for FUP youth who will reach the 36-month limit between April 10, 2020, and December 31, 2020 	<ul style="list-style-type: none"> 12/31/20 		
HCV-12 Family Unification Program (FUP): Timeframe for Referral	<u>Statutory Authority</u> Section 8(x)(2)	<ul style="list-style-type: none"> Allows PHAs to accept referrals of otherwise eligible youth who will leave foster care within 120 days 	<ul style="list-style-type: none"> 12/31/20 		
HCV-13 Homeownership: Maximum Term	<u>Regulatory Authority</u> § 982.634(a)	<ul style="list-style-type: none"> Allows a PHA to extend homeownership 	<ul style="list-style-type: none"> 12/31/20 		

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Item	Statutory and regulatory waivers	Summary of alternative requirements	Availability Period Ends	Did PHA implement waiver and alternative requirement?	Date of PHA adoption
of Assistance		assistance for up to 1 additional year			
HCV-14 Mandatory Removal of Unit from PBV HAP Contract	<u>Regulatory Authority</u> §§ 983.211(a); 983.258	<ul style="list-style-type: none"> Allows a PHA to keep a PBV unit under contract for a period of time that extends beyond 180 from the last HAP but does not extend beyond December 31, 2020 	<ul style="list-style-type: none"> 12/31/20 		
PH-1 Fiscal Closeout of Capital Grant Funds	<u>Regulatory Authority</u> § 905.322(b)	<ul style="list-style-type: none"> Extension of deadlines for ADCC and AMCC 	Varies by PHA	Yes	07.28.2020
PH-2 Total Development Costs	<u>Regulatory Authority</u> § 905.314(c) - (d)	<ul style="list-style-type: none"> Waives the TDC and HCC limits permitting approval of amounts in excess of published TDC by 25% to 50% on a case by case basis 	Applies to development proposals submitted to HUD no later than December 31, 2021		
PH-3 Cost and Other Limitations: Types of Labor	<u>Regulatory Authority</u> § 905.314(j)	<ul style="list-style-type: none"> Allows for the use of force account labor for modernization 	<ul style="list-style-type: none"> 12/31/20 		

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Item	Statutory and regulatory waivers	Summary of alternative requirements	Availability Period Ends	Did PHA implement waiver and alternative requirement?	Date of PHA adoption
		activities in certain circumstances			
PH-4 ACOP: Adoption of Tenant Selection Policies	<u>Regulatory Authority</u> § 960.202(c)(1)	<ul style="list-style-type: none"> Establishes an alternative requirement that policies may be adopted without board approval Any provisions adopted informally must be adopted formally NLT December 31, 2020 	<ul style="list-style-type: none"> 9/30/20 12/31/20 		
PH-5 Community Service and Self- Sufficiency Requirement (CSSR)	<u>Statutory Authority</u> Section 12(c) <u>Regulatory Authority</u> §§ 960.603(a) and 960.603(b)	<ul style="list-style-type: none"> Temporarily suspends CSSR 	<ul style="list-style-type: none"> 3/31/21 	Yes	07.28.2020
PH-6 Energy Audits	<u>Regulatory Authority</u> § 965.302	<ul style="list-style-type: none"> Allows for delay in due dates of energy audits 	One year beyond 2020 audit deadline		
PH-7 Over-Income Families	<u>Statutory Authority</u> Section 16(a)(5) <u>Sub-regulatory</u> <u>Guidance</u>	<ul style="list-style-type: none"> Changes to timeframes for determination of over-income 	<ul style="list-style-type: none"> 12/31/20 	Yes	07.28.2020

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Item	Statutory and regulatory waivers	Summary of alternative requirements	Availability Period Ends	Did PHA implement waiver and alternative requirement?	Date of PHA adoption
	Housing Opportunity Through Modernization Act of 2016: Final Implementation of the Public Housing Income Limit 83 FR 35490, Notice PIH 2019-11				
PH-8 Resident Council Elections	<u>Regulatory Authority § 964.130(a)(1)</u>	<ul style="list-style-type: none"> Provides for delay in resident council elections 	<ul style="list-style-type: none"> 12/31/20 		
PH-9 Review and Revision of Utility Allowance	<u>Regulatory Authority § 965.507</u>	<ul style="list-style-type: none"> Provides for delay in updating utility allowance schedule 	<ul style="list-style-type: none"> 12/31/20 		
PH-10 Tenant Notifications for Changes to Project Rules and Regulations	<u>Regulatory Authority § 966.5</u>	<ul style="list-style-type: none"> Advance notice not required except for policies related to tenant charges 	<ul style="list-style-type: none"> 12/31/20 	Yes	07.28.2020

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Item	Statutory and regulatory waivers	Summary of alternative requirements	Availability Period Ends	Did PHA implement waiver and alternative requirement?	Date of PHA adoption
PH-11: Designated Housing Plan Renewals	<u>Statutory Authority:</u> Section 7(f)	<ul style="list-style-type: none"> Extends the Plan’s effective period through December 31, 2020, for Plans due to expire between the date of this Notice and December 31, 2020. 	<ul style="list-style-type: none"> 12/31/20 		
PH-12: Public Housing Agency Annual Self-Inspections	<u>Statutory Authority:</u> Section 6(f)(3) <u>Regulatory Authority:</u> § 902.20(d)	<ul style="list-style-type: none"> Waives the requirement that the PHA must inspect each project 	<ul style="list-style-type: none"> 12/31/20 		
11a PHAS	<u>Regulatory Authority</u> 24 CFR Part 902	<ul style="list-style-type: none"> Allows for alternatives related to inspections PHA to retain prior year PHAS score unless requests otherwise 	HUD will resume issuing new PHAS scores starting with PHAs with FYE dates of 3/31/21	N/A	N/A
11b SEMAP	<u>Regulatory Authority</u> 24 CFR Part 985	<ul style="list-style-type: none"> PHA to retain prior year SEMAP score unless requests otherwise 	HUD will resume issuing new SEMAP scores starting with PHAs with FYE dates of 3/31/21	N/A	N/A

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Item	Statutory and regulatory waivers	Summary of alternative requirements	Availability Period Ends	Did PHA implement waiver and alternative requirement?	Date of PHA adoption
11c Uniform Financial Reporting Standards: Filing of Financial Reports; Reporting Compliance Dates	<u>Regulatory Authority</u> §§ 5.801(c), 5.801(d)(1)	<ul style="list-style-type: none"> Allows for extensions of financial reporting deadlines 	Varies by PHA FYE	Yes	07.28.2020
12a PHA Reporting Requirements on HUD Form 50058	<u>Regulatory Authority</u> 24 CFR Part 908, § 982.158 <u>Sub-regulatory Guidance</u> PIH Notice 2011-65	<ul style="list-style-type: none"> Waives the requirement to submit 50058 within 60 days Alternative requirement to submit within 90 days of the effective date of action 	<ul style="list-style-type: none"> 12/31/20 	Yes	07.28.2020
12b Designated Housing Plans: HUD 60-Day Notification	<u>Statutory Authority</u> Section 7(e)(1)	<ul style="list-style-type: none"> Allows for HUD to delay notification about designated housing plan 	<ul style="list-style-type: none"> 7/31/20 	N/A	N/A
12c Extension of Deadline for	<u>Statutory Authority</u> Section 9(j)	<ul style="list-style-type: none"> Provides a one-year extension 	For all open Capital Fund grants, one-year extension from the	Yes	07.28.2020

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Item	Statutory and regulatory waivers	Summary of alternative requirements	Availability Period Ends	Did PHA implement waiver and alternative requirement?	Date of PHA adoption
Programmatic Obligation and Expenditure of Capital Funds	<u>Regulatory Authority</u> § 905.306(d)(5)		obligation and expenditure end dates in LOCCS as of April 10, 2020	Yes	07.28.2020

ATTACHMENT 1 - RESOLUTION 2020

Attachment II: Summary of IHBG and ICDBG Statutory and Regulatory Waivers and Alternative Requirements

COVID-19 Statutory and Regulatory Waivers for ONAP programs				
Item	Statutory and Regulatory Waivers	Waiver/Alternative Requirement Summary		
13a. Application Process for IHBG-CARES Grants and Indian Housing Plan (IHP) Requirements	Statutory Authority: Section 101(b), Section 102, and Section 103 of NAHASDA Regulatory Authority: 24 C.F.R. §§ 1000.214; 1000.218;1000.220; 1000.224; 1000.226; 1000.228;1000.230; and 1000.232	1) <i>Abbreviated IHP to Receive IHBG-CARES Grant Funding:</i> Applicants for IHBG-CARES funding must submit an abbreviated IHP specifying how the funds will be used.		
		2) <i>Recipients that did Not Submit an IHP in FY2020:</i> A Tribe or TDHE that did not submit a timely or compliant IHP in FY 2020 may still qualify for an IHBG-CARES grant.		
		3) <i>IHP Certifications:</i> IHBG recipients that cannot provide HUD with IHP certifications may still submit an Abbreviated IHP provided an authorized official of the IHBG recipient provides a statement on inability to secure certifications.		
		4) <i>Reprogramming of FY2020 IHBG Funding:</i> FY2020 IHBG funds may be reprogrammed to address COVID-19 through streamlined process.		
13b. IHP Submission Deadline for Annual IHBG Formula Grants	Statutory Authority: Section 101(b) and 102(a) of NAHASDA, Regulatory Authority: 24 CFR §§ 1000.214, 1000.216, 1000.225	IHP Submission Deadlines Extended	Original IHP Due Date	Extension
			1/17/2020	10/16/2020
			4/17/2020	10/16/2020
			7/18/2020	1/17/2021
13c. Annual Performance Report	Statutory Authority: Sections 403 and 404 of NAHASDA,	APR Submission Deadlines Extended	Original APR Due Date	Extension
			3/30/2020	9/27/2020

Attachment II: Summary of IHBG and ICDBG Statutory and Regulatory Waivers and Alternative Requirements

Submission Deadline	Regulatory Authority: 24 CFR § 1000.514		6/29/2020 9/30/2020	12/30/2020 12/30/2020
13d. Income Verification	Regulatory Authority: 24 CFR § 1000.128	IHBG recipients may deviate from their current written admissions and occupancy policies, including allowing less frequent income recertifications, remote income verification, and self-certification over the phone or email.		
13e. Public Health Services	Statutory Authority: Section 202(3) of NAHASDA	Recipients may use IHBG-CARES funding to carry out a wide range of public health services.		
13f. COVID-19-Related Assistance to Non-Low Income and Non-Native Families	Statutory Authority: Section 201(b) of NAHASDA, Regulatory Authority: 24 CFR §§ 1000.104, 1000.106, 1000.108, 1000.110, 1000.312, 1000.314, 1000.318	Recipients may use IHBG-CARES funding to prevent, prepare for, and respond to COVID-19 through certain limited activities that provide assistance to all affected and threatened people without regard to income limits or Indian status.		
13g. Useful Life	Statutory Authority: Section 205 of NAHASDA, Regulatory Authority: 24 CFR §§ 1000.141, 1000.142, 1000.143, 1000.144, 1000.146, 1000.147	If the assistance is related to inhibiting the spread of COVID-19 to low-income Indian families and the Tribal community, Recipients may use IHBG-CARES funding to assist housing units without determining and maintaining affordability during their useful life.		

Attachment II: Summary of IHBG and ICDBG Statutory and Regulatory Waivers and Alternative Requirements

13h. Total Development Cost (TDC) Limits	Regulatory Authority: 24 CFR §§ 1000.156, 1000.158, 1000.160, 1000.162	Recipients may exceed TDC by 20 percent without HUD approval for dwelling and non-dwelling units developed, acquired or assisted to prevent, prepare for, and respond to COVID-19.
13i. Prohibition Against Investment of CARES Act Grant Funds	Statutory Authority: Section 204(b) of NAHASDA, Regulatory Authority: 24 CFR § 1000.58	Recipients are prohibited from investing any IHBG funding provided under the CARES Act.
13j. IHBG-CARES Funds Not Counted in Undisbursed Funds Factor	Regulatory Authority: 24 CFR § 1000.342	IHBG-CARES funds will not count towards an IHBG recipient’s prior years’ undisbursed funds when applying the Undisbursed Funds Factor under the IHBG formula.
14a. Citizen Participation	Statutory Authority: Section 104 of the Housing and Community Development Act of 1974 (HCD Act) Regulatory Authority: 24 CFR § 1003.604	Indian tribes are not required to hold one or more meetings to obtain the views of residents before applying for ICDBG-CARES grant funding or amending their FY 2019/2020 ICDBG grants to address COVID-19.
14b. Application Process for ICDBG-CARES Grants and Funding Criteria		1) <i>Criteria for Funding:</i> With respect to applications for ICDBG-CARES grants and FY 2019/2020 ICDBG Imminent Threat grants to address the COVID-19 crisis, the urgency and immediacy of the threat will be presumed.

Attachment II: Summary of IHBG and ICDBG Statutory and Regulatory Waivers and Alternative Requirements

<p>Regulatory Authority: 24 CFR §§ 1003.400, 1003.401, 1003.402; Section I.A.1.b. of FY19/20 ICDBG Notice of Funding Availability (NOFA)</p>	<p>2) <i>Grant Ceilings</i>: Current grant ceilings are waived for ICDBG-CARES and will be set in an ICDBG-CARES Implementation Notice to be published in the very near future.</p> <p>3) <i>Reimbursement of Costs and Letter to Proceed</i>: ICDBG applicants and grantees to receive ICDBG-CARES grants do not have to demonstrate other Tribal funding sources cannot be made available to alleviate the threat and may use the funding to cover or reimburse costs to prevent, prepare for, and respond to COVID-19 without a Letter to Proceed from the area ONAP.</p> <p>4) <i>Availability of Funds</i>: If ICDBG-CARES grant funds are not awarded in a fiscal year, HUD reserves the right to adjust how funding is awarded to ensure needs of Tribes are met, including possibly setting aside a portion of funding to address the needs of Tribes with the greatest needs.</p>	
<p>14c. Removal of Public Services 15 Percent Cap under FY 2019 and FY 2020 ICDBG Grants</p>	<p>Statutory Authority: Section 105 of the HCD Act; Regulatory Authority: 24 CFR § 1003.201(e); FY 19/20 ICDBG NOFA</p>	<p>HUD is eliminating the 15 percent cap on FY 2019/2020 ICDBG funding (both Single Purpose and Imminent Threat grants).</p>
<p>14d. Rental Assistance, Utility Assistance, Food, Clothing, and Other Emergency Assistance</p>	<p>Statutory Authority: Section 105 of the HCD Act; Regulatory Authority: 24 CFR § 1003.207(b)(4)</p>	<p>ICDBG grant funds may be used to provide emergency payments for low and moderate income individuals or families impacted by COVID-19 for items such as food, medicine, clothing, and other necessities, as well as utility payment assistance.</p>

Attachment II: Summary of IHBG and ICDBG Statutory and Regulatory Waivers and Alternative Requirements

<p>14e. Purchase of Equipment</p>	<p>Regulatory Authority: 24 CFR §§ 1003.207(b)(1); 1003.201(c)(1)(ii)</p>	<p>Grantees may use of ICDBG funds for the purchase of medical and personal protective equipment to prevent, prepare for, and respond to the COVID-19.</p>
<p>14f. Operating Expenses for Public Facilities</p>	<p>Regulatory Authority: 24 CFR § 1003.207(b)(2)</p>	<p>Grantees may use ICDBG funds to pay operating and maintenance expenses of any public facility, to the extent it is used for COVID-19-related purposes but not for staffing costs of public facilities.</p>
<p>14g. New Housing Construction by Tribes</p>	<p>Statutory Authority: Section 105 of the HCD Act, Regulatory Authority: 24 CFR § 1003.207(b)(3)</p>	<p>ICDBG grantees may use ICDBG funds to carry out new housing construction under certain conditions without having to use a CBDO.</p>

ATTACHMENT 1 - RESOLUTION 2020-05



RESOLUTION 2020-06

Public Housing Portfolio Development Agreement

WHEREAS, the City of Manistee Housing Commission (“CMHC”) is a public body corporate pursuant to the Michigan Housing Facilities Act, MCL 125.651 et seq., and deemed a Public Housing Authority (“PHA”) by the U.S. Department of Housing and Urban Development (“HUD”);

WHEREAS, the CMHC desires to redevelop in one or more phases its public housing portfolio, including the Harborview Scattered Sites, Century Terrace and Harborview Apartments (collectively, the “Commission Portfolio” or the “Project”), which collectively contains two hundred twenty (220) dwelling and non-dwelling units, including two hundred fifteen (215) residential units;

WHEREAS, the Commission Portfolio is deteriorating due to declining appropriations and insufficient subsidies. As a result, the CMHC’s ability to maintain the Commission Portfolio is seriously hindered, creating an urgent need to restore and preserve such housing and ensure that it is managed efficiently for the long term. The Commission Portfolio would benefit from reinvestment in it through comprehensive redevelopment financing, and assistance initiatives, including equity, derived from the sale of low-income housing tax credits (“LIHTC”) and HUD program assistance, such as the Rental Assistance Demonstration (“RAD”) program Project-Based Rental Assistance (“PBRA”) and/or other existing or to be developed HUD assistance programs that will assist in effectively redeveloping the Commission Portfolio;

WHEREAS, the CMHC determined that it can best accomplish redeveloping the Commission Portfolio by engaging a private developer to plan, develop, market, co-own, and co-manage the various components of the Project, while the CMHC provides oversight and support to promote the achievement of public goals;

WHEREAS, the CMHC issued a Request for Qualifications – RFQ18001 on November 5, 2018, to which the Commonwealth Development Corporation of America (the “Developer”) submitted a proposal in response. The CMHC reviewed multiple proposals through a competitive selection process, which resulted in a determination that the Developer was qualified, subject to the negotiation of a Development Agreement, to serve as the CMHC’s developer partner for the Project;

WHEREAS, the general plans, included in the Development Agreement (an overview of the Development Agreement is attached hereto as Exhibit A) for the first phase of the Project involve the redevelopment of Century Terrace and Harborview Apartments, both through substantial rehabilitation, to be developed either concurrently or consecutively in a single-phase or sub-phases, to be determined by the CMHC and Developer, based on the financial feasibility and benefit to both parties (collectively, “Phase I”). The general plans for the second phase involve demolition of the Harborview Scattered Site units and construction of new units which may involve the acquisition of non-CMHC-owned property (“Phase II”);

WHEREAS, the Executive Director of the CMHC entered into that certain Joint Venture Agreement with the Developer, dated as of May 19, 2020, which governs the CMHC and Developer’s relationship regarding Phase I and outlines the terms of the parties’ plans and agreement(s) to jointly redevelop Phase I, which Joint Venture Agreement shall be null and void upon execution of the Development Agreement; and

WHEREAS, the terms of the Development Agreement provide that redevelopment of Phase II by Developer is conditioned upon the CMHC determining that Developer has satisfactorily undertaken the Phase I activities and thereafter issuing Developer a Notice to Proceed for Phase II, which may be followed by an amendment to the Development Agreement to outline the Phase II activities.

NOW, THEREFORE, on the motion of Commissioner, supported by Commissioner, and voted upon as follows, **BE IT RESOLVED**, that the CMHC adopts the following resolution:

NOW, THEREFORE, IT IS HEREBY RESOLVED, the Board of Commissioners hereby authorize and approve CMHC’s Executive Director to execute that certain Development Agreement by and between CMHC and Developer in the form attached hereto as Exhibit B, and any amendment thereto, which outlines the anticipated redevelopment of the Project.

Commissioner	Approve	Against	Absent
Dale Priester	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Doug Parkes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Karen Goodman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kelly Tomaszewski	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
James Bond	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

RESOLUTION DECLARED

Passed Failed

CERTIFICATION

By the signatures of the President and Executive Director below, it is CERTIFIED that on July 28, 2020, the City of Manistee Housing Commission Board of Commissioners approved Resolution 2020-06 and that the foregoing is a true and correct copy.

Dale Priester, President

Clinton McKinven-Copus, Executive Director

Exhibit A

Overview of Development Agreement

(See attached)

Pending Approval

**SUMMARY OF CMHC AND COMMONWEALTH DEVELOPMENT AGREEMENT
FOR PUBLIC HOUSING PORTFOLIO REDEVELOPMENT**

I. OVERVIEW

The Commission has determined that it can best meet the needs of the low-income families it serves as well as the needs of the surrounding community, by redeveloping the Commission's public housing portfolio, which contains two hundred twenty (220) dwelling and non-dwelling units, including two hundred fifteen (215) residential units, in not less than two phases (collectively, the "Development"). The Commission has further determined that it can best accomplish this goal by engaging a private developer to plan, develop, market, co-own, and co-manage the various components of the Development, while the Commission provides oversight and support to promote the achievement of public and community-related goals. (Page 6, Preamble E.) Through a competitive selection process, the Commission provisionally selected Commonwealth Development Corporation of America or "Commonwealth" as its developer partner. Execution of the Development Agreement for redevelopment of the Commission's public housing portfolio (the "Development Agreement") completes the procurement process for the Commission's development partner. (Page 6, Preamble F.)

The Development Agreement between the Commission and Commonwealth governs the period between the conception of the development plan until the acquisition and financial closing for each agreed upon Phase of the Development.¹ (Page 7, Section I(A)(1).) The first redevelopment phase of the Commission's public housing portfolio will be Century Terrace and Harborview Apartments (collectively, Phase I). (Page 5, Preamble D.) It is anticipated that the second Phase will involve the redevelopment of the scattered sites development. In order for Commonwealth to be given the go-ahead to undertake the next Phase, it must have satisfactorily performed, in the sole discretion of the Commission, its development activities associated with Phase I. (Page 10, Section I(B)(4)(b).)

II. DEVELOPMENT PLANS

The development plans anticipate the conversion of all units in the Development from public housing into Section 8 project-based subsidy units in accordance with the U.S. Department of Housing and Urban Development ("HUD") Rental Assistance Demonstration ("RAD") program RAD Notice PIH 2019-23 REV-4 (September 5, 2019), as may be amended (the "RAD Notice"). (Page 6, Preamble G.) Should the parties proceed with redevelopment through the RAD program, it is anticipated that Section 8 project-based rental assistance funds will be provided through twenty (20) year term Housing Assistance Payments (HAP) project-based rental assistance contracts administered by HUD, or applicable contract administrator, pursuant to RAD program requirements applicable to public housing funds converting into Section 8 funds under the RAD program, including but not limited to, the U.S. Housing Act of 1937, and all implementing regulations issued thereunder. The RAD program provides that current public housing capital

RESOLUTION 2020-06

EXHIBIT A

funds and operating funds allocated to each existing unit will convert to Section 8 project-based rental assistance for those units. The rents are established in accordance with the RAD Notice and will be adjusted annually by HUD's published operating cost adjustment factors at each anniversary of the HAP Contract, subject to the availability of appropriations for each year of the contract. (Page 7, Section I(A)(2)(b).)

The development plans further anticipate that the Development will be in financed, in part, by equity derived from the sale of 9% (competitive) and/or 4% (a matter of right with tax-exempt bonds) low-income housing tax credits ("LIHTC") issued by MSHDA and made available in accordance with Section 42 of the Internal Revenue Code of 1986, as amended. (Page 7, Section I(A)(2)(a).) The Developer submitted a 9% LIHTC application to MSHDA for Phase I on June 1, 2020. (Page 9, Section I(B)(2).)

The Development Agreement also provides for the securing, as necessary or advisable, with the Commission's support, of a new payment in lieu of taxes ("PILOT") agreement with the City for each Phase of the Development. (Page 11, Section II(A)(4).) Accordingly, on March 18, 2020, the City passed a new PILOT ordinance approving an annual service charge for public services in the amount of three percent (3%) of the Annual Shelter Rents actually collected by the Phase I Owner Entity during each operating year, which shall include rent subsidy, in lieu of the payment of all *ad valorem* property taxes. Additionally, in connection with the PILOT ordinance, in order to provide certain on-going funding to assist the City in the continued enhancement and improvement of its various public services related to public health and safety and specifically those of the residents of Phase I, the Phase I Owner Entity, through a Municipal Services Agreement, agreed to pay the City an additional annual municipal services fee of \$200 per unit, that shall be increased by three percent (3%) each year.

III. OWNERSHIP STRUCTURE

The Commission and Commonwealth will co-own, at least through the fifteen year LIHTC compliance period, each Phase of the Development. Commonwealth and the Commission acknowledge and agree it's their intent, subject to any investor and lender consents, to transfer operational control of the managing member of each Phase of the Development from joint control by the party affiliates to primary or sole control by the Commission affiliate following the later of the first five (5) years of operations or expiration of the operating deficit guaranty required by the applicable equity investor for each Phase. Furthermore, at the end of the tax credit compliance period, it is anticipated that the investor and Commonwealth will exit and sell their interests in the Owner Entity to the Commission. (Page 19, Section III(B).) The Phase I Ownership Structure is anticipated to be as follows (see also the Ownership Structure chart attached at [Exhibit A](#)):

- CT HV Limited Dividend Housing Association, LLC (Phase I Owner Entity) – The Phase I Owner Entity will be a limited liability company. The Phase I Owner Entity will be comprised of a managing member and an investor member. Loans, equity, land,

RESOLUTION 2020-06

EXHIBIT A

construction, and management-related documents will be between the Phase I Owner Entity and the party providing the service or function.

- CT HV Managing Member, LLC (Managing Member) -The Managing Member will have operational control over the Phase I Owner Entity. The Managing Member will be a combination of a Commission affiliate (which will own a forty-nine percent (49%) interest in, and be a non-managing member of the Managing Member) and a Commonwealth affiliate (which will own a fifty-one percent (51%) interest in, and be the managing member of the Managing Member). The Commonwealth entity will provide guaranties required by funders to ensure construction completion, tax credit compliance, etc.
- Investor Member - Equity financing for Phase I will flow into the Phase I Owner Entity from the Investor Member as capital contributions from such Investor Member. The Investor Member will provide funding to the Phase I project in return for tax credits received over the course of ten years.

IV. TRANSFER OF DEVELOPMENT SITES VIA GROUND LEASE

The land underlying the Development (the “Existing Site”) will be ground leased to the Owner Entity of each Phase via long term ground lease(s). It is anticipated that the buildings or improvements of each Phase of the Development will be transferred to the applicable Owner Entity via limited warranty deeds. As part of the MSHDA tax credit application for Phase I, the Commission entered into an Option to Ground Lease and Acquire Improvements (the “Option”) with Commonwealth regarding Phase I. The Option reflects the acquisition value of the buildings to be approximately \$2,000,000, \$978,215 of which the Commission anticipates receiving at closing in order to pay off the existing EPC loan on the Phase I property, with the remainder to be loaned to the Phase I Owner Entity by the Commission. (Page 23, Section III(D)(7); Page 40, VII(B)(1).) As part of the MSHDA tax credit application, the Commission issued to the Phase I Owner Entity a Seller Loan Commitment in order to commit financing for the remaining value of the improvements, which is important for LIHTC purposes.

V. PROPERTY MANAGEMENT

Commonwealth Management Corporation (“CMC”), an affiliate of Commonwealth, and the Commission have entered into a Property Co-Management Agreement for the joint management of the Development. The Commission, or an affiliate of the Commission, will serve as the primary Property Manager, and CMC will provide support, particularly to ensure the tax credit requirements are met. The Co-Management Agreement outlines the compliance, budgetary and administrative support CMC will provide to the Commission. CMC has engaged a third-party tax credit compliance specialist to ensure all applicable tax credit requirements are met. (Page 20, Section III (C)(1)). In exchange for property management services for the operation of the Development, the Commission shall receive a management fee of six percent (6.0%) of the gross

RESOLUTION 2020-06

EXHIBIT A

rents, of which CMC shall receive thirty percent (30%). The third-party LIHTC compliance specialist will also receive a per-unit fee of \$3.50 per month for its services. (Page 21, Section III(C)(2).)

VI. FINANCING STRUCTURE

The Developer shall have primary responsibility for identifying, obtaining, negotiating, and closing all financing necessary to complete each Phase of the Development in an economically feasible manner, subject to all applicable requirements. (Page 15, Section III(A).)

Phase I of the Development anticipates the following financing structure:

1. Equity from the sale of 9% LIHTC to the Investor Member in an approximate amount of \$13,200,000
2. Approximately \$11,000,000 Construction Loan from Sterling Bank, which will be reduced to approximately \$3,400,000 upon Permanent Loan conversion
3. \$1,021,784.26 Seller Loan financing from the Commission (as reflected in the Seller Loan Commitment)
4. RAD Project-Based Rental Assistance to provide subsidy for all units provided via a HAP contract between the Phase I Owner Entity and HUD.

