



## II. FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact:

Fiscal Years	2011	2012	2013	2014	2015
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	-0-				


# ADDITIONAL FTE POSITIONS (Cumulative)	-0-				
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Is Item Included In Current Budget? Yes \_\_\_\_\_ No \_\_\_\_\_  
 Budget Account No.:

Fund \_\_\_\_\_ Depart \_\_\_\_\_ Unit \_\_\_\_\_ Object \_\_\_\_\_ Program Code/Period \_\_\_\_\_

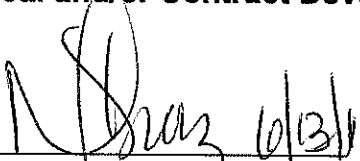
### B. Recommended Sources of Funds/Summary of Fiscal Impact:

No Fiscal Impact

C. Departmental Fiscal Review:   
 Shairette Major, Fiscal Manager

## III. REVIEW COMMENTS

### A. OFMB Fiscal and/or Contract Development and Control Comments:

  
 OFMB *JS* 6/13/11  
*@1/10/11* 2/10/11

  
 Contract Development and Control

### B. Legal Sufficiency:

See CDC's comments

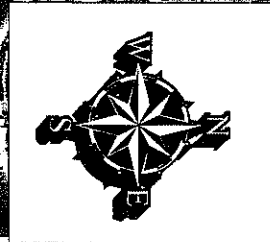
  
 Senior Assistant County Attorney

At the time of our review, the amendment was not executed.

### C. Other Department Review:

\_\_\_\_\_  
 Department Director

**LOCATION MAP - RIVIERA BEACH HOUSING AUTHORITY**



**AMENDMENT 003 TO THE AGREEMENT  
WITH  
RIVIERA BEACH HOUSING AUTHORITY**

Amendment 003 entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by and between Palm Beach County and the Riviera Beach Housing Authority.

**WITNESSETH:**

WHEREAS, Palm Beach County entered into an Agreement with the Riviera Housing Authority on April 1, 2010 (R2010-0899), as amended on March 15, 2011 by Amendment 001 (R2011-0388) and Amendment 002 (R2011-0389) to provide \$492,579.49 of Neighborhood Stabilization Program Grant funds for the acquisition and rehabilitation of properties; and

WHEREAS, the parties wish to modify the Agreement as follows:

**A. Part III - Section 1 – MAXIMUM COMPENSATION**

Replace "June 30, 2011" with "October 31, 2011".

**B. Part III - Section 2 – TIME OF PERFORMANCE**

Replace "June 30, 2011" with "October 31, 2011".

**C. Exhibit A – WORK PROGRAM NARRATIVE – Section 1. A. TYPE OF PROPERTY TO BE FUNDED AND APPLICABLE REQUIREMENTS**

Add the contents of this section:

The time frame for completion of the Monthly Performance Benchmarks shall be as follows:

- Construction/rehabilitation activities: July 15, 2011
- Final Inspections: July 30, 2011
- Payments to contractors August 15, 2011
- Reimbursement requests to HCD September 15, 2011
- Lease-up Completion October 31, 2011

**This Agreement may be amended to decrease and/or recapture grant funds from the Agency depending upon the timely completion of the Monthly Performance Benchmarks, as determined by HCD.**

**The Agency agrees that it may be subject to decrease and/or recapture of project funds by the County if the Monthly Performance Benchmarks herein are not met. Failure by the Agency to comply with these performance benchmarks may negatively impact ability to receive future grant awards.**

**The Agency further agrees that HCD, in consultation with any parties it deems necessary, shall be the final arbiter of the Agency's compliance with the above.**

**D. Part IV – Section 24 – Palm Beach County Office of the Inspector General:**

Add the following Section 24 to Part IV of the Agreement:

**24. PALM BEACH COUNTY OFFICE OF THE INSPECTOR GENERAL**

Pursuant to Palm Beach County Code, Section 2-421 – 2-440, as may be amended, Palm Beach County has established the Office of the Inspector General, which is authorized and empowered to review past, present and proposed County agreements, contracts, transactions,

accounts and records. All parties doing business with the County and receiving County funds, including the Agency, shall fully cooperate with the Inspector General. The Inspector General has the power to subpoena witnesses, administer oaths, require the production of records, and to audit, investigate, monitor, and inspect the activities of the Agency, its officers, agents, employees, and lobbyists in order to ensure compliance with this Agreement and to detect waste, corruption and fraud.

NOW THEREFORE, 1) all items in the Agreement in conflict with this Amendment shall be and are hereby changed to conform to this Amendment, and 2) all provisions not in conflict with this aforementioned Amendment are still in effect and shall be performed at the same level as specified in the Agreement.

(AGENCY SEAL BELOW)

**RIVIERA BEACH HOUSING AUTHORITY**

By: \_\_\_\_\_  
J. Jerome Taylor, Chair

By: \_\_\_\_\_  
John Hurt, Executive Director

(COUNTY SEAL BELOW)

**PALM BEACH COUNTY, FLORIDA, a  
Political Subdivision of the State of Florida  
BOARD OF COUNTY COMMISSIONERS**

By: \_\_\_\_\_  
Karen T. Marcus, Chair  
Board of County Commissioners

ATTEST: Sharon R. Bock,  
Clerk & Comptroller

By: \_\_\_\_\_  
Deputy Clerk

Document No.: \_\_\_\_\_

Approved as to Form and  
Legal Sufficiency

Approved as to Terms and Conditions  
Dept. of Housing and Community Development

By: \_\_\_\_\_  
Tammy K. Fields  
Senior Assistant County Attorney

By: \_\_\_\_\_  
Journey Beard, Director of Contract  
Development and Quality Control

**AMENDMENT 002 TO THE AGREEMENT  
WITH  
RIVIERA BEACH HOUSING AUTHORITY, INC.**

Amendment 002 entered into this 1<sup>st</sup> day of March, 2011, by and between Palm Beach County and the Riviera Beach Housing Authority, Inc.

**WITNESSETH:**

WHEREAS, Palm Beach County entered into an Agreement with the Riviera Beach Housing Authority, Inc., on April 1, 2010 (R2010-0899), as amended by Amendment 001, to provide \$500,000 of Neighborhood Stabilization Program Grant funds for the acquisition and rehabilitation of properties; and

WHEREAS, the parties wish to modify the Agreement as follows:

**A. Part III - Section 1 - Maximum Compensation:**

Replace "\$500,000" with "\$492,579.49".

**B. EXHIBIT A - Section II. A - The County Agrees To:**

Replace "\$500,000" with "\$492,579.49".

NOW THEREFORE, 1) all items in the Agreement in conflict with this Amendment shall be and are hereby changed to conform to this Amendment, and 2) all provisions not in conflict with this aforementioned Amendment are still in effect and shall be performed at the same level as specified in the Agreement.

(AGENCY SEAL BELOW)

**RIVIERA BEACH HOUSING AUTHORITY, INC.**

By: Juan K. Atkins  
Juan Atkins, Chair

By: Da'Pracia S. Skyles  
Secretary

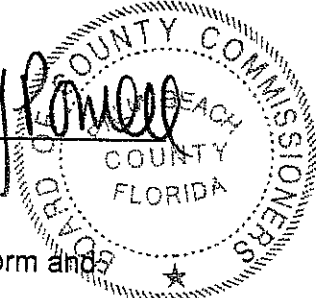
(COUNTY SEAL BELOW)

**PALM BEACH COUNTY, FLORIDA, a  
Political Subdivision of the State of Florida  
BOARD OF COUNTY COMMISSIONERS**

By: Karen T. Marcus  
Karen T. Marcus, Chair  
Board of County Commissioners

ATTEST: Sharon R. Bock,  
Clerk & Comptroller

By: Macey Powell  
Deputy Clerk



Document No.: R2011 0389  
MAR 15 2011

Approved as to Form and  
Legal Sufficiency

Approved as to Terms and Conditions  
Dept. of Housing and Community Development

By: Tammy K. Fields  
Tammy K. Fields  
Senior Assistant County Attorney

By: Journey Beard  
Journey Beard, Director of Contract  
Development and Quality Control

**AMENDMENT 001 TO THE AGREEMENT  
WITH  
RIVIERA BEACH HOUSING AUTHORITY, INC.**

Amendment 001 entered into this 1<sup>st</sup> day of March, 2011, by and between Palm Beach County and the Riviera Beach Housing Authority, Inc.

**WITNESSETH:**

WHEREAS, Palm Beach County entered into an Agreement with the Riviera Beach Housing Authority, Inc., on April 1, 2010 (R2010-0899), to provide \$500,000 of Neighborhood Stabilization Program Grant funds for the acquisition and rehabilitation of properties; and

WHEREAS, the parties wish to modify the Agreement as follows:

**A. Part III - Section 1 - Maximum Compensation:**

Replace "March 31, 2011" with "June 30, 2011".

**B. Part III - Section 2 - Time of Performance:**

Replace "March 31, 2011" with "June 30, 2011".

NOW THEREFORE, 1) all items in the Agreement in conflict with this Amendment shall be and are hereby changed to conform to this Amendment, and 2) all provisions not in conflict with this aforementioned Amendment are still in effect and shall be performed at the same level as specified in the Agreement.

(AGENCY SEAL BELOW)

**RIVIERA BEACH HOUSING AUTHORITY, INC.**

By: Juan K. Atkins  
Juan Atkins, Chair

By: Patricia S. Hays  
Secretary

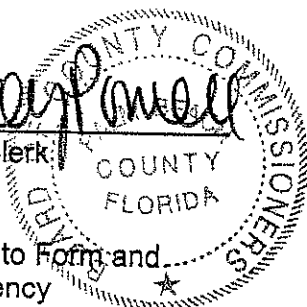
(COUNTY SEAL BELOW)

**PALM BEACH COUNTY, FLORIDA, a  
Political Subdivision of the State of Florida  
BOARD OF COUNTY COMMISSIONERS**

By: Karen T. Marcus  
Karen T. Marcus, Chair  
Board of County Commissioners

ATTEST: Sharon R. Bock,  
Clerk & Comptroller

By: Tracy Powell  
Deputy Clerk



Approved as to Form and  
Legal Sufficiency

Document No.: R2011-0388  
MAR 15 2011

Approved as to Terms and Conditions  
Dept. of Housing and Community Development

By: Journey Beard  
Journey Beard, Director of Contract  
Development and Quality Control

By: Tammy K. Fields  
Senior Assistant County Attorney



**AGREEMENT BETWEEN PALM BEACH COUNTY**

**AND**

**RIVIERA BEACH HOUSING AUTHORITY, INC.**

(APR 01 2010)

THIS AGREEMENT, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Palm Beach County, a political subdivision of the State of Florida, for the use and benefit of its Community Development Block Grant Program, and the Riviera Beach Housing Authority, Inc., a non-profit corporation duly organized and existing by virtue of the laws of the State of Florida, having its principal office at 2014 West 17<sup>th</sup> Court, Riviera Beach, FL 33404, and its Federal Tax Identification number as 59-1687746.