VII. COMMISSION COMPENSATION AND FEES

1. Developer Fee – The Commission shall earn a co-developer fee of twenty-five percent (25%) of the total developer fee for each Phase. For Phase I, the Commission shall earn approximately \$375,000, which is 25% of the total \$1,500,000 fee. (Page 22, Section III(D)(2).)
2. Marketing Incentive/Lease-Up Fee – The Commission will receive a marketing incentive/lease-up fee equal to \$250 per unit for each unit leased for each Phase of the Development. (Page 23, Section III(D)(5).)
3. Asset Management Fee – For each Phase, the Commission or its affiliate shall receive an annual fee from the cash flow of fifty percent (50%) of the managing member management fee separate from the fee received for property management services. (Page 23, Section III(D)(6).)
4. Cash Flow from Phases – For any phase in which the Commission provides Commission financing, the Commission may receive annual cash flow distributions

RESOLUTION 2020-06

EXHIBIT A

pursuant to the Owner Entity operating agreement in partial repayment of such funds. (Page 23, Section III(D)(8).)

VIII. CONSTRUCTION SERVICES

When contracting for construction services, Commonwealth, on behalf of the applicable Owner Entity, will enter into a fixed-price or guaranteed maximum price construction contract for the rehabilitation of the applicable Phase of the Development with Commonwealth Construction Corporation. The construction contract will be subject to the Commission's review and approval. (Page 37, Section VI(C)(1).)

IX. HUD REQUIREMENTS AND APPROVAL

It is anticipated that the units of each Phase will be converted from public housing into HUD RAD Project Based Rental Assistance units. The Commission shall have primary responsibility to prepare, with such assistance from Commonwealth as may be reasonably requested from time to time, and the Commission will submit for HUD approval, the RAD financing plan, applications, proposals, documents and submissions as may be required by HUD. The closings for each Phase and the consummation of the transactions contemplated by the Development Agreement are subject to HUD approval. (Page 40, Section VII(B); Page 41, Section VIII(A).)

X. TERM

With respect to Phase I, the Development Agreement shall be effective and commence as of the date of execution, and, unless sooner terminated in accordance with the provisions therein, shall terminate upon the earlier of the closing for Phase I and December 31, 2021 (the "Phase I Term"). Should the Commission elect to issue Commonwealth a Notice to Proceed for Phase II, it shall do so no later than the earlier of the Phase I closing and December 31, 2023 (the "Phase II Deadline Date"). (Page 53, Section XIII(A).)

- Termination for Convenience – The Commission may terminate the Agreement, in whole or in part, for its convenience, whenever the Commission determines it is infeasible or contrary to the Commission's interests to proceed with the Development, or portions thereof. If the Commission terminates the work for convenience, the Commission shall be liable to Commonwealth for a termination fee and reasonable costs. (Page 48, Section IX(E).)
- Termination for Cause – Upon the occurrence of an event of default, if the defaulting party fails to cure the default within thirty (30) days following receipt of notice of such default, or such longer time as the nature of the cure may require if promptly commenced and expeditiously pursued, the non-defaulting party may, by written notice in accordance with applicable HUD requirements sent by certified mail return receipt requested, terminate the Development Agreement, pursue such other remedies as may be available at law or equity,

RESOLUTION 2020-06

EXHIBIT A

applicable HUD requirements sent by certified mail return receipt requested, terminate the Development Agreement, pursue such other remedies as may be available at law or equity, and/or condition its further participation on a change in terms under the Development Agreement. (Page 46, Section IX(A).)

RESOLUTION 2020-06

EXHIBIT A

EXHIBIT A

PHASE I OWNERSHIP STRUCTURE

(see attached)

ⁱ Note that in order to fulfill the requirements of the Michigan State Housing Development Authority (“MSHDA”) tax credit application for Phase I, the Commission and Commonwealth entered into a Joint Venture Agreement that reflects in short form, the parties’ agreement(s) for the joint acquisition, ownership and management of Phase I, which will govern until the Development Agreement is entered into by the parties.

**Project: Century Terrace and Harborview Apartments (Phase I)
Manistee, MI**

Developer
Commonwealth Development
Corporation of America

CT HV Limited Dividend Housing Association LLC
100% Ownership

Property Manager
CMHC Affiliate Nonprofit

TBD
Investor Member
99.99%

CT HV Managing Member LLC
Managing Member 0.01%

**TBD: CMHC Affiliate Single Purpose
LLC**
Authorized Member 49%

Commonwealth Holdings, LLC
Authorized Member 51%

TBD: CMHC Affiliate Nonprofit
Sole Member 100%
EIN: TBD

Commonwealth Companies, Inc.
Sole Member 100%
EIN: 83-2554010

**City of Manistee Housing
Commission**
Sole Member 100%

**EXHIBIT A
PHASE I OWNERSHIP STRUCTURE**

Exhibit B

Development Agreement

(See attached)

Pending Approval



Contract No. C19002

**DEVELOPMENT AGREEMENT FOR REDEVELOPMENT OF
THE CITY OF MANISTEE HOUSING COMMISSION'S PUBLIC HOUSING
PORTFOLIO**

Between

COMMONWEALTH DEVELOPMENT CORPORATION OF AMERICA

And

CITY OF MANISTEE HOUSING COMMISSION

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

TABLE OF CONTENTS

I. OVERVIEW7
 A. Nature of Agreement and Developer’s Role.7
 B. Development Overview.8

II. OVERVIEW OF RESPONSIBILITIES 10
 A. Developer Responsibilities 10
 B. Commission’s Responsibilities 113
 C. Cooperation and Communication..... 13

III. PROJECT FEASIBILITY AND STANDARDS..... 14
 A. Financing 14
 B. Ownership Structure..... 16
 C. Property Management Structure..... 17
 D. Compensation and Fees. 19
 E. Section 3 and Minority, Women and Disadvantaged Business Requirements 240
 F. Selection and Approval of Professionals and Other Contractors..... 251
 G. Reporting..... 252
 H. Supportive Services. 252

IV. SITE PREPARATION ACTIVITIES 263
 A. Environmental Conditions and Site Investigation..... 263
 B. Relocation Activities..... 306

V. INFRASTRUCTURE ACTIVITIES 328
 A. Implementation of Public and Site Improvements..... 328
 B. Infrastructure Costs. 30

VI. DESIGN AND CONSTRUCTION ACTIVITIES 30
 A. General. 30
 B. Design Process, Documents and Approvals 30
 C. Construction Services..... 336

VII. RENTAL PROJECT DOCUMENTS AND CLOSINGS 36
 A. RAD Proposal/Financing Plan. 36
 B. Closing Documents. 36
 C. Closing 38

VIII. HUD REQUIREMENTS..... 38
 A. HUD Approval 38
 B. No Relationship Created..... 38
 C. Compliance with Certain Federal Requirements..... 38

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

3

D. Compliance with HUD Required Contract Provisions, Certifications, and Disclosures..... 41

E. Access to Records 42

F. Interest of Member, Officer, or Employee and Former Member, Officer, or Employee of the Commission 42

IX. EVENTS OF DEFAULT AND TERMINATION..... 446

A. Termination for Cause and Events of Default by Developer 42

B. Events of Default by the Commission..... 44

C. Procedure Upon an Event of Default. Cure; Procedure for Termination For Cause..... 44

D. Force Majeure..... 44

E. Termination for Convenience..... 45

F. Termination or Alteration of Development Due to Infeasibility or Change in Circumstances Not Due to Default of Developer. 45

X. REPRESENTATIONS AND WARRANTIES..... 47

A. The Developer’s Warranty of Good Standing and Commission..... 47

B. The Commission’s Warranty of Good Standing and Commission..... 48

XI. INDEMNIFICATION AND GUARANTEES 48

XII. INSURANCE AND LICENSING REQUIREMENTS 48

A. Insurances. 48

XIII. MISCELLANEOUS 50

A. Term..... 50

B. Decision Standards 50

C. Party Approvals..... 50

D. Notices..... 51

E. Representatives 555

F. Further Assurances 555

G. Assignment 555

H. Counterparts.. 555

I. Interpretation..... 555

J. Severability..... 555

K. Final Agreement. 52

L. Non-Recourse..... 53

M. Developer Employees and Liabilities..... 53

N. The Developer Not an Agent. 53

O. Conflict of Interests and Procurement. 53

P. Confidentiality. 54

Q. Waivers..... 54

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

4

R. Limitation on Liability.....54
S. Time is of the Essence..... 54
T. Right to Joinder.....54
U. Successors.....54
V. Headings55
W. Construction.....55
X. Cumulative Rights.....55
Y. Forum and Jurisdiction55

Exhibits

- Exhibit 1 – Phase I Development Overview**
- Exhibit 1(a) – Phase I Development Schedule**
- Exhibit 1(b)- Phase I LIHTC Application Schedule**
- Exhibit 2 – Phase I Site Plan**
- Exhibit 3– Phase I Development Budget**
- Exhibit 4- Phase I Operating Budget**
- Exhibit 5 – Section 3 Clause**
- Exhibit 5a – Section 3 Hiring Plan**
- Exhibit 6 - List of Approved Contractors**
- Exhibit 7 - HUD-5370-C (01/14), General Conditions for Non-Construction Contracts**
- Exhibit 8- HUD 50071 (01/14) – Certification of Payments to Influence Federal Transactions**
- Exhibit 9 – HUD Standard Form LLL (Rev. 01/14) – Disclosure of Lobbying Activities**

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

5

**DEVELOPMENT AGREEMENT FOR REDEVELOPMENT OF THE CITY
OF MANISTEE HOUSING COMMISSION'S PUBLIC HOUSING
PORTFOLIO**

The COMMONWEALTH DEVELOPMENT CORPORATION OF AMERICA, a Wisconsin corporation (together with affiliates formed for applicable phases, the “**Developer**”) and the CITY OF MANISTEE HOUSING COMMISSION, a Michigan public body corporate (the “**Commission**”), hereby enter into this Development Agreement dated _____, 2020 and effective _____, 2020 (the “**Effective Date**”) for the redevelopment of all or a portion of the Commission’s public housing portfolio (the “**Agreement**”) to memorialize certain business terms, conditions and agreements regarding such redevelopment in the City of Manistee, Michigan (the “**City**”). The Developer and the Commission may be referred to collectively herein as the “**Parties**” and singularly as a “**Party**.”

PREAMBLE

- A. The Commission currently owns and operates 220 residential and non-residential, conventional public housing units (5 of which are currently operated as non-dwelling units) (the “**Commission Portfolio**”) on three sites (collectively, the “**Existing Site**”).
- B. The three developments that comprise the Existing Site include 215 residential units as follows: (1) a 48-unit scattered single-family home and duplex site known as Harborview Scattered Sites that serves families; (2) a 119-unit mid-rise multifamily apartment complex known as Century Terrace that serves the elderly, near elderly and disabled persons; and (3) a 48-unit mid-rise multifamily apartment complex known as Harborview Apartments that serves the elderly, near elderly and disabled persons.
- C. The Commission Portfolio is deteriorating due to declining appropriations and insufficient subsidies. As a result, the Commission’s ability to maintain the Commission Portfolio is seriously hindered, creating an urgent need to restore and preserve such housing and ensure that it is managed efficiently for the long term. The Commission Portfolio would benefit from reinvestment in it through comprehensive redevelopment and assistance initiatives offered by the U.S. Department of Housing and Urban Development (“**HUD**”) such as the Rental Assistance Demonstration (“**RAD**”) program and/or other existing or to be developed HUD assistance programs that the Parties determine will assist in effectively redeveloping the Commission Portfolio (RAD and/or such other HUD subsidy programs shall be referred to generally herein as a “**HUD Subsidy Program**”).
- D. The Commission has determined that it can best meet the needs of the low-income families it serves as well as the needs of the community surrounding the Existing Site, by redeveloping the Commission Portfolio in not less than two phases. The general plans for the first phase involve the redevelopment of Century Terrace and the redevelopment of Harborview Apartments, both through

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

6

substantial rehabilitation, to be developed either concurrently or consecutively in a single phase or sub-phases, to be determined by the Parties, based on the financial feasibility and benefit to both Parties (collectively referred to as “**Phase I**”). The general plans for the second phase involve demolition of the Harborview Scattered Site units and construction of new units (collectively referred to as “**Phase II**”). The Phase I and/or Phase II redevelopments may involve the acquisition of non-Commission-owned property (referred to as “**Acquired Property**”). Phase I and Phase II may be collectively referred to as the “**Phases**”, and individually as a “**Phase**”. The redevelopment activities contemplated under this Agreement for one or more Phases may be referred to generally as the “**Development**”.

E. The Commission has further determined that it can best accomplish this goal by engaging a private developer to plan, develop, market, co-own, and manage the various components of the Development, while the Commission provides oversight and support to promote the achievement of public goals.

F. The Commission issued a Request for Qualifications – RFQ18001 on November 5, 2018 (the “**RFQ**”), to which the Developer submitted a proposal in response on December 7, 2018. The Commission reviewed multiple proposals through a competitive selection process, resulting in a determination that the Developer was qualified, subject to the negotiation of this Agreement, to serve as the Commission’s developer for the Development.

G. The Parties intend to use the available resources that best meet the needs of the Development, which may, in the Commission’s sole discretion, include public housing funds and funds available under HUD Subsidy Programs. The Parties acknowledge and agree that the Commission intends to rescind the current contingent RAD Commitments to enter into Housing Assistance Payments Contracts (“**CHAPs**”) from HUD and to reapply for CHAPs, based upon the updated development plans for the conversion of all units in the Commission Portfolio from public housing into Section 8 project-based subsidy units in accordance with RAD Notice PIH 2019-23 REV-4 (September 5, 2019), as may be amended (the “**RAD Notice**”).

H. Additionally, the Commission anticipates that all or a portion of the units (including units funded under any HUD Subsidy Program) in the Development will be operated and maintained as qualified Low Income Housing Tax Credit (“**LIHTC**” or “**LIHTCs**”) units under Section 42 of the Internal Revenue Code of 1986 (“**Section 42**”), as amended, for a period of not less than the compliance period required under Section 42 as well as any applicable extended use period (as such term is defined in Section 42 and required by the Michigan State Housing Development Authority (“**MSHDA**”)).

In consideration of the foregoing recitals and underlying promises, which both Parties agree

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

7

to be good and valuable consideration, the Parties agree as follows:

I. OVERVIEW

A. Nature of Agreement and Developer's Role.

1. Agreement between the Parties and Applicability of the Agreement. This Agreement sets forth the principal terms agreed to between the Parties with respect to the Development. The Parties are executing this Agreement in order to memorialize their rights, obligations and agreements with regard to the Development. The Parties agree to amend and supplement this Agreement as necessary to accurately reflect the future plans for the Development as may be mutually agreed upon by the Parties. Once a Phase or sub-phase of the Development has had a financial closing in accordance with All Applicable Requirements (as hereinafter defined), the respective Phase's or sub-phase's closing documents, not this Agreement, shall govern the understanding between the Parties with respect to that Phase or sub-phase, unless this Agreement expressly provides for post-closing survival of specific provisions.
2. Applicable Funding Requirements. The Parties anticipate that the Development contemplated by this Agreement will include funding that carries with it various requirements, including the following:
 - a. LIHTC Requirements. Equity derived from the sale of LIHTCs made available in accordance with Section 42 of the Internal Revenue Code of 1986, as amended ("**Section 42**") or any agreement or condition to receipt of tax credits (the "**LIHTC Funding**"), whether or not such requirement is explicitly stated in Section 42 or regulations thereunder, including the tax credit regulatory agreement that will be recorded against the each Phase or sub-phase once "placed in service", as such term is defined in Section 42 (the "**LIHTC Requirements**"), and the applicable federal, state, and local laws, rules and regulations. All units subject to LIHTC Requirements shall be referred to herein as "**LIHTC Units**".
 - b. RAD or other HUD Subsidy Requirements. Should the Parties proceed with redevelopment through the RAD program, it is anticipated that Section 8 project-based rental assistance funds ("**Section 8**") will be provided through Housing Assistance Payments contracts ("**HAP Contracts**") administered by HUD, or applicable contract administrator, as approved by the Commission, pursuant to such guidance outlining requirements applicable to public housing funds converted into Section 8 funds under the RAD program, including but not limited to, the U.S. Housing Act of 1937, all implementing regulations issued thereunder or in furtherance thereof, any other federal laws, regulations thereunder and executive orders pertaining to RAD Units, and HUD notices (including the RAD Notice) applicable to RAD Units, (as well as any documents incorporated into any of them by amendment, exhibit or reference), the CHAPs, the HAP Contracts, the RAD

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

8

Conversion Commitments when issued (the “RCCs”), the “RAD Use Agreement” (as defined in the RAD Notice), as those requirements may be waived or amended from time to time (collectively, the “RAD Requirements”), and the applicable federal, state, and local laws, rules and regulations. All units subject to RAD Requirements shall be referred to herein as “RAD Units.” The Parties further acknowledge that certain public housing funds may be available under the RAD Notice for use in developing RAD Units, and as such, the Developer agrees to further comply with all applicable public housing requirements when utilizing those funds. The Developer further acknowledges that, if another HUD Subsidy Program is utilized for the redevelopment of Phase I and/or Phase II, as may be agreed to by the Parties, then the Developer shall comply with all applicable HUD regulatory requirements and all applicable federal, state, and local laws, rules and regulations required by such HUD Subsidy Program (“Other HUD Subsidy Requirements”, which together with the RAD Requirements may be referred to generally as the “HUD Subsidy Requirements”). Units subject to either RAD Requirements or Other HUD Subsidy Requirements shall be referred to generally herein as “HUD Subsidy Units.”

- c. Additional Funding Requirements. Additional funding sources to which the Parties agree, and the federal, state, and local laws, rules and regulations which apply to each (“Additional Funding Requirements”).
 - d. Applicable Funding Requirements. The LIHTC Requirements, HUD Subsidy Requirements, and the Additional Funding Requirements may be referred to collectively herein as “All Applicable Requirements.”
3. Developer’s Role. The Commission hereby confirms the designation of the Developer as the Commission’s development partner in the redevelopment of the Development subject to and in accordance with the terms and conditions provided herein. Developer hereby accepts such designation and shall have the sole and exclusive right to act as the development partner of the Commission with respect to the Development, subject to the termination provisions of Article IX.

B. Development Overview.

1. Overview. Current plans for the Development contemplate approximately 215 units, all of which shall be set aside as HUD Subsidy Units. The Development will be developed in as few Phases as possible, currently contemplated as two Phases. The Commission’s reasonable satisfaction with Developer’s performance of the Phase I development activities is a prerequisite to the Commission’s authorization for the Developer to commence Phase II development activities. Once the Developer makes sufficient progress on Phase I, as determined in the Commission’s sole discretion, this Agreement

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

9

will be amended to reflect the Phase II plans.

- a. Phase I. While the final unit mix, configuration, layout, financing and schedule for Phase I is still being determined, the Parties hereby agree that Phase I shall contain approximately one hundred sixty-seven (167) units, all of which may be LIHTC Units, except to the extent some units must be set aside as non-LIHTC Units to accommodate public housing residents converting to Section 8 pursuant to the RAD program, whose incomes are greater than the LIHTC limits. All Phase I units shall be HUD Subsidy Units, which may also be LIHTC Units, except to the extent the tenants in the HUD Subsidy Units do not qualify for LIHTC Units. The Phase I preliminary development plan is detailed in the development description attached hereto as Exhibit 1 (the “**Phase I Development Overview**”). Phase I will be developed according to the schedule outlined in Exhibit 1(a) (the “**Phase I Development Schedule**”). It is anticipated that Phase I will be developed on the Existing Site. The preliminary development budget for Phase I, which is expected to include equity derived from the sale of LIHTCs and development funding provided by other viable sources, which, in the Commission’s sole discretion, may include funding from the Commission, is attached hereto as Exhibit 3 (the “**Phase I Development Budget**”), and as further detailed in Section III(A) “Financing” herein. The operating funding for the Development is projected to be comprised of Section 8 for the HUD Subsidy Units and tenant rents, as further detailed herein and as preliminarily outlined in the operating budget attached hereto as Exhibit 4 (the “**Phase I Operating Budget**”). As development plans proceed, the Parties may mutually agree to supplement and revise such exhibits with more refined information. In addition, should the Commission issue Developer a Notice to Proceed for Phase II, Developer will prepare Phase II development plans, budgets, site plans and schedules similar to those prepared for Phase I or as otherwise reasonably requested by the Commission.
2. Applications for Funding the Development. The Developer has determined that, at least initially, the most viable strategy for redeveloping the Existing Site is to combine equity derived from LIHTCs with funds provided by other viable sources to fund the Phases of the Development, as reflected for Phase I in the Phase I Development Budget attached hereto as Exhibit 3. The Developer shall have primary responsibility to prepare the LIHTC application(s) outlined in Section III(A)(1)(a) with such assistance from the Commission as reasonably requested and required by Developer from time to time. The initial Phase I LIHTC application shall be prepared according to the schedule outlined in Exhibit 1(b) (the “**Phase I LIHTC Application Schedule**”). The Developer shall submit to the Commission for review, the substantially completed and assembled LIHTC application, one week prior to the applicable 9% LIHTC round submission deadline beginning with the June, 2020 9% LIHTC round (or in the case of a 4% LIHTC transaction, one week prior to the intended 4% application submission date), which, based upon objective criteria, score well in Developer’s self-scoring. Developer shall provide the Commission with monthly updates regarding the LIHTC application on the

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

10

second Friday of every month during the preparation of any applicable LIHTC applications, and shall be responsive to Commission requests for updates on the status of documents, approvals and determinations needed in the interim. In addition to applications for LIHTCs, the Developer, in accordance with Section III(A)(1)(b), as may be mutually agreed upon by the Parties, shall submit applications for Federal Home Loan Bank Affordable Housing Program funds, United States Department of Agriculture Rural Development funds, available MSHDA loan funds and any such other funds deemed viable and appropriate by the Commission and Developer for funding any Phase.

3. Other Funding. The Parties agree that they will explore all viable funding options for the Development as described herein. The Developer shall have primary responsibility for identifying and securing all other financing necessary to complete and operate the Development in an economically feasible manner. The applicable Owner Entity shall incur all costs associated with obtaining such financing.
4. Schedule and Authorization to Proceed with Phased Development.
 - a. Timeline for Development. The Developer shall cause certain activities to be completed in accordance with the development timelines outlined in the Phase I Development Schedule and Phase I LIHTC Application Schedule attached as Exhibits 1(a) and 1(b). The Commission has approved the initial Development timelines, but acknowledges that such schedules are subject in each instance to the provisions regarding Force Majeure and Termination or Alteration of Development Due to Infeasibility or Change in Circumstances Not Due to Default of Developer in Sections IX (D) and (F) respectively, herein. The Developer and the Commission acknowledge that the Phase I Development Schedule, or as applicable the Phase II development schedule, may need to be modified based on information not available on the date hereof, and revised versions of the applicable schedules will be submitted by the Developer in accordance with the aforementioned provisions.
 - b. Authorization to Proceed with Phased Development. Notwithstanding the foregoing or anything else herein to the contrary, as of the Effective Date, the Developer is authorized to proceed with development activities (referred to as the “**Notice to Proceed**”) for Phase I. With respect to Phase II, the Developer is not authorized to commence any development plans or activities for Phase II unless and until the Commission issues a Notice to Proceed for such Phase, which notice will be issued when, in the Commission’s sole discretion, it determines appropriate.

II. OVERVIEW OF RESPONSIBILITIES

A. Developer Responsibilities: As more specifically set forth herein, and in the applicable sections of this Agreement, Developer shall be responsible for services in connection with the establishment of the Owner Entity for any Phase, securing all funding necessary for the

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

11

Development, co-managing and overseeing the design, construction and occupancy of the Development, and carrying out all other work for which Developer is responsible in connection with structuring, planning, design, construction, financing and management activities relating to the Development, including any pre-development work and property management in a co-management structure as such responsibilities are detailed in this Agreement (collectively, the “**Work**”). The actual services delivered shall include all development services reasonably required to complete the planning and development of the Development and, except as otherwise provided herein, to cause each Owner Entity to facilitate the construction and operation of the Development, including, but not limited to:

1. Establishing phasing, unit mix and timetables, structuring and securing financing and obtaining necessary city and county approvals, and hiring a general contractor or construction manager;
2. Identifying necessary public improvements and developing a funding plan for the same with the Commission and the City;
3. Funding such costs and expenses as may be reasonably incurred in connection with the Development and reimbursed with proceeds from funding sources upon receipt by the Owner Entity; provided, however, that (1) predevelopment costs (including legal fees and other soft costs) reasonably and necessarily directly incurred by the Commission up to the amount of One Hundred Fifty Thousand and 00/100 Dollars (\$150,000.00) and predevelopment costs reasonably and necessarily directly incurred by the Developer in connection with the Development limited to the budget(s) as outlined in Phase-specific predevelopment budgets, which shall be reimbursed as part of the closing on the financing of the Development, and (2) costs and expenses that are not directly incurred in connection with the Development, including but not limited to, organizational expenses (but excluding the costs to organize the Owner Entity and related entities), staff costs, salaries and legal costs incurred by the Parties, shall not be reimbursed.
4. To the extent necessary or advisable, securing, with the Commission’s support, a new payment in lieu of taxes (“**PILOT**”) agreement with the City for each Phase of the Development;
5. Establishing and maintaining the Owner Entity, as defined in Section B(1) to own and operate each Phase, and as applicable, establish and maintain affiliates of Developer to develop each Phase;
6. Assisting in preparing the RAD financing plan and/or required HUD Subsidy Program applications or documentation (including securing all applicable funding commitments and closing on all applicable funds) for each applicable Phase (the Commission shall have primary responsibility for the preparation of such HUD applications); assisting in

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

12

- preparing and coordinating all documents necessary for closing the financing on the applicable Phase in accordance with the HUD Subsidy Requirements (the “Closing”); collaborating with the Commission to finalize documents and assist in the preparation of the RAD and/or HUD Subsidy Program submissions to HUD; and scheduling and holding the Closings;
7. Entering into contracts or agreements on behalf of the Owner Entity, consistent with the terms of this Agreement, necessary and appropriate for completion of the Development, which contracts or agreements may be assigned, as appropriate, by the Developer to the related Owner Entity at the Closings;
 8. Conducting site planning, including, unit mix, configuration, and identifying all necessary governmental approvals for such plans;
 9. Carrying out the relocation of existing tenants of the Existing Site as may be reasonably necessary for each Phase, in accordance with applicable law, through financial support, coordination activities or otherwise;
 10. Carrying out pre-construction and construction activities, including design, engineering, and construction of the Development, guaranteeing completion of same, and ensuring compliance with all applicable laws, rules and regulations;
 11. Maintaining regular communication with the Commission regarding the Development activities;
 12. Engaging its selected property manager to manage the Phase or Phases for not less than the Initial Period described hereafter, including establishment of Redevelopment-based admissions and occupancy standards, lease up, maintaining all applicable occupancy standards and maintaining all requisite reports, certifications and data in accordance with applicable requirements. The Developer shall use best efforts to ensure that the tax credit investor in the Redevelopment and any permanent lender for the Redevelopment agree and acknowledge, in advance of closing, that the Commission, with the assistance as outlined herein, shall have the option to serve as property manager of the Phase or Phases as described herein;
 13. Providing all guarantees, or causing its affiliates to provide all guarantees required to complete the Development, including, but not limited to: construction completion guarantees acceptable to both the equity investor and each lender, operating deficit guarantees and LIHTC compliance guarantees. The Developer, or an affiliate thereof, may provide guarantees as appropriate on a Phase-by-Phase basis;
 14. Maintaining, and causing contractors to maintain, all requisite, pursuant to this Agreement, and reasonable insurance for a Development of this size and type; and

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

13

15. Performing such other services necessary to develop the Development, as agreed upon by the Developer and the Commission.

B. Commission's Responsibilities. As more specifically described herein, the Commission is responsible for the following activities related to the Development (such list is not intended to be exhaustive):

1. Review and approve the site plan, budget, schedule, plans and specifications, and change orders which, in any single instance increase or decrease the Development Budget by \$50,000 or 1% of the Development Budget, whichever is greater, and cumulative changes which increase or decrease the Development Budget by more than 3%, as well as admissions and occupancy criteria and related property management documents, which approval shall not be unreasonably withheld, delayed or conditioned;
2. Submitting any RAD or other HUD Subsidy Program proposal or financing plan documents for each applicable Phase or sub-phase to HUD;
3. Facilitating the HUD Subsidy Requirements;
4. Coordinating with the residents, the City and other stakeholders on Development-related issues;
5. Conveying the applicable portion of the Existing Site and any applicable portion of Acquired Property, if any, via long term ground lease (the "**Ground Lease**") to the Phase Owner Entity;
6. Obtaining all necessary HUD approvals, providing reports and maintaining communications with HUD;
7. Providing reasonable assistance to the Developer in its efforts to secure financing and obtain necessary City and county approvals, provided that obtaining such financing and approvals remains solely the Developer's responsibility;
8. Using its reasonable efforts to assist Developer in completing the requisite documentation for participation in the RAD program or other HUD Subsidy Program;
9. Assisting the Developer, as necessary, in the relocation of current tenants of the Existing Site, as required, for each Phase and providing Developer with access, upon reasonable notice, to the rents rolls for the applicable Phase's residents in order for it to determine which households are eligible and qualified under LIHTC rules;
10. Providing such assistance as reasonably requested in writing by Developer from time to time, and otherwise working cooperatively with Developer to advance the

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

14

Development; and

11. Providing property management services as outlined in Section III (C)(1) directly or through a Commission-controlled affiliate.