WHEREAS, Palm Beach County has entered into an agreement with the United States Department of Housing and Urban Development for the use of grant funds made available under the Housing and Economic Recovery Act of 2008 (HERA); and

WHEREAS, these grant funds were made available pursuant to the authority of Sections 2301-2304 of HERA, which established the Neighborhood Stabilization Program (NSP); and

WHEREAS, Palm Beach County wishes to use grant funds provided under NSP for the herein described project; and

WHEREAS, Palm Beach County desires to engage the Riviera Beach Housing Authority, Inc., to implement the herein described project; and

WHEREAS, the Riviera Beach Housing Authority, Inc., wishes to enter into this Agreement to implement the herein described project.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, it is agreed as follows:

**PART I**

**DEFINITION AND PURPOSE**

1. **DEFINITIONS**

- (1) "County" means Palm Beach County.
- (2) "HERA" means the Housing and Economic Recovery Act of 2008 (HERA).
- (3) "NSP" means the Neighborhood Stabilization Program as authorized under Sections 2301-2304 of HERA.
- (4) "CDBG" means the Community Development Block Grant Program of the United States Department of Housing and Urban Development.
- (5) "HCD" means Palm Beach County Housing and Community Development.
- (6) "Agency" means the Riviera Beach Housing Authority, Inc.
- (7) "HCD Approval" means the written approval of the HCD Director or his designee.
- (8) "HUD" means the Secretary of Housing and Urban Development or a person authorized to act on its behalf.
- (9) "Low and moderate income persons" means the definition set by HUD.

2. **PURPOSE**

The purpose of this Agreement is to state the covenants and conditions under which the Agency will implement the Scope of Services set forth in Part II of this Agreement.



PART II

SCOPE OF SERVICES

The Agency shall, in a satisfactory and proper manner as determined by HCD, perform the tasks necessary to implement the project outlined in Exhibit "A" as attached hereto and made a part hereof.

PART III

COMPENSATION, TIME OF PERFORMANCE, METHOD, AND CONDITIONS OF PAYMENT

1. MAXIMUM COMPENSATION

The Agency agrees to accept as full payment for services rendered pursuant to this Agreement the actual amount of budgeted, eligible, and HCD Director or designee-approved expenditures and encumbrances made by the Agency under this Agreement. Said services shall be performed in a manner satisfactory to HCD. In no event shall the total compensation or reimbursement to be paid hereunder exceed the maximum and total authorized sum of \$500,000 for the period of April 1, 2010, through and including March 31, 2011. Any funds not obligated by the expiration date of this Agreement shall automatically revert to the County.

2. TIME OF PERFORMANCE

The effective date of this Agreement and all rights and duties designated hereunder are contingent upon the timely release of funds for this project by HUD under NSP grant number B-08-UN-12-0013. The effective date shall be the date of execution of this Agreement, and the services of the Agency shall be undertaken and completed in light of the purposes of this Agreement. In any event, all services required hereunder shall be completed by the Agency prior to March 31, 2011.

3. METHOD OF PAYMENT

The County agrees to make payments and to reimburse the Agency for all budgeted costs permitted by Federal, State, and County guidelines. The Agency shall not request reimbursement for payments made by the Agency before the effective date of this Agreement, nor shall it request reimbursement for payments made after the expiration date of this Agreement, and in no event shall the County provide advance funding to the Agency or any subcontractors hereunder. The Agency shall request payments or reimbursements from the County by submitting to HCD proper documentation of expenditures consisting of originals of invoices, receipts, or other evidence of indebtedness, and when original documents cannot be presented, the Agency may furnish copies if deemed acceptable by HCD. Each request for payment or reimbursement submitted by the Agency shall be accompanied by a letter from the Agency, provided on the Agency's letterhead, referencing the name of the project funded herein, the date of this Agreement and/or its document number, and containing a statement requesting the payment or reimbursement and its amount, as well as the name and signature of the person making the request. Payment shall be made by the Palm Beach County Finance Department upon presentation of the aforesaid proper documentation of expenditures as approved by HCD. The Agency may at any time after the expiration of this agreement request from the County reimbursement for payments made by the Agency during the term of this Agreement by submitting to HCD the aforesaid proper documentation of expenditures, and the Palm Beach County Finance Department shall make payment as stated above, provided that HCD has determined that the funds allocated to the Agency through this agreement are still available for payment, and provided that HCD approves such payment.

4. CONDITIONS ON WHICH PAYMENT IS CONTINGENT

(1) IMPLEMENTATION OF PROJECT ACCORDING TO REQUIRED PROCEDURES

The Agency shall implement this Agreement in accordance with applicable Federal, State, County, and local laws, ordinances and codes and with the procedures outlined in HCD Policies and Procedures memoranda. The Federal, State, and County laws, ordinances and codes are minimal regulations supplemented by more restrictive guidelines set forth by HCD. No payments for projects funded by more than one funding source will be made until a cost allocation plan has been approved by the HCD Director or designee. Should a project receive additional funding after the commencement of this Agreement, the Agency shall notify HCD in writing within thirty (30) days of receiving notification from the funding source and submit a cost allocation plan for approval by the HCD Director or designee within forty-five (45) days of said official notification.

(2) FINANCIAL ACCOUNTABILITY

The County may have a financial systems analysis and/or an audit of the Agency, or of any of its subcontractors, by an independent auditing firm employed by the County or by the County internal Audit Department at any time the County deems necessary to determine if the project is being managed in accordance with Federal, State, and County requirements.

(3) SUBCONTRACTS

Any work or services subcontracted hereunder shall be specifically by written contract, written agreement, or purchase order. All subcontracts shall be submitted by the Agency to HCD and approved by HCD prior to execution of any subcontract hereunder. All subcontracts shall be subject to Federal, State and County laws and regulations. This includes ensuring that all consultant contracts and fee schedules meet the minimum standards as established by the Palm Beach County Engineering Department and HUD. Contracts for architecture, engineering, survey, and planning shall be fixed fee contracts. All additional services shall have prior written approval with support documentation detailing categories of persons performing work plus hourly rates including benefits, number of drawings required, and all items that justify the "Fixed Fee Contract." Reimbursables will be at cost.

None of the work or services covered by this Agreement, including, but not limited to, consultant work or services, shall be subcontracted or reimbursed without prior written approval of the HCD Director or his designee.

(4) PURCHASING

All purchasing for services and goods, including capital equipment, shall be made by purchase order or by a written contract and in conformity with the procedures prescribed by the Palm Beach County Purchasing Code, as well as Federal Management Circulars A-110, A-122, and 24CFR Part 84, which are incorporated herein by reference.

(5) REPORTS, AUDITS, AND EVALUATIONS

Payment will be contingent on the timely receipt of complete and accurate reports required by this Agreement, and on the resolution of monitoring or audit findings identified pursuant to this Agreement.

(6) ADDITIONAL HCD, COUNTY, AND HUD REQUIREMENTS

HCD shall have the right under this Agreement to suspend or terminate payments if after 15 days written notice the Agency has not complied with any additional conditions that may be imposed, at any time, by HCD, the County, or HUD.

(7) PRIOR WRITTEN APPROVALS-SUMMARY

The following activities among others require the prior written approval of the HCD Director or designee to be eligible for reimbursement or payment:

- (a) All subcontracts and agreements pursuant to this Agreement;
- (b) All capital equipment expenditures of \$1,000 or more;
- (c) All out-of-county travel; (travel shall be reimbursed in accordance with Florida Statutes, Chapter 112.061);
- (d) All change orders; and
- (e) All requests to utilize uncommitted funds after the expiration of this Agreement for programs described in Exhibit A; and
- (f) All rates of pay and pay increases paid out of CDBG funds, whether for merit or cost of living.

(8) PROGRAM-GENERATED INCOME

All income earned by the Agency from activities financed in whole or in part by funds provided hereunder must be reported to HCD. Such income would include, but not be limited to, income from service fees, sale of commodities, and rental or usage fees. Such income shall only be used to undertake the activities authorized by this Agreement. Accounting and disbursement of such income shall comply with OMB Circular A-110 and other applicable regulations incorporated herein by reference.

## PART IV

GENERAL CONDITIONS1. OPPORTUNITIES FOR RESIDENTS AND CIVIL RIGHTS COMPLIANCE

The Agency agrees that no person shall on the ground of race, color, disability, national origin, religion, age, financial status, familial status, marital status, sexual orientation, gender, or gender identity or expression, be excluded from the benefits of, or be subjected to discrimination under any activity carried out by the performance of this Agreement. Upon receipt of evidence of such discrimination, the County shall have the right to terminate this Agreement.

To the greatest extent feasible, lower-income residents of the project areas shall be given opportunities for training and employment; and to the greatest feasible extent eligible business concerns located in or owned in substantial part by persons residing in the project areas shall be awarded contracts in connection with the project. The Agency shall comply with the Section 3 Clause of the Housing and Community Development Act of 1968.

2. OPPORTUNITIES FOR SMALL AND MINORITY/WOMEN-OWNED BUSINESS ENTERPRISES

In the procurement of supplies, equipment, construction, or services to implement this Agreement, the Agency shall make a positive effort to utilize small business and minority/women-owned business enterprises of supplies and services, and provide these sources the maximum feasible opportunity to compete for contracts to be performed pursuant to this Agreement. To the maximum extent feasible these small business and minority/women-owned business enterprises shall be located in or owned by residents of the CDBG areas designated by Palm Beach County in the CDBG Annual Consolidated Plan approved by HUD.

3. EVALUATION AND MONITORING

The Agency agrees that HCD will carry out periodic monitoring and evaluation activities as determined necessary by HCD or the County and that payment, reimbursement, or the continuation of this Agreement is dependent upon satisfactory evaluation conclusions based on the terms of this Agreement. The Agency agrees to furnish upon request to HCD, the County, or the County's designees copies of transcriptions of such records and information as is determined necessary by HCD or the County. The Agency shall submit status reports required under this Agreement on forms approved by HCD to enable HCD to evaluate progress. The Agency shall provide information as requested by HCD to enable HCD to complete reports required by the County or HUD. The Agency shall allow HCD, the County, or HUD to monitor the Agency on site. Such visits may be scheduled or unscheduled as determined by HCD or HUD.

4. AUDITS AND INSPECTIONS

At any time during normal business hours and as often as HCD, the County, HUD, or the Comptroller General of the United States may deem necessary, there shall be made available by the Agency to HCD, the County, HUD, or the Comptroller General for examination all its records with respect to all matters covered by this Agreement.

If during the year, the Agency expends over \$500,000 of Federal awards, the Agency shall comply with the provisions of OMB Circular A-133. The Agency shall submit a single audit, including any management letter, made in accordance with the general program requirements of OMB Circulars A-110, A-122, A-133, and other applicable regulations within the earlier of, 30 days after receipt of the auditor's report(s), or nine (9) months after the end of the audit period in which HCD-administered funds are expended. Said audit shall be made by a Certified Public Accountant of the Agency's choosing, subject to the County's approval. In the event the Agency anticipates a delay in producing such audit, the Agency shall request an extension in advance of the deadline. The cost of said audit shall be borne by the Agency. In the event the Agency is exempt from having an audit conducted under A-133, the Agency shall submit audited financial statements and/or the County reserves the right to conduct a "limited scope audit" of the Agency as defined by A-133. The County will be responsible for providing technical assistance to the Agency, as deemed necessary by the County.

5. UNIFORM ADMINISTRATIVE REQUIREMENTS

The Agency agrees to comply with the applicable uniform administrative requirements as described in Federal Community Development Block Grant Regulations 24 CFR 570.502.

6. REVERSION OF ASSETS

Upon expiration of this Agreement, the Agency shall transfer to the County any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds. Any real property under the Agency's control upon expiration of this Agreement which was acquired or improved in whole or part with CDBG in the excess of \$25,000 must either be used to meet one of the national objectives in Federal Community Development Block Grant Regulations 24 CFR 570.508 for a period of five years after expiration of this Agreement (unless a longer period is specified elsewhere in this Agreement), or, the Agency shall pay the County an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of, or improvement to, the property.

7. DATA BECOMES COUNTY PROPERTY

All reports, plans, surveys, information, documents, maps, and other data procedures developed, prepared, assembled, or completed by the Agency for the purpose of this Agreement shall be made available to the County by the Agency at any time upon request by the County or HCD. Upon completion of all work contemplated under this Agreement copies of all documents and records relating to this Agreement shall be surrendered to HCD if requested. In any event the Agency shall keep all documents and records for five (5) years after expiration of this Agreement.

8. INDEMNIFICATION

The Agency shall protect, defend, reimburse, indemnify and hold the County, its agents, its employees and elected officers harmless from and against any and all claims, liability, expense, loss, cost, damages or causes of action of every kind or character, including attorney's fees and costs, whether at trial or appellate levels or otherwise, arising during the performance of the terms of this Agreement, or due to the acts or omissions of the Agency. Agency's aforesaid indemnity and hold harmless obligation, or portion or applications thereof, shall apply to the fullest extent permitted by law. The Agency will hold the County harmless and will indemnify the County for funds which the County is obligated to refund the Federal Government arising out of the conduct of activities and administration of Agency.

9. INSURANCE

Unless otherwise specified in this Agreement, the Agency shall, at its sole expense, maintain in full force and effect at all times during the life of this Agreement, insurance coverages, limits, including endorsements, as described herein. The requirements contained herein as to types and limits, as well as the County's review or acceptance of insurance maintained by the Agency, are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by the Agency under this Agreement.

(1) COMMERCIAL GENERAL LIABILITY

The Agency shall agree to maintain Commercial General Liability at a limit of liability not less than \$500,000 Each Occurrence. Coverage shall not contain any endorsement excluding Contractual Liability or Cross Liability unless granted by the County's Risk Management Department. The Agency agrees this coverage shall be provided on a primary basis.

(2) BUSINESS AUTOMOBILE LIABILITY

The Agency shall agree to maintain Business Automobile Liability at a limit of liability not less than \$500,000 Each Occurrence for all owned, non-owned and hired automobiles. In the event the Agency does not own any automobiles, the Business Auto Liability requirement shall be amended allowing the Agency to agree to maintain only Hired & Non-Owned Auto Liability. This amended requirement may be satisfied by way of endorsement to the Commercial General Liability, or separate Business Auto coverage form. The Agency shall agree this coverage shall be provided on a primary basis.

(3) WORKERS COMPENSATION INSURANCE

The Agency shall agree to maintain Worker's Compensation Insurance & Employers Liability in accordance with Florida Statute Chapter 440. The Agency agrees this coverage shall be provided on a primary basis.

(4) ADDITIONAL INSURED

The Agency shall agree to endorse the County as an Additional Insured with a CG 2026 Additional Insured - Designated Person or Organization endorsement, or its equivalent, to the Commercial General Liability. The Additional Insured endorsement shall read "Palm Beach County Board of County Commissioners, a Political Subdivision of the State of Florida, its Officers, Employees and Agents, c/o Department of Housing and Community Development". The Agency shall agree the Additional Insured endorsements provide coverage on a primary basis.

(5) CERTIFICATE OF INSURANCE

The Agency shall agree to deliver to the County a certificate(s) of insurance evidencing the required insurance is in full force and effect within thirty (30) calendar days prior to the execution of this Agreement by the County. A minimum thirty (30) day endeavor to notify due to cancellation or non-renewal of coverage shall be included on the certificate(s). The Agency shall deliver the certificate(s) to HCD at its office at 100 Australian Avenue, Suite 500, West Palm Beach, Florida 33406.

(6) RIGHT TO REVIEW AND ADJUST

The Agency shall agree that the County, by and through its Risk Management Department, in cooperation with the Department of Housing and Community Development, reserves the right to periodically review, modify, reject or accept any required policies of insurance, including limits, coverages, or endorsements, herein from time to time throughout the life of this Agreement. The County reserves the right, but not the obligation, to review and reject any insurer providing coverage because of its poor financial condition or failure to operate legally.

10. MAINTENANCE OF EFFORT

The intent and purpose of this Agreement is to increase the availability of the Agency's services. This Agreement is not to substitute for or replace existing or planned projects or activities of the Agency. The Agency agrees to maintain a level of activities and expenditures, planned or existing, for projects similar to those being assisted under this Agreement which is not less than that level existing prior to this Agreement.

11. CONFLICT OF INTEREST

The Agency covenants that no person who presently exercises any functions or responsibilities in connection with the Project, has any personal financial interest, direct or indirect, in the target areas or any parcels therein, which would conflict in any manner or degree with the performance of this Agreement and that no person having any conflict of interest shall be employed by or subcontracted by the Agency. Any possible conflict of interest on the part of the Agency or its employees shall be disclosed in writing to HCD provided, however, that this paragraph shall be interpreted in such a manner so as not to unreasonably impede the statutory requirement that maximum opportunity be provided for employment of and participation of low and moderate-income residents of the project target area.

12. CITIZEN PARTICIPATION

The Agency shall cooperate with HCD in the implementation of the Citizen Participation Plan by establishing a citizen participation process to keep residents informed of the activities the Agency is undertaking in carrying out the provisions of this Agreement. Representatives of the Agency shall attend meetings and assist HCD in the implementation of the Citizen Participation Plan, as requested by HCD.

13. RECOGNITION

All facilities purchased or constructed pursuant to this Agreement shall be clearly identified as to funding source. The Agency will include a reference to the financial support herein provided by HCD in all publications and publicity. In addition, the Agency will make a good faith effort to recognize HCD's support for all activities made possible with funds made available under this Agreement.

14. AGREEMENT DOCUMENTS

The following documents are herein incorporated by reference and made a part hereof, and shall constitute and be referred to as the Agreement; and all of said documents taken as a whole constitute the Agreement between the parties hereto and are as fully a part of the Agreement as if they were set forth verbatim and at length herein:

- (1) This Agreement, including its Exhibits;
- (2) Office of Management and Budget Circulars A-110, A-122, A-133, and 24CFR Part 84
- (3) Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, and Title II of the Americans with Disabilities Act of 1990;

- (4) Executive Orders 11246, 11478, 11625, 12432, the Davis Bacon Act, and Section 3 of the Housing and Community Development Act of 1968, and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended;
  - (5) Executive Orders 11063, 12259, 12892, the Fair Housing Act of 1988, and Section 109 of the Housing and Community Development Act of 1974, as amended;
  - (6) Florida Statutes, Chapter 112;
  - (7) Palm Beach County Purchasing Code;
  - (8) Federal Community Development Block Grant Regulations (24 CFR Part 570), and Federal Consolidated Plan Regulations (24 CFR Part 91), as amended;
  - (9) The Housing and Economic Recovery Act of 2008 (HERA);
  - (10) The Agency's personnel policies and job descriptions;
  - (11) The Agency's incorporation Certificate and Articles of Incorporation;
  - (12) The Agency's By-laws;
  - (13) The Agency's Certificate of Insurance;
  - (14) Current list of the Agency's officers and members of its Board of Directors; and
  - (15) Proof of the Agency's 501(c)(3) certification from the Internal Revenue Service.
- All of these documents will be maintained on file at HCD. The Agency shall keep an original of this Agreement, including its Exhibits, and all amendments thereto, on file at its principal office.

15. TERMINATION

In event of termination for any of the following reasons, all finished or unfinished documents, data studies, surveys, drawings, maps, models, photographs, reports prepared, and capital equipment secured by the Agency with funds under this Agreement shall be returned to HCD or the County.

In the event of termination, the Agency shall not be relieved of liability to the County for damages sustained by the County by virtue of any breach of the Agreement by the Agency, and the County may withhold any payment to the Agency for set-off purposes until such time as the exact amount of damages due to the County from the Agency is determined.

(1) TERMINATION FOR CAUSE

If through any cause either party shall fail to fulfill in a timely and proper manner its obligations under this Agreement, or if either party shall violate any of the covenants, agreements, or stipulations of this Agreement, either party shall thereupon have the right to terminate this Agreement in whole or part by giving a fifteen (15) working day written notice of such termination to the other party and specifying therein the effective date of termination.

(2) TERMINATION FOR CONVENIENCE

At any time during the term of this Agreement, either party may, at its option and for any reason, terminate this Agreement upon ten (10) working days written notice to the other party. Upon termination, the County shall pay the Agency for services rendered pursuant to this Agreement through and including the date of termination.

(3) TERMINATION DUE TO CESSATION

In the event the grant to the County under Title I of the Housing and Community Development Act of 1974 (as amended) is suspended or terminated, this Agreement shall be suspended or terminated effective on the date HUD specifies.

16. SEVERABILITY OF PROVISIONS

If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected thereby if such remainder would then continue to conform to the terms and requirements of applicable law.

17. AMENDMENTS

The County may, at its discretion, amend this Agreement to conform with changes required by Federal, State, County, or HUD guidelines, directives, and objectives. Such amendments shall be incorporated by written amendment as a part of this Agreement and shall be subject to approval of the Palm Beach County Board of County Commissioners. Except as otherwise provided herein, no amendment to this Agreement shall be binding on either party unless in writing, approved by the Board of County Commissioners and signed by both parties.

18. NOTICES

All notices required to be given under this Agreement shall be sufficient when delivered to HCD at its office at 100 Australian Avenue, Suite 500, West Palm Beach, Florida 33406, and to the Agency when delivered to its office at the address listed on page one (1) of this Agreement.

19. INDEPENDENT AGENT AND EMPLOYEES

The Agency agrees that, in all matters relating to this Agreement, it will be acting as an independent agent and that its employees are not Palm Beach County employees and are not subject to the County provisions of the law applicable to County employees relative to employment, hours of work, rates of compensation, leave, unemployment compensation and employee benefits.

20. NO FORFEITURE

The rights of the County under this Agreement shall be cumulative and failure on the part of the County to exercise promptly any rights given hereunder shall not operate to forfeit or waive any of the said rights.

21. PUBLIC ENTITY CRIMES

As provided in F.S. 287.133 by entering into this Agreement or performing any work in furtherance hereof, the Agency certifies that it, its affiliates, suppliers, subcontractors and consultants who will perform hereunder, have not been placed on the convicted vendor list maintained by the State of Florida Department of Management Services within the 36 months immediately preceding the date hereof. This notice is required by F.S. 287.133 (3)(a).

22. COUNTERPARTS OF THE AGREEMENT

This Agreement, consisting of forty(40) enumerated pages which include the exhibits referenced herein, shall be executed in three (3) counterparts, each of which shall be deemed to be an original, and such counterparts will constitute one and the same instrument.

23. ENTIRE UNDERSTANDING


This Agreement and its provisions merge any prior agreements, if any, between the parties hereto and constitutes the entire understanding. The parties hereby acknowledge that there have been and are no representations, warranties, covenants, or undertakings other than those expressly set forth herein.