C. Cooperation and Communication.

1. **Communication and Cooperation in General.** The Commission and the Developer shall cooperate and communicate with one another in good faith to consummate successfully the Development, and each Phase thereof, and shall require their contractors and team members to do the same. Such cooperation shall include regular communication between the Parties regarding current development activities, and reasonable efforts to respond to one another as expeditiously as possible with regard to requests for information or approvals required hereby. Neither Party shall take any material action with respect to plans for and implementation of the Development without first communicating those to the other Party, and if that action is being taken by the Developer, receiving the Commission's consent to undertake such action. Developer shall copy the Commission on all written communications relating to the Development that are material in nature. With regard to materials or documents requiring the approval of one or more Parties, if such materials or documents are not approved as initially submitted, then the Parties shall engage in such communication as may be reasonable and necessary under the circumstances to resolve the issues resulting in such disapproval. A spirit of good faith and a mutual desire for the success of the Development shall govern the Parties' relationship under this Agreement.

2. **Communication with Public and Governmental Entities.**

- a. Communication with City and County of Manistee. The Commission shall be primarily responsible for all communication with the City and County of Manistee. Developer shall not communicate with members, employees and/or agents of City or County of Manistee government without first informing the Commission of the nature of the communication, and, at the Commission's discretion, either involving the Commission in the communication or receiving the Commission's consent to undertake such communication alone. The aforementioned notwithstanding, the Developer shall have the authority to communicate with the City or County of Manistee in order to undertake various ministerial functions necessary to effectuate the Development, including securing building permits, provided the Commission is aware that such communication is occurring.
- b. Communication with MSHDA. Developer shall be responsible for communication with MSHDA. Developer shall keep the Commission informed regarding material communications and development issues, questions and requirements raised by MSHDA,

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

15

and shall invite the Commission to participate in communications with MSHDA, where appropriate.

- c. Communication with HUD. With respect to any communication with HUD regarding funding provided to, or documentation required from, the Commission, as well as other communication in connection with the Development, the Commission shall be the sole Party authorized to communicate with HUD. The aforesaid notwithstanding, the Developer may, in concert with, or at the express request of the Commission, communicate with HUD on matters related to the Development.

3. **Communication with the Media**. All responses to media inquiries and releases of information to the media regarding the Development shall be undertaken by the Commission, except as otherwise described below. Developer shall not contact the media regarding the Development and shall refer all media inquiries to the Commission, unless the Commission explicitly authorizes the Developer to engage in such media communication. In addition, Developer shall not initiate or undertake any other publicity or marketing relating to the Development, including ground breakings and ribbon cutting events, except upon the mutual agreement of the Parties.

III. PROJECT FEASIBILITY AND STANDARDS.

A. Financing. The Developer shall have primary responsibility for identifying, obtaining, negotiating and closing all financing necessary to complete the Development in an economically feasible manner subject to All Applicable Requirements. The Developer shall use best efforts to secure the financing listed in the Development Budget. The Commission shall cooperate fully with Developer on applications for financing. Should any of the financing become unavailable, it is the Developer's responsibility to use reasonable efforts to identify and obtain reasonably equivalent funds from alternative funding sources in a timely manner so as to prevent delay in the Phase I Development Schedule or Phase II development schedule, as applicable, or cause a material increase in the costs incurred by the Commission. The Commission will cooperate with and assist the Developer in its efforts to replace funding commitments. The Commission acknowledges that sources of financing listed in the Development Budget require award by various governmental agencies during periodic application cycles. The failure by a governmental agency to approve an application shall not constitute a default by the Developer in its obligations hereunder, provided the Developer used reasonable efforts and pursued such application with diligence and good faith. As used herein, "reasonable efforts" means the reasonable, diligent, good faith, efforts to accomplish the objective as an affordable housing developer would use to accomplish a similar objective under similar circumstances. Notwithstanding any other term or condition in this Agreement, the sources of any funding and any financing necessary to complete the Development in an economically feasible manner shall be on terms and conditions financially acceptable to the Developer, in its sole reasonable discretion, provided those terms do not negatively impact the Commission and/or conflict with the terms outlined in this Agreement. All Development funding is subject to Commission

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

16

approval which shall not be unreasonably withheld, conditioned or delayed. Prior to any request for funding approval, the Developer shall summarize and explain any and all Development funding and present such summary to the Board of Commissioners. The Developer shall not execute a commitment to enter into any financing for the Development until it has received the Commission's approval.

1. Potential Funding from Competitive Sources

- a. **9% Low Income Housing Tax Credits.** The Parties acknowledge that equity derived from 9% low income housing tax credits made available pursuant to Section 42 of the Internal Revenue Code of 1986 (“**9% LIHTCs**”), as amended, is likely to be a primary source of development funding for Phase I. The Developer will submit to MSHDA application(s) for 9% LIHTCs (each a “**LIHTC Application**”) during the June 2020 funding round for Phase I, and make reasonable efforts to submit winning LIHTC Application(s) for Phase I. The Commission will work with the Developer to secure necessary documentation for submission of the LIHTC Application(s) to MSHDA. If Developer fails to secure 9% LIHTCs from the June 2020 LIHTC Application(s) for Phase I, the Parties shall work cooperatively to identify and agree upon subsequent funding strategies in accordance with the MSHDA Qualified Allocation Plan (“**QAP**”) governing LIHTC Applications submitted to MSHDA after the June 2020 funding round.

The Parties anticipate that this Agreement shall be amended to memorialize the plans for submission of 9% LIHTC Application(s) for Phase II. Notwithstanding the foregoing, should the Developer determine that it is not in the best interest of the Development to submit a LIHTC Application for Phase II, then, no later than sixty (60) days before the first documentation deadline for the applicable LIHTC Application in accordance with any applicable HUD Subsidy Requirements, the Developer shall submit to the Commission a written alternative funding strategy which describes: the reasons applying during the applicable LIHTC Application round is not viable, specific alternative funding sources and steps necessary to secure each source, proposed unit mix and breakdown, timing of closing, construction and lease up, and, the amount of funding and other items requested by the Commission. The Commission shall review the Developer's proposed strategy and provide feedback within fifteen (15) days on such strategy. Notwithstanding the foregoing, should this Agreement be amended to explicitly contemplate Phase II or should a Phase II notice to proceed be issued, the Developer shall submit a 9% LIHTC Application in the funding round following the Agreement amendment or issuance of the notice to proceed.

- b. **Other Federal, State or Local Funds.** The Developer will investigate other potential sources of competitive funds which may be available to the Development, including HOME funds outlined in 24 CFR Part 92, Federal Home Loan Bank

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

17

Affordable Housing Program funds, United States Department of Agriculture Rural Development funds, and applicable MSHDA funds and confer with the Commission prior to pursuing such funding. The Parties shall use their best efforts and cooperate to agree with respect to their respective rights and responsibilities concerning the pursuit of such funding, and the Commission's approval of the pursuit of such alternative funding shall not be unreasonably withheld, conditioned or delayed.

2. Potential Funding from Non-Competitive Sources

- a. **Tax Exempt Bond/4% LIHTC Transactions.** The Developer will pursue tax-exempt bond volume cap transactions as it reasonably determines may be feasible and desirable to fund the Development and Phases therein. The Developer shall consult with and gain approval from the Commission before pursuing such 4% LIHTC and tax-exempt bond applications, which shall be in accordance with MSHDA requirements. The Commission's approval regarding pursuing such funds shall not be unreasonably withheld, conditioned or delayed. No such application will contain material representations or commitments inconsistent with the applicable Phase development plan unless the Commission has specifically approved such deviations, which approvals shall not be unreasonably withheld, conditioned or delayed. The Parties will update the applicable Phase development plan as may be reasonably necessary to reflect agreed upon deviations.
- b. **Construction and Permanent Loans.** Should the Developer determine in its reasonable discretion that hard debt is necessary to fund the Development or a Phase, it shall solicit letters of intent from at least two construction, and if necessary, permanent, lenders. Prior to selecting the lender, the Developer shall advise the Commission of the preferred choice. Should the Developer believe that it makes sense to utilize a particular lender without soliciting at least one other, it shall advise the Commission and document the reasons the terms of the loan are sufficiently beneficial and commercially reasonable so as to not warrant the solicitation of additional offers. Should the Commission have feedback regarding Developer's intended choice of lender, the Commission shall, in a timely fashion, provide such feedback to the Developer, which feedback shall be reasonably considered by the Developer. Notwithstanding the foregoing, the choice of lenders shall be reasonably determined by the Developer in its sole discretion, subject to the approval of the Commission.
- c. **RAD and/or Other HUD Subsidy Program Funding.** For any Phase containing HUD Subsidy Units, it is anticipated that Section 8 project-based funds will be provided for those units, subject to terms and conditions to be negotiated by the Parties and HUD, but consistent with the applicable HUD Subsidy Requirements.
- d. **Commission Funds.** The Commission may, at the Commission's sole discretion and subject to availability of funding, commit and provide financing to help support

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

18

the Development activities. Any such financing (“**Commission Financing**”) shall take the form of a loan subject to priority repayment via the applicable Phase’s cash flow waterfall distributions upon terms and conditions as may be mutually agreed upon by the Parties.

- e. **Additional Funds.** The Commission and/or the Developer may work to identify grants or other available funding for the Development from various available sources (“**Alternative Sources**”). Unless otherwise agreed upon by the Parties, the Developer shall have primary responsibility for obtaining, negotiating and closing all financing necessary including any Alternative Sources and discretion as to whether or not to pursue such Alternative Sources, subject to the review and approval by the Commission, which shall not be unreasonably withheld, conditioned or delayed.
3. Equity Investor. The Parties anticipate that each Phase of the Development will be funded in part by LIHTCs. For any such Phase, the principal equity interest in the Owner Entity will be owned by a LIHTC investor (the “**Equity Investor**”). In order to select the Equity Investor, the Developer shall seek equity investment competitively and will prepare an initial draft solicitation request for equity investor proposals and provide that draft document to the Commission for its review and comment. The Developer shall have primary responsibility for identifying and negotiating with any potential equity investors in the Owner Entity or syndicating any equity interests in the Owner Entity with reasonable participation and involvement of the Commission. The Commission and Developer shall agree on the final terms to be included in the solicitation request prior to its issuance and will jointly compile a list of all equity investors to which the solicitation will be sent. After receipt of the equity proposals, Developer shall provide full copies of such proposals to the Commission along with an analysis of the proposals identifying the preferred Equity Investor for each Phase. The Developer will negotiate with potential equity investors with a view toward maximizing the amount of equity which the potential equity investor will provide to each Phase of the Development, while also considering, among other things, the timing of the equity payments, the level of reserves, net worth, liquidity and, guarantee requirements. The Developer shall negotiate a proposal for each Phase which includes (a) a purchase option/right of first refusal on terms acceptable to the Commission, in its sole reasonable discretion, (b) provides for a property management role acceptable to the Commission, such as that outlined in Section III (C)(1), and (c) projects minimal exit taxes paid by the Commission upon exit by the applicable Equity Investor. The Developer shall not select an investor which seeks to impose guaranty or other obligations on the Commission without the Commission’s written consent. Further, Developer acknowledges that Commission shall have the right to review and comment on any draft letter of intent prior to its execution. Developer acknowledges that the Commission must approve the final selection of the Equity Investor(s), which approval shall not be unreasonably withheld, conditioned or delayed. The Developer or an Affiliate may make or syndicate some or all of the equity contribution required for a Phase of the Development, so long

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

19

as the terms of the contribution (net of all transaction costs and avoided costs) are materially equal or superior to those of non-affiliated offers.

4. Payoff of Existing Debt. Developer acknowledges that the Existing Site is the subject of existing financing leveraged through HUD's Energy Performance Contracting ("EPC") program. As part of its obligations to provide financing for the Development, the Developer shall assist the Commission in addressing such debt as part of the Phase closing including identifying, negotiating and securing sources to pay off or otherwise release such debt.

B. Ownership and Developer Structure

1. Entity Formation and Participation. The Developer may form one or more entities to own, operate and manage each Phase of the Development (each an "Owner Entity"). It is anticipated that a Developer affiliate and a Commission affiliate shall jointly own the general partner/ managing member interest in each Owner Entity. The Commission or a Commission-controlled entity may serve as co-developer or sub-developer for each Phase of the Development.

The Developer and Commission acknowledge and agree that their intent, subject to any investor and lender consents, is to transfer operational control of the general partner/managing member of each Phase of the Development from joint control by the Party affiliates to primary or sole control by the Commission affiliate following the later of the first five (5) years of operations or expiration of the operating deficit guaranty required by the applicable Equity Investor for each Phase (the "Initial Period(s)"). All documents evidencing the formation of an Owner Entity, its rights and obligations with regard to the general and limited partners or members, as applicable, including but not limited to the payment of development fees, guarantees, and pledges, shall be subject to the review and approval of the Commission, which shall not be unreasonably withheld, conditioned or delayed. Any other term or provision of this Agreement notwithstanding, provided a Phase is successful in receiving 9% LIHTC's, to the extent required by MSHDA, the Developer will remain involved in the ownership of the Development for at least the fifteen (15) year LIHTC compliance period. To the extent required by MSHDA requirements, MSHDA shall have the right to approve any changes to the ownership of each Owner Entity during such Phase.

2. Option and Right of First Refusal. For each Phase, the Commission, directly or through a Commission affiliate, shall have the first right and option to acquire the applicable Phase or all interests in the Owner Entity following the end of the LIHTC compliance period in accordance with the LIHTC Requirements. Terms and conditions of such right and option shall be as negotiated with the Equity Investor and Developer, including a first right price at the lowest amount permitted under Section 42(i)(7) of the Internal Revenue Code of 1986, as amended. The Developer agrees to use best efforts to negotiate a purchase option/right of first refusal for the Commission that reflects

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

20

minimal exit taxes to be paid by the Commission upon exit by the applicable Equity Investor.

3. Land Acquisition and Conveyance. The Parties intend that for each Phase, the Developer may acquire property on which the Development may be built. The Developer acknowledges that to the extent that any RAD Units will be developed on Acquired Property, such Acquired Property must satisfy all RAD Requirements, including HUD's Fair Housing and Equal Opportunity site and neighborhood standards. The Parties agree that the agreed upon portions of the Existing Site and Acquired Property (if applicable), will be conveyed to the respective Owner Entity via a long term ground lease or via such other land transfer mechanism upon such terms and conditions as may be agreed upon by the Parties and consistent with the purpose and intent of the Development, and which complies with All Applicable Requirements.

C. Property Management Structure.

1. Designation of Property Manager. Property management for each Phase shall be accomplished by means of a co-management arrangement between the Commission (or an affiliate) and Commonwealth Management Corporation ("CMC"). The Commission (or an affiliate), CMC, or any successor management agent may be referred to herein as the "**Management Agent(s)**"). Any proposed management agent other than the Management Agents shall be subject to Equity Investor and Commission review and approval, which approvals shall not be unreasonably withheld, conditioned or delayed. The Management Agents shall be responsible for the day-to-day operation of the Phases including, but not limited to compliance with All Applicable Requirements, collections, leasing, payment of invoices and maintenance. The specific duties shall be detailed in a management agreement entered into between the Commission (or an affiliate) and the applicable Owner Entity (the "**Management Agreement**") and a sub-management agreement between the Commission (or an affiliate) and CMC, including as contemplated by the Co-Management Agreement between the Commission and CMC (the "**Sub-Management Agreement**"). Notwithstanding the foregoing, the Developer shall ensure that the Management Agreement, Sub-Management Agreement and the Owner Entity Operating Agreement, provide for the following, as applicable:
 - a. **CMC's Role in Property Management.** CMC shall mentor and provide training to the Commission regarding management, tax credit and regulatory compliance, including regarding All Applicable Requirements and otherwise provide reasonable guidance during initial conversion and monitor compliance throughout the 15-year compliance period.
 - b. **The Commission's Role in Property Management.** The Commission, the Developer and CMC shall determine the scope of the Commission's management responsibilities. The Commission's role in property management activities will be memorialized in the Sub-Management Agreement which shall provide for an

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

21

increase in the Commission's management scope as the Commission receives additional training and gains expertise. Such scope may initially include undertaking maintenance functions and/or providing front office coverage. In addition, the Parties agree that, subject to the Equity Investor's approval, which shall not unreasonably withheld, conditioned or delayed, approximately five years after the applicable Phase is placed in service (as such term is defined in Section 42), all management responsibilities shall be transitioned to the Commission. At the time of the transition to more extensive Commission management, the Commission and CMC shall re-evaluate the property management fee split.

- c. **Community Relations.** The Management Agents shall develop and maintain a positive working relationship with residents of the Development.
 - d. **Management Plan and Management Agreement.** CMC shall develop a Management Agreement and Management Plan that are reasonably acceptable to the Commission and comply with All Applicable Requirements.
 - e. **Termination Rights.** The Management Agreement will provide the Commission with an enforceable right to terminate the Management Agreement in the event the Management Agent fails to meet All Applicable Requirements.
2. **Property Management Fee.** The Management Agents shall receive a management fee of not less than six percent (6.0%) of gross rents, up to the maximum permitted under applicable MSHDA requirements and HUD Subsidy Requirements of which CMC shall receive thirty percent (30%). CMC's third party LIHTC compliance contractor, Comprehensive Compliance Solutions LLC ("**LIHTC Compliance Agent**"), shall receive a fee in the amount of Three and 50/100 Dollars (\$3.50) per unit, per month (the "**Compliance Fee**"). Subject to Commission approval in its sole discretion, the Compliance Fee may be adjusted on an annual basis to account for costs reasonably incurred by the LIHTC Compliance Agent with regard to compliance. Any premiums or incentive fees paid to the Management Agent, when combined with the standard property management fees, shall not exceed applicable HUD Subsidy Requirements.

D. Compensation and Fees.

1. **Developer Fee.** The total development fee means all development fees due from any Owner Entity for development services relating to each Phase of the Development until the Development achieves stabilized operations (as defined by applicable lender requirements) in an amount equal up to fifteen percent (15%) of the total eligible development cost for each Phase (the "**Total Development Fee**" or "**Development Fee**"), but in no event more than any applicable HUD Subsidy Requirements or MSHDA requirements. In consideration for the development services performed by the Developer as described in Section III (B)(1), Developer shall be entitled to one hundred percent (100%) of the Total Development Fee, less the Commission Fee described

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

22

below (the “**Developer Development Fee**”). The Total Development Fee shall be earned and payable pursuant to a mutually agreeable schedule as set forth in the amended and restated operating agreement of the Owner Entity admitting an investor as a member of the Owner Entity (the “**Operating Agreement**”) and/or the development services agreement between Owner Entity and Developer. In all events, the Total Development Fee shall be earned in its entirety as of the date the Development is placed in service for purposes of Section 42 of the Internal Revenue Code. Any earned but Deferred Developer Fee within the first five (5) years of stabilized operations of a Phase shall be disbursed and paid between the Parties in a manner consistent with the terms negotiated with any funding sources and the Operating Agreement and consistent with any applicable HUD Subsidy Requirements. Upon the Commission’s assumption of managing control of a Phase’s Owner Entity, any remaining earned but Deferred Developer Fee for such Phase due to Developer shall be paid. "Deferred Development Fee" means any Development Fee payable to Developer out of Development cash flow or proceeds from the sale or refinancing of the Development.

2. Commission Developer Fee. The Commission shall earn a fee of not less than twenty-five percent (25%) of the Total Development Fee for each Phase, for development services rendered by the Commission in connection with the Phase (the “**Commission Fee**”), paid pursuant to a subcontract for development services between Developer and the Commission on such terms as may be mutually agreeable to the Parties. The Commission Fee includes payment for all of the Commission’s overhead in connection with any services provided by the Commission. The Commission acknowledges that pursuant to the terms of the Owner Entity’s Operating Agreement, the managing member of the Owner Entity may be required to make a capital contribution to the Owner Entity in the amount of any unpaid Development Fee, in which event the Owner Entity would then pay such unpaid Development Fee to the Developer. Notwithstanding anything to the contrary in this Agreement, in the event the managing member of the Owner Entity is required to make any capital contribution to the Owner Entity to pay any unpaid Development Fee and such amount is then paid to the Developer, then, provided the Commission Fee is paid in full, the Developer shall not be obligated to pay any portion of such Development Fee to the Commission.
3. Reduction of Total Development Fee. In the event a lower fee is required for project feasibility or otherwise imposed by governmental authorities, the reduction shall be borne pro-rata between the Parties.
4. Cost Savings. In the event the Developer achieves cost savings in a Phase, then, to the maximum extent allowed under applicable LIHTC and MSHDA requirements, Developer shall be entitled to retain fifty percent (50%) of those cost savings as additional Developer Fee and the other fifty percent (50%) shall be allocated to the Commission as additional Commission Fee provided such fees do not reduce the amount of any LIHTC Funding or otherwise reduce the LIHTC basis. In all instances the Developer’s receipt of cost savings shall be subject to any limitations of applicable

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

23

HUD Subsidy Requirements. If the Developer shall be ineligible for any portion of its allocation of cost savings, those funds may be allocated, distributed or expended as mutually agreed upon by the Parties.

5. Commission Marketing Incentive/ Lease Up Fee. The Commission will receive a marketing incentive/lease up fee equal to \$250 per unit for each unit leased no later than 30 days following issuance of the Development's certificate of occupancy and a fee of \$100 for each unit leased within 90 days of issuance of the Development's certificate of occupancy, which fee shall be listed in the applicable Phase development budget.
6. Commission Asset Management Fee. For each Phase, the Commission or its affiliate, shall receive an annual fee as an operating cost, or if from cash flow, prior to the general partner/limited partner or managing member/investor member cash flow distribution, for its role in coordinating with stakeholders including HUD, the City of Manistee, the County of Manistee, MSHDA, and residents, to maintain the continuity of the Development, which fee shall not be less than fifty percent (50%) of the total general partner/managing member management fee, if applicable, which shall be provided for in the Operating Agreement and its applicable budget.
7. Ground Lease Fee. In consideration of its contribution of land and other resources to the Development, and in addition to the other fees that will be due to the Commission for the Development provided herein, the Commission shall receive the such rent fees ("**Ground Lease Fees**"), as may be mutually agreed upon the Parties based upon the appraised value of the land included in the applicable Phase, available cash flow and impact on the economic feasibility of the Development. The Ground Lease Fees will be paid in a manner as may be mutually agreed upon by the Parties, with a portion of the Ground Lease Fees shall be paid by the Owner Entity at closing, and the balance paid pursuant to a promissory note issued in favor of the Commission.
8. Cash Flow from Phases. For any Phase in which the Commission provides Commission Financing, the Commission may receive annual cash flow distributions in partial repayment of such funds, as a priority payment via the cash flow waterfall following distributions required for asset management fees or deferred developer fees consistent with the terms negotiated with any funding sources and the Operating Agreement. In addition, subject to Equity Investor approval per Phase, additional cash flow shall be allocated ninety percent (90%) to the Commission affiliate and ten percent (10%) to the Developer affiliate, following payment of priority items required by the Equity Investor or MSHDA, such as payment of asset management fees, funding reserves, repaying loans, paying investor tax liability and payment of deferred developer fee provided such allocation is consistent with the development and operation of the Development in an economically feasible manner. While the Parties acknowledge that the cash flow waterfall will be subject to the consent of the Equity Investor, the Developer agrees that it will use best efforts to negotiate with each Equity Investor a cash flow that provides the Commission with annual cash flow distributions in amounts which are reasonable

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

24

based upon the development and operational activities the Commission performs with respect to the applicable Phase.

9. No Other Fees. Except as expressly provided elsewhere herein, the Developer shall not receive any additional payment for providing goods or services to the Development unless it is with the express written consent of the Commission which shall not be unreasonably withheld, conditioned or delayed. The Developer will disclose any such proposed relationship to the Commission as part of the applicable Phase development plan and will provide the Commission sufficient terms, information about the terms and conditions of the proposed relationship to enable the Commission to evaluate its propriety and commercial reasonableness.

E. Section 3 and Minority, Women and Disadvantaged Business Requirements.

1. Section 3 Provisions.

- a. **Regulatory Requirements.** The Parties to this Agreement agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3 of the Housing and Urban Development Act of 1968 ("**Section 3**"), and in accordance with the foregoing, the Developer agrees to comply with the Section 3 provisions attached hereto as Exhibit 5 (the "**Section 3 Clause**"). As evidenced by the Developer's execution of this Agreement, it certifies that it is under no contractual or other impediment that would prevent it from complying with the Section 3 Clause and the part 135 regulations.
- b. **Compliance Method.** In accordance with Section 3, the Developer agrees to hire and train Section 3 eligible individuals to the extent required by Section 3, particularly persons who are recipients of HUD assistance for housing, as set forth in the Section 3 plan attached hereto as Exhibit 5(a) (the "**Section 3 Plan**"). The Developer shall use best efforts to comply with the Section 3 Plan.
- c. **Reporting.** In accordance III(F)(1)(a) and (b) above, the Developer shall cause its third-party contractors to meet Section 3 requirements and shall report progress in achieving such goals in the Monthly Reports described in Section III(G) below. To assist in identifying eligible Section 3 individuals, the Commission will conduct outreach efforts and establish a database which includes prospective Section 3 individuals and shall provide such information to the Developer on an interval basis and within such timeframe as may be reasonably required by the Developer.

2. Minority, Women and Disadvantaged Business Provisions.

- a. **Contract Requirements.** The Developer and the Commission have established a goal of awarding twenty percent (20%) of all contracts let by Developer and/or Owner Entity for the Development to minority, women-owned and disadvantaged businesses and women-owned businesses ("**MBE/WBE/DBE**").

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

25

b. **Compliance and Reporting.** In accordance with III(F)(2)(a) above, the Developer shall cause its third-party contractors to use Good Faith Efforts to achieve the above goals and shall report progress in achieving such goals in the Monthly Reports described in Section III(G) below. The Developer will develop and submit for Commission approval a written MBE/WBE/DBE contracting plan prior to submission of the Phase I LIHTC Application. To assist in identifying eligible MBE/WBE/DBE businesses and individuals, the Commission will conduct outreach efforts and establish a database which includes prospective MBE/WBE/DBE enterprises and individuals and shall provide such information to the Developer on an interval basis and within such timeframe as may be reasonably required by the Developer. “Good Faith Efforts” mean that the third-party contractor took necessary and reasonable steps to achieve the goal which, by their scope, intensity, and appropriateness, could reasonably be expected to obtain sufficient MBE/WBE/DBE participation, and that the bidder actively sought MBE/WBE/DBE participation.

F. Selection and Approval of Professionals and other Contractors.

1. Selecting Professionals and Other Contractors. The Developer was procured by the Commission in accordance with 2 CFR Part 200. As part of its proposal, Developer assembled a team of professionals which the Commission approved as part of the Part 200 procurement. In addition to those professionals it is anticipated that Developer will engage other professionals and contractors needed to implement the Development. Although Developer is not subject to the competitive selection requirements outlined in 2 CFR Part 200, in light of the significant public investment in the Development, all selection transactions carried out by the Developer Partner shall be conducted in a manner to provide, to the greatest extent practical, maximum benefit to the Development considering the qualifications of the professionals, consultants and contractors, cost and other relevant factors. Furthermore, the Developer acknowledges the importance of open and competitive selection of contractors and agrees, to the greatest extent feasible, to utilize such procedures when contracting for the Development while considering qualifications, prices, MBE/WBE/DBE goals and Section 3 goals. When selecting contractors, the Developer shall be alert to organizational conflicts of interest as well as noncompetitive practices that may restrict or eliminate competition or otherwise restrain trade. Awards shall be made to the bidder or offeror whose bid or offer is most advantageous to the Development, taking into consideration price, quality and other factors deemed by the Developer to be relevant; the Developer shall not employ or contract with any third party contractor which has been debarred by HUD, pursuant to Section XIII(C)(12); and shall promptly terminate any contracts with any third party contractor that is subsequently debarred.
2. Approval of Professionals and Other Contractors. Subject to the approval of the Commission, which shall not be unreasonably withheld, conditioned or delayed, the

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

26

Developer shall have primary responsibility for assisting the Owner Entity in selecting, as applicable, construction managers, design/builders, contractors, architects, engineers, subcontractors and suppliers to design and construct the Development, and assisting the Owner Entity in negotiating all construction, architectural and engineering contracts for the Development.