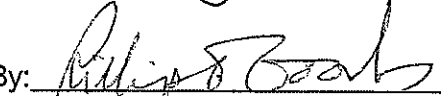
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WITNESS our Hands and Seals on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

(AGENCY SEAL BELOW)


**RIVIERA BEACH HOUSING AUTHORITY, INC.**

BY:   
Ron T. Purpura, Chairman

By:   
Philip O. Goombs, Secretary

**PALM BEACH COUNTY, FLORIDA, a  
Political Subdivision of the State of Florida**


**FOR ITS BOARD OF COUNTY COMMISSIONERS**

By:   
Robert Weisman, County Administrator

Approved as to Form and  
Legal Sufficiency

By:   
Tammy K. Fields  
Senior Assistant County Attorney

Approved as to Terms and Conditions  
Dept. of Housing and Community Development

By:   
Amin Houry, Manager  
Housing and Capital Improvements



**EXHIBIT A**  
**WORK PROGRAM NARRATIVE**

**I. THE AGENCY AGREES TO:**

**A. TYPE OF PROPERTY TO BE FUNDED AND APPLICABLE REQUIREMENTS:**

The Agency shall acquire and rehabilitate (if necessary) at least three (3) single-family detached homes or townhouses for rental purposes.

All such properties shall be acquired, rehabilitated, leased and/or sold by the Agency according to the requirements of this Agreement, according to NSP requirements, and according to the requirements of the Residential Rehabilitation Program as approved (and amended from time to time) by the County. The Agency shall seek a determination from HCD for any conflicting requirements contained in the aforesaid that the Agency believes to exist. HCD shall advise the Agency of its determination in writing and the Agency shall accept, and abide by, such determination.

**B. FUNDING OBLIGATION, EXPENDITURE REQUIREMENTS, AND ALLOWABLE COSTS:**

**1. Funding Obligation:**

All funds associated with this Agreement shall be expended or obligated by September 4, 2010, unless such date is changed by HUD. HCD shall inform the Agency of any such change. The Agency shall diligently undertake the activities outlined in this Agreement to enable HCD to obligate funds in the HUD computer system. The Agency understands that funds not obligated by said date may be withdrawn by HUD and may consequently no longer be available through this Agreement. HCD shall only obligate funds according to the requirements of HUD. At the writing of this Agreement, HUD has determined that funds may be regarded as obligated if there exists an executed contract (or purchase order) for the amount of such funds. Should, after the execution of this Agreement, HUD allow funds to be regarded as obligated under circumstances other than the aforesaid, then HCD and the Agency shall regard such other manners of obligating funds as though they are part of this Agreement.

**2. Expenditures and Income Levels:**

The Agency shall assure that all funds expended through this Agreement are expended on dwelling units that will be occupied by households, defined as Middle Income Households (MIH), whose incomes are at or below one hundred and twenty percent (120%) of the median income for the West Palm Beach - Boca Raton Metropolitan Statistical Area adjusted by family size, as determined by HCD at its sole discretion, provided however, that at least forty percent (40%) of the funds expended through this Agreement are expended on dwelling units that will be occupied by households, defined as Very-Low Income Households (VLIH), whose incomes are at or below fifty percent (50%) of the median income for the West Palm Beach - Boca Raton Metropolitan Statistical Area adjusted by family size, as determined by HCD at its sole discretion. The Agency understands that the median income level may be adjusted from time to time.

**3. Allowable Costs:**

The allowable costs that may be funded through this Agreement, subject to HCD approval, are: property acquisition costs, closing costs (title insurance, settlement fee, recording fees, real estate taxes, State documentary stamp and intangible taxes, wire and courier charges), appraisal costs, land surveys, rehabilitation inspections, lead-based paint inspection/risk assessment, asbestos inspection, construction rehabilitation, lead-based paint/asbestos abatement, extermination of wood destroying organisms, the Agency's activity delivery fee, and any other costs related to the acquisition and rehabilitation of the property as deemed eligible by HCD.

Note: Costs regarded by HCD as carrying costs in connection with properties to be acquired then resold, as well as costs regarded by HCD as operating costs in connection with properties to be acquired then rented, are not allowable costs under this Agreement. For example, homeowner association fees and assessments, and property, windstorm, and flood insurance costs shall be paid by the Agency, and shall not be regarded as allowable costs in connection with the acquisition of property.

**C. SELECTION OF PROPERTIES:**

The Agency shall only select properties for acquisition that comply with the following:

**1. Property Location:**

The Agency shall only select properties that are located in the following zip codes:

- 33414, 33467, 33470: Wellington/ Loxahatchee Grove/Surrounding unincorporated Areas
- 33409, 33413, 33415: Unincorporated Palm Beach County (including Westgate) - S of 45th Street; E of Turnpike; W of I-95; and N of Lake Worth Road.
- 33411: Royal Palm Beach/ Acreage
- 33463: Greenacres
- 33445, 33446, 33484: Unincorporated Palm Beach County - S of Boynton Beach Blvd.; E of Loxahatchee National Wildlife Refuge; W of Military Trail; and N of Clint Moore Rd.
- 33428, 33433, 33434, 33498: Unincorporated Palm Beach County - S of Clint Moore Rd.; E of Loxahatchee National Wildlife Refuge; W of I-95; and N of Broward County line
- 33458, 33469, 33477: Jupiter/Tequesta/Unincorporated Palm Beach County
- 33436, 33437: Unincorporated Palm Beach County (including Golf) - S of Gateway Blvd.; E of Loxahatchee National Wildlife Refuge; W of Congress Ave.; and N of Atlantic Ave.
- 33460: Lake Worth
- 33404: Riviera Beach
- 33403: Lake Park
- 33417: Haverhill
- 33462: Hypoluxo/Lantana/Atlantis/Manalapan/Unincorporated Palm Beach County
- 33430: Belle Glade
- 33476: Pahokee
- 33493: South Bay
- 33438: Canal Point

The Agency shall demonstrate to HCD the location of the a selected property in an eligible zip code by providing HCD with a printout obtained from the U.S. Postal Service at: <http://zip4.usps.com/zip4/>.

**2. Property Ownership and Status:**

The Agency shall only select properties that meet both of the below stated conditions:

- a. Properties to be acquired shall be vacant unoccupied residential properties containing dwelling units having at least one bedroom each, and
- b. Properties must be acquired out of foreclosure, meaning directly from entities that obtained title to the properties through foreclosure (e.g. the lender or trustee for holders of obligations secured by mortgage liens) or directly from entities who acquired title to such properties by means of a deed in lieu of foreclosure. In either case the Agency shall provide HCD documented evidence of a foreclosure process associated with the property to be acquired.

**3. Purchase Price:**

The Agency shall only select properties that meet both of the below stated conditions:

- a. The purchase price per dwelling unit shall not exceed \$280,000. For properties containing more than one dwelling unit, the purchase price shall be divided by the number of units to establish whether this requirement has been met, and
- b. The purchase price for each property shall be at discount of at least one percent (1%) from its current appraised market value as established under the terms of this Agreement.

**4. Designation of Property for Occupancy by Very-Low Income Households:**

The Agency agrees that at least forty percent (40%) of the funds expended through this Agreement must be expended on dwelling units that will be occupied by VLIH. The Agency shall have designated and immediately informed HCD in writing, or by e-mail, of the address of each dwelling unit selected for acquisition that will be occupied by a VLIH, before any funds associated with such acquisition are obligated by the Agency or by HCD on behalf of the Agency. Once dwelling units are designated as units to be occupied by VLIH such status may not be changed by the Agency. The Agency understands that HCD may, at its sole discretion, after considering the Agency's progress in meeting the aforesaid 40% expenditure requirement, designate a dwelling unit selected for acquisition by the Agency as a dwelling unit to be occupied by a VLIH even if the Agency did not intend to so. In such instance, HCD shall inform the Agency of such designation in writing, or by e-mail, and the Agency shall treat such dwelling unit as though the Agency made such designation as provided for under this Agreement.

**5. Applicability of the Davis-Bacon and Related Acts to Selected Properties:**

If the Agency intends to acquire and rehabilitate more than seven (7) dwelling units that are located on an undivided lot, or on contiguous lots or parcels, then the Agency understands that the Davis-Bacon and Related Acts (DBRA) shall apply to the rehabilitation construction activities (including lead-based paint abatement, and asbestos abatement) to be undertaken in connection with these units.

**6. Available Property Listings:**

In selecting properties for acquisition, the Agency shall diligently utilize all listings accessible to it where foreclosed properties available for sale are shown. Additionally, HCD shall cooperate with the Agency to identify such properties by making information available to HCD know to the Agency noting that such information may not be provided to the Agency on an exclusive basis. The Agency understands that HCD provides such information to other parties contemporaneous to making it available to the Agency.

**D. PRE-CLOSING REQUIREMENTS:**

**1. Purchase And Sale Agreement:**

The Agency shall enter into a purchase and sale agreement with the owner of each property selected for acquisition. The Agency, at its sole discretion, shall determine the appropriate time when to enter into such agreement such that it is able to meet the requirements of this Agreement. The Agency, is cautioned to include all the necessary conditions in such purchase and sale agreement that would allow it to withdraw from the agreement should it not be able to meet the requirements of this Agreement subsequent to entering into the purchase and sale agreement. The Agency shall provide HCD with a copy of an executed purchase and sale agreement for each property to be acquired under this Agreement. The Agency shall pay the deposit amount if such is required by the purchase and sale agreement.

**2. Property Appraisal:**

The current appraised market value of the each property selected for acquisition shall be determined by means of an appraisal prepared by a licenced or certified Florida appraiser. Appraisals shall, at minimum, be prepared according to the guidance provided herein as Exhibit B. The Agency shall provide HCD copies of appraisals for properties selected for acquisition.

The services of the appraiser retained by the Agency shall be procured in accord with the requirements of this Agreement if the Agency wishes to be reimbursed by the County for the cost of these services. It is the Agency's responsibility to assure that these procurement requirements have been met before obligating itself to a contract for such services. Should HCD have a contract for these services already in place, then the Agency may request HCD to obtain these services for properties to be acquired. Costs incurred by HCD for these services shall be charged to the budget made available under this Agreement.

**3. URA Requirements:**

The Agency shall comply with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). The acquisition of properties under this Agreement shall be voluntary acquisitions as defined by URA. To comply with URA, the Agency shall provide each seller the General Information Notice included herein as Exhibit C at the earliest opportunity after the information needed to complete such notice becomes available. The Agency shall provide HCD documentation evidencing the manner by which this notice was delivered and the date of delivery (e.g. certified mail, return receipt requested).

**4. Year Built :**

The Agency shall determine the "year built" for each property selected for acquisition. The source for the "year built" information shall be the Palm Beach County Property Appraiser web address at <http://www.co.palm-beach.fl.us/papa/index.htm>. The Agency shall provide HCD with a print out of the "year built" information obtained from this web address. Should the "year built" information not be available at this web address, then the Agency shall provide HCD documentation evidencing the "year built" from the building department with jurisdiction over the property selected for acquisition, or from any other source acceptable to HCD.

**5. Environmental Review:**

The Agency agrees to comply with the requirements of 24 CFR Part 58 relating to the completion of an environmental review for each property to be acquired under this Agreement. The Agency shall complete an Environmental Review Checklist Request form, provided herein as Exhibit D, for each property selected for acquisition/rehabilitation and shall submit such form to HCD. Upon receipt of the Environmental Review Checklist provided to it by HCD in response to its request, the Agency shall comply with all matters brought to its attention by HCD as a precondition to proceeding with the acquisition/rehabilitation. The Agency understands that the County at its sole discretion may, as a result of such environmental review, modify, or cancel the intended acquisition.