3. Conflicts of Interest. The Developer covenants that neither it nor any of its directors, officers, partners or employees has any interest, nor shall acquire any interest, directly or indirectly, which would conflict in any manner or degree with the performance of the services hereunder. The Developer further covenants that in the performance of this Agreement, no person having such interest shall be employed by it. Notwithstanding the foregoing, nothing herein shall prevent the Developer or any of its members from engaging in other development projects in the City area or elsewhere.

G. Reporting. The Developer agrees to keep the Commission reasonable informed the progress on the Development. To that end, Developer shall provide the Commission with a monthly report that details the status of each Phase of the Development (the “**Monthly Report**”). Such Monthly Reports shall include, at a minimum: a description of the predevelopment and construction work performed at the Development, progress in maintaining the project schedule, status of all applications, certifications and permits necessary for the Development, progress in meeting Section 3/resident outreach and MBE/WBE/DBE goals, and, monthly expenditures as compared to the applicable Phase Development Budget. The Parties shall also participate in a conference call on a bi-weekly basis to discuss the status of the Development and such matters as may be agreed upon by the Parties from time to time. In addition, the Developer shall provide the Commission with monthly written updates on the status of the Development no later than the second Friday of every month.

H. Supportive Services. The Commission, Developer and/or applicable Owner Entity may acquire and enter into contracts and/or memoranda of understanding, for supportive, social and/or senior services for the Development, as agreed to by the Parties.

IV. SITE PREPARATION ACTIVITIES

A. Environmental Conditions and Site Investigation

1. HUD and State Environmental Review. The Developer shall complete all Federal and State environmental review requirements in accordance with all applicable laws, including State of Michigan, Federal Regulations 24 CFR Parts 50 or 58, as applicable, and the National Environmental Protection Act. The Commission shall be responsible for submitting all required documents to HUD and any other governmental entity, as required by applicable law and regulation, necessary to assess the environmental impact of the Development in accordance with 24 CFR Parts 50 or 58, as applicable, and providing such documentation necessary to secure HUD approval of such review. The Parties shall not carry out any activities with respect to demolition, acquisition,

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

27

construction and/or any development activity until HUD has provided the requisite environmental assessment approval.

2. Existing Site and Pre-existing Conditions. The Commission holds title to the Existing Site. The Parties anticipate that use of the Existing Site, or portions thereof, will be transferred “as-is” to the respective Owner Entity pursuant to the terms and conditions of a ground lease allowing for the construction and operation of the Development, or portions thereof. As between the Developer and the Commission, the Developer shall have no liability for Prohibited Substances that arise or exist on the Existing Site prior to Closing the respective Phase. The Developer and Commission acknowledge and agree that the Commission will not be liable for pre-existing conditions on the Existing Site, unless such pre-existing conditions were caused by the Commission’s violation of Section IV(A)(5) below.
3. Disclosure of Existing Conditions. The Commission shall provide to the Developer all test results, information and documentation regarding the Existing Site or such information as may be available and relevant regarding the site conditions at the Existing Site, and any environmental testing, remediation, abatement and related activities completed to date on the Existing Site in its possession and shall advise the Developer of any known hazards on the Existing Site.
4. The Acquired Property and Environmental Conditions. As between the Parties, the Commission shall bear no liability for any environmental condition that exists or arises on the Acquired Property unless such environmental condition was caused by the negligence or action of the Commission, its agents, officers, directors, employees or contractors. Pursuant to this Section, Developer shall defend and indemnify the Commission against any claims, losses, damages and other acts which arise in connection with the environmental conditions, pursuant to Article XI “Indemnification and Guarantees”.
5. Site Investigation. The Developer shall conduct such testing, investigation and due diligence as necessary to determine the suitability and/or acceptability of the Existing Site and Acquired Property, if any, for the intended Development and to determine whether Prohibited Substances or other environmental conditions exist on the Existing Site and Acquired Property, if any, including but not limited to environmental audits, soil samples and test borings to the extent required in accordance with “all appropriate inquiry” requirements, prior to establishing any development plans with respect to the applicable property. The Developer has the right to go onto any Existing Site and conduct such investigations and testing necessary to complete its due diligence provided that Commission is given reasonable advance notice and a description of any testing. All inspection and testing will be conducted in compliance with All Applicable Requirements, with due respect for the privacy and safety of residents, and consistent with any applicable notice provisions of Commission’s leases with its residents (which

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

28

leases require 48 hours written notice for access to a unit, except in emergencies). Developer and its contractors shall carry the insurance required in this Agreement (which insurance shall cover any investigation performed pursuant to this Agreement) and shall provide Commission with proof of coverage upon reasonable request by the Commission at the time of any request for access. Upon completion of any investigation, the Developer shall use reasonable efforts to return any Existing Site to the condition which existed prior to the testing, and in all instances shall address and/or eliminate any health or safety hazards caused to the Existing Site as a result of such testing, unless otherwise agreed to in writing by Commission, in which event the Developer agrees to accept the Existing Site at Closing in such resulting condition (subject to any obligations of Commission agreed to by Commission in writing). Any investigation for Developer's due diligence shall be at Developer's sole cost, although it may be provided for as a project cost under an applicable Phase's budget.

6. Covenant Regarding Prohibited Substances. Neither Developer nor Commission shall bring onto the Existing Site or Acquired Property, or permit its agents, contractors or employees to bring onto such property any (i) asbestos or asbestos-containing material or polychlorinated biphenyl material, or (ii) hazardous materials, hazardous substances or hazardous waste as defined under any federal, state or local law, that may require remediation under applicable law (other than quantities of such substances, including gasoline, diesel fuel and the like as are customary and necessary to prosecute construction of the Development), or (iii) soil containing volatile organic compounds, or (iv) any radioactive material, including any source, special nuclear or by-product material as defined in federal law (collectively (i)-(iv) are the "**Prohibited Substances**"). Each Party shall be liable for the consequences of, and responsible for proper removal and lawful disposal, at its sole expense, of any Prohibited Substances brought onto the property resulting from a violation by such Party of this Section IV(A)(5) and shall be responsible for any conditions caused by the negligent failure of such Party or its agents, contractors or employees to protect against any further harm caused by any Prohibited Substances already on the Existing Site. Each Party further covenants and agrees to indemnify, defend and hold the other Party free and harmless from and against any and all losses, liabilities, penalties, claims, fines, litigation, demands, costs, judgments, suits, proceedings, damages, disbursements or expenses, including reasonable attorneys' fees which may at any time be imposed upon, reasonably incurred by or asserted or awarded against the other Party in connection with or arising from a violation of this Section IV(A)(5). The provisions of this Section IV(A)(5) shall survive the Closing of a Phase and the termination of this Agreement relative only to any claims that arise from an event that occurs prior to Closing regardless of when the claim is presented.
7. Remediation Costs and Responsibilities Prior to Closing. The Parties will work in good faith to modify the applicable Phase's Development Budget, as required to budget for any remediation costs, provided that both Parties will reserve the right to consider such costs as giving rise to infeasibility and termination in accordance with Article IX. The

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

29

Developer will be responsible for carrying-out those demolition and remediation activities on the Existing Site and Acquired Property, which each Party agrees, based upon recommendations from relevant professionals, to be reasonably necessary prior to a Closing on a Phase of the Development, provided that the Commission is consulted by the Developer with regard to the consultants, contractors and specifications for such activities and provided further that the Developer in its sole discretion determines it has adequate funds to pay such remediation costs.

8. Discovery of Prohibited Substances Prior to Closings. Prior to a respective Phase's Closing, in the event that the Developer or the Commission knowingly encounter any Prohibited Substances on the Phase which was not previously identified through testing, the discovering Party shall promptly notify the other Party in writing and shall comply with all laws, ordinances, regulations and orders of all governmental, regulatory and other public and quasi-public agencies, authorities and entities having jurisdiction over the same. Unless Commission is responsible for such Prohibited Substances as a result of the application of Section IV(A)(5), the Parties agree to address their presence in accordance with Section IV(A)(6), revise the Development Budget to incorporate such costs, or treat the occurrence as a Development Contingency in accordance with Section 9(F).
9. Commission's Responsibility for Environmental Conditions After Closings.
 - a. After a Phase Closing, the Commission shall be liable for the following environmental conditions associated with that Phase: (i) environmental conditions directly caused by the Commission or its agents, contractors or employees after the Closing; (ii) pre-existing environmental conditions on the Existing Site, of which the Commission had actual knowledge but failed to disclose to the Developer in writing before the Closing; or (iii) Prohibited Substances brought onto the Existing Site or Acquired Property by the Commission or any of its agents, contractors or employees at any time, including after the Closing.
 - b. After a Closing for a given Phase, the Commission will work in good faith with the Developer and the applicable Owner Entity to identify third-party funding sources to pay for any unforeseen remediation costs (without limiting the responsibilities of the Commission, the Developer or the Owner Entity under otherwise applicable provisions of this Section IV).
10. Developer and Owner Entity Responsibility for Environmental Conditions After Closings. The Developer and/or respective Owner Entity shall have no liability for any environmental conditions that exist or arise prior to the transfer to the respective Owner Entity of the applicable portion of the Existing Site for each Phase, except to the extent that the environmental conditions were caused by the negligence of the Developer, its agents, third party contractors or employees. At the Closing for each Phase, each Owner Entity and Developer will covenant and agree to indemnify, defend and hold the

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

30

Commission free and harmless from and against any and all losses, liabilities, penalties, claims, fines, litigation, demands, costs, judgments, suits, proceedings, damages, disbursements or expenses, including reasonable attorneys' fees which may at any time be imposed upon, reasonably incurred by or asserted or awarded against the Commission (excluding those matters for which the Commission is responsible in accordance with Section IV(A)(5)) in connection with or arising from:

- a. The existence of any Prohibited Substance first placed on, in, or under all or any portion of the Existing Site and applicable Acquired Property of such Phase on or after the Closing by the Developer, the respective Owner Entity, their affiliates, agents, third party contractors or employees; or
- b. Any violation of any federal, state or local environmental laws by the Developer, the respective Owner Entity, their affiliates, agents, third party contractors or employees at or relating to the Existing Site and applicable Acquired Property of such Phase that arises out of their respective negligent acts or omissions after the Closing.

11. Environmental Insurance. To the extent feasible and supportable in the applicable Development Budget(s), Developer will obtain environmental insurance, the cost of which shall be a Development expense.

B. Relocation Activities.

1. Relocation of Existing Residents. The Developer shall be primarily responsible for all resident relocation activities required as part of the Development, with such assistance from the Commission as reasonably requested by Developer from time to time. To that end, the Developer shall prepare, an initial relocation plan (the "**Relocation Plan**") for Phase I, within a time frame consistent with the applicable LIHTC Application Schedule, which outlines the process for relocating and rehousing the residents of the Existing Site, to the extent such relocation is required. Such Relocation Plan shall be prepared in accordance with All Applicable Requirements, as well as applicable requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act (42 U.S.C. 4601 et seq.); 49 CFR part 25; regulations at 24 CFR 968.108 or successor part; and the Michigan Natural Resources and Environmental Protection Act, Part 111 Hazardous Waste Management, Michigan Revised Statutes. In order to minimize the disruption of residents, the Relocation Plan shall limit, to the greatest extent feasible, the relocation of residents. The Relocation Plan shall be subject to the approval of the Commission, which will not be unreasonably withheld, conditioned or delayed, and HUD. To the extent applicable and feasible, the Developer will include reasonable resident relocation costs in each applicable Phase's Development Budget.

- a. **Rehousing Current Residents.** For Phases involving RAD assistance and to the extent feasible or required by any other HUD Subsidy Program, current residents

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

31

(“**Current Residents**”) shall have such rights to return to the Existing Site, as may be consistent with applicable HUD Subsidy Requirements. To that end, Current Residents who are 1) in good standing, as defined by the Commission and 2) who otherwise meet the requirements of the approved management plan, shall have a right to return to the Development, provided that Current Residents cannot be excluded from occupancy at the new Development sites based upon any rescreening, income eligibility or income targeting requirements. The Parties have prepared or will prepare admissions policies, preferences and tenant selection criteria for re-occupancy of the Development by Current Residents (the “**Rehousing Policy**”) which shall include the Commission’s Current Resident rehousing criteria contained in the applicable relocation plan. All management and operations documents governing the selection and admission of Current Residents for an applicable Phase shall be consistent with the applicable Relocation Plan and Rehousing Policy. Neither Party shall make any representations to Current Residents that would create any right to return to the Development, except as provided in the applicable Relocation Plan, Rehousing Policy or otherwise agreed to by the Parties.

- b. **Timelines for Disposition and Relocation Activities.** As described herein, the Developer, in consultation with the Commission, and in accordance with the HUD Subsidy Requirements, shall develop timeframes for notifying and relocating residents from the applicable portion of the Existing Site.
- c. **Remediation, Demolition and Site Restoration Work.** The Developer shall, on behalf of the Commission, demolish or cause to be demolished and prepare the Existing Site, or portion thereof necessary to develop the applicable Phase (the “**Site Readiness Work**”) in a Clean and Buildable Condition.
 1. Definition. As used herein, “**Clean and Buildable Condition**” shall mean that:
 - a. All physical improvements and infrastructure have been demolished;
 - b. All demolition debris and all other surface and subsurface physical obstructions that would impede the applicable portion of the Development, including without limitation building foundations, have been removed;
 - c. All underground storage tanks and any abandoned utility lines have been removed, but only to the extent that third party funding is available;
 - d. All Hazardous Materials have been removed or otherwise remediated to the extent required by law, but only to the extent that third party funding is available; and

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

32

- e. Known unsuitable soils have been removed, suitable fill material has been added; and soil has been compacted and rough graded, but only to the extent that third party funding is available.
2. Effect of Latent Conditions. In the event that following completion of the Site Readiness Work, latent conditions are discovered that if known to the Parties would have required additional work in order to place the applicable portion of the Development in Clean and Buildable Condition, Commission agrees to support efforts by the Developer to obtain such additional funding as may be required to appropriately remedy such situation.
3. Timing of Site Readiness Work. Work to place any applicable portion of the Development in Clean and Buildable Condition may be conducted before or after Closing, as the Parties mutually determine is most advantageous to the Phase.
 - a. As discussed herein, the Developer, in consultation with the Commission, shall develop a Phase I Development Schedule and as applicable, a Phase II development schedule, which incorporate the demolition and other site readiness activities required for the Development.
4. Costs of Site Readiness Work included in Development Budget. All costs of the Site Readiness Work shall be provided for in the Development Budget. The Developer shall have primary responsibility for identifying, and obtaining, negotiating and closing all financing necessary to complete the Site Readiness Work in an economically feasible manner.
5. Governmental Funding for Site Readiness Work. If appropriate, the Commission will enter into an intergovernmental agreement with any funding source, including the City, and/or serve as a subgrantee of funds as may be reasonably requested or required by the Developer.
6. Infeasibility of Development. The unavailability of sufficient funds for the Site Readiness Component, or the failure of any public body or other third party to provide any funds or accomplish any work which it has committed, shall be considered an Event of Infeasibility under Section IX (F)(2).

V. INFRASTRUCTURE ACTIVITIES

A. Implementation of Public and Site Improvements. Following the Parties' establishment of the development plan for the applicable Phase(s), any requisite HUD and other governmental approvals, and in coordination with local planning officials, and subject to the availability of funding, and the Development Contingencies, the Developer shall manage each of the following in accordance with the terms of this Agreement: (a) design and development of the

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

33

Infrastructure Improvements, (b) the performance of the services and responsibilities with respect to the construction of the Infrastructure Improvements as set forth herein, and (d) the performance of such additional management services as are reasonably within the general scope of such services, subject to the approval of the Commission. “Infrastructure Improvements” mean all roads, streets, utility lines and conduits, sewers, detention systems, street lighting, and other infrastructure required by the development plan. The foregoing activities, whether performed by Developer, itself or through sub-contractors, shall be referred to herein as the “**Infrastructure Work**”. The tasks involved in Developer’s Infrastructure Work may include any of the following:

1. Finalize the scope of the Infrastructure Work including preparation of final plans, specifications and bid documents for parks, roadways, streetscape, water service, storm water, and sanitary sewer improvements as well as a site electrical plan;
2. Prepare and file preliminary and/or definitive subdivision plan applications;
3. Prepare, for the Commission’s approval, any necessary revisions to the Phase I Development Budget and Phase I Development Schedule and as applicable, any necessary revisions to the Phase II development budget and development schedule, to properly provide for the Infrastructure Work;
4. Provide reasonable assistance to the Commission in structuring any funding agreements between the City and the Commission relative to funds previously identified and/or committed by the City for the Infrastructure Work;
5. Negotiate one or more memoranda of understanding and/or easements for construction activities and installation services for the gas, electric, telephone and cable services required for the Development;
6. Obtain, in a timely manner, all permits, approvals, licenses, certificates and consents of all authorities necessary or desirable in connection with the Infrastructure Work, including without limitation zoning, land use, planned unit development (a “**PUD**”), subdivision, re-subdivision, street and alley closings and dedications, historic preservation approvals, and other state and local approvals and interpretations necessary for the Infrastructure Work;
7. Select and negotiate and execute one or more contracts with the contractor performing the Infrastructure Work (the “**Infrastructure Contractor**”);
8. Cause the Infrastructure Contractor to select any necessary subcontractors in accordance with Applicable Requirements, if any; administer and oversee one or more construction contracts with the Infrastructure Contractor, and provide related construction management and contract administration services;

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

34

9. Review and process funding requisitions for the Infrastructure Work pursuant to the terms of this Agreement or relevant funding agreement(s);
10. Review and approve change orders (subject to the reasonable approval of the Commission and/or the City, as required);
11. Implement Infrastructure Contract closeout and acceptance of completed facilities by the City as publicly dedicated; and
12. Coordinate the Infrastructure Work with the design and construction activities associated with, as applicable, the Development or Phase.

B. Infrastructure Costs.

1. All costs of designing and implementing the Infrastructure Work shall be provided for in the applicable Development Budget. The Developer shall have primary responsibility for identifying, obtaining, negotiating and closing all financing necessary to complete the Infrastructure Work in an economically feasible manner and in a fashion complimentary to the Development as a whole, subject to the approval of the Commission which shall not be unreasonably withheld, conditioned or delayed.
2. If appropriate, the Commission will enter into an intergovernmental agreement with any funding source and/or serve as a subgrantee of funds as may be reasonably requested or required by Developer
3. The unavailability of sufficient funds for the Infrastructure Component, or the failure of any public body, utility company or other third party to provide any funds or accomplish any work which it has committed, shall be considered an Event of Infeasibility under Section IX(F)(2).

VI. DESIGN AND CONSTRUCTION ACTIVITIES

A. General. This Article VI shall govern any design and construction activities of the Developer under this Agreement.

B. Design Process, Documents and Approvals. The Developer shall cause M&A Design, Inc. (the “**Architect**”) to proceed diligently to prepare design development and initial construction documents (the “**Design Documents**”) for the proposed Development and each of its Phases within such time as may be reasonably consistent with advancing the Development according to the terms and conditions of this Agreement. The Developer shall submit proposed designs to the Commission for review. The Design Documents shall be subject to approval by the Commission, which shall not be unreasonably withheld, conditioned or delayed.

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

35

1. Submittal and Review of Design Documents. Consistent with the timeframes outlined in the Phase I Development Schedule and as applicable, the Phase II development schedule, the Developer shall submit to the Commission the following Design Documents during each of the following stages:
 - a. **Scope of Work.** The Developer shall have the Architect prepare a scope of work describing overall basic design requirements of the project (the “**Scope of Work Documents**”). The Developer shall obtain an estimate of the construction cost based upon the Scope of Work Documents and, in consultation with the Commission, work cooperatively with the Architect to make any necessary adjustments to the Scope of Work Documents so that the cost of construction is economically feasible and consistent with the construction and operation of the Development as a whole. The Scope of Work Documents and any adjustments are subject to the approval of the Commission which shall not be unreasonably withheld, conditioned or delayed.
 - b. **Design Development Phase.** Based on the approved Scope of Work Documents, and after the award of LIHTC’s or other primary funding for the applicable Phase, the Developer shall direct the Architect to prepare, documents consisting of drawings, outline specifications and other documents to fix and describe the size and character of the Development as to architectural, and basic structural systems, materials and such other elements as may be appropriate (the “**Design Development Documents**”). The Design Development Documents shall include drawings which shall indicate estimated structural dimensions, and delineation of site features and elevations, materials and colors, landscaping and other features. The drawings shall fix and describe all design features, as well as the size, character, and quality of the entire Development as to architectural, structural, and mechanical systems. Key details shall be provided in preliminary form. The Design Development Documents shall be subject to the approval of the Commission which shall not be unreasonably withheld, conditioned or delayed.
 - c. **Construction Document Phase.** Based on the approved Design Development Documents, and any further adjustments in the scope or quality of the Development or in the Development Budget, the Developer shall direct the Architect to prepare drawings consisting of drawings and specifications setting forth in detail the requirements for construction of the Development (the “**Final Construction Drawings**”) and forward such documents to the Commission for review and approval. The Final Construction Drawings must provide all the detailed information necessary to obtain a building permit for the applicable Phase. The Developer shall provide samples identifying the type of material used for each finish, upon the reasonable request of the Commission. The Final Construction Drawings shall be subject to the approval of the Commission which shall not be unreasonably withheld, conditioned or delayed.

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

36

2. Review and Finalization of Design Documents. Once the Commission has approved the Final Construction Drawings for a specific Phase, the Developer shall not make any material changes in those documents without the prior written approval of the Commission which shall not be unreasonably withheld, conditioned or delayed. Without limitation, a change shall be deemed material if: (a) it materially changes the size, location or elevation of the Development or (b) requires an amendment to any approval or permits obtained from the City or other governmental agencies, or (c) the effect of it would be to increase or decrease any construction budget line item by \$50,000 or the overall budget by more than one percent (1%). Provided, however, that the Commission may not disapprove any change which is required for compliance with building codes or other laws, codes or regulation. Nothing herein shall authorize the Developer to substitute materials of lesser quality for those previously approved by the Commission, without the Commission's consent.
3. Permits and Approvals. Consistent with the timeframes outlined in the Phase I Development Schedule and Phase II development schedule, as applicable, the Developer shall obtain all permits and approvals necessary to construct the Development or applicable Phase thereof, including all building permits, and if applicable, demolition approvals, and incur such costs related thereto. All applications for such permits and approvals shall be consistent with the approved Design Documents. The Developer acknowledges that execution of this Agreement by the Commission does not constitute approval by the City of any required permits, applications, or allocations, and it in no way limits the discretion of the City in the permitting, allocation and approval process. The Developer shall, on an ongoing and timely basis, advise the Commission regarding the status of all applications required to obtain the governmental approvals necessary for compliance with all Applicable Requirements. The Developer shall advise the Commission of any hearings regarding matters described in this section with reasonable advance notice of such hearings. The Commission shall cooperate with, and, as necessary, participate in the pursuit of all such permits and approvals by the Developer as may be reasonably requested by Developer from time to time.
4. Zoning of the Development Site. It shall be the responsibility of the Developer to ensure that the zoning of the Development and each Phase therein shall be such as to permit the Development to be constructed in accordance with the provisions of this Agreement. The Commission shall cooperate with the Developer in seeking any variances, conditional use permits, parcel maps or other discretionary approvals needed to implement the Development as may be reasonably requested by Developer from time to time.

C. Construction Services.

1. General Contractor and the Construction Contract. When contracting for construction

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

37

services required hereunder, the Developer, on behalf of Owner Entity, will enter into a fixed-price or guaranteed maximum price construction contract (the “**Construction Contract**”) for the applicable Phase of the Development, with Commonwealth Construction Corporation (the “**General Contractor**”). The Construction Contract will be subject to the Commission’s review and approval, which shall not be unreasonably withheld, conditioned or delayed. The Construction Contract shall require the General Contractor to provide, at a minimum: (a) insurance as provided for herein; (b) performance and payment bonds (or alternative security) which is satisfactory to the Commission and all other lenders; (c) a warranty of good title to materials, equipment and supplies incorporated in the work; (d) a warranty that the work performed pursuant to the Construction Contract conforms to the Final Construction Drawings and is free of any defect in equipment, material or workmanship performed by the General Contractor or any subcontractor or supplier in any tier; and (e) a warranty that all material, equipment and supplies are new, of first quality and suitable for the purposes for which they are used. The warranties shall continue for a period of not less than one year from the date of Construction Completion of the work.

- a. **Use of an Affiliated General Contractor.** The Parties acknowledge that the Developer may, for one or more Phases, seek to use a Developer Affiliate as the General Contractor, provided the price, selection and other elements of the construction contract meet the requirements of all applicable funding sources including those of HUD and MSHDA. The Commission acknowledges that Developer intends to utilize its affiliate, Commonwealth Construction Corporation, as general contractor for one or more Phases of the Development. Use of any other general contractor shall be subject to Commission approval.
- b. **Commission and HUD Access to Development Site.** The Commission and HUD, through their officers, agents, or employees, shall be permitted to access the Development on a regularly scheduled basis and otherwise with reasonable notice to review the construction activities to determine that such work is in conformity with the approved Final Construction Drawings or to inspect the Development for compliance with this Agreement. Any inspection by the Commission shall be for the benefit of the Commission. It shall not be deemed to be acceptance of all or any of the work, nor shall it be deemed to waive any right the Commission may have under this Agreement or any Commission Closing document, nor shall it be deemed to be involvement by the Commission in the affairs of the Developer or to give the Commission such control over the Developer that the Commission might be considered to be a joint-venturer or partner with the Developer in the performance of the activities described in this Agreement. The Commission will make reasonable efforts to bring to the attention of the Developer and/or the respective Owner Entity any material work deficiencies, issues regarding construction, or other concerns which it discovers in its inspections.

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

38

- c. **Prompt Payment; No Liens.** The Developer shall make, or cause to be made, prompt payment of all monies due and legally owing to all persons, firms and corporations doing any work, furnishing any materials or supplies, or renting any equipment to the Developer, its affiliates or any of their contractors or subcontractors in connection with construction of the Development, except where the Developer is disputing its obligation to so pay or where the Commission or a third party with an obligation to fund a payment has wrongfully failed to do so. The Developer and/or the Owner Entity shall keep each Development free of mechanics', materialmen's and other involuntary liens and encumbrances and shall forthwith take all necessary and appropriate steps to release any such liens.
- d. **Books of Account.** The Developer agrees to keep accurate books of account showing the costs incurred for the Work. Such books and record shall be maintained for a period of not less than three (3) years after the Work has been completed (such obligation to survive the termination of this Agreement) and shall be subject to inspection by the Commission during ordinary business hours upon reasonable request, at its sole cost and expense. The records shall be maintained at the Developer's office in Wisconsin.
- e. **Construction Schedule.** The Developer shall commence or cause to be commenced construction of the Development in accordance with, as applicable, the Phase I Development Schedule or Phase II development schedule. The Developer shall diligently prosecute or cause to be prosecuted to completion the construction of the Development (excluding improvements to the interior of buildings in any commercial improvements intended for leasing to tenants), and shall use commercially reasonable efforts to complete or cause to be completed the construction of the Development no later than the time specified in the applicable Development schedule. The Developer shall keep the Commission informed regarding the construction progress and shall advise the Commission of any material variance from the construction schedule outlined in the Construction Contract.
- f. **Construction Pursuant to Plans.** The Developer shall construct or cause to be constructed the Development substantially in accordance with the Final Construction Drawings and the terms and conditions of all City and other governmental approvals. The Developer agrees to meet regularly with the Commission (with the Architect and/or General Contractor in attendance as may be useful) and to present reports on the progress of the Work.
- g. **Construction Bonds.** Unless otherwise approved by the Commission, MSHDA and HUD, the Developer shall require its General Contractor to procure and deliver to the Commission copies of labor and material (payment) bonds and performance bonds, or a dual bond which covers both payment and performance obligations, in a penal sum each of not less than one hundred percent (100%) of the scheduled cost of construction of the improvements, and one hundred percent (100%) payment

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

39

bond. Said bonds shall be issued by an insurance company or surety which is licensed to do business in Michigan, has a rating equivalent to A+, and is listed in U.S. Treasury Circular 570, or, as otherwise approved by the Commission. The labor and materials (payment) bond shall name the Commission as a co-obligee or assignee.