**6. Lead-based Paint**

Each property selected for acquisition/rehabilitation that was built before January 1, 1978, shall be inspected for the presence of lead-based paint as required by applicable lead-based paint regulations. An EPA certified lead-based paint inspector, who is also an EPA certified lead-based paint risk assessor shall perform a surface-by-surface investigation (of all interior and exterior painted, stained, varnished or shellacked surfaces, regardless of whether or not such surfaces will be disturbed in course of rehabilitation) in order to determine the presence of lead-based paint, and if found, shall perform a risk assessment. All activities associated with lead-based paint, including but not limited to inspection, risk assessment, abatement, and clearance testing, shall comply with:

- a. U.S. Department of Housing and Urban Development regulations (24 CFR Part 570).
- b. U.S. Department of Housing and Urban Development regulations (24 CFR Part 35).
- c. HUD Guidelines for the Evaluation and Control of Lead Hazards in Housing.
- d. U.S. Environment Protection Agency regulations (40 CFR Part 745).
- e. U.S. Environment Protection Agency regulations (40 CFR Part 61).

The Agency shall pay particular attention to the requirements at 24 CFR Part 35, Subpart K, in connection with the acquisition of residential properties, and to 24 CFR Part 35, Subpart J, in connection with the rehabilitation of residential properties.

The Agency shall provide HCD a report containing the results of the inspection and risk assessment. The findings of the report shall be used by the Agency in assessing the feasibility of acquiring and rehabilitating the property.

The services of the lead-based paint inspector/risk assessor retained by the Agency shall be procured in accord with the requirements of this Agreement if the Agency wishes to be reimbursed by the County for the cost of these services. It is the Agency's responsibility to assure that these procurement requirements have been met before obligating itself to a contract for such services. Should HCD have a contract for these services already in place, then the Agency may request HCD to obtain these services for properties to be acquired. Costs incurred by HCD for these services shall be charged to the budget made available under this Agreement.

NOTE: The Agency shall in connection with properties it has acquired under this Agreement, and according to applicable laws and regulations, disclose to renters and purchasers the presence of any lead-based paint present in such properties at the time of rental or purchase.

**7. Asbestos Requirements:**

The Agency shall inspect each property to be acquired and rehabilitated for asbestos containing materials. Inspections shall be performed by Florida licensed asbestos consultants. The Agency shall abate any asbestos containing materials, if found, that will be disturbed in the process of rehabilitation as further addressed in this Agreement.

The Agency shall provide HCD a copy of the report containing the results of the asbestos inspection. The findings of the report shall be used by the Agency in assessing the feasibility of acquiring and rehabilitating the property.

The services of the asbestos consultant retained by the Agency shall be procured in accord with the requirements of this Agreement if the Agency wishes to be reimbursed by the County for the cost of these services. It is the Agency's responsibility to assure that these procurement requirements have been met before obligating itself to a contract for such services. Should the County have a contract for these services already in place, then the Agency may request HCD to obtain these services for properties to be acquired. Costs incurred by HCD for these services shall be charged to the budget made available under this Agreement.

**8. Property Inspection:**

The Agency is encouraged to acquire properties needing the least amount of rehabilitation. The Agency shall utilize an "Inspector" to inspect each property to be acquired and rehabilitated in order to establish the extent of construction work necessary to bring the property into compliance with the rehabilitation standards provided herein as Exhibit E and those described elsewhere in this Agreement. The Agency shall use the cost of the anticipated rehabilitation in assessing the feasibility of acquiring and rehabilitating the property. The cost of rehabilitating the property shall include the sum of the below items referred to herein as the "Rehabilitation Cost":

- a. The cost of construction,
- b. The cost of lead-based paint abatement,
- c. The cost of asbestos abatement,
- d. The cost of construction related improvements to the property in order to comply with the requirements of the environmental review,
- e. A construction contingency allowance as specified herein, and
- f. The cost of termite treatment (extermination of wood destroying organisms).

When determining the feasibility of acquiring and rehabilitating the property, the Agency shall consider the limits of funding made available under this Agreement to undertake the rehabilitation work. The Rehabilitation Cost of single family detached homes or townhouses shall not exceed \$35,000 per dwelling unit, and the Rehabilitation Cost of multi-family and attached residential units shall not exceed \$15,000 per dwelling unit.

**E. CLOSING REQUIREMENTS:****1. Request for Acquisition Funding:**

Upon completing the above, the Agency must request from HCD the Property's Acquisition Funding (see below). The Agency shall provide HCD with a copy of the unsigned closing statement and an owner's title insurance policy commitment. As a condition for HCD's release of acquisition funding, the Agency shall require the seller, at or before closing, to remedy title defects identified by HCD that are revealed in said commitment, and the seller shall be responsible for any costs associated with perfecting the seller's title to the property.

For the purposes of this Agreement, the "Property's Acquisition Funding" shall consist of: the deposit amount, if any, paid by the Agency, the balance of the purchase price of the property (that is the purchase price less the deposit amount) and any adjustments thereto (either upwards or downwards) resulting from the computation of closing costs, provided however, that Property's Acquisition Funding shall not include any costs regarded by HCD, as carrying costs in connection with properties to be acquired then resold, nor any costs regarded by HCD as operating costs in connection with properties to be acquired then rented. Nevertheless, the Agency may include in the proposed closing statement an activity deliver fee payable to the Agency for \$2,500 per dwelling unit for single family detached homes or townhouses, or an activity deliver fee payable to the Agency for \$1,500 per dwelling unit for multi-family and attached residential units.

The County shall in response to the Agency's request for the Property's Acquisition Funding and the receipt of the above stated items, issue to the Director of HCD, for safekeeping until the closing, two checks as follows:

- a. One check payable to the Agency in the amount of the deposit paid by the Agency, as a reimbursement to the Agency, and
- b. One check payable to the seller for the Property's Acquisition Funding less the deposit amount.

Alternatively, should the closing agent require the release of the above funds by wire transfer, then the County shall make the necessary arrangements to do so.

**2. Property Insurance:**

The Agency shall pay all costs associated with the property insurance coverages specified below. The Agency shall, at or before the closing, provide HCD documentation evidencing that the Agency shall have the below described insurance coverages in place for the property to be acquired. Applicable insurance coverages shall take effect on the closing date.

The Agency agrees to maintain, for the period of the declaration of restrictions:

- a. All-Risk Property insurance for the full replacement value of the property, including betterments and improvements made by the Agency with NSP funds,
- b. Windstorm insurance, unless included as a covered peril in the property insurance, for the full replacement value of the property, including betterments and improvements made by the Agency with NSP funds; or the maximum amount available under the Florida Windstorm Underwriting Association, whichever is less, and
- c. Flood insurance, if the property is located in a specified flood zone as determine under NSP, for the maximum amount available from the National Flood Insurance Program.

The Agency agrees to be fully responsible for any deductible or self-insured retention, and agrees to name the County as a Loss Payee/Mortgagee on each policy as their interest may appear.

The Agency shall provide the County within 10 working days after the closing with a certificate of property, windstorm, and flood insurance as specified above, which certificate shall include the loss payee/mortgagee endorsement.

Failure to obtain and maintain the above described insurance shall be considered as an event of default under the Declaration of Restrictions. The requirements of this clause shall survive the expiration of this Agreement.

**3. Acquisition Closing:**

HCD staff shall attend the closing for each property with the two checks provided to the Director of HCD. If the closing is successful, HCD shall release to the Agency the check payable to the Agency, and shall release the check payable to the seller to the closing agent for escrow and disbursement according to the closing statement. For properties to be acquired by the Agency for rental purposes, the Agency shall, at the closing for such properties, execute a Declaration of Restrictions for Rental Properties in favor of the County, which document is provided as Exhibit F and attached hereto. The stated Declaration of Restrictions shall be in first lien position.

The Agency shall then cause these Declarations of Restrictions to be recorded in the public record of Palm Beach County along with the deed for the property. The Agency shall assure that recording fees for the aforesaid documents are included in the closing statement. After the closing, the Agency shall provide the County with:

- a. A copy of the recorded deed,
- b. A copy of the signed closing statement,
- c. A copy of the title insurance policy, and
- d. The original recorded Declaration of Restrictions for Rental Properties.

**F. INSPECTIONS AND WORK WRITE-UP PREPARATION:**

**1. Inspector Services:**

The Agency shall utilize an "Inspector" in connection with this Agreement. The Inspector shall either be a qualified employee of the Agency, or be a qualified consultant under contract with the Agency. If the Agency utilizes an employee, the Agency shall pay for the costs of such employee.

The "Inspector" shall be able to carry out the tasks described in this Agreement and be able to demonstrate the qualifications that enable him/her to do so. The Inspector shall at minimum perform inspections of residential structures for compliance with housing and building codes, determine the feasibility of undertaking rehabilitation, prepare construction specifications and cost estimates, review construction bids, inspect rehabilitation construction work in progress, and review and approve contractor payment requests.

The Inspector shall be able to review lead-based paint inspection and risk assessment reports and determine the actions to be taken to comply with federal lead-based paint regulations, maintain inspection records and reports, prepare change orders, initiate various notification letters and conduct necessary correspondence.

If the Agency utilizes an employee as an Inspector, the Agency shall pay for the costs of such employee. Otherwise, the services of the Inspector retained by the Agency shall be procured in accord with the requirements of this Agreement if the Agency wishes to be reimbursed by the County for the cost of these services. It is the Agency's responsibility to assure that these procurement requirements have been met before obligating itself to a contract for such services.

## **2. Work Write-up Preparation:**

The Inspector shall prepare a work write-up for the rehabilitation project. The work write-up shall contain a detailed list of construction specifications the execution of which will correct the deficiencies at the property and will upgrade the property to the extent practicable and feasible to applicable housing and building code standards (including the HUD Section 8 Housing Quality Standards). The work write-up shall also contain items to address lead-based paint remediation, asbestos remediation, hurricane protection, energy efficiency and conservation, and ones that are intended for the removal of architectural barriers, as well as any construction related improvements to the property in order to comply with the requirements of the environmental review.