- h. **Compliance with Agreements and Applicable Law.** The Developer shall cause all work performed in connection with the Development to be performed in compliance with (a) all Applicable Requirements, and (b) all directions, rules and regulations of any fire marshal, health officer, building inspector, or other officer of every governmental agency now having or hereafter acquiring jurisdiction and (c) this Agreement. The Work shall proceed only after the Developer has procured each permit, license, or other authorization that may be required by any governmental agency having jurisdiction, as may be required of the Developer and all entities engaged in work on the Development.
- i. **Documents, Drawings and Materials.** The Developer shall furnish the Commission with an electronic copy and one (1) printed set of the final drawings of record and data sheets; results of civil, structural and hydraulic design calculations; loading diagrams, equipment manufacturers' drawings and data, including construction data and parts lists; and final specifications. Upon construction completion, the Developer shall furnish the Commission with an electronic copy and three (3) printed reproductions of the as-built drawings for each Phase.

VII. RENTAL PROJECT DOCUMENTS AND CLOSINGS

A. HUD Proposal/Financing Plan.

For each Phase which contains HUD Subsidy Units, the Commission shall have primary responsibility to prepare, with such assistance from Developer as may be reasonably be requested from time to time, in accordance with the applicable Phase development plan, and the Commission will submit for HUD approval, the RAD financing plan or the applications and submissions required by the Other HUD Subsidy Requirements, as well as such proposals, submissions, and documents as is required by the HUD Subsidy Requirements. Each Party shall reasonably agree to any changes required by HUD which do not materially and adversely affect the feasibility of the Development or the scope of obligations or the level of risk and return to the Developer, the Owner Entity or the Commission. The Commission shall diligently pursue HUD's approval of any RAD submission or other applicable other HUD Subsidy Program submission.

B. Closing Documents.

For each Phase, the Developer will cause each Owner Entity to enter into certain agreements with the Commission which are described in this Section VII(B) in form and substance mutually

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

40

acceptable to Developer and the Commission and/or others and which are hereinafter individually referred to, with respect to HUD Subsidy Units, as "HUD Subsidy Documents". The HUD Subsidy Documents listed and described herein constitute the major documents required by the HUD Subsidy Requirements, and each is subject to HUD approval prior to execution, unless otherwise indicated. If necessary in connection with a funding application and as applicable, the Commission will, prior to a Phase closing, provide such commitments and options as necessary to evidence its commitment of funding and land for the applicable Phase. Such commitments and options shall be subject to and conditioned upon HUD approval of the Phase and the HUD Subsidy Documents.

1. Ground Leases or Other Property Conveyance Documents for Phases. Subject to the terms and conditions to be negotiated by the Commission and the Developer on behalf of each Owner Entity for each Phase, the applicable Party shall enter into a long-term Ground Lease or other acceptable property conveyance document, with the Phase Owner Entity for the portion of the Existing Site and/or Acquired Property included in the respective Phase, which instrument will include the right to occupy and operate the property for a term of at least fifty (50) years, subject to a RAD Use Agreement and/or other applicable HUD Subsidy Program restrictive covenants agreement in favor of HUD, and such other exceptions, easements or encumbrances as do not interfere with the use and enjoyment of such Phase of the Development property.
2. Title and Survey. The Developer shall secure, for Commission and HUD review, title and survey documents for the Development which shall satisfy All Applicable Requirements.
3. HAP Contract. For each Phase containing HUD Subsidy Units, the Owner Entity and the Traverse City Housing Commission shall enter into one or more HAP Contracts providing for Section 8 subsidies to the HUD Subsidy Units consistent with the HUD Subsidy Requirements.
4. Loan Documents. To secure additional financing, the Owner Entities for the Phases may enter into loans, including but not limited to: private bank financing, loans from MSHDA, Commission Loans (if applicable), loans from the United States Department of Agriculture Rural Development and Federal Home Loan Bank loans, subject to the approval of the Commission, MSHDA, if required, and HUD, which may be secured by mortgages and other security interests (collectively, the "**Loan Documents**").
5. Owner Entity Documents. The Owner Entities for the Phases shall be organized in accordance with those criteria described at Section III(B)(1) herein. All documents evidencing the formation of the Owner Entities and the receipt of LIHTC equity from the Equity Investor shall be subject to the reasonable approval of the Commission, which approval shall not be unreasonably withheld, conditioned or delayed, prior to submission to HUD as part of the RAD approval process.

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

41

6. RAD Regulatory Documents and/or Other HUD Subsidy Regulatory Documents. The Developer and the Commission shall cause each Owner Entity of a Phase containing RAD Units to record a RAD Use Agreement wherein the Owner Entity shall be obligated to cause the RAD Units contained therein to be operated in accordance with all statutes, rules, and regulations pertaining to RAD, for the period required by law. All loans, security interests, and the Ground Lease (or other property conveyance documents) entered into shall be subject to the RAD Use Agreement. Similarly, each Phase developed under another HUD Subsidy Program shall be obligated to cause the HUD Subsidy Units to be operated in accordance with all statutes, rules, and regulations pertaining to the applicable HUD Subsidy Program for the period required by law.
7. Management Documents. The Developer shall prepare all management documents for the Development needed for each Closing including a management agreement, management plan, site-based admissions and continued occupancy policies, grievance procedures, and leases for HUD Subsidy Units, as applicable. Such documents shall comply with HUD Subsidy Requirements and must be reviewed and approved by the Commission and HUD prior to implementation, unless HUD does not require such approval.

C. Closing. The Owner Entity, the Developer and the Commission will participate in a Closing for each Phase and/or sub-phase. All of the Project Financing Documents described in this Article VII, and such other documents as may be reasonably required by the Developer, Equity Investor, the Commission, HUD or other lender for the construction and eventual occupancy of the Development (other than tenant leases) will be executed.

VIII. HUD REQUIREMENTS

A. HUD Approval. The Parties hereto acknowledge that this Agreement, the Closings and the consummation of the transactions contemplated by this Agreement are subject to HUD approval. The Developer and the Commission agree to cooperate to obtain all necessary HUD approvals and acknowledge that HUD approvals must be obtained as a condition precedent to certain obligations contained herein. Nothing herein shall be understood to authorize or obligate the Commission to act in the absence of required HUD approvals.

B. No Relationship Created. Nothing contained in this Agreement nor any act of HUD or the Commission, shall be deemed or construed to create any relationship of third-party beneficiary, principal and agent, limited or general partnership, joint venture, or any association or relationship involving HUD.

C. Compliance with Certain Federal Requirements. The Developer will comply with all applicable requirements of the following, as the same may be amended from time to time, and agrees that any contract that ensues as a result of this Agreement will include the following clauses:

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

42

1. The Fair Housing Act, 42 U.S.C. 3601-19, and regulations issued thereunder, 24 CFR Part 100; Executive Order 11063 (Equal Opportunity in Housing) and regulations issued thereunder, 24 CFR Part 107; and the fair housing poster regulations, 24 CFR Part 110.
2. Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d, and regulations issued thereunder relating to non-discrimination in housing, 24 CFR Part 1.
3. Age Discrimination Act of 1975, 42 U.S.C. 6101-07, and regulations issued thereunder, 24 CFR Part 146.
4. Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794, and regulations issued thereunder, 24 CFR Part 8; the Americans with Disabilities Act, 42 U.S.C. 12181-89, and regulations issued thereunder, 28 CFR Part 36.
5. Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u, and its implementing regulations at 24 CFR Part 135, and in accordance therewith, the Section 3 Clause provisions in Exhibit 5 attached hereto.
6. Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60–1.3 must include the equal opportunity clause provided under 41 CFR 60–1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964–1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”
7. Davis-Bacon Act, as amended (40 U.S.C.3141–3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141–3144, and 3146–3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, the Developer and contractors are required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, the Developer and contractors are required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the **Copeland “Anti-Kickback” Act (40 U.S.C. 3145)**, as supplemented by **Department of Labor regulations (29 CFR Part**

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

43

- 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Davis-Bacon Act provides that each contractor or sub recipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.
8. Contract Work Hours and Safety Standards Act (40 U.S.C. 3701–3708). Where applicable, all contracts awarded by a non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Contract Work Hours and Safety Standards Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions, which are unsanitary, hazardous, or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
9. Rights to Inventions Made Under a Contract or Agreement. If a Federal award meets the definition of “funding agreement” under 37 CFR §401.2 (a) and the recipient or sub recipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or sub recipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.
10. Clean Air Act (42 U.S.C. 7401–7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251–1387), as amended. Contracts and sub grants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401–7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251–1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

44

11. Mandatory standards and policies relating to **energy efficiency** which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6201).
12. Debarment and Suspension (Executive Orders 12549 and 12689). A contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide Excluded Parties List System in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1986 Comp., p. 189) and 12689 (3 CFR Part 1989 Comp., p. 235), “Debarment and Suspension.” The Excluded Parties List System in SAM contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.
13. §200.322 Procurement of recovered materials. A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.
14. Lobbying Activities. The Developer and any contractor shall comply with 31 USC 1352, which prohibits the use of Federal appropriated funds to pay any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with any of the following covered Federal actions: 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; or the modification of any Federal contract, loan, or cooperative agreement. The Developer further agrees to comply with, and cause any applicable contractor to comply with, the requirement of such legislation to furnish a disclosure (OMB Standard Form LLL), as required pursuant to Section VIII(D)(2) below, if any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with a Federal contract, grant, loan, or cooperative agreement, which payment would be prohibited if made from Federal appropriated funds.

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

45

D. Compliance with HUD Required Contract Provisions, Certifications and Disclosures.

1. The Parties agree to comply with all the applicable requirements of form HUD-5370-C (01/14), General Conditions for Non-Construction Contracts, Section I—(With or without Maintenance Work), attached hereto as Exhibit 7.
2. The Developer will complete and return to the Commission, within 30 days of executing this Agreement, form HUD 50071 (01/14) – Certification of Payments to Influence Federal Transactions, attached hereto as Exhibit 8, and comply with all requirement thereunder.
3. The Developer agrees to disclose to the Commission any permitted lobbying activities, within 30 days or commencing such activities, by completing and submitting to the Commission the HUD Standard Form LLL (Rev. 01/14) – Disclosure of Lobbying Activities, attached hereto as Exhibit 9, and comply with all requirements thereunder.

E. Access to Records.

1. The Commission, HUD, or the Comptroller General of the United States, or any of their duly authorized representatives, shall, until 3 years after closeout of any federal grant funds used hereunder, have access to and the right to examine, upon reasonable notice, any of the Developer’s directly pertinent books, documents, papers, or other records involving transactions related to this Agreement for the purpose of making audit, examination, excerpts, and transcriptions.
2. The Developer agrees to include in first-tier subcontracts under this contract, i.e., contracts between the Developer or its Affiliates and the Architect, General Contractor and Managing Agent, a clause substantially the same as the preceding paragraph. The term “subcontract” as used in this clause excludes contracts and purchase orders not exceeding \$10,000.
3. The period of access and examination for records relating to (a) litigation or settlements of disputes arising from the performance of this Agreement, or (b) costs and expenses of this Agreement to which the Commission, HUD or Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such appeals, litigation, claims, or exceptions.

F. Interest of Member, Officer, or Employee and Former Member, Officer, or Employee of the Commission. No member, officer, or employee of the Commission, no member of the governing body of the locality in which the project is situated, no member of the governing body by which the Commission was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, shall, during his or her tenure, or for one year thereafter or such longer time as the Commission’s

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

46

Code of Ethics may require, have any interest, direct or indirect, in this Agreement or the proceeds thereof, unless the conflict of interest is waived by the Commission and by HUD.

IX. EVENTS OF DEFAULT AND TERMINATION.

A. Termination for Cause and Events of Default by Developer. Upon written notice from the Commission, and the expiration of any cure rights set forth in Section IX(C) hereof, any of the following shall constitute an “**Event of Default**” by the Developer under this Agreement (subject to, in any event, (1) a Force Majeure Event in Section IX(D) or (2) the determination that performance is impossible due to the occurrence or lack of occurrence of Development Contingencies contemplated in Section IX(F) (1):

1. The Developer materially breaches any obligation herein (including, but not limited to, the failure to make “best efforts” where required in this Agreement); or
2. The Developer becomes insolvent, is adjudged as bankrupt, makes a general assignment for the benefit of creditors, or becomes a subject of any proceeding commenced under any statute or law for the relief of debtors; provided that the Developer and/or guarantor, as the case may be shall have 90 days to effect the dismissal of any such involuntary proceeding; or
3. A receiver, trustee or liquidator of any of the property or income of the Developer or any guarantor of the Developer’s performance hereunder shall be appointed; or
4. The Developer unilaterally withdraws from the Development project except as expressly allowed by the terms of the Agreement; or
5. The Developer (or the applicable Owner Entity) fails to enforce any material terms, provisions, conditions, covenants or agreements in the Construction Documents and HUD Subsidy Documents to be observed and/or performed on the part of the General Contractor or other contractors, if such failure materially and adversely affects the Commission’s interest hereunder; or
6. The actions or omissions of the Developer or its third party contractors that are the primary cause of or otherwise result in the revocation of a funding commitment from a third party funding source; or
7. The Developer fails to make payment to a third-party contractor when due and funds for such payment have been received from the Commission; or
8. The Developer fails to obtain and maintain the insurance coverage required herein; or

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

47

9. The Developer fails to enforce the insurance obligations described hereunder on third party contractors; or
10. The Developer fails to abide by or take necessary action in order to comply with the Phase I LIHTC Application Schedule, as attached hereto as Exhibit 1(b), without the prior written approval of the Commission; or
11. The Developer fails to take appropriate efforts or use due diligence to ensure that third party contractors possess the requisite licenses and qualifications necessary for work contracted to them; or
12. The Developer materially breaches any representation, warranties, covenants, or certifications made in this Agreement; or
13. The Developer (or the applicable Owner Entity) materially defaults on any of the HUD Subsidy Documents of a closed Phase, and such default is not cured within applicable time periods; or
14. There is an unapproved change in the control of the Developer.

The foregoing provisions shall be incorporated into the Commission's HUD Subsidy Documents executed with each applicable Owner Entity.

B. Events of Default by the Commission. Subject to (1) provision of the notice and cure rights in Section IX(C) herein; (2) excused events pursuant to IX(D) herein; and (3) any determination that performance is impossible due to the occurrence or lack of occurrence of Development Contingencies contemplated in Section IX(F)(1) herein, a breach by the Commission of any obligation in this Agreement having a material adverse impact upon the Development, any Phase, the Developer, the Owner Entity, Architect, General Contractor or other third-party shall constitute a Commission Event of Default.

C. Procedure Upon an Event of Default. Cure; Procedure for Termination For Cause. Upon the occurrence of an Event of Default by either Party, the other Party shall notify the defaulting Party in writing sent by certified mail with a return receipt requested, specifying the nature of such Event of Default. The defaulting Party shall have thirty (30) days following receipt of such notice to cure the Event of Default. If the defaulting Party fails to cure the default within thirty (30) days following receipt, or such longer time as the nature of the cure may require if promptly commenced and expeditiously pursued, the non-defaulting Party may, by written notice in accordance with applicable HUD requirements sent by certified mail return receipt requested, terminate this Agreement, pursue such other remedies as may be available at law or equity, and/or condition its further participation on a change in terms hereunder. Provided, however, upon an Event of Default by Commission and resulting Termination for Cause, the Developer shall not be entitled to any monetary remedy greater than it would be entitled pursuant to any Termination for Convenience. Upon termination of this Agreement

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

48

due to an Event of Default by the Developer, all of the Developer's interest in all plans, studies, reports, drawings, permits, approvals, and other work product produced or obtained by the Developer in connection with the Development shall, to the extent possible, be assigned to the Commission.

D. Force Majeure. If the Developer is delayed in achieving the Phase I Development Schedule or as applicable, the Phase II development schedule, due to unforeseeable causes beyond the control or without fault or negligence of the Developer (collectively referred to as a "**Force Majeure Event**"), then the Developer's time for performance under this Agreement shall be extended for a period of time corresponding to the period by which the Developer's performance is delayed due to such Force Majeure Event. Examples of such causes include, by way of illustration but not limitation, (a) acts of God or public enemy, (b) war, (c) fires, (d) floods, (e) epidemics, (f) quarantine restrictions, (g) freight embargoes and (h) labor disputes.

E. Termination for Convenience.

1. Process for Terminating the Agreement for Convenience. The Commission may terminate this Agreement, in whole or in part, for its convenience, whenever the Commission determines it is infeasible or contrary to the Commission's interests to proceed with the Development, or portions thereof. Any such termination shall be effected by delivery to the Developer of a written notice, sent by certified mail with a return receipt requested, of termination specifying the date upon which such termination becomes effective, the clause of this Agreement authorizing such termination, and such other information as required by HUD. This provision applies only to those Phases which have not had a Closing. Any Phase which has had a Closing shall be subject to the termination provisions of the applicable Closing and HUD Subsidy Documents.
2. Payments Due upon Termination for Convenience. If the Commission terminates the Work for convenience, the Commission shall be liable to the Developer for the Termination Fee (defined below) and such reasonable costs ("**Termination Costs**") incurred by the Developer through the date of termination and those resulting from such termination which costs shall be paid to the Developer by the Commission following receipt of a properly presented claim setting out in detail: (a) the total cost of all third-party costs incurred to date of termination; (b) the cost of settling and paying claims under subcontracts and material orders for Work performed and materials and supplies delivered to the site, or for settling other liabilities of the Developer properly incurred in performance of its obligations hereunder (and excluding thereby any liability of the Developer incurred through the Developer's error, omission or wrongful act); (c) the cost of preserving and protecting the Work already performed until the Commission or assignee takes possession thereof or assumes responsibility therefor; and (d) the actual or estimated reasonable cost of legal and accounting services reasonably incurred; (e) any such other amounts reasonably incurred by the Developer and agreed to by the Commission; and (f) compensation to Developer for work completed and services provided through the date of termination. The "Termination Fee" shall be 1) equal to

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

49

an amount up to ten percent (10%) of the Termination Costs and 2) no greater than \$150,000.

F. Termination or Alteration of Development Due to Infeasibility or Change in Circumstances Not Due to Default of Developer.

1. Development Contingencies. The Parties agree that certain matters are conditions precedent to the Commission's and the Developer's ability to proceed with the Development and to fulfill the terms and conditions of this Agreement. The Parties' ability to perform responsibilities hereunder is substantially contingent upon actions by third parties over whom the Parties have only limited influence, as well as upon the continuation of economic and regulatory circumstances at least as favorable to housing development and marketing as currently exist ("**Development Contingencies**"). Such Development Contingencies shall include, without limitation, the following:
 - a. the successful elimination of Prohibited Substances, or other adverse environmental or geotechnical conditions;
 - b. the timely conveyance by the Commission via ground lease of the portion of the Existing Site and applicable Acquired Property needed for the respective Phase, free and clear of any title defect that interferes with the applicable Development Phase or its financing;
 - c. the provision of all projected assistance, including grants, Project-Based voucher or rental assistance, loans, equity financing and land transfers, from the Commission or other funders, as applicable;
 - d. the award of LIHTCs or tax-exempt bond financing allocations in substantially the amount projected, following at least two attempts at securing same;
 - e. the availability of construction and permanent financing and other grants and loans required by any Development Phase;
 - f. the absence of litigation (including suits filed by third parties concerning or arising from the Agreement);
 - g. the receipt of all required approvals by local authorities including, without limitation, zoning and subdivision approval and issuance of building permits by the City and other required permits;
 - h. the continuation of law, regulations, public policy and economic and market circumstances at least as favorable to affordable housing development in general, and to the Development in particular, as currently exist;

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

50

- i. investor demand for LIHTCs;
 - j. changes in the Qualified Allocation Plan that make it infeasible to apply for LIHTCs; and
 - k. All necessary governmental approvals, commitments and permits necessary for Developer to construct the Development and to put the property to its intended use shall be issued.
2. Revision or Withdrawal. In the event a Development Contingency does not occur (after all diligent and reasonable efforts by the Developer and the Commission to cause it to occur, in accordance with their respective obligations hereunder) in a manner generally consistent with the applicable Phase development plan and in a manner which reasonably permits the accomplishment of the Development in accordance with this Agreement, either Party may give notice to the other Party of the failure of such Development Contingency. The Parties shall in good faith, attempt to revise the applicable Phase development plan in a mutually acceptable fashion by extending deadlines, revising budgets or goals, or otherwise. If either (a) the Parties agree that the applicable Phase development plan is infeasible or (b) the Parties cannot, utilizing best efforts, develop an alternate development plan within 60 days, following either Developer or Commission notification to the other Party that a Development Contingency has not occurred, it shall be deemed an “**Event of Infeasibility.**” Upon the occurrence of an Event of Infeasibility, the Developer or the Commission may terminate this Agreement with regard to all Phases which have not yet reached Closing by delivering written notice to the other Party and, following reimbursement by the Commission of all unreimbursed third party costs of producing the information, materials, documents, drawings, applications and other work product (collectively the “**Work Product**”) produced or obtained by the Developer under or in connection with this Agreement or on its behalf, but not anything deemed Developer overhead, as well as Developer’s tender of all such Work Product to the Commission to the extent permitted, this Agreement will be terminated (“**Termination for Infeasibility**”). Upon such Termination for Infeasibility, the Developer shall promptly thereafter vacate the affected portion of the Existing Site and cooperate in good faith with the Commission to achieve an orderly transition of control of the affected area.
3. No Liability Upon Termination for Infeasibility. In the event of a Termination for Infeasibility as provided herein, neither Party shall have any liability to the other pursuant to this Agreement except that (a) the Commission shall remain liable to the Developer for any unpaid Site Readiness costs and fees and for any other costs for which reimbursement is explicitly provided elsewhere and the Developer can provide evidence that it has incurred, and (b) the Developer shall remain liable to indemnify the Commission with respect to acts or omissions of the Developer which are breaches of

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

51

this Agreement and which occur prior to termination of this Agreement or portions thereof which result in Commission liability or expense.

X. REPRESENTATIONS AND WARRANTIES

A. The Developer's Warranty of Good Standing and Status The Developer represents and warrants to the Commission that (a) the Developer is a duly organized, corporation (as described at the beginning of this Agreement), (b) the Developer has all necessary power, authority, licenses and staff resources for the undertaking of its obligations under this Agreement, (c) this Agreement has been duly entered into and is the legally binding obligation of the Developer, (d) this Agreement will not violate any judgment, law, or agreement to which the Developer is a party or is subject to and will not violate the articles of incorporation or limited partnership certificate, and (e) there is no claim pending, or to the best knowledge of the Developer, threatened, that would impede the Developer's ability to perform its obligation hereunto. The Developer shall not hereafter enter into any agreement or consent decree which would impair its ability to perform its obligations hereunder, and will notify the Commission if any suit is threatened or law proposed which would impair its ability to perform its obligations hereunder.

B. The Commission's Warranty of Good Standing and Status. The Commission represents and warrants to the Developer that (a) it has all necessary power and authority under Michigan law for the undertaking of its obligations under this Agreement, (b) this Agreement has been duly entered into and is the legally binding obligation of the Commission, (c) this Agreement will not violate any judgment, law, consent decree, or agreement to which the Commission is a party or is subject to and will not violate any law or ordinance under which the Commission is organized, and (d) there is no claim pending, or to the best knowledge of the Commission, threatened, that would impede the Commission's ability to perform its obligation hereunto. The Commission shall not hereafter enter into any agreement or consent decree which would impair its ability to perform its obligations hereunder, and will notify the Developer if any suit is threatened or law proposed which would impair its ability to perform its obligations hereunder.

XI. INDEMNIFICATION AND GUARANTEES

A. The Developer shall take reasonable precautions to prevent the occurrence of any injury to persons on or to the Existing Site or any Commission property, except to the extent that any such injury is caused solely and directly by the Commission's negligence. The Developer shall indemnify, defend and hold harmless the Commission and its Commissioners, employees, and agents from and against any and all losses, costs, damages, claims, causes of action, demands, suits, liabilities, obligations, judgments and expenses (including any reasonable actual attorney fees and other costs of litigation) arising out of or relating to third party claims for any injury, disease or death of persons or damage to or loss of property resulting from or in connection with any breach by the Developer of any provision of this Agreement or resulting from the actions of Developer's contractors, but excluding any claims arising out of or relating to the Commission's negligence or willful misconduct. Furthermore, the Developer shall provide that

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

52

any contractual arrangement with a subcontractor shall be in conformance with the terms of this Agreement including the terms of this indemnity provision. The Developer's monetary liability shall not be limited by any provisions or limits of insurance set forth in this Agreement, but shall be limited to the amount of Development Fee earned with respect to the Development. This indemnification obligation shall survive the expiration or termination of this Agreement, but shall expire with the appropriate expiration of the statute of limitations for the underlying contractual or tortious action, subject to equitable or statutory tolling of such limitations period. Nothing in this paragraph shall impose upon the Developer any indemnification or hold harmless obligation with respect to remedies, claims, or enforcement actions asserted by HUD against the Commission.

XII. INSURANCE AND LICENSING REQUIREMENTS

A. Insurances. The Developer shall cause each applicable entity to maintain the following insurance coverage during the effective term(s) of this contract:

- 1. General Liability Insurance.** An original certificate evidencing General Liability coverage, naming the Commission as an additional insured, together with the appropriate endorsement to said policy reflecting the addition of the Commission as an additional insured under said policy (minimum of \$1,000,000 each occurrence, general aggregate minimum limit of \$2,000,000, together with damage to premises and fire damage of \$50,000 and medical expenses any one person of \$5,000), with a commercially reasonable deductible (e.g. "commercially reasonable," meaning not greater than 1% of the "general aggregate minimum" of the policy, with a maximum deductible amount of \$50,000;
- 2. Professional Liability Insurance.** From third parties providing professional services, an original certificate showing the proposer's professional liability and/or "errors and omissions" coverage (minimum of \$1,000,000 each occurrence, general aggregate minimum limit of \$1,000,000), with a commercially reasonable deductible (e.g. "commercially reasonable," meaning not greater than 1% of the "general aggregate minimum" of the policy), with a maximum deductible amount of \$50,000;
- 3. Automobile Liability Insurance.** Automobile Liability coverage in a combined single limit of \$1,000,000. For every vehicle utilized during the term of this Agreement, when not owned by the entity, each vehicle must have evidence of automobile insurance coverage with limits of no less than \$100,000/\$300,000 and medical pay of \$5,000, with a deductible not greater than \$5,000.
- 4. Worker's Compensation Insurance.** Workers' compensation coverage evidencing carrier in an amount not less than the statutory minimum.
- 5. Certificates/Endorsements.** The Developer shall provide to the Commission current certificate(s)/endorsement(s) evidencing the insurance coverage referenced above.

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

53

Failure to maintain the above-reference insurance coverage, including naming the Commission as an additional insured (where appropriate) during the term(s) of this contract shall constitute a material breach thereof. Insurance certificate(s)/endorsement(s) shall be delivered to the following person representing the Commission:

City of Manistee Housing Commission
Attention: Clinton McKinven-Copus, Executive Director
273 6th Avenue (Office), Manistee, MI 49660

B. Licensing. The Developer shall also provide to the Commission a copy of any required licenses. Failure to maintain these licenses in a current status during the term(s) of this Agreement shall constitute a material breach thereof.

XIII. MISCELLANEOUS

A. Term. With respect to Phase I, this Agreement shall commence as of the Effective Date, and, unless sooner terminated in accordance with the provisions herein, shall terminate upon the earlier of the Closing for Phase I and December 31, 2021 (the “**Phase I Term**”). Should the Commission elect to issue Developer a Notice to Proceed for Phase II, it shall do so no later than the earlier of the Phase I Closing and December 31, 2023 (the “**Phase II Deadline Date**”). Should the Commission fail to issue such Notice to Proceed by the Phase II Deadline Date, then immediately thereafter this Agreement shall terminate and be of no further effect unless extended in writing signed by both Parties. Should the Commission issue a Notice to Proceed for Phase II prior to the Phase II Deadline Date, this Agreement shall commence with respect to Phase II on the date of such Notice to Proceed, and terminate three years thereafter (the “**Phase II Term**”); provided that: (i) the Phase I Term and/or the Phase II Term may be extended by written agreement of the Parties and by Force Majeure, and (ii) this Agreement shall terminate as to each Phase upon the Closing for such Phase, unless sooner terminated as provided herein.

B. Decision Standards. In any request, approval, consent or other determination by any Party required under any of this Agreement, the Party shall act reasonably, in good faith and in a timely manner, unless a different standard is explicitly stated.

C. Party Approvals. For all actions requiring a Party’s (the “**Approving Party’s**”) approval, the other Party (the “**Requesting Party**”) shall submit the written request for approval and supporting information which includes a reasonable deadline, given the nature of the action for which approval is sought, by which a response is required. The Approving Party shall employ best efforts to provide a response within the time identified in such notice. The failure to respond within the time identified shall be deemed an approval provided, however, that no deemed approval shall apply to any decision that by its nature requires formal action by the

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

54

Commission through its Board of Commissioners, or if the notice request did not allow for a reasonable time period, given the circumstances, for a response).