- a. **Code Related Items:** The work write-up shall include work items that are intended to correct code violations, that is the correction of deficiencies at the property which are not in compliance with applicable housing and building code standards (including the HUD Section 8 Housing Quality Standards). These items shall also include compliance with any historic preservation requirements applicable to the property.
- b. **Hurricane Protection Items:** The work write-up shall include work items that address hurricane protection as required by code. Additional hurricane protection measures not required by code may be included in the work write-up to the extent practicable and feasible.
- c. **Homeowner Association Requirements:** Should the work write-up contain items that are also regulated by a homeowner association, then the work write-up shall address the requirements of the homeowner association for such items only, such as complying with color or style requirements for exterior building components, and obtaining homeowner association approval of building materials or exterior building components. In such instances the work write-up shall require the contractor to submit such for approval by the homeowner association prior to the commencement of the work.
- d. **Rehabilitation/Demolition of Unpermitted Enclosures and Additions:** The work write-up shall provide for the improvement of existing un-permitted additions and enclosures such that they comply with applicable codes if feasible and practical, and within the funding limits. Un-permitted additions and enclosures that are not feasible or practical to improve as part of the rehabilitation process, and within the funding limits, shall be demolished.
- e. **Lead-Based Paint Remediation:** If the lead-based paint inspection/risk assessment report reveals the presence of lead-based paint at the property (or if such report leads to a presumption of the presence of lead-based paint at the property), then the work write-up shall include a disclosure (and warning) as follows:
  - A disclosure of the building components, materials, and surfaces that have been found to contain lead-based paint or are presumed to contain lead-based paint, and that will remain at the property during and after the rehabilitation project, and a warning to the contractor, all subcontractors, and all their employees and workers, not to disturb any of these building components, materials, and surfaces in any manner, shape, or form.
  - A disclosure of the building components, materials, and surfaces that have been found to contain lead-based paint or are presumed to contain lead-based paint, and that will be abated by qualified persons in connection with the rehabilitation project, and a warning to the contractor, all subcontractors, and all their employees and workers, except for persons qualified to do so, not to disturb any of these building components, materials, and surfaces in any manner, shape, or form.
  - A disclosure of the dust lead hazards found at the property that will be remediated by qualified persons in connection with the rehabilitation project.
  - A disclosure of the soil lead hazards found at the property that will be remediated by qualified persons in connection with the rehabilitation project.



The work write-up shall include items that achieve the remediation of surfaces which contain lead-based paint and which are expected to be disturbed during the process of rehabilitation construction, as well as items that achieve the remediation of surfaces which contain lead-based paint and are deteriorated or subjected to friction or impact and regarded to constitute a hazard, as well as items that address the remediation of dust and soil lead hazards. Lead-based paint remediation shall be undertaken using the "abatement" method which shall be performed by appropriately certified persons.

The work write-up may also include items that achieve the remediation of surfaces which contain lead-based paint which are in a stable condition (regarded not to constitute a hazard) at the Agency's option. The inclusion of such optional items may be intended to achieve a lead free house.

The items in the work write-up for abatement shall specify the scope of the hazard reduction activity, the compliance requirements, the qualifications to perform the work, and shall require an occupant protection plan, clearance testing, and an abatement report.

**G. BIDDING AND BID EVALUATION:**

**1. The Bid Process:**

Bids for the work detailed in the work write-up shall be solicited (on an itemized basis) by the Agency and procured in accord with the requirements of this Agreement if the Agency wishes to be reimbursed by the County for the cost of these services. All rehabilitation work items for each property shall be procured together and included in one solicitation and one contract. It is the Agency's responsibility to assure that the procurement requirements have been met before obligating itself to a contract for such services. The Agency shall procure construction services from duly licenced contractors, and for projects requiring lead-based paint abatement, the rehabilitation contractor submitting a bid must be, or must hire, a certified lead-based paint abatement contractor as a subcontractor. The Agency shall determine the insurance and warranty requirements to be met by such contractors.

The bid documents to be used for this purpose shall identify the address, property owner, and property owner contact information for the property to be rehabilitated, shall require bidders to visit the property, and shall specify the location, date, and time by which bids must be submitted. The bid documents shall specify the number of days after bid opening that bids are to remain valid. The bid documents shall contain provisions for addressing inconsistencies, interpretations, and supplemental instructions, as well as provisions for the modification, withdrawal, rejection, and award of bids. The bid documents shall contain the warranty and release of liens requirements as well as the insurance requirements for both the contractor and the lead-based paint abatement contractor (or subcontractor). The bid documents shall contain the Federal requirements applicable to projects funded under the Program.

The Agency shall require contractors to submit sealed bids (when applicable) for the work contained in the work write-up after visiting the property to acquaint themselves with existing conditions. The Agency shall only accept bids up to a pre-specified date and time after which such bids shall be opened at the Agency's offices. Bid openings shall be open to bidders and the general public. At the bid opening the Agency's designated employees shall open the bids and announce total amounts bid. The announced totals shall be recorded on a bid spreadsheet showing each bidder's name and total amount bid as announced.

After all bids are opened and announced the Agency shall calculate the sum of all the individual items contained in each bid to check for discrepancies between such sum and the amount read at the bid opening. Where a discrepancy exists in a bid between the true and correct sum of itemized costs and the total announced at the bid opening, the true and correct mathematical sum of itemized costs shall prevail and the bid spreadsheet shall be noted accordingly.

Upon close examination of all bids, the Agency shall make a determination on the apparent lowest responsive responsible bidder that best meets the terms, conditions, and specifications of the bid and that will result in the best interest of the Agency and the County.

The Agency shall evaluate the lowest bid to establish whether the total bid is within the funding limit, and shall consider contributing to the project any funds needed for the project above the funding limit.

The Agency shall recommend funding to HCD for the lowest responsive responsible bidder.

**2. Federal Requirements:**

Prior to soliciting bids, the Agency shall obtain from the County, and include in its bid documents the applicable Federal requirements for the project being bid, which shall include the applicable Davis-Bacon wage decision, if any, for the project. The Agency shall incorporate a copy of the Davis-Bacon wage decision and disclose the requirements of the Davis-Bacon and Related Acts (DBRA) in its construction bid solicitation and contract.

**3. Bid Guarantees and Bonds:**

Except as otherwise required by law, the following requirements are applicable to this project as it relates to bid guarantees, performance bonds and payment bonds for construction contracts and subcontracts exceeding \$100,000.

The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will upon acceptance of his bid, execute such contractual documents as may be required within the time specified. Each bid submitted to the Agency shall be accompanied by a certified check, cashiers check or bid bond in the amount of five percent (5%) of the total bid. Said check or bond shall be made payable to the Agency as the owner of the project, and shall be given as a guarantee that the bidder, upon receipt of the notice of intent to award the contract, will enter into an agreement with the owner, and will furnish the necessary documents including, but not limited to: insurance certificates, Payment Bond and Performance Bond; each of the said bonds to be in the amount stated herein. In case of refusal or failure to enter into said agreement, the check or bid bond, as the case may be, shall be forfeited to the Agency.

All bonds shall be written by a surety company of recognized standing, authorized to conduct business in the State of Florida, and shall have a registered agent in the State of Florida.

When the successful bidder delivers the executed agreement to the Agency, it must be accompanied by a Performance Bond and a Payment Bond, each in the amount of one hundred percent (100%) of the contract price, executed by a corporate surety company of recognized standing, authorized to do business in the State of Florida, as security for the faithful performance and payment of all contractor's obligations under the contract, and the bidder shall state in the bid proposal the name, address, telephone number and full name of the authorized agent of the surety or sureties who will sign these bonds in the event the contract is awarded to the bidder. During the bidding and construction periods the surety company shall hold a current certificate of authority as an acceptable surety on Federal Bonds, in accordance with U. S. Department of Treasury Circular 570, Current Revision.

**4. Projects with Lead-Based Paint Abatement:**

For projects requiring lead-based paint abatement, the bid documents shall specify that the Agency shall pay for the first clearance test to be undertaken in connection with the abatement for a project, and shall specify that the contractor shall be responsible for the cost of all subsequent clearance tests to be obtained by the Agency for that project. The bid documents shall indicate that the cost of all clearance tests obtained by the Agency and required for a project after the initial clearance test, shall be deducted from the contractor's payment.

**5. Section 3 Requirements:**

The Agency agrees to comply with all Section 3 requirements applicable to contracts funded through this Agreement. The Section 3 requirements are contained in Exhibit G attached hereto. The Agency shall include the following, referred to as the Section 3 Clause, in every solicitation and every contract for every Section 3 covered project:

**Section 3 Clause**

- 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. 170 1u (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 requirements 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 commitment 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.

**6. Projects with Asbestos Abatement:**

Should the inspection of the property reveal the presence of any asbestos containing materials that require abatement in the opinion of the County, then the Agency shall comply with all applicable requirements contained in Exhibit H, attached hereto, as well as any directives from the County regarding such abatement. All asbestos abatement work shall be performed by Florida licensed asbestos abatement contractors, and required by the County, shall be monitored by Florida licensed asbestos consultants. The Agency shall comply with the requirements of the County's Risk Management Department in connection with all asbestos abatement work. If feasible in HCD's opinion, the Agency shall include the asbestos abatement work in the bid and contract for construction, otherwise such work shall be procured separately by the Agency. The services of the asbestos abatement contractor (including those of a Florida licensed asbestos consultant to monitor the abatement when such is required) shall be procured by the Agency in accord with the requirements of this Agreement if the Agency wishes to be reimbursed by the County for the cost of these services. It is the Agency's responsibility to assure that these procurement requirements have been met before obligating itself to a contract for such services. Should the County have a contract for these services already in place, then the Agency may request HCD to obtain these services for properties to be abated. Costs incurred by HCD for these services shall be charged to the budget made available under this Agreement.

NOTE: The Agency shall in connection with properties it has acquired under this Agreement, and according to applicable laws and regulations, disclose to renters and purchasers the presence of any asbestos containing materials present in such properties at the time of rental or purchase.

**7. HCD Bid Solicitation Approval**

The Agency shall submit the bid documents for the rehabilitation of each property to HCD for review and approval prior to soliciting pricing from contractors. The Agency shall also obtain HCD approval for all bid addenda to be issued to bidders by the Agency.

**8. Termite Treatment:**

The bidding process shall also include obtaining bids for treatment of termites and other wood destroying organisms (extermination) where such infestation is found at properties to be rehabilitated in connection with this Agreement.

The services of companies licensed in Florida to treat such termites shall be procured by the Agency in accord with the requirements of this Agreement if the Agency wishes to be reimbursed by the County for the cost of these services. It is the Agency's responsibility to assure that these procurement requirements have been met before obligating itself to a contract for such services.

H. **CONSTRUCTION CONTRACT AWARD APPROVAL:**

The Agency shall request HCD's approval to award the rehabilitation construction contract to the successful contractor. The Agency's request shall contain the following:

- a. Provide a bid summary sheet,
- b. Identify the entity to whom you recommend contract award,
- c. State the contract amount that you recommend (note: the contract amount to be recommended shall include the bid amount plus a construction contingency amount not to exceed ten percent (10%) of the bid amount),
- d. State whether any bids were rejected and why,
- e. State whether any bid protests were filed and how such protests were addressed (for formal bids),
- f. Provide a copy of the recommended contractor's bid bond (when applicable),
- g. Provide a copy of your newspaper advertisement (when applicable), and
- h. Provide a copy of the forms included in our "Requirements for Federally Funded Projects" fully executed by the recommended contractor (Certification of Nonsegregated facilities, Certification of Eligibility of General Contractor, Noncollusion Affidavit of Prime Bidder, Anti-kickback Affidavit),

Upon receipt of HCD approval to award a construction contract, the Agency shall enter into a contract with the approved contractor. Such contract shall be in the amount of the bid plus a construction contingency amount not to exceed ten percent (10%) of the bid amount (provided that the funding limits per unit established herein are not exceeded), and the contract shall contain a clause that requires the Agency's written approval to use the allocated contingency funds. The Agency shall in turn obtain HCD approval for the use of any contingency funds.

I. **REHABILITATION CONSTRUCTION:**

The Inspector shall inspect the work in progress being performed by the contractor and review and approve all construction draws made against the contract. A minimum five percent (5%) retainage shall be applied to each progress draw, with the accumulated retainage amount released in conjunction with final payment to the contractor upon satisfactory completion of the project, provided however that the Agency not release such retainages on projects affected by DBRA until the Agency has obtained approval from HCD to do so whereby the contractor and subcontractors have complied with DBRA requirements.