D. Notice Parties. Any notice given or made pursuant to a requirement of this Agreement, shall be in writing and shall be deemed given if (a) delivered personally or by courier, (b) telecopied (with confirmation by any of the alternative means of notice listed herein), (c) sent by overnight express delivery, or (d) mailed by registered or certified mail (return receipt requested), postage prepaid, to a Party at its respective address set forth below (or at such other address as shall be specified by the Party by like notice given to the other Party):

If to Commission, to: City of Manistee Housing Commission
273 6th Avenue (Office)
Manistee, MI 49660
Attention: Clinton McKinven-Copus
clintonmc@manisteehousing.com

and a copy to: Reno & Cavanaugh, PLLC
455 Massachusetts Avenue, NW
Suite 400
Washington, DC 20001
Attn: Melissa Worden

If to Developer, to: Commonwealth Development Corporation of
America
401 Hall street, Suite 112K
Grand Rapids, MI 49503
Attn: Jonathan Nesburg
j.nesburg@commonwealthco.net

and a copy to: Commonwealth Development Corporation
of America
24 S. Brooke Street
Fond du Lac, WI 54935
Attn: Lance Mueller, Esq.
l.mueller@commonwealthco.net

E. Form of Notice. All such notices and other communications shall be deemed to have been received (a) in the case of personal or local courier delivery, on the date of such delivery, (b) in the case of delivery by overnight courier or express delivery service, on the date specified in the delivery receipt, and (c) in the case of mailing, on the date specified in the return receipt therefor. With regard to any notice other than Default or Termination Notices, written notice

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

55

will be deemed to have been given validly if it is sent by electronic mail to the designated representatives at the email addresses provided in Section D above and F below.

F. Representatives. To facilitate communication, the Parties to this Agreement shall designate a representative with responsibility for the routine administration of each Party's obligations under this Agreement. The Parties initially appoint the following as representatives:

For the Commission: Clinton McKinven-Copus
clintonmc@manisteehousing.com

For the Developer: Jonathan Nesburg
jnesburg@commonwealthco.net

G. Further Assurances. Each Party shall execute such other and further documents as may be reasonably necessary or proper for the consummation of the transaction contemplated by this Agreement.

H. Assignment. This Agreement may not be assigned by any Party without the prior written consent of the other Party. This Agreement shall be binding upon and inure to the benefit of the permitted successors and assigns of the Parties hereto pursuant to this Section.

I. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed original, but all of which, together, shall constitute one instrument.

J. Interpretation. This Agreement shall not be construed against the Party who prepared it but shall be construed as though prepared by both Parties. This Agreement shall be construed, interpreted, and governed by the laws of Michigan without regard to the choice of law provisions thereof.

K. Severability. If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable such portion shall be deemed severed from this Agreement and the remaining parts shall continue in full force as though such invalid or unenforceable provision had not been part of this Agreement.

L. Final Agreement. This Agreement constitutes the final understanding and agreement between the Parties with respect to the subject matter hereof and supersedes all prior negotiations, understandings and agreements between the Parties, whether written or oral. This Agreement may be amended, supplemented or changed only by a writing signed or authorized by or on behalf of the Party to be bound thereby.

M. Non-Recourse.

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

56

1. No member, official, employee, agent, or consultant of the Commission or any Affiliate shall be personally liable to the Developer, or any successor in interest or person claiming by, through or under the Developer the event of any default or breach, or for or on account of any amount which may be or become due, or in any claim, cause or obligation whatsoever under the terms of this Agreement.
2. No partner, member, officer, director, shareholder, employee, agent or consultant of the Developer or any Affiliate thereof shall be personally liable to the Commission, or any successor in interest or person claiming by, through or under the Commission, in the event of any default or breach, or for or on account of any amount which may be or become due, or in any claim, cause or obligation whatsoever under the terms of this Agreement.

N. Developer Employees, Compliance with Policies and Liabilities. It is understood that persons engaged or employed by the Developer as employees, agents, or independent contractors shall be engaged or employed by the Developer and not by the Commission. The Developer alone is responsible for their work, direction, compensation and personal conduct. The Developer acknowledges that the Commission has implemented a “No Smoking” policy on all of its properties. Accordingly, the Developer shall ensure that its employees or other persons brought or allowed onsite by the Developer shall not utilize any smoking materials on the Existing Site, Acquired Property or other Commission property at any time. Nothing included in any provision of this Agreement shall impose any liability or duty upon the Commission to persons, firms, or corporations employed or engaged by the Developer in any capacity whatsoever, or make the Commission liable to any such persons, firms, or corporations, or to any government, for the acts, omissions, liabilities, obligations, and taxes, of whatsoever nature, of the Developer or of its employees, agents, or independent contractors.

O. The Developer Not an Agent. Nothing in this Agreement shall be deemed to appoint the Developer as an agent for or representative of the Commission, and the Developer is not authorized to act on behalf of the Commission with respect to any matters except those specifically set forth in this Agreement. The Commission shall not have any liability or duty to any person, firm, corporation, or governmental body for any act of omission or commission, liability, or obligation of the Developer, whether arising from actions under this Agreement or otherwise.

P. Inclusion by Reference. Included by reference is any document or clause issued as a part of the RFQ, or within the Developer’s proposal submittal, that the Commission may choose to include at any time during the performance of this Agreement or any options exercisable thereto by the Commission. This inclusion shall be the unilateral right of the Commission and not the Developer. Further, any document that may be referenced herein that has not been attached hereto as an Exhibit is hereby incorporated herein by reference.

Q. Confidentiality. The Developer, in connection with performing his/her services hereunder, will have access to or may be provided certain confidential information concerning the

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

57

Commission and agrees that any information concerning the finances, accounting practices, business, client, client lists, property information, client data, records of the Commission or any other information which a reasonable person could conclude that shall remain confidential (collectively, “**Confidential Information**”), will not be disclosed to any party and without limitation, any employee of the Developer or any client or potential client of the Developer at any time, except for the Developer’s legal counsel, accountants, or financial advisors, who will also hold such Confidential Information in confidence. The Developer acknowledges that the information is being provided with the sole understanding that all Confidential Information will remain confidential and will be held in the strictest confidence. The Developer further acknowledges that any disclosure of the Confidential Information, whether intentional or inadvertent, may harm the Commission. The Commission will have the right to enforce this Agreement by specific performance, as well as hold the Developer liable for any damages caused by any disclosure of any Confidential Information, whether intentional or inadvertent. This Agreement will be binding on the Developer and any attorney, accountant, financial advisor who also may be provided Confidential Information.

R. Waivers. The failure of either Party to insist in any one or more cases upon the strict performance of any of the other Party’s obligations under this Agreement or to exercise any right or remedy herein contained shall not be construed as a waiver or a relinquishment for the future of such obligation, right or remedy. No waiver by either Party of any provision of this Agreement shall be deemed to have been made unless set forth in writing and signed by that Party.

S. Time is of the Essence. Time is of the essence under this Agreement as to each provision in which time of performance is a factor.

T. Right to Joinder. The Developer shall retain the unilateral right to allow or disallow any political subdivision the privilege of joining this Agreement. In the event the Developer allows another political subdivision to join this Agreement, it is expressly understood that the Agency shall in no way be liable for the joining political subdivision obligations to the Developer in any manner whatsoever. If the Developer so grants such a privilege, the terms and conditions of this Agreement, may be passed on to the joining political subdivision by the Developer.

U. Successors. The terms, covenants, agreements, provisions, and conditions contained herein shall bind and inure to the benefit of the Parties hereto, their successors and assigns.

V. Headings. The headings in this Agreement are inserted for convenience only and shall not be used to define, limit or describe the scope of this Agreement or any of the obligations herein.

W. Construction. Whenever in this Agreement a pronoun is used, it shall be construed to represent either the singular or the plural, either the masculine or the feminine, as the case shall demand.

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

58

X. Cumulative Rights. Except as expressly limited by the terms of this Agreement, all rights, powers and privileges conferred hereunder shall be cumulative and not restrictive of those provided at law or in equity.

Y. Forum and Jurisdiction. Any action or proceeding arising hereunder shall be brought in the Circuit Court of Manistee County, Michigan or in the United States District Court for the Western District of Michigan, as shall be determined in the sole discretion of the Commission if the Commission is or becomes a party to such action, and as may be permitted by law and their respective rules. The Commission and the Developer agree that the courts located in the State of Michigan may exercise personal jurisdiction over them and hereby waive any defenses each of them may have to such exercise of jurisdiction. The Parties agree that any other contract or sub-contract entered into between the Parties or between a Party and another entity pertaining to the revitalization of the Commission Portfolio and any work or services ancillary thereto shall contain the language set forth in this provision related to governing law, jurisdiction and venue.

[REMAINDER OF PAGE LEFT BLANK]

**Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America**

59

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

COMMISSION:

**THE CITY OF MANISTEE HOUSING
COMMISSION,**
a Michigan public body corporate

By: _____
Name: Clinton McKinven-Copus
Its: Executive Director

DEVELOPER:

**COMMONWEALTH
DEVELOPMENT
CORPORATION OF AMERICA,**
a Wisconsin corporation

By: _____
Name: _____
Its: _____

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

60

EXHIBIT 1

Phase I Development Overview

[See attached.]

Exhibit I

Phase I Development Overview

Phase 1 will involve the acquisition and rehabilitation of Century Terrace and Harborview Apartments with 119 units and 48 units respectively. It is also anticipated that this phase will include the demolition and new construction of the existing maintenance building located at 250 6th Ave.

The Developer and the Commission will be submitting an application for 9% Low Income Housing Tax Credits (LIHTC) on June 1, 2020 to fund a substantial portion of the redevelopment. The property will also utilize permanent financing to a level that the project cash flow can support. If the LIHTC application is not successful, the Developer would expect to re-submit an application in fall/winter of 2020. If the fall application is unsuccessful as well, the Developer and Commission would agree on whether to submit another application on April 1, 2021 or to reduce the scope of rehab and use 4% LIHTC and tax-exempt bonds to finance the development.

If 9% LIHTC are awarded, the scope of rehab will be substantial. It will include the replacement of a majority of mechanical systems, replacement of roofs, resurfacing of parking lots and landscaping, cosmetic improvements to the units such as replacing cabinets, appliances, and new flooring. The scope will also incorporate substantial energy efficiency improvements including the installation of low-flow plumbing fixtures, energy efficient windows, and LED Lighting.

The preliminary timeline, budget, and development team can be found in the remaining exhibits of this agreement.

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

61

EXHIBIT 1(a)

Phase I Development Schedule

[See attached.]

Exhibit I(a)

Phase I Development Schedule

June 2020 - 9% LIHTC application submitted for Century Terrace and Harborview Midrise.

August 2020 - Tax credit awards announced.

September 2020 – Commitments signed for permanent financing sources, commencement of full architectural work.

October 2020 – RAD financing plan submitted

September 2020 - February 2021 – Complete lender due diligence, receive final HUD approval, complete architectural work, receive final city approvals, bid construction to sub-contractors.

April 2021 – Close on financing and commence construction. Implement tenant relocation plan.

June 2022 – Complete construction

January 2022 – Complete placed in-service application, convert construction financing to permanent financing

April 2023 – Receive form 8609, receive final tax credit equity installments

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

62

EXHIBIT 1(b)

Phase I LIHTC Application Schedule

[See attached.]

Exhibit I(b)

Phase I LIHTC Application Schedule

October 2019 – Toured property with Architect and General Contractor to begin developing scope of work and budget

November 2019 – Meet with City to discuss site plan approval, zoning approval, and letters of support required for application

January 2020 – Ordered phase 1 environmental

January 15, 2020 – Submitted market study initiation request

February 15, 2020 – Submitted preservation level 1 review to MSHDA

March 2020 – Formed ownership entities

April, 2020 – Draft and execute site control documents. Receive LOI's from lender and syndicator for application. Complete and assemble remaining LIHTC application exhibits.

June 1, 2020 – Submit LIHTC application

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

63

EXHIBIT 2

Phase I Site Plan

Intentionally omitted.

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

64

EXHIBIT 3

Phase I Development Budget

[See attached.]

**RESOLUTION 2020-06 EXHIBIT B
DEVELOPMENT AGREEMENT**

SOURCES AND USES OF FUNDS

SOURCES

Equity		13,264,673
First Mortgage:		3,268,482
Second Mortgage:		-
Other: Seller Note from Sale Proceeds	SFT	1,021,784
Other:	SFT	-
Other:	SFT	0.00%
Other:		-
Total Third Party Sources		17,554,940
Deferred Developer Fee		25.57% 383,487
TOTAL		17,938,427

	1,500,000
25.57%	(383,487)
	1,116,513
DFR	5.79

TOTAL USES	17,938,427
SURPLUS/DEFICIT	(0)

**RESOLUTION 2020-06 EXHIBIT B
DEVELOPMENT AGREEMENT**

USES

	Amount	Unit	Cost	9% Basis	4% Basis	Fed Hist.	State Hist.
A. Land & Buildings							
Land			-	-	-	-	-
Building basis	0%		2,000,000	-	2,000,000	-	-
Land closing costs			5,000	-	-	-	-
Subtotal		12,006	2,005,000	-	2,000,000	-	-
B. Site Work							
Earthwork			200,000	200,000			
Site Work			135,000	135,000			
Roads & Walks							
Site Improvements							
Landscaping							
Subtotal		2,006	335,000	335,000			
C. Rehab & New Construction							
Hard Construction	51,700		8,633,900	8,633,900			
General Requirements	5.50%		493,290	493,290			
Overhead	2.00%		189,244	189,244			
Contractor P & L	5.50%		530,829	530,829			
Subtotal		58,966	9,847,262	9,847,262			
Construction Contract Amount		60,972	10,182,262				
Hard Cost Subtotal		72,978	12,187,262	10,182,262	2,000,000		
D. Design							
Architect - Design	3.63%	1,497	200,000	200,000			
Architect - Supervision			50,000	50,000			
SMEP			80,000	80,000			
Surveying			20,000	20,000			
Civil Engineering			20,000	20,000			
Geotechnical			5,000	5,000			
Other: Planning & Zoning			15,000	15,000			
Other: Green Fees			25,000	25,000			
Subtotal			415,000	415,000			
E. Interim Costs							
Construction Contingency	10.00%		1,018,226	1,018,226			
Ancillary Construction Costs			87,000	87,000			
Construction Period Interest			560,000	56,000			
Construction Loan Fee	1%		110,000	110,000			
Legal: Construction Lender			30,000	30,000			
Real Estate Taxes			65,871	6,587			
Construction Loan Title/Escrow			50,000	50,000			
Subtotal		11,504	1,921,098	1,357,813			
F. Perm Financing & Partnership							
Permanent Loan Fee	1.50%		49,027				
Recording							
Title	0.0030		12,500				
Legal: Perm Lender			10,000				
Partnership Costs			45,000				
Subtotal		698	116,527				
G. Soft Costs							
Appraisal			20,000	20,000			
Market Study			10,000	10,000			
Legal: Developer/Housing Commission			250,000	212,500			
Environmental Assessment			30,000	30,000			
Environmental Mitigation			50,000	50,000			
Capital Need Assessment			10,000	10,000			
Cost Certification			15,000	15,000			
Property Insurance			74,315	7,432			
Furniture			145,000	145,000			
Other: Temporary Tenant Relocation			100,000	100,000			
Subtotal		4,217	704,315	599,932			
H. Agency							
Reservation + Application Fees	6.00%		90,940				
Compliance			79,325				
Bond Issuance							
FHA 221(d)4							
Working Capital	2.00%						
Placement Fee							
HUD MIP	0.25%						
HUD Exam Fee	0.30%						

**RESOLUTION 2020-06 EXHIBIT B
DEVELOPMENT AGREEMENT**

HUD Inspection Fee	0.50%		-	-			
Subtotal		1,020	170,265	-			
I. Developer's Fee							
Developer's Overhead			-	-	-	-	-
Developer's Profit			1,500,000	1,500,000	-	-	-
Other: Consultant -			-	-	-	-	-
Subtotal		8,982	1,500,000	1,500,000	-	-	-
J. Development Reserves							
Operating Deficit Reserve	-	-	-				
Rent-up Marketing		2,000	334,000				
Operating Reserve	-		589,960				
			-				
Subtotal		5,532.70	923,960	-			
Intermediary Cost Total			5,751,165	3,872,745	-	-	-
TOTAL DEVELOPMENT COST		107,415.73	17,938,427	14,055,007	2,000,000	-	-
Eligible Basis				13,634,198	1,940,120	-	-
Census Tract Bonus				120.00%	100.0%	100.0%	100.0%
Bonus Basis				16,361,038	1,940,120	-	-
Rate	LIHTC / Units	Req. LIHTC	Max LIHTC	9.000%	3.210%	20.000%	20.000%
Annual Credit Amount	9,389	1,474,000	1,534,771	\$ 1,472,493	\$ 62,278	\$ -	\$ -
Price				\$ 0.9000	\$ 0.900	\$ 0.950	\$ 0.450
Equity Proceeds			13,811,560	13,251,116	560,445	-	-

Required Equity Proceeds 13,264,673

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

65

EXHIBIT 4

Phase I Operating Budget

[See attached.]

**RESOLUTION 2020-06 EXHIBIT B
DEVELOPMENT AGREEMENT**

INCOME	Unit Type	# Units	Rent Rate	2017 Limit	Annual	Avail. for Utility	Weighted Unit
30% CMI	One Bedroom	-	-	-	-	0	-
	Two Bedroom	-	-	-	-	0	-
	Three Bedroom	-	-	-	-	0	-
0.00%							
40% CMI	One Bedroom	-	-	-	-	0	-
	Two Bedroom	-	-	-	-	0	-
	Three Bedroom	-	-	-	-	0	-
0.00%							
60% CMI Harborview 100% PBRA	One Bedroom	43	637	-	328,692	-637	43
	Two Bedroom	5	831	-	49,860	-831	5
	Three Bedroom	-	-	-	-	0	-
28.7%							
60% CMI Century Terrace 100% PBRA	One Bedroom	109	637	-	833,196	-637	109
	Two Bedroom	5	831	-	49,860	-831	5
	Three Bedroom	-	-	-	-	0	-
68.3%							
Over Income, Century Terrace	One Bedroom	5	637	-	38,220	-637	
	Two Bedroom	-	-	-	-	-	
	Three Bedroom	-	-	-	-	-	
71.3%							
Gross Rental	Total/Average	167	649		1,299,828		157.00
97.01%	Add: Misc.	20	/unit		40,080		
	Add: Commercial Space	-	/mo		-		
Net Rental income					1,339,908		
	Less: Vacancy	7.00%			(93,794)		
Effective Gross Income					1,246,114		

EXPENSES	<i>per unit</i>	<i>total</i>
Office/Advertising	518	86,459
Personnel	2,152	359,354
Utilities (Sewer/Water & Electricity)	980	163,738
Property Taxes	394	65,871
Insurance	445	74,315
Resident Services	-	-
Grounds, Extermination	140	23,302
Elevator	93	15,535
Repairs & Maint.	378	63,092
Property Mgmt.	6%	74,767
Accounting/Audit	85	14,261
Land Lease Payment	-	-
	5,633	940,694
Replacement Reserve	300 /unit	50,100
Total Operating Expenses	5,933	990,794
Expense Ratio		75%
NET OPERATING INCOME		255,320

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

66

EXHIBIT 5

Section 3 Clause

As detailed within 24 CFR §135.38, Section 3 clause, the following required clauses are hereby included as a part of this Agreement.

1. The work to be performed under this Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

2. The Parties to this Agreement agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

3. The Developer/contractor agrees to send to each labor organization or representative of workers with which the Developer/contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Developer/contractor's commitments under this Section 3 clause and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

4. The Developer/contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The Developer/contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

5. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

6. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

7. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Agreement that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

67

EXHIBIT 5(a)

Section 3 Hiring Plan

[See attached.]

Exhibit 5(a)

Section 3 Hiring Plan

General Statement

Commonwealth Development Corporation of America, as the developer, and Commonwealth Construction Corporation, as the general contractor are committed to comply with the Section 3 act and the Section 3 regulations. It is our desire to work together to ensure compliance, to the greatest extent feasible, through the awarding of contracts for work and services to Section 3 companies, and to provide employment and training to Section 3 residents. We commit to include the Section 3 clause in the construction contract and all subcontracts. All subcontractors interest in submitting bids for contracts will be informed of the Section 3 requirements and goals. We agree to provide the Commission with copies of all bids received in response to the invitation to bid and copies of all contracts awarded in excess of \$100,000.00.

Goals

Contracting:

To demonstrate compliance with Section 3 regulations, it is desirous to award at least 10% of the total dollar amount of all Section 3 contracts for building trades work, and, at least 3 percent of the total dollar amount of all other Section 3 covered contracts (i.e., professional services) to Section 3 business concerns.

If we do not feel it is feasible to meet the minimum goals set forth above, we will be prepared to demonstrate why it was not possible. We understand failure to follow our Section 3 Plan could result in the Secretary of Housing and Urban Development (“HUD”) finding us non-compliant with the Section 3 regulations.

Employment and Training:

To demonstrate compliance with Section 3 regulations, it is desirous to employ Section 3 residents as 30 percent of the aggregate number of new hires, and to provide training to those new hires. We agree to provide information regarding existing employees and hiring needs as part of this plan.

A concerted effort will be made to meet the goals of this plan. If the goals are not met, we agree to provide explanation of challenges in meeting the goals described in this plan, and documentation of our efforts to reach these goals.

Outreach

We are committed to conduct an aggressive outreach campaign to make Section 3 Businesses and Section 3 Residents aware of contracting and employment opportunities in connection with this Section 3 Covered Project. Efforts will include, but not limited to:

- Publication of opportunities in local newspapers.
- Publication of opportunities with Michigan Works.
- Inviting Section 3 business concerns to relevant bidding opportunities.
- Use of signage at the project site and flyers posted in the neighborhood and surrounding areas.

RESOLUTION 2020-06 EXHIBIT B
DEVELOPMENT AGREEMENT

- Notification of potential bidding opportunities, training or employment opportunities to neighborhood and non-profit groups servicing low-income persons.
- Communicate opportunities to contractor and trade organizations, employment agencies and career centers.

It is not required to include all of these methods in a Section 3 implementation strategy. However, a robust strategy that makes a good faith effort to meet the objectives stated in this plan is expected.

Project Neighborhood Area

The project neighborhood area is the City of Manistee.

This area will be the primary focus of all outreach attempts.

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

68

EXHIBIT 6

List of Approved Contractors

Architect: M & A Studio, PC

General Contractor: Commonwealth Construction Corporation

Management Agent: Commonwealth Management Corporation and the Commission

LIHTC Compliance Agent: Comprehensive Compliance Solutions LLC

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

69

EXHIBIT 7

HUD-5370-C (01/14), General Conditions for Non-Construction Contracts

[See attached.]

General Conditions for Non-Construction Contracts

Section I – (With or without Maintenance Work)

Public Reporting Burden for this collection of information is estimated to average 0.08 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Office of Information Policies and Systems, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600; and to the Office of Management and Budget, Paperwork Reduction Project (2577-0157), Washington, D.C. 20503. Do not send this completed form to either of these addressees.

Applicability. This form HUD-5370-C has 2 Sections. These Sections must be inserted into non-construction contracts as described below:

- 1) **Non-construction contracts** (*without* maintenance) **greater than \$105,000 - use Section I;**
- 2) **Maintenance contracts** (including nonroutine maintenance as defined at 24 CFR 968.105) **greater than \$2,000 but not more than \$150,000 - use Section II;** and
- 3) **Maintenance contracts** (including nonroutine maintenance), **greater than \$150,000 – use Sections I and II.**

Section I - Clauses for All Non-Construction Contracts greater than \$150,000

1. Definitions

The following definitions are applicable to this contract:

- (a) "Authority or Housing Authority (HA)" means the Housing Authority.
- (b) "Contract" means the contract entered into between the Authority and the Contractor. It includes the contract form, the Certifications and Representations, these contract clauses, and the scope of work. It includes all formal changes to any of those documents by addendum, Change Order, or other modification.
- (c) "Contractor" means the person or other entity entering into the contract with the Authority to perform all of the work required under the contract.
- (d) "Day" means calendar days, unless otherwise stated.
- (e) "HUD" means the Secretary of Housing and Urban development, his delegates, successors, and assigns, and the officers and employees of the United States Department of Housing and Urban Development acting for and on behalf of the Secretary.

2. Changes

- (a) The HA may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in the services to be performed or supplies to be delivered.
- (b) If any such change causes an increase or decrease in the hourly rate, the not-to-exceed amount of the contract, or the time required for performance of any part of the work under this contract, whether or not changed by the order, or otherwise affects the conditions of this contract, the HA shall make an equitable adjustment in the not-to-exceed amount, the hourly rate, the delivery schedule, or other affected terms, and shall modify the contract accordingly.
- (c) The Contractor must assert its right to an equitable adjustment under this clause within 30 days from the date of receipt of the written order. However, if the HA decides that the facts justify it, the HA may receive and act upon a

- proposal submitted before final payment of the contract.
- (d) Failure to agree to any adjustment shall be a dispute under clause Disputes, herein. However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.
 - (e) No services for which an additional cost or fee will be charged by the Contractor shall be furnished without the prior written consent of the HA.

3. Termination for Convenience and Default

- (a) The HA may terminate this contract in whole, or from time to time in part, for the HA's convenience or the failure of the Contractor to fulfill the contract obligations (default). The HA shall terminate by delivering to the Contractor a written Notice of Termination specifying the nature, extent, and effective date of the termination. Upon receipt of the notice, the Contractor shall: (i) immediately discontinue all services affected (unless the notice directs otherwise); and (ii) deliver to the HA all information, reports, papers, and other materials accumulated or generated in performing this contract, whether completed or in process.
- (b) If the termination is for the convenience of the HA, the HA shall be liable only for payment for services rendered before the effective date of the termination.
- (c) If the termination is due to the failure of the Contractor to fulfill its obligations under the contract (default), the HA may (i) require the Contractor to deliver to it, in the manner and to the extent directed by the HA, any work as described in subparagraph (a)(ii) above, and compensation be determined in accordance with the Changes clause, paragraph 2, above; (ii) take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable for any additional cost incurred by the HA; (iii) withhold any payments to the Contractor, for the purpose of off-set or partial payment, as the case may be, of amounts owed to the HA by the Contractor.
- (d) If, after termination for failure to fulfill contract obligations (default), it is determined that the Contractor had not failed, the termination shall be deemed to have been effected for the convenience of the HA, and the Contractor shall be entitled to payment as described in paragraph (b) above.
- (e) Any disputes with regard to this clause are expressly made subject to the terms of clause titled Disputes herein.

4. Examination and Retention of Contractor's Records

- (a) The HA, HUD, or Comptroller General of the United States, or any of their duly authorized representatives shall, until 3 years after final payment under this contract, have access to and the right to examine any of the Contractor's directly pertinent books, documents, papers, or other records involving transactions related to this contract for the purpose of making audit, examination, excerpts, and transcriptions.

- (b) The Contractor agrees to include in first-tier subcontracts under this contract a clause substantially the same as paragraph (a) above. "Subcontract," as used in this clause, excludes purchase orders not exceeding \$10,000.
- (c) The periods of access and examination in paragraphs (a) and (b) above for records relating to:
- (i) appeals under the clause titled Disputes;
 - (ii) litigation or settlement of claims arising from the performance of this contract; or,
 - (iii) costs and expenses of this contract to which the HA, HUD, or Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such appeals, litigation, claims, or exceptions.

A breach of these Contract clauses may be grounds for termination of the Contract and for debarment or denial of participation in HUD programs as a Contractor and a subcontractor as provided in 24 CFR Part 24.

5. Rights in Data (Ownership and Proprietary Interest)

The HA shall have exclusive ownership of, all proprietary interest in, and the right to full and exclusive possession of all information, materials and documents discovered or produced by Contractor pursuant to the terms of this Contract, including but not limited to reports, memoranda or letters concerning the research and reporting tasks of this Contract.

6. Energy Efficiency

The contractor shall comply with all mandatory standards and policies relating to energy efficiency which are contained in the energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub.L. 94-163) for the State in which the work under this contract is performed.

7. Disputes

- (a) All disputes arising under or relating to this contract, except for disputes arising under clauses contained in Section III, Labor Standards Provisions, including any claims for damages for the alleged breach there of which are not disposed of by agreement, shall be resolved under this clause.
- (b) All claims by the Contractor shall be made in writing and submitted to the HA. A claim by the HA against the Contractor shall be subject to a written decision by the HA.
- (c) The HA shall, with reasonable promptness, but in no event in no more than 60 days, render a decision concerning any claim hereunder. Unless the Contractor, within 30 days after receipt of the HA's decision, shall notify the HA in writing that it takes exception to such decision, the decision shall be final and conclusive.
- (d) Provided the Contractor has (i) given the notice within the time stated in paragraph (c) above, and (ii) excepted its claim relating to such decision from the final release, and (iii) brought suit against the HA not later than one year after receipt of final payment, or if final payment has not been made, not later than one year after the Contractor has had a reasonable time to respond to a written request by the HA that it submit a final voucher and release, whichever is earlier, then the HA's decision shall not be final or conclusive, but the dispute shall be determined on the merits by a court of competent jurisdiction.
- (e) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the HA.