Upon completion of the work, the Agency shall ensure that all work by the contractor and subcontractors has been approved by the building department with jurisdiction over the project, and that the necessary permit approvals have been obtained.

The final payment shall be subject to the Agency's receipt of the following from the contractor:

- a. Original building permits with Bldg. Dept. final approval, and Certificate of Completion or Certificate of Occupancy.
- b. Original contractor's roof nailing affidavit.
- c. Original contractor's warranty showing the final inspection date/warranty start date.
- d. Original contractor's release of lien (with all subcontractors listed).
- e. Original subcontractors' releases of lien for subcontractors with Notices to Owner.
- f. Original abatement report for projects with lead-based paint or asbestos abatement.
- g. Required product approvals.
- h. Manufacturers' warranties for equipment and appliances.

The Agency shall pay the contractor for completed work contained in the construction contract, as approved by HCD, and request HCD for reimbursement of such costs. The County shall reimburse the Agency for such costs as provided in this Agreement.

In connection with the first draw for each construction contract that is requested for reimbursement, the Agency shall provide the following:

- a. A copy of the executed construction contract.
- b. A copy of the occupant protection plan for projects requiring lead-based paint abatement.
- c. A copy of the contractor's payment request approved by the Inspector which shows the work items approved for payment and their costs, and which provides an accounting of the contract amount, approved contingency allowances, retainages, payments to date, deductions and a computation of the approved payment.
- d. A copy of the check tendered in payment by the Agency.
- e. A reimbursement request letter as required on Page 2 of this Agreement.

In connection with interim draws for each construction contract that are requested for reimbursement, the Agency shall provide the following:

- a. A copy of the contractor's payment request as specified above.
- b. A copy of the check tendered in payment by the Agency.
- c. A reimbursement request letter as required on Page 2 of this Agreement.

In connection with the final draw for each construction contract that is requested for reimbursement, the Agency shall provide the following:

- a. A copy of the contractor's roof nailing affidavit.
- b. A copy of the contractor's release of lien.
- c. A copy of the clearance test report for projects requiring lead-based paint abatement where such report shows a "pass" on the report.
- d. A copy of the abatement report(s).
- e. A copy of the contractor's payment request as specified above.
- f. A copy of the check tendered in payment by the Agency.
- g. A reimbursement request letter as required on Page 2 of this Agreement.

Extermination, if necessary, shall be carried out after completion of construction. The Agency shall inspect the extermination work and review and approve the payment for such services. The Agency shall pay for the completed extermination work that is contained in the contract for exterminating services and request HCD for reimbursement of such costs. The County shall reimburse the Agency for such costs as provided in this Agreement.

Furthermore, in connection with the extermination services that are requested for reimbursement, the Agency shall provide the following:

- a. A copy of the executed contract for exterminating services.
- b. A copy of the company's invoice.
- c. A copy of the check tendered in payment by the Agency.
- d. A reimbursement request letter as required on Page 2 of this Agreement.

J. **RENTAL OF PROPERTIES ACQUIRED FOR TENANT OCCUPANTS:**

For properties acquired by the Agency for rent, the Agency shall market the availability of such properties to persons likely to meet the definition of Middle Income Households and Very-Low Income Households. The Agency shall rent these properties to tenants according to the income level associated with each property as established herein.

**1. Income Verification and Affordability:**

The Agency assures the County that, in connection with the properties acquired and rehabilitated for rental purposes through this Agreement, it is a public housing agency (a Public Housing Authority) funded by HUD. The Agency assures the County that, as such, it is knowledgeable about HUD requirements for income qualifying of occupants of rental housing units according to HUD income guidelines and about establishing rent affordability for such occupants. Accordingly, the Agency shall income qualify the occupant of each property acquired through this Agreement according to the requirements contained in the Declaration of Restrictions associated with each such property, and shall maintain the level of rent plus utilities (based on the HUD Section 8 utility schedule) at an affordable level for the occupant. Such affordability shall be regarded as being achieved if no more than thirty percent (30%) of the occupant's gross household income is expended on the sum of the rent plus utilities based on the HUD Section 8 utility schedule.

Furthermore, should the County wish to verify the Agency's records in connection with its compliance with the above stated occupancy, income, and affordability requirements, then the Agency shall allow the County to examine the Agency's records as provided for herein. The Agency's failure to comply with requirements contained in the Declarations of Restrictions that the Agency executes in connection with this Agreement may be regarded as a default under such Declarations of Restrictions.

**2. Program Income:**

The Agency shall comply with the program income requirement imposed by HERA and NSP. In general, for as long as the Agency owns the property, rents collected, net of all reasonable operating expenses (including replacement reserves, debt service, management fees, common areas maintenance and utilities, etc.) are program income, and shall be paid to the County. The Agency shall submit a budget to HCD for its rental properties within 30 days from acquisition. The budget shall show the Agency's projected income and expenses. The agency shall, thereafter, submit a budget annually.

Furthermore, the Agency understands that program income requirement imposed by HERA and NSP also apply to the Agency's eventual sale of the rental property, and the Agency, accordingly, shall comply with these program income requirements at the time of such sale.

**II. THE COUNTY AGREES TO:**

- A. Provide funding for the above described acquisition and rehabilitation activities during the term of this Agreement, in the amount of \$500,000.
- B. Provide project administration and inspection to the Agency to ensure compliance with HUD and the Department of Labor, and applicable State, Federal and County laws and regulations.
- C. Monitor the Agency at any time during the term of this Agreement. Visits may be scheduled or unscheduled as determined by HCD, be conducted by HCD staff or its contractor, and will serve to ensure compliance with HUD regulations, that planned activities are conducted in a timely manner, and to verify the accuracy of reporting to HCD on program activities.
- D. The County shall perform an environmental review of the project, and review and approve project design and bids submitted for the work. The County shall also perform Davis Bacon Act Labor Standards monitoring and enforcement. Environmental review costs incurred by the County may be charged to the project budget identified above.

EXHIBIT B

GUIDANCE ON NSP APPRAISALS

Acquisitions financed with NSP grant funds are subject to the URA, and its implementing regulations at 49 CFR Part 24, and the requirements set forth in the NSP Notice that was published in the Federal Register on October 6, 2008. HUD anticipates that most of these transactions will qualify as voluntary acquisitions under the applicable regulations of 49 CFR 24.101(b). The URA regulations do not specifically require appraisals in connection with voluntary acquisitions under 49 CFR 24.101(b). However, the NSP Notice requires appraisals to be performed with respect to the NSP funded acquisition of foreclosed upon homes and residential properties, even though they may be considered voluntary under the URA. In those cases, the URA appraisal requirements of 49 CFR 24.103 must be met. The following guidance on appraisals pertains to acquisitions of foreclosed upon homes and residential properties which meet the applicable voluntary acquisition requirements of 49 CFR 24.101(b) and reflects applicable URA requirements and the NSP requirements, including the URA appraisal requirements of 49 CFR 24.103.

1. The NSP grantee must ensure that the owner is informed in writing of what the grantee believes to be the market value of the property; and that the NSP grantee will not acquire the property if negotiations fail to result in an amicable agreement (see 49 CFR 24.101(b)(1) & (b)(2)).

2. If NSP funds are to be used to acquire a foreclosed upon home or residential property (other than through donation), the grantee must ensure that the purchase price includes a discount from the value established by an appraisal that meets the following requirements:

a. The appraisal must have been completed within 60 days of the offer made for the property (an initial offer can be made, subject to the completion of the appraisal within 60 days of a final offer).

b. The appraisal must meet the URA definition of an appraisal (see 49 CFR 24.2(a)(3) and the five following requirements (see 49 CFR 24.103(a)(2)):

i. An adequate description of the physical characteristics of the property being appraised (and, in the case of a partial acquisition, an adequate description of the remaining property), including items identified as personal property, a statement of the known and observed encumbrances, if any, title information, location, zoning, present use, an analysis of highest and best use, and at least a 5-year sales history of the property.

ii. All relevant and reliable approaches to value. If the appraiser uses more than one approach, there shall be an analysis and reconciliation of approaches to value used that is sufficient to support the appraiser's opinion of value.

iii. A description of comparable sales, including a description of all relevant physical, legal and economic factors such as parties to the transaction, source and method of financing, and verification by a party involved in the transaction.

iv. A statement of the value of the real property to be acquired and, for a partial acquisition, a statement of the value of damages and benefits, if any, to the remaining real property, where appropriate.

v. The effective date of valuation, date of appraisal, signature and certification of the appraiser.

c. The appraiser shall disregard any increase or decrease in the fair market value of the real property caused by the project for which the property is to be acquired or by the likelihood that the property would be acquired for the project, other than that due to physical deterioration within the reasonable control of the owner.

d. If the owner of a real property improvement is permitted to retain it for removal from the project site, the amount to be offered for the interest in the real property to be acquired shall not be less than the difference between the amount determined to be just compensation for the owner's entire interest in the real property and the salvage value (defined at §24.2(a)(24)) of the retained improvement.



3. The NSP grantee has a legitimate role in contributing to the appraisal process, especially in developing the scope of work and defining the appraisal problem. The scope of work and development of an appraisal under these requirements depends on the complexity of the appraisal problem. HUD's guide to preparing an appraisal scope of work under the URA is available in HUD Handbook 1378 - Appendix 19.

4. The NSP grantee shall establish criteria for determining the minimum qualifications and competency of appraisers. Qualifications shall be consistent with the scope of work for the assignment. The NSP grantee shall review the experience, education, training, certification/licensing, designation(s) and other qualifications of appraisers, and use only those determined by the NSP grantee to be qualified.

5. If the NSP grantee uses a contract (fee) appraiser to perform the appraisal, such appraiser shall be State licensed or certified in accordance with Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) (12 U.S.C. 3331 *et seq.* ).

**EXHIBIT C**

**URA REQUIREMENT**  
**FOR NSP VOLUNTARY ACQUISITION OF FORECLOSED PROPERTY**

(...on Agency letterhead...)

(...date...)

(...seller address...)

Subject: General Information Notice

Dear \_\_\_\_\_:

\_\_\_\_\_ Agency's name \_\_\_\_\_, is interested in acquiring property you own at \_\_\_\_\_ (address) \_\_\_\_\_ for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the Neighborhood Stabilization Program (NSP).

Please be advised that \_\_\_\_\_ Agency's name \_\_\_\_\_ does not have authority to acquire your property by eminent domain. In the event we cannot reach an amicable agreement for the purchase of your property, we will not pursue this proposed acquisition.

The subject property is listed for purchase at \$\_\_\_\_\_. We currently believe \$\_\_\_\_\_ to be the market value of the property. Under the NSP, we are required to purchase foreclosed property at a discount from its current market appraised value. Depending on the results of our appraisal, our purchase offer may differ from the amounts noted above.

Please contact us at your convenience if you are interested in selling your property.

In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance. A tenant-occupant who moves as a result of a voluntary acquisition for a federally-assisted project may be eligible for relocation assistance. Such displaced persons may include not only current lawful occupants, but also former tenants required to move for any reason other than an eviction for cause in accordance with applicable federal, state, and local law. If your property is currently tenant-occupied or a tenant lawfully occupied your property on or after \_\_\_\_\_ (date of NSP agreement between Agency and County) \_\_\_\_\_ we need to know immediately. Further, you should not order current occupant(s) to move, or fail to renew a lease, in order to sell the property to us as vacant.