8. Contract Termination; Debarment

9. Assignment of Contract

The Contractor shall not assign or transfer any interest in this contract; except that claims for monies due or to become due from the HA under the contract may be assigned to a bank, trust company, or other financial institution. If the Contractor is a partnership, this contract shall inure to the benefit of the surviving or remaining member(s) of such partnership approved by the HA.

10. Certificate and Release

Prior to final payment under this contract, or prior to settlement upon termination of this contract, and as a condition precedent thereto, the Contractor shall execute and deliver to the HA a certificate and release, in a form acceptable to the HA, of all claims against the HA by the Contractor under and by virtue of this contract, other than such claims, if any, as may be specifically excepted by the Contractor in stated amounts set forth therein.

11. Organizational Conflicts of Interest

- (a) The Contractor warrants that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of work under this contract and a contractor's organizational, financial, contractual or other interests are such that:
- (i) Award of the contract may result in an unfair competitive advantage; or
 - (ii) The Contractor's objectivity in performing the contract work may be impaired.
- (b) The Contractor agrees that if after award it discovers an organizational conflict of interest with respect to this contract or any task/delivery order under the contract, he or she shall make an immediate and full disclosure in writing to the Contracting Officer which shall include a description of the action which the Contractor has taken or intends to take to eliminate or neutralize the conflict. The HA may, however, terminate the contract or task/delivery order for the convenience of the HA if it would be in the best interest of the HA.
- (c) In the event the Contractor was aware of an organizational conflict of interest before the award of this contract and intentionally did not disclose the conflict to the Contracting Officer, the HA may terminate the contract for default.
- (d) The terms of this clause shall be included in all subcontracts and consulting agreements wherein the work to be performed is similar to the service provided by the prime Contractor. The Contractor shall include in such subcontracts and consulting agreements any necessary provisions to eliminate or neutralize conflicts of interest.

12. Inspection and Acceptance

- (a) The HA has the right to review, require correction, if necessary, and accept the work products produced by the Contractor. Such review(s) shall be carried out within 30 days so as to not impede the work of the Contractor. Any

product of work shall be deemed accepted as submitted if the HA does not issue written comments and/or required corrections within 30 days from the date of receipt of such product from the Contractor.

- (b) The Contractor shall make any required corrections promptly at no additional charge and return a revised copy of the product to the HA within 7 days of notification or a later date if extended by the HA.
- (c) Failure by the Contractor to proceed with reasonable promptness to make necessary corrections shall be a default. If the Contractor's submission of corrected work remains unacceptable, the HA may terminate this contract (or the task order involved) or reduce the contract price or cost to reflect the reduced value of services received.

13. Interest of Members of Congress

No member of or delegate to the Congress of the United States of America or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit to arise there from, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

14. Interest of Members, Officers, or Employees and Former Members, Officers, or Employees

No member, officer, or employee of the HA, no member of the governing body of the locality in which the project is situated, no member of the governing body in which the HA was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, shall, during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in this contract or the proceeds thereof.

15. Limitation on Payments to Influence Certain Federal Transactions

(a) Definitions. As used in this clause:

"Agency", as defined in 5 U.S.C. 552(f), includes Federal executive departments and agencies as well as independent regulatory commissions and Government corporations, as defined in 31 U.S.C. 9101(1).

"Covered Federal Action" means any of the following Federal actions:

- (i) The awarding of any Federal contract;
- (ii) The making of any Federal grant;
- (iii) The making of any Federal loan;
- (iv) The entering into of any cooperative agreement; and,
- (v) The extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

Covered Federal action does not include receiving from an agency a commitment providing for the United States to insure or guarantee a loan.

"Indian tribe" and "tribal organization" have the meaning provided in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450B). Alaskan Natives are included under the definitions of Indian tribes in that Act.

"Influencing or attempting to influence" means making, with the intent to influence, any communication to or appearance before 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 any covered Federal action.

"Local government" means a unit of government in a State and, if chartered, established, or otherwise recognized by a State for the performance of a governmental duty, including a local public authority, a special district, an intrastate district, a council of governments, a sponsor group representative organization, and any other instrumentality of a local government.

"Officer or employee of an agency" includes the following individuals who are employed by an agency:

- (i) An individual who is appointed to a position in the Government under title 5, U.S.C., including a position under a temporary appointment;
- (ii) A member of the uniformed services as defined in section 202, title 18, U.S.C.;
- (iii) A special Government employee as defined in section 202, title 18, U.S.C.; and,
- (iv) An individual who is a member of a Federal advisory committee, as defined by the Federal Advisory Committee Act, title 5, appendix 2.

"Person" means an individual, corporation, company, association, authority, firm, partnership, society, State, and local government, regardless of whether such entity is operated for profit or not for profit. This term excludes an Indian tribe, tribal organization, or other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Recipient" includes all contractors, subcontractors at any tier, and subgrantees at any tier of the recipient of funds received in connection with a Federal contract, grant, loan, or cooperative agreement. The term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Regularly employed means, with respect to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement, an officer or employee who is employed by such person for at least 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person for receipt of such contract, grant, loan, or cooperative agreement. An officer or employee who is employed by such person for less than 130 working days within one year immediately preceding the date of submission that initiates agency consideration of such person shall be considered to be regularly employed as soon as he or she is employed by such person for 130 working days.

"State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, an agency or instrumentality of a State, and a multi-State, regional, or interstate entity having governmental duties and powers.

(b) Prohibition.

- (i) Section 1352 of title 31, U.S.C. provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: 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.

- (ii) The prohibition does not apply as follows:

(1) Agency and legislative liaison by Own Employees.

(a) The prohibition on the use of appropriated funds, in paragraph (i) of this section, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement, if the payment is for agency and legislative activities not directly related to a covered Federal action.

(b) For purposes of paragraph (b)(i)(1)(a) of this clause, providing any information specifically requested by an agency or Congress is permitted at any time.

(c) The following agency and legislative liaison activities are permitted at any time only where they are not related to a specific solicitation for any covered Federal action:

(1) Discussing with an agency (including individual demonstrations) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and,

(2) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(d) The following agency and legislative liaison activities are permitted where they are prior to formal solicitation of any covered Federal action:

(1) Providing any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;

(2) Technical discussions regarding the preparation of an unsolicited proposal prior to its official submission; and

(3) Capability presentations by persons seeking awards from an agency pursuant to the provisions of the Small Business Act, as amended by Public Law 95-507 and other subsequent amendments.

(e) Only those activities expressly authorized by subdivision (b)(ii)(1)(a) of this clause are permitted under this clause.

(2) Professional and technical services.

(a) The prohibition on the use of appropriated funds, in subparagraph (b)(i) of this clause, does not apply in the case of-

(i) A payment of reasonable compensation made to an officer or employee of a person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action, if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action.

(ii) Any reasonable payment to a person, other than an officer or employee of a

person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action. Persons other than officers or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.

(b) For purposes of subdivision (b)(ii)(2)(a) of clause, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline.

(c) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal award include those required by law or regulation, or reasonably expected to be required by law or regulation, and any other requirements in the actual award documents.

(d) Only those services expressly authorized by subdivisions (b)(ii)(2)(a)(i) and (ii) of this section are permitted under this clause.

(iii) Selling activities by independent sales representatives.

(c) The prohibition on the use of appropriated funds, in subparagraph (b)(i) of this clause, does not apply to the following selling activities before an agency by independent sales representatives, provided such activities are prior to formal solicitation by an agency and are specifically limited to the merits of the matter:

(i) Discussing with an agency (including individual demonstration) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and

(ii) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(d) Agreement. In accepting any contract, grant, cooperative agreement, or loan resulting from this solicitation, the person submitting the offer agrees not to make any payment prohibited by this clause.

(e) Penalties. Any person who makes an expenditure prohibited under paragraph (b) of this clause shall be subject to civil penalties as provided for by 31 U.S.C. 1352. An imposition of a civil penalty does not prevent the Government from seeking any other remedy that may be applicable.

(f) Cost Allowability. Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation (FAR), or OMB Circulars dealing with cost allowability for recipients of assistance agreements. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions of FAR Part 31 or the relevant OMB Circulars.

16. Equal Employment Opportunity

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

- (a) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.
- (b) The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to (1) employment; (2) upgrading; (3) demotion; (4) transfer; (5) recruitment or recruitment advertising; (6) layoff or termination; (7) rates of pay or other forms of compensation; and (8) selection for training, including apprenticeship.
- (c) The Contractor shall post in conspicuous places available to employees and applicants for employment the notices to be provided by the Contracting Officer that explain this clause.
- (d) The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- (e) The Contractor shall send, to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, the notice to be provided by the Contracting Officer advising the labor union or workers' representative of the Contractor's commitments under this clause, and post copies of the notice in conspicuous places available to employees and applicants for employment.
- (f) The Contractor shall comply with Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor.
- (g) The Contractor shall furnish all information and reports required by Executive Order 11246, as amended and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto. The Contractor shall permit access to its books, records, and accounts by the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (h) In the event of a determination that the Contractor is not in compliance with this clause or any rule, regulation, or order of the Secretary of Labor, this contract may be canceled, terminated, or suspended in whole or in part, and the Contractor may be declared ineligible for further Government contracts, or federally assisted construction contracts under the procedures authorized in Executive Order 11246, as amended. In addition, sanctions may be imposed and remedies invoked against the Contractor as provided in Executive Order 11246, as amended, the rules, regulations, and orders of the Secretary of Labor, or as otherwise provided by law.
- (i) The Contractor shall include the terms and conditions of this clause in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each subcontractor or vendor. The Contractor shall take such action with respect to any subcontractor or purchase order as the Secretary of Housing and Urban Development or the Secretary of Labor may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided that if the

Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

17. Dissemination or Disclosure of Information

No information or material shall be disseminated or disclosed to the general public, the news media, or any person or organization without prior express written approval by the HA.

18. Contractor's Status

It is understood that the Contractor is an independent contractor and is not to be considered an employee of the HA, or assume any right, privilege or duties of an employee, and shall save harmless the HA and its employees from claims suits, actions and costs of every description resulting from the Contractor's activities on behalf of the HA in connection with this Agreement.

19. Other Contractors

HA may undertake or award other contracts for additional work at or near the site(s) of the work under this contract. The contractor shall fully cooperate with the other contractors and with HA and HUD employees and shall carefully adapt scheduling and performing the work under this contract to accommodate the additional work, heeding any direction that may be provided by the Contracting Officer. The contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or HA employee.

20. Liens

The Contractor is prohibited from placing a lien on HA's property. This prohibition shall apply to all subcontractors.

21. Training and Employment Opportunities for Residents in the Project Area (Section 3, HUD Act of 1968; 24 CFR 135)

- (a) The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- (b) The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
- (c) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of

apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

- (d) The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- (e) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.
- (f) Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

22. Procurement of Recovered Materials

- (a) In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Contractor shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition. The Contractor shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless the Contractor determines that such items: (1) are not reasonably available in a reasonable period of time; (2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.
- (b) Paragraph (a) of this clause shall apply to items purchased under this contract where: (1) the Contractor purchases in excess of \$10,000 of the item under this contract; or (2) during the preceding Federal fiscal year, the Contractor: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of \$10,000 of the item both under and outside that contract.

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

70

EXHIBIT 8

HUD 50071 (01/14) – Certification of Payments to Influence Federal Transactions

[See attached.]

Certification of Payments to Influence Federal Transactions

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
RESOLUTION 2020-06 EXHIBIT B
DEVELOPMENT AGREEMENT

Applicant Name

Program/Activity Receiving Federal Grant Funding

The undersigned certifies, to the best of his or her 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 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 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 subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 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.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

Title

Signature

Date (mm/dd/yyyy)

Contract No. C19002 between the City of Manistee Housing Commission
and Commonwealth Development Corporation of America

71

EXHIBIT 9

HUD Standard Form LLL (Rev. 01/14) – Disclosure of Lobbying Activities

[See attached.]

RESOLUTION 2020-06 EXHIBIT B
DISCLOSURE OF LOBBYING ACTIVITIES
 DEVELOPMENT AGREEMENT

Approved by OMB
0348-0046

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

(See reverse for public burden disclosure.)

1. Type of Federal Action: <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. Report Type: <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____
4. Name and Address of Reporting Entity: <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, <i>if known</i> : Congressional District, <i>if known</i> :	5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, <i>if known</i> :	
6. Federal Department/Agency:	7. Federal Program Name/Description: CFDA Number, <i>if applicable</i> : _____	
8. Federal Action Number, if known:	9. Award Amount, if known: \$ _____	
10. a. Name and Address of Lobbying Registrant <i>(if individual, last name, first name, MI):</i>	b. Individuals Performing Services <i>(including address if different from No. 10a)</i> <i>(last name, first name, MI):</i>	
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature: _____ Print Name: _____ Title: _____ Telephone No.: _____ Date: _____	
Federal Use Only:		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

**RESOLUTION 2020-06 EXHIBIT B
DEVELOPMENT AGREEMENT**

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity 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 a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.



RESOLUTION 2020-07

Ratification of Century Terrace and Harborview Apartments LIHTC Application Agreements

WHEREAS, the City of Manistee Housing Commission (“CMHC”) is a public body corporate pursuant to the Michigan Housing Facilities Act, MCL 125.651 et seq., and deemed a Public Housing Authority (“PHA”) by the U.S. Department of Housing and Urban Development (“HUD”);

WHEREAS, the CMHC desires to redevelop Century Terrace and Harborview Apartments (together, the “Phase I Project”), which together contain one hundred sixty-seven (167) rental units;

WHEREAS, it is anticipated that the Phase I Project will be financed, in part, using equity derived from the sale of low-income housing tax credits (“LIHTC”);

WHEREAS, to assist with the financing of the Phase I Project, the CMHC desires to fund a loan not to exceed \$1,021,784.26 (the “Seller Loan”) for the purpose of financing the acquisition of the Phase I Project improvements;

WHEREAS, the CMHC issued a Request for Qualifications – RFQ18001 on November 5, 2018, to which the Commonwealth Development Corporation of America (the “Developer”) submitted a proposal in response. The CMHC reviewed multiple proposals through a competitive selection process, which resulted in the determination that the Developer was qualified, subject to the negotiation of a Development Agreement, to serve as the CMHC’s developer partner for the Phase I Project;

WHEREAS, the Developer submitted a 9% LIHTC application (the “LIHTC Application”) on behalf of the Phase I Project to the Michigan State Housing Development Authority (“MSHDA”) for the June 2020 round;

WHEREAS, pursuant to the MSHDA LIHTC Application requirements, the Executive Director of the CMHC, on behalf of the CMHC, entered into those certain LIHTC Application Agreements (as defined herein), subject to the approval of the Board of Commissioners;

WHEREAS, pursuant to the MSHDA LIHTC Application requirements, the CMHC, in support of the LIHTC Application, was required to enter into that certain Joint Venture Agreement, dated as of May 19, 2020, with the Developer, which governs the CMHC and Developer’s relationship regarding the Phase I Project and outlines the terms of the parties’ plans and agreement(s) to jointly redevelop the Phase I Project until the parties enter into a Development Agreement;

WHEREAS, pursuant to the MSHDA LIHTC Application requirements, and in support of the LIHTC Application, the CMHC was required to enter into that certain Option to Ground Lease and Acquire Improvements, dated as of May 19, 2020, with CT HV Limited Dividend Housing Association LLC (the “Owner Entity”), which is anticipated to be an affiliate of CMHC, pursuant to which the Owner Entity was granted a conditional option to ground lease the land underlying the Phase I Project and a conditional option to acquire the Phase I Project improvements, for the anticipated Phase I Project redevelopment;

WHEREAS, in support of the LIHTC Application, CMHC was required to issue that certain Seller Loan Commitment to the Owner Entity, pursuant to which the CMHC committed to finance the Seller Loan; and

WHEREAS, in support of the LIHTC Application, the CMHC was required to enter into that certain Property Co-Management Agreement (collectively, with the Joint Venture Agreement, Option to Ground Lease and Acquire Improvements and Seller Loan Commitment, the “LIHTC Application Agreements”) (all attached hereto as Exhibit A), dated as of May 19, 2020, with the Commonwealth Management Corporation (“CMC”), an affiliate of Developer, under which the parties agreed to co-manage the Phase I Project, with CMHC or a CMHC affiliate to serve as the property manager. Additionally, CMC has engaged a third-party tax credit compliance specialist to ensure all applicable tax credit requirements are met, for which it will receive a fee.

NOW, THEREFORE, on the motion of Commissioner, supported by Commissioner, and voted upon as follows, **BE IT RESOLVED**, that the CMHC adopts the following resolution:

NOW, THEREFORE, IT IS HEREBY RESOLVED, that the Board of Commissioners hereby authorizes, approves and ratifies CMHC’s Executive Director’s execution of the LIHTC Application Agreements attached hereto as Exhibit A, as needed for the anticipated financing and redevelopment of the Phase I Project.

Commissioner	Approve	Against	Absent
Dale Priester	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Doug Parkes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Karen Goodman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kelly Tomaszewski	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
James Bond	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

RESOLUTION DECLARED

Passed Failed

CERTIFICATION

By the signatures of the President and Executive Director below, it is CERTIFIED that on July 28, 2020, the City of Manistee Housing Commission Board of Commissioners approved Resolution 2020-07 and that the foregoing is a true and correct copy.

Dale Priester, President

Clinton McKinven-Copus, Executive Director

Pending Approval

Exhibit A

LIHTC Application Agreements

(See attached)

Pending Approval

PROPERTY CO-MANAGEMENT AGREEMENT

THIS AGREEMENT is made as of the May 19, 2020 (the "Effective Date"), by and between Commonwealth Management Corporation ("Commonwealth" or "CMC"), a Wisconsin corporation and the City of Manistee Housing Commission (the "Commission" or "CMHC"), a Michigan public body corporate. Commonwealth and the Commission individually are sometimes referred to as a "Party" and collectively as "the Parties".

R E C I T A L S

A. Commonwealth Development Corporation of America ("CDC") and the Commission entered, or will enter, into Contract No. C19002 Development Agreement for Redevelopment of the City of Manistee Housing Commission's Public Housing Portfolio (the "Development Agreement").

B. The Development Agreement provides that CDC and the Commission will work cooperatively to plan, develop, market, co-own and manage the Development (as defined in the Development Agreement). The project will be developed in a manner consistent with both the requirements of Section 42 of the Internal Revenue Code as such requirements relate to Low Income Housing Tax Credits, rules and regulations of the Michigan State Housing Development Authority and such Land Use Restriction Agreements as may be applicable to the Development (the "Tax Credit Requirements"), and the Rental Assistance Demonstration ("RAD") program created by the Consolidated and Further Continuing Appropriations Act of 2012, and all applicable statutes, regulations, handbooks, notices and guidance issued by HUD, including Notice PIH 2012-32, as amended (the "RAD Requirements").

C. Because CMC is familiar with the Tax Credit Requirements, and the Commission is, or will become, familiar with the RAD Requirements, the Development Agreement further provides that the property management of the Development will be accomplished through the joint efforts of CMC and the Commission (or its affiliate), and that the roles and responsibilities of the Parties will be further defined by mutual agreement.

The Parties desire that their general rights, obligations and interests with regard to management of the Development be set forth in this Agreement which is intended to satisfy the Michigan State Housing Development Authority's Low Income Housing Tax Credit Qualified Allocation Plan requirements for joint management arrangements.

NOW, THEREFORE, in consideration of the mutual covenants of the Parties and other good and valuable consideration, the sufficiency of which is hereby acknowledged and herein contained, the Parties agree as follows:

1. Term. The term of this Agreement (the "Initial Term") is five (5) years from the commencement of lease up operations for Phase I of the Development, as outlined in the Phase I project schedule, and shall be deemed renewed for successive periods of one (1) year (each a "Renewal Term") unless any Party shall otherwise notify the other Party in writing at least thirty (30) days prior to the scheduled expiration date of the Initial Term or Renewal Term, as applicable. It is anticipated that CMC shall participate as a co-manager of the Development for the entire 15-

year compliance period. If at any time during the 15-year compliance period, CMC ceases to be a co-manager, MSHDA reserves the right to approve any replacement co-manager.

2. Role of the Commission. The Commission (or its affiliate) shall enter into: (a) a property management agreement with respect to the Development pursuant to which it is designated as the Management Agent for the Development (the “Property Management Agreement”); and (b) a management, occupancy and tenant selection plan which sets forth the operations, occupancy and tenant selection criteria (the “Management Plan”). The Management Agreement and Management Plan shall be agreed to by the Parties and the equity investor, and must comply with all applicable Tax Credit Requirements and RAD Requirements. All duties and services required of the Management Agent pursuant to the Property Management Agreement and Management Plan shall be the responsibility of the Commission unless delegated to CMC pursuant to this Agreement, the Management Agreement or Management Plan.

3. Appointment of Co-Manager. The Commission hereby appoints CMC as the co-manager for the Development, and hereby authorizes CMC to exercise such powers with respect to the Development as may be necessary for the performance of CMC’s obligations hereunder. CMC hereby accepts such appointment on the terms and conditions hereinafter set forth for the Term. CMC shall have no right or authority, express or implied, to commit or otherwise obligate the Owner Entity or the Commission in any manner whatsoever, except to the extent expressly provided in this Agreement. CMC agrees to cooperate in good faith with the Commission to ensure the efficient delivery of the services under this Agreement and the management of the Development.

4. Duties of Commonwealth as Co-Manager.

(a) General Duties. CMC shall use its best efforts in the co-management of the Development and shall comply with the instructions set forth herein, in the Property Management Agreement and Management Plan, and such other reasonable instructions as may from time to time be provided by the Owner Entity or the Commission.

(b) Consulting. CMC shall provide the Commission with oversight, guidance, training and consulting services relating to compliance and best operational practices for projects financed by the Department of Housing and Urban Development (HUD) and Low-Income Housing Tax Credits (IRS Section 42) and make recommendations to assist the Commission in its role as Management Agent for the Development as reasonably requested by the Commission from time to time. CMC and the Commission will participate in bi-weekly calls from project closing through the first year of stabilized operations. Once both CMC and the Commission determine they are comfortable moving from bi-weekly to monthly calls, they will do so. The calls will cover but will not be limited to the following topics:

Compliance Support:

Review new and recertification files to ensure households qualify

Monthly compliance reporting

Annual compliance reporting (Annual Owners Certifications)

Utility Allowance review

Annual Income Guideline completion

Tax Credit Program Guidelines Support

Budget /Financial Support:

Budget template and capital budgeting
Monthly financial and variance review

Administrative Support:

Policy and Procedure review
Forms and Document management
Marketing and Advertising support

(c) Third Party Compliance Consultant. CMC shall engage, directly supervise and be responsible for Comprehensive Compliance Solutions, LLC or another third-party consultant (the “Third-Party Consultant”) which, in concert with CMC, shall be responsible for the Development’s compliance with Tax Credit Requirements. Specifically, the Third-Party Consultant shall be responsible for: (i) file audits to determine whether prospective or existing tenants are qualified and otherwise eligible to lease an apartment unit in a manner consistent with applicable federal low-income housing tax credits requirements; (ii) providing assistance with certifications and re-certifications; and (iii) providing such other review and reporting services or performing such other tasks as may reasonably required to ensure compliance with the Tax Credit Requirements. A full list of the responsibilities of the third party compliance consultant can be found in Exhibit A. Notwithstanding the foregoing, the selection of any Third-Party Consultant other than Comprehensive Compliance Solutions, LLC shall require the approval of the Commission, which shall not be unreasonably withheld, conditioned or delayed.

5. Co-Management Fee and LIHTC Compliance Fee. During the Initial Term, the co-management fee payable to CMC (“Co-Management Fee”) shall be an amount equal to thirty percent (30%) of the management fee to which the Commission is entitled pursuant to the Property Management Agreement. Thereafter, CMC’s Co-Management Fee shall be fifteen percent (15%) of the management fee to which the Commission is entitled. The Co-Management Fee shall be payable to CMC in monthly installments and paid on or before the 15th day of each month. The Development’s operating budget shall also include a compliance fee payable to the Third-Party Consultant, on a monthly basis (“Compliance Fee”). The Compliance Fee shall be an amount equal to Three and 50/100 Dollars (\$3.50) per unit, per month, or, upon the submission of written proof of excess costs to the Commission, an amount reasonably and necessarily incurred by CMC to engage the Third-Party Consultant, upon the reasonable approval of the Commission.

6. Confidentiality. Subject to applicable law or governmental regulation, each Party and all persons retained or employed by either Party in performing its services shall hold in confidence and not use or disclose to others any confidential or proprietary information of the other heretofore or hereafter disclosed, including, but not limited to, any data, information, plans, programs, processes, costs, operations or tenants which may become known to the other in the performance of, or as a result of, its services, except where a Party specifically authorizes the other to disclose any of the foregoing to others or such disclosure reasonably results from the performance of the Party’s duties hereunder. Notwithstanding anything to the contrary set forth above, the foregoing shall not apply if such information (a) is disclosed upon written request from

the non-disclosing Party, (b) is available to the general public or known within the real estate industry, or (c) is required to be disclosed pursuant to law, court order or subpoena.

7. Cross Indemnification. To the fullest extent permitted by law, the Commission agrees to defend, indemnify and hold harmless CMC, and CMC agrees to defend, indemnify and hold harmless the Commission, from and against any and all claims, damages, losses and expenses including, but not limited to, attorneys' fees, arising out of or resulting from negligent or willful act or omission of the indemnifying Party and/or its employees, agents or representatives from a breach or default by the indemnifying Party in the performance of said Party's obligations under this Agreement, and/or resulting from claims made against the other Party by other parties resulting from the performance of the indemnifying Party's services under this Agreement. The rights and obligations set forth in this section shall survive the termination of the Agreement.

8. Termination. Subject to the approval of the Michigan State Housing Development Authority and any lender or equity investor for the Development, CMC may terminate this Agreement at any time upon: (1) one hundred and eighty (180) days prior written notice to the Commission, and (2) the Commission identifying and securing a suitable replacement for CMC. Either Party may terminate this Agreement for good cause, and upon delivery to the other party of a thirty (30) day notice of termination stating the reasons for the termination. "Good Cause" for termination shall occur if either party materially defaults on its obligations hereunder or has a demonstrably objective reason it cannot continue to perform its role due to change in circumstances or infeasibility. Upon termination of this Agreement, the obligations of the Parties shall cease and be of no effect other than those obligations which accrued prior to the expiration or termination of this Agreement or which by their nature survive.

9. Default. If it should appear at any time that the Commission or CMC has failed, refused, or delayed to perform or satisfy any material requirement of this Agreement ("Event of Default"), and fails to cure any such Event of Default within five (5) business days after receipt of written notice of such Event of Default (or if such Event of Default cannot reasonably be cured within that period, such longer period as necessary to cure such Event of Default provided that the defaulting party has commenced and is diligently prosecuting the cure within the initial five (5) day period), then the non-defaulting party shall have the right, without prejudice to any other remedies provided by law or equity, to pursue any one or more of the following remedies: (a) non-defaulting party may require the defaulting party, within a reasonable time, to complete or correct the actions or inactions that are the subject of the Event of Default; and to take any or all other action necessary to bring the defaulting party into compliance with this Agreement; and/or (b) the non-defaulting party may terminate this Agreement in accordance with Section 8 herein.

10. Mutual Cooperation; Good Faith and Fair Dealing. The Parties shall cooperate with each other in connection with the performance of all obligations and exercise of all rights in connection with this Agreement and the transactions contemplated hereby, and agree that the actions and inactions of each Party shall be governed by the principles of good faith and fair dealing.

11. Co-Management Contingencies. The Parties agree that the rights and responsibilities outlined herein are subject to the following: (a) securing all funding necessary for the Development, including a Low Income Housing Tax Credit award; (b) obtaining all necessary

HUD approvals for the RAD program; (c) obtaining all necessary approvals from the Commission's Board of Commissioners; and, (d) such other approvals necessary to develop and operate the Development.

12. Miscellaneous.

(a) Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

(b) Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

(c) Entire Agreement. This Agreement and the documents to be delivered hereunder constitute the sole and entire agreement of the Parties to this Agreement with respect to the subject matter contained herein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

(d) Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns. No Party may assign its rights or obligations hereunder without the prior written consent of all other Parties. Any assignment in violation of this Section shall be void. No assignment shall relieve the assigning Party of any of its obligations hereunder.

(e) No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

(f) Amendment and Modification. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Party hereto.

(g) Waiver. No waiver by any Party hereto of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. No waiver by any Party hereto shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

(h) Specific Performance. The Parties hereto agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity. Each Party hereto (i) agrees that it shall not oppose the granting of such specific performance or relief and (ii) hereby

irrevocably waives any requirements for the security or posting of any bond in connection with such relief.

(i) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

(j) Notice.

(i) All notices, demands and communications required or which either party desires to give or make hereunder shall be effective (at the time set forth in this Section) if in writing signed by or on behalf of the party giving or making the same, and if served/delivered to the addresses, fax numbers and/or electronic mail addresses set forth below:

If to Commission: City of Manistee Housing Commission
273 6th Avenue (Office)
Manistee, MI 49660
Attention: Clinton McKinven-Copus
clintonmc@manisteehousing.com

and a copy to: Reno & Cavanaugh, PLLC
455 Massachusetts Avenue, NW
Suite 400
Washington, DC 20001
Attn: Melissa Worden

If to CMC: Commonwealth Management Corporation
24 S. Brooke Street
Fond du Lac, WI 54935
Attn: Jenni Yeagley
j.yeagley@commonwealthco.net

and a copy to: Lance E. Mueller, General Counsel
24 S. Brooke Street
Fond du Lac, WI 54935
l.mueller@commonwealthco.net

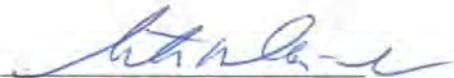
(ii) Notice may be sent via confirmed delivery service (UPS, FedEx, US Certified Mail Return Receipt, etc.), facsimile or electronic mail (e-mail). Notices sent by confirmed delivery service shall be effective upon the date of the delivery confirmation. Notices sent by facsimile transmission shall be deemed to have been given at the time of transmission; provided, the sending party has a facsimile confirmation report. Notices by e-mail shall be deemed to have been given at the time of transmission; provided, the sending party has a send confirmation report. Any party hereto may change its address, fax number or e-mail address

for the service as aforesaid by giving written notice to the other of such change of address in accordance with the provision of this Section.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each Party, by its duly authorized representative, has executed this Property Co-Management Agreement to become effective as of the Effective Date set forth above.

CITY OF MANISTEE HOUSING
COMMISSION

By: 
Name: Clinton McKinven-Copus
Its: Executive Director

COMMONWEALTH
MANAGEMENT CORPORATION

By: _____
Name: _____
Its: _____

IN WITNESS WHEREOF, each Party, by its duly authorized representative, has executed this Property Co-Management Agreement to become effective as of the Effective Date set forth above.

CITY OF MANISTEE HOUSING
COMMISSION

By: _____
Name: Clinton McKinven-Copus
Its: Executive Director

COMMONWEALTH
MANAGEMENT CORPORATION

By: 
Name: Louie A. Lango III
Its: President

EXHIBIT A

TAX CREDIT COMPLIANCE SCOPE OF SERVICES

[See Attached]

THIRD PARTY TAX CREDIT COMPLIANCE

SCOPE OF SERVICES

Comprehensive Compliance Solutions LLC (“Consultant”) shall provide such services as may be necessary to assist CMC and the Commission (collectively, “Property Manager”) in ensuring compliance with the Internal Revenue Code (the “Code”), affordable housing tax credit (“AHTC”) programs and agency requirements and obligations, including but not necessarily limited to the following:

1. Organize compliance commitments into a software system to ensure we maintain compliance with the set-aside requirements and that there is a trigger for next available units and other compliance rules per the tax credit (“TC”) application.
2. Approve or disallow requests for set-aside changes/swaps based on the TC application commitments.
3. On lease up properties, upon initial approval of the first year file, save the file for investor file uploads and audits.
4. Perform initial and existing tenant file audits within one (1) to three (3) business days following receipt of all necessary information from CT HV Limited Dividend Housing Association LLC (the “Company”) to determine whether the prospective or existing tenant is qualified and otherwise eligible to lease an apartment unit in a manner consistent with applicable federal low-income housing tax credits (“Credits”) requirements.
5. In the event a tenant is not eligible, provide an explanation and identify options for qualifying the household.
6. Assist with certifications and re-certifications.
7. Review and assist the Company with quarterly and annual reporting or audit requirements as reasonably requested.
8. Respond to compliance related questions or report findings.
9. Prepare annual reports to state agencies as required and submit quarterly occupancy reports. Provide written response(s) to state agencies if findings are noted requiring response.
10. Participate in state agency compliance reviews as necessary and provide support following reviews.
11. Identify applicable prospective tenant income and rent limitations on an annual basis. Provide an updated matrix report for each site. Provide guidance and

assistance to the Property Manager regarding the new rents and in implementing annual rent increases.

12. Remind Property Manager when it's time to get updated utility allowances ("UA") and assist in reviewing alternatives. Provide instruction to the Property Manager regarding the new UAs and the action steps necessary to maintain compliance.
13. Provide support to the Company by telephone or electronic mail including answering questions and providing direction and guidance as reasonably requested.
14. Develop and maintain forms and procedures manual to ensure compliance. Continue to review and update procedures and forms. Provide compliance forms.
15. Monitor relevant program requirements in applicable jurisdiction and report changes, updates or developments to the Company including action steps and timeline needed to maintain compliance.
16. Provide ongoing training in the form of desktop audit suggestions, electronic mail and telephone support.
17. Generate monthly reports describing the status of all open files, identifying required action with regard to each, and including a list of all past due and future re-certifications.
18. Provide a monthly recap communication to Property Manager noting any recurring compliance issues that have been regular over the prior month (barriers or opportunities for improvement). Also, provide feedback to CMC regarding any instances where Property Manager regularly sends incomplete or poor-quality files and could benefit from training.
19. Provide guidance, as requested, on requests for reasonable accommodation.

JOINT VENTURE AGREEMENT

This Joint Venture Agreement (“Agreement”) is entered into, as of May 19, 2020, by and between COMMONWEALTH DEVELOPMENT CORPORATION OF AMERICA, a Wisconsin corporation (“Commonwealth” and/or “Developer”) and the CITY OF MANISTEE HOUSING COMMISSION, a Michigan public body corporate (the “Commission”) collectively known as the “Parties,” pursuant to which the Parties agree to work together and collaborate on the acquisition, rehabilitation and operation of affordable housing developments known as Century Terrace and Harborview Apartments located at 237 and 273 6th Avenue in the City of Manistee, County of Manistee, State of Michigan (collectively, the “Development”).

By the Parties:

WHEREAS, CT HV Limited Dividend Housing Association LLC (the “Company”) has been formed to acquire, renovate, and rehabilitate the Development as an affordable multifamily residential project consisting of 167 apartment units across two sites;

WHEREAS, CT HV Managing Member LLC (the “Managing Member”) will be the managing member of the Company;

WHEREAS, Commonwealth’s affiliate, Commonwealth Holdings, LLC (the “Manager”), and an affiliate of the Commission (the “Co-Manager”) will be members of the Managing Member.

WHEREAS, the Manager whose sole member is Commonwealth Companies, Inc., an affiliate of Developer, is an experienced developer of affordable multi-family residential properties for low and moderate-income individuals and families including, but not limited to, properties that utilize federal Low-Income Housing Tax Credits (“LIHTC”), commercially available debt, and are federally subsidized in whole or part;

WHEREAS, the Commission, who will control the sole member of the Co-Manager, also has demonstrated experience and expertise in the ownership and operation of affordable multi-family residential properties that are dedicated to low and moderate-income individuals and families;

WHEREAS, Commonwealth will be the named Sponsor/Applicant of an application for the award of a LIHTC reservation for the Development and will submit a LIHTC application on or before June 1, 2020, to the Michigan State Housing Development Authority (“MSHDA”);

WHEREAS, the primary sources of financing for the substantial rehabilitation of the Development is LIHTC and commercially available construction and long-term debt;

WHEREAS, in their efforts to insure the success of the Development, the Parties have agreed to the formation of the Company to own, renovate, and operate the Development for a period of no less than the fifteen (15) year LIHTC compliance period; and

WHEREAS, commencement of the rehabilitation of the Development is dependent on the award of a LIHTC reservation by MSHDA.

NOW, THEREFORE, the Parties agree as follows:

1. If the Parties are awarded a reservation of LIHTC by MSHDA with respect to the Development, then they shall proceed to the rehabilitation and ongoing operation of the Development through the Company.
2. The Managing Member shall have a 0.01% managing member ownership interest in the Company, and Manager shall have a 51% ownership interest in Managing Member and the Commission, or an affiliate controlled by the Commission (the Co-Manager), shall have a 49% ownership interest in Managing Member, with the remaining 99.99% ownership interest held by an investor member.
3. As co-managers, both Manager and Co-Manager shall:
 - a. Share in the responsibility and obligation to renovate and operate the Development;
 - b. Share responsibility to manage the business of the Company during the construction and rehabilitation phase, lease-up phase, and the on-going operations phase of the Development for at least the full fifteen (15) year LIHTC compliance period;
 - c. Collectively secure and/or agree upon all needed equity and construction and long-term debt financing;
 - d. Share equally in the net proceeds from the operation of the Development consistent with the provisions of the operating agreement of the Company.
4. Commonwealth shall provide all guaranties for the Company and the Development.
5. Commonwealth, on behalf of Manager and the Company, shall provide the primary management for the design and renovation phases of the Development and shall oversee the activities of the architect(s) and contractor(s) during the renovations of the Development.
6. The Parties, on behalf of the Manager, Co-Manager and Company, shall direct the activities of the ongoing operations of the Development and shall oversee its asset management activities including oversight of the Development's property management company.
7. Manager and Co-Manager shall remain as co-managing members of the Managing Member of the Company, with all authorities and responsibilities of co-managing members, for a period not less than the full fifteen (15) year LIHTC compliance period.

8. The Parties shall enter into a formal development agreement to provide developer services for the Development as described therein (the “Developer Agreement”). In exchange for the services contemplated in the Developer Agreement, the Parties shall receive a developer fee of approximately \$1,500,000, a portion of which will be a deferred developer fee estimated to be paid over a five (5) year period after the Development is placed in service. The developer fee shall be shared as follows:
 - a. Commonwealth or Manager shall receive approximately 1,125,000, which is approximately 75%, and
 - b. Commission or an affiliate shall receive approximately \$375,000, which is approximately 25%.
9. The Parties understand and agree that MSHDA has the right to receive and review the Company’s operating agreement and the operating agreement of its Managing Member, and to approve any changes to such operating agreements, as part of its compliance oversight.
10. The Parties represent and agree that all documents supplied by each party to the other shall, to the best of such party’s knowledge, be complete and accurate in all material respects, and the party so submitting such documents shall promptly correct any information which it subsequently learns is materially incomplete or inaccurate.
11. Each party shall keep confidential any material, non-public information regarding the other party, the Development or Company, which it obtains in connection with its performance under this Agreement.
12. The validity and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Michigan.
13. The term of this Agreement shall commence as of the date the Parties both sign this Agreement and shall remain effective until a Development Agreement and any other ancillary agreements necessary to advance and complete the Development are executed, as applicable, or the Parties fail to receive a LIHTC award from MSHDA for the Development, whichever occurs first.
14. This Agreement may not be modified or amended except in writing signed by the Parties and, if awarded a LIHTC reservation for the Development by MSHDA.
15. All Notices regarding this Agreement shall be delivered to the other party by certified mail with return receipt requested at the addresses set forth below:

If to Commission, to: City of Manistee Housing Commission
273 6th Avenue (Office)
Manistee, MI 49660
Attention: Clinton McKinven-Copus
clintonmc@manisteehousing.com

and a copy to: Reno & Cavanaugh, PLLC
455 Massachusetts Avenue, NW
Suite 400
Washington, DC 20001
Attn: Melissa Worden

If to Developer, to: Commonwealth Development Corporation of
America
401 Hall street, Suite 112K
Grand Rapids, MI 49503
Attn: Jonathan Nesburg
j.nesburg@commonwealthco.net

and a copy to: Commonwealth Development Corporation
of America
24 S. Brooke Street
Fond du Lac, WI 54935
Attn: Lance Mueller, Esq.
l.mueller@commonwealthco.net

16. This Agreement and other referenced agreements herein constitute the entire agreement between the Parties and supersedes any and all other agreements or contracts, either oral or written, between the Parties with respect to the subject matters contained herein.
17. The Parties may execute this Agreement in counterparts, each of which shall be deemed an original; counterparts, when taken together, shall constitute one and the same agreement.

The Parties have caused this Agreement to be executed as of the day and year first above written.

[REMAINDER OF PAGE LEFT BLANK]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

COMMISSION:

THE CITY OF MANISTEE HOUSING COMMISSION,
a Michigan public body corporate

By: 
Name: Clinton McKinven-Copus
Its: Executive Director

DEVELOPER:

COMMONWEALTH DEVELOPMENT CORPORATION OF AMERICA,
a Wisconsin corporation

By: _____
Name: _____
Its: _____

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

COMMISSION:

**THE CITY OF MANISTEE HOUSING
COMMISSION,**
a Michigan public body corporate

By: _____
Name: Clinton McKinven-Copus
Its: Executive Director

DEVELOPER:

**COMMONWEALTH
DEVELOPMENT
CORPORATION OF AMERICA,**
a Wisconsin corporation

By:  _____
Name: Kristi Morgan
Its: President

OPTION TO GROUND LEASE AND ACQUIRE IMPROVEMENTS

This option to ground lease and acquire improvements agreement (the "Option") is made this 19 day of May 2020 (the "Effective Date"), between the **CITY OF MANISTEE HOUSING COMMISSION**, a Michigan public body corporate (the "Ground Lessor" or "Optionor") and **CT HV LIMITED DIVIDEND HOUSING ASSOCIATION LLC**, a Michigan limited liability company (the "Optionee"). The Optionor and Optionee are at times collectively referred to hereinafter as the "Parties" or individually as the "Party."

RECITALS

- A. WHEREAS, Optionor is the owner of those certain parcels of land located at 237 and 273 6th Avenue in the City of Manistee, County of Manistee, State of Michigan (collectively, the "Parcel") and the improvements thereon, commonly known as Century Terrace and Harborview Apartments, respectively (collectively, the "Improvements").
- B. WHEREAS, Optionor desires to provide Optionee with an Option to ground lease the Parcel, which contains approximately 5.34 acres, and an Option to acquire the Improvements, both of which are more particularly described in Exhibit A attached hereto and incorporated herein.
- C. WHEREAS, Optionee desires to enter into this Option to lease the Parcel and acquire the Improvements from Optionor for the redevelopment and operation of two multi-family rental developments located therein (together, the "Project"), which contain one hundred sixty-seven (167) rental units, all of which will receive Section 8 rental assistance pursuant to the Rental Assistance Demonstration ("RAD") program.
- D. WHEREAS, this Option is being provided to Optionee in order to provide evidence of site control sufficient to satisfy the Michigan State Housing Development Authority's Low Income Housing Tax Credit ("LIHTC") Qualified Allocation Plan requirements in anticipation of Optionee's upcoming LIHTC application.

NOW THEREFORE, in consideration of the sum of One Hundred and 00/100 (\$100.00) Dollars, to be paid by Optionee to Optionor, which payment Optionee shall provide upon its execution of this Option, Optionor hereby grants to Optionee the right and option to lease said Parcel and acquire said Improvements, for the term and in accordance with the covenants and conditions set forth herein, as follows:

- 1. Period: This Option may be exercised at any time within the eighteen (18) month period following the Effective Date of the Option (the "Option Period").
- 2. Ground Lease Terms: The Option shall be subject to the terms, covenants and provisions of the ground lease ultimately entered into between the

Parties (the “Ground Lease”). The term of the Ground Lease will be agreed to by the Parties, but in no event shall it be less than 50 years. The rent for the Ground Lease is subject to negotiation.

3. Limited Warranty Deed Terms: The Option shall be subject to the terms, covenants and provisions of the limited warranty deed conveying the Improvements to the Optionee (the “Deed”). The acquisition cost for the Improvements is \$2,000,000. Upon termination of the Ground Lease, all of Optionee’s right to title and interest in the Improvements shall revert to Optionor.
4. HUD and Other Approvals: The Option, Ground Lease and Deed shall be subject to any and all applicable United States Department of Housing and Urban Development (“HUD”) approvals required for disposition of the property and development of the Project, as well as any approvals required from Optionor’s Board of Commissioners.
5. Conflict of Interest: The Optionee has no conflict of interest, and shall inform Optionor of any subsequent potential conflict of interest that would cause Optionee to violate its obligations under applicable regulations, including 2 CFR Part 200.
6. Assignment or Transfer. This Option may not be sold, assigned or transferred by Optionee without the approval or consent of Optionor, which approval or consent shall be granted or denied in Optionor’s sole discretion.
7. Extension of Term. In the event that Optionee fails to exercise this Option within the Option Period, Optionee may, upon written notice to Optionor no later than fifteen (15) days prior to the expiration of the Option Period, request an extension of the Option Period, for the period of six (6) months (the “Extended Option Period”), which extension Optionor shall be granted or denied in Optionor’s sole discretion. Such extension request shall be accompanied with an additional Ten 00/100 Dollar (\$10.00) payment.
8. Termination of Rights. In the event that Optionee fails to exercise this Option during either of the Option Period or Extended Option Period, all rights and privileges granted hereunder shall be deemed completely surrendered, this Option terminated, and Optionor shall retain all money paid for the Option, and no additional money shall be payable by either Party to the other.
9. Access. Optionor shall permit Optionee, during the Option Period, free ingress and egress to the Parcel and Improvements for the sole purpose of conducting any survey, inspection, and other activities of a similar nature as Optionee may deem necessary, at the sole cost of Optionee. Further,

following any access, inspection or testing, Optionee shall make every effort to restore the Parcel to the condition it was immediately prior to the access and in all instances shall address or eliminate any health and safety hazards caused as a result of the access.

10. Indemnification. Optionee hereby shall indemnify and hold harmless Optionor, and its elected or appointed officials, directors, officers, agents or employees, successors and assigns, against any claim of liability or loss from personal injury or property damage resulting from or arising out of the access, use, and entry upon the Parcel or Improvements by the Optionee, its employees, affiliates, servants, contractors or agents, excepting, however, such claims or damages as may be due to or caused by the gross negligence or omissions of Optionor, or its elected or appointed officials, directors, officers, agents or employees, successors and assigns.
11. Insurance. In addition, before Optionee, its employees, affiliates, servants, contractors or agents enters onto the property for the purposes stated in this Section 8, Optionee shall deliver to Optionor a certificate of insurance naming Optionor as additional insured under a commercial general liability policy of insurance maintained by Optionee, which policy shall include contractual indemnity coverage.
12. Notice. Notice of the exercise of this Option shall be given by Optionee to Optionor in writing by certified mail, return receipt requested to the address provided in the Ground Lease "Landlord's Address for Notices." Notice shall be deemed effective on the date it is posted. On the date of such notice, the Parties agree that the mutually acceptable finalized version of the Ground Lease shall take effect and said Deed may be recorded.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Option as of the Effective Date.

OPTIONOR:

**CITY OF MANISTEE HOUSING
COMMISSION**, a Michigan public body corporate

By: 
Name: Clinton McKinven-Copus
Its: Executive Director

OPTIONEE:

**CT HV Limited Dividend Housing Association
LLC**, a Michigan limited liability company

By: CT HV MANAGING MEMBER LLC, a
Michigan limited liability company
Its: Manager

By: Commonwealth Holdings, LLC, a
Wisconsin limited liability company
Its: Manager

By: _____
Name: _____
Its: _____

IN WITNESS WHEREOF, the parties have executed this Option as of the Effective Date.

OPTIONOR:

**CITY OF MANISTEE HOUSING
COMMISSION**, a Michigan public body corporate

By: _____
Name: Clinton McKinven-Copus
Its: Executive Director

OPTIONEE:

**CT HV Limited Dividend Housing Association
LLC**, a Michigan limited liability company

By: CT HV MANAGING MEMBER LLC, a
Michigan limited liability company
Its: Manager

By: Commonwealth Holdings, LLC, a
Wisconsin limited liability company
Its: Manager

By: 
Name: Kristi Morgan
Its: Authorized Agent

EXHIBIT A

PT GOV LOT 1 COM 1000 FT W & 133 FT S OF NE COR, E 60 FT, S 100 FT, W 60 FT, N 100 FT TO POB. .14 A M/L SEC 11 T21N R17W
Property Tax Id#: 51-51-211-103-09

PT GOV LOT 1 COM 940 FT W + 133 FT S OF NE COR, E 60 FT, S 100 FT, W 60 FT, N 100 FT TO POB SEC 11 T21N R17W
Property Tax Id#: 51-51-211-103-10

PT GOVT LOT 1 COM 600 FT W & 263 FT S OF NE COR, W 399 FT, S 128 FT, W 51 FT, S TO MANISTEE RIVER, ELY ALG RIVER TO PT DUE S OF POB, N TO POB. 5.98 A M/L SEC 11 T21N R17W
Property Tax Id#: 51-51-211-106-01

PT GOVT LOT 1 COM 1100 FT W & 263 FT S OF NE COR, E 101 FT, S 128 FT, W 51 FT, S TO MANISTEE RIVER, WLY TO PT S OF POB, N TO POB. SEC 11 T21N R17W
Property Tax Id#: 51-51-211-106-02

PT LOT 1 COM 1100 FT W & 263 FT S NE COR, W 220 FT, S TO MANISTEE RIVER, ELY ALG RIVER TO A PT DUE S OF POB, N TO POB EXC M&NERR R/W
Property Tax Id#: 51-51-211-107-01

PT GOV LOT 1 COM 263 FT S OF SE COR OF SW 1/4 SE 1/4 OF SEC 2, S 87 FT, W 66 FT N 80 FT, E 11 FT, NELY 55 1/2 FT TO POB .13 A M/L SEC 11 T21N R17W
Property Tax Id#: 51-51-211-126-01

PT GOV LOT 1 COM 270 FT S & 66 FT W OF SE COR OF SW 1/4 SE 1/4 SEC 2, W 108 FT, S 80 FT, E 108 FT, N 80 FT TO POB SEC 11 T21N R17W
Property Tax Id#: 51-51-211-126-02

PT OF GOVT LOT 1, COM 350 FT SOUTH OF SE COR OF SW 1/4 OF SE 1/4 SEC 2 FOR POB, TH W 174 FT, TH S TO N EDGE OF RIVER, TO N EDGE OF RIVER, TH E ALG RIVER 181 FT TH N TO POB. .55 A M/L SEC 11 T21N R17W
Property Tax Id#: 51-51-211-126-10



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Mr. Jonathan Nesburg
CT HV Limited Dividend Housing Association LLC
Cogency Global Inc., 229 Brookwood Dr., Ste 14
South Lyon, Michigan 48178

RE: Seller Loan to CT HV Limited Dividend Housing Association LLC (the "Borrower") in connection with redevelopment of Century Terrace and Haborview Apartments in Manistee, Michigan

Dear Mr. Nesburg:

Pursuant to the development agreement between Commonwealth Development Corporation of America and the City of Manistee Housing Commission ("CMHC") in connection with the redevelopment of the apartment buildings known as Century Terrace and Haborview Apartments (collectively, the "Existing Improvements"), CMHC makes this commitment (this "Commitment"), subject to the terms hereof, to fund a loan not to exceed **\$1,021,784.26** (the "Loan") for the purpose of financing the acquisition of the Existing Improvements, which will be redeveloped with the assistance of low income housing tax credits (the "Redevelopment"). This Loan will be seller financing of the acquisition cost of the Existing Improvements. CMHC will lease the land underlying the Existing Improvements (the "Parcel") pursuant to a long-term ground lease (the "Ground Lease") and convey the Existing Improvements to the Borrower through a limited warranty deed.

Outlined below are the terms and conditions of the Loan:

- BORROWER:** CT HV Limited Dividend Housing Association LLC
- DEVELOPMENT:** Borrower's leasehold interest in the Parcel pursuant to the Ground Lease and borrower's interest in the Existing Improvements through a limited warranty deed.
- 1st MORTGAGEE:** Sterling Bank
- 1st MORTGAGE AMOUNT:** Approximately \$11,000,000 (Construction Loan), which will be reduced to approximately \$3,400,000 upon conversion (Permanent Loan)
- 2nd MORTGAGEE:** City of Manistee Housing Commission
- 2nd MORTGAGE AMOUNT:** \$1,021,784.26
- INTEREST RATE:** The Loan will have an interest rate of the Applicable Federal Rate at the time of closing and repayable from available cash flow. The unpaid balance will accrue and be payable upon the maturity of the Loan.
- TERM:** The term of the Loan shall be coterminous with the First Mortgage or such longer period as agreed to by the parties (the "Term"). Unpaid principal and accrued interest, if any, shall be due at the end of the Term.
- PREPAYMENT:** The entire Loan balance or any part thereof can be prepaid at any time without any prepayment fee or penalty.

SECURITY: The terms and conditions of the Loan shall be set forth in a seller promissory note (the "Note") and secured by a leasehold mortgage on the Parcel (the "Mortgage") by and between the Borrower and CMHC, and any other documents CMHC determines appropriate, collectively referred to herein as the "CMHC Loan Documents", all of which shall be prepared by CMHC's counsel.

ADDITIONAL FINANCING:

CMHC and the Borrower acknowledge and agree that there will be a first lien leasehold mortgage (the "First Mortgage") in favor of Sterling Bank (the "First Mortgage Lender"), as well as equity provided in return for low income housing tax credits ("LIHTC's") by an equity investor (the "Investor").

REPORTS & FINANCIAL STATEMENTS:

Borrower shall submit for CMHC's review, current audited financial statements on an annual basis. On a semiannual basis, until the Loan is paid in full, Borrower shall furnish operating statements and rent rolls for the Redevelopment, shall permit inspection of the Redevelopment, and shall provide documentation, reports, and information establishing that the apartment unit rental requirements identified comply with the applicable regulatory requirements and other restrictive covenants, including without limitation those restrictions contained in the Ground Lease, the Rental Assistance Demonstration ("RAD") Use Agreement entered into between HUD, Borrower and CMHC, the Project-Based Rental Assistance Housing Assistance Payment Contract, and other applicable documents required by HUD in connection with the HUD's RAD Program.

SALE OR TRANSFER:

The CMHC Loan Documents will, among other things, provide that CMHC may call a default on the Loan upon any sale, conveyance, assignment, or other transfer of the Redevelopment, or any interest thereof, except and unless prior notice has been provided to HUD and CMHC, and to the extent required, HUD and CMHC have provided consent.

ASSIGNMENT/AMENDMENT OF COMMITMENT:

This Commitment is not assignable by Borrower and any attempt to do so shall render this Commitment immediately null and void and CMHC shall have no further obligation hereunder. This Commitment, after acceptance, may not be altered or amended unless agreed to in writing by Borrower and CMHC.

CONDITIONS TO FUNDING THE LOAN:

The funding of the Loan described in this Commitment is contingent upon: (i) Borrower's securing LIHTC's as well as the First Mortgage and all other funding necessary for the Redevelopment; (ii) CMHC's satisfactory review and approval of all requisite underwriting related to the Loan; (iii)

obtaining any necessary approvals by the CMHC Board of Commissioners; and, (iv) obtaining all applicable HUD approvals in accordance with the RAD Program; and (v) Borrower's execution and delivery of all such documentation as CMHC or its counsel may require in connection with the Loan, in CMHC's reasonable discretion and upon terms satisfactory to CMHC in its reasonable discretion, as all documentation required by the First Mortgage Lender, the Investor and any other funders or regulators of the Redevelopment. Once the conditions in items (i) through (v) have been satisfied, the Loan will be deemed to be closed (the "Financial Closing").

TIMING OF PAYMENTS AND USE OF THE FUNDS:

The Loan funds represent CMHC financing of allowable acquisition costs incurred by Borrower in connection with the Redevelopment. The parties agree that such Loan funds shall be detailed in the budget for the Redevelopment.

EXPIRATION OF COMMITMENT:

This Commitment shall expire eighteen (18) months from the date of issuance.

Sincerely,



Clinton McKinven-Copus
Executive Director

ACCEPTANCE OF COMMITMENT:

If this Commitment is acceptable to you, please sign in the appropriate space below, on the enclosed duplicate hereof and return the same to us at our address set forth hereon.

Accepted and agreed to this 19th day of May, 2020.

CT HV Limited Dividend Housing Association LLC, a Michigan limited liability company

By: CT HV MANAGING MEMBER LLC, a Michigan limited liability company

Its: Manager

By: Commonwealth Holdings, LLC, a Wisconsin limited liability company

Its: Manager

By:  _____

Name: Kristi Morgan

Its: Authorized Agent