If you have any questions about this notice or the proposed project, please contact \_\_\_\_\_ (name) \_\_\_\_\_, \_\_\_\_\_ (title) \_\_\_\_\_, at \_\_\_\_\_ (address) \_\_\_\_\_, or by telephone at \_\_\_\_\_ (phone number) \_\_\_\_\_.

Sincerely,

**EXHIBIT D**

**ENVIRONMENTAL REVIEW CHECKLIST REQUEST**

**DATE:** \_\_\_\_\_

**TO:** Elena Escovar, Manager, Planning Section  
Housing and Community Development

**FROM:** *Name* \_\_\_\_\_

**RE:** NSP Residential Redevelopment Program  
Environmental Review Checklist Request

This is to request an Environmental Review checklist for the below identified rehabilitation project under the 2005 Disaster Recovery Initiative Program:

Property Owner(s):			
Property Address:			
Property Control No:			
Property is:	<input type="checkbox"/> Owner occupied	<input type="checkbox"/> Tenant occupied	<input type="checkbox"/> Vacant
Number of Units:		Year Built:	(See below)

**Attachment:** Attach one front view photo and one side view photo of each structure mounted on a Photographic Survey form.

If the property was built more than 50 years ago: Complete the Rehabilitation Justification and Historical Background Information below.

**REHABILITATION JUSTIFICATION**  
**AND**  
**HISTORICAL BACKGROUND INFORMATION**

For structures built more than 50 years ago:

1. Provide a detailed justification for the rehabilitation of the above stated property. The information/documentation should describe the current condition/deterioration of the structure, and include both interior and exterior photographs: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2. Provide information on any historical events or individuals known to be associated with the above stated property: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. Provide information on the immediate surroundings of the above stated property. Is the property located next to a potential historic district? Provide photographs of the surrounding lots and/or buildings: \_\_\_\_\_

\_\_\_\_\_

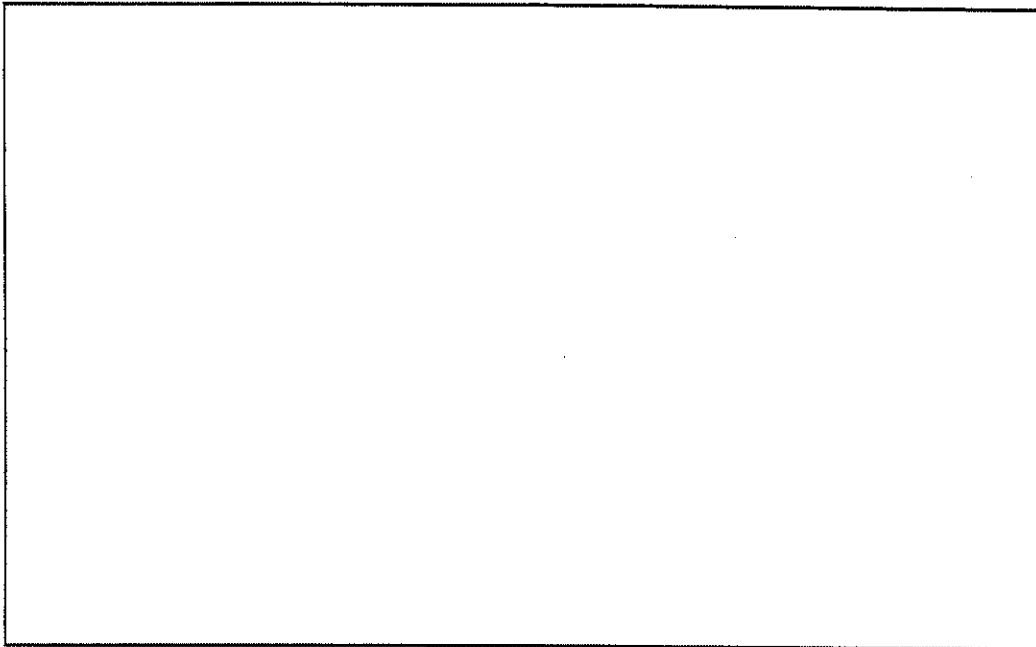
\_\_\_\_\_

\_\_\_\_\_

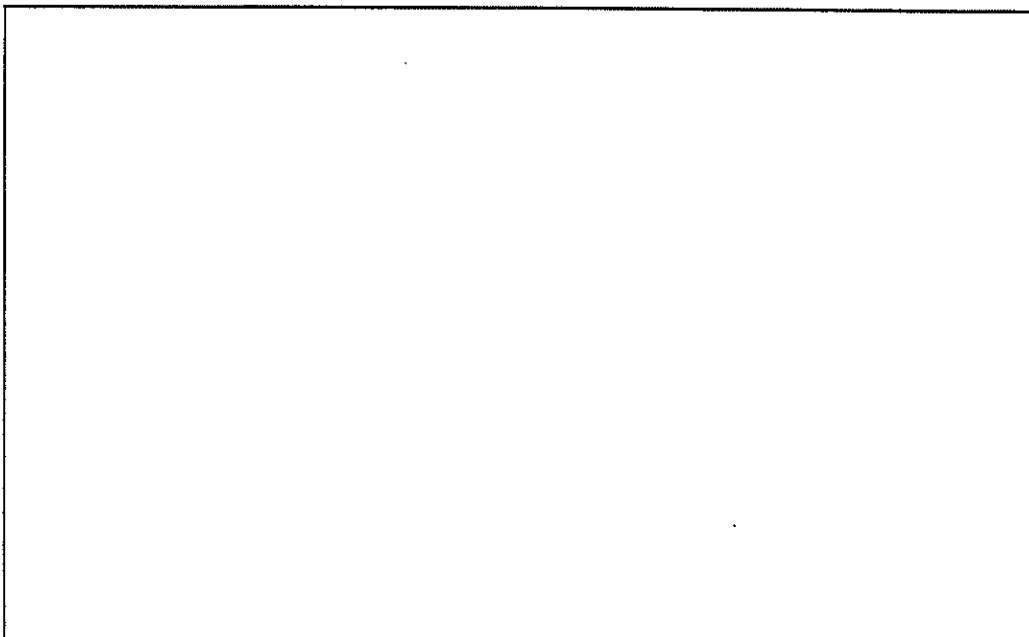
\_\_\_\_\_

PHOTOGRAPHIC SURVEY

PROPERTY OWNER:	
PROPERTY ADDRESS:	
PHOTO DATE:	



**FRONT VIEW**



**SIDE VIEW**

EXHIBIT EREHABILITATION STANDARDS

Rehabilitation of residential property funded through this Agreement shall, to the extent necessary, comply with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability. All rehabilitation undertaken must be consistent with existing County CDBG rehabilitation policies except that household income requirements contained in these policies are superceded by those contained in this Agreement. All rehabilitation undertaken in connection with this Agreement shall upgrade properties to ensure compliance with applicable municipal, county and state housing and building standards to the extent that the repairs performed are practical and feasible. Rehabilitation may also include improvements to increase the energy efficiency or conservation of such properties or to provide a renewable energy source or sources for such properties.

Code, health and safety violations include (but are not limited to): non-functional plumbing, roof replacement, mold remediation, faulty electrical system, failing septic system, missing exterior doors and windows, structural defects, failing foundations due to termites and/or termite damage.

HCD will only replace code related items (in lieu of repair) if the items are either missing or deemed inoperable and beyond repair. Where applicable, installation costs are eligible under NSP, if grant funding has been set aside to replace that item. In cases where appliances, fixtures and the like must be replaced, it is required that those items be replaced with energy efficient products. If appliances, fixtures and the like are in satisfactory working condition, those items cannot be replaced. Remodeling is not an eligible use of NSP grant awards. Only those approved items are eligible for repair and/or replacement. A rehabilitation contract shall list all repairs that are to be made and shall be executed by the Agency and the contractor prior to the use of NSP funds.

**EXAMPLES OF ELIGIBLE REHABILITATION ITEMS:**

- Replacement of deteriorated roofing systems
- Broken water pipes
- Water leaks in walls or foundation
- Interior and exterior door replacement including hardware
- Bathroom rehabilitation to include repair/replacement of bathroom fixtures
- Garage door repair/replacement
- Windows and window fixtures replacement including screens
- Inoperable hot water heater
- Drywall replacement/repair
- Inoperable exterior doors and windows
- Replacement of missing or inoperable hurricane shutters
- Electrical repairs to include breaker panel upgrades and whole house rewiring
- Gas leaks
- Termite treatment
- Kitchen rehabilitation to include: wall repair, repair/replacement of missing or inoperable stove, refrigerator, sink, dishwasher, garbage disposal and cabinets
- Repair of cracked/dangerous driveway
- Repair/replace HVAC system
- Floor covering repair or replacement
- Insulation
- Repair deteriorated siding/stucco (to include interior and exterior painting where necessary)
- Repair of an existing sprinkler system and related items
- Repair of an existing screen and patio enclosures
- Repair of an existing fence
- Repair/replace light fixtures as required by code
- Accommodations in bedroom, bathroom and/or kitchen including removal of architectural barriers for persons with disabilities
- Repair of existing lawn sprinkler system when required by code
- Replace existing yard grass (sod) when required by code
- Any other repairs identified as being in violation of applicable housing and building codes threatening the life, health and safety of the residents or the general public

EXHIBIT F

Return to:  
Palm Beach County  
Housing & Community Development  
160 Australian Avenue, Suite 500  
West Palm Beach, Florida 33406  
Prepared by: Tammy K. Fields,  
Senior Assistant County Attorney  
Attention: Amin Houry

**DECLARATION OF RESTRICTIONS  
FOR RENTAL PROPERTIES**

The undersigned, Palm Beach County Housing Authority, a special district of the State of the Florida, formed under F.S. Chapter 421, having its principal office at 3432 West 45<sup>th</sup> Street, West Palm Beach, FL 33407, (hereinafter referred to as "Agency", which term as used in every instance herein shall include Agency's successors and assigns), for the property described below, in consideration of funding in the amount of \_\_\_\_\_ Dollars (\$000,000) received from the Palm Beach County Board of County Commissioners (the "County") does hereby grant to the County the following restrictions against the subject property, hereinafter referred to as the Property, and described as:

**Legal Description**

**Property Control Number(s): 00-XX-XX-XX-XX-XXX-XXXX**

1. These restrictions shall be deemed a covenant running with the land and are binding upon the undersigned, their heirs, executors, successors, and assigns. These restrictions can only be terminated or released by the Palm Beach County Board of County Commissioners, and/or those persons to whom such authority is formally delegated, and executed with the same formalities as this document.

2. In consideration of the County's grant for the purchase of the Property, as provided through a grant Agreement with the County dated April 1, 2010, the Agency hereby covenants and agrees until March 31, 2030:

- (a) To rehabilitate the Property (consisting of one (1) dwelling units) upon its acquisition to render it suitable for occupancy, to the extend rehabilitation is necessary based on the condition of the Property,
- (b) To, thereafter, rent the Property to a Middle Income Household (as defined herein) approved by the County in accord with the terms of the aforesaid Agreement,  
**(OR USE THE BELOW AS APPLICABLE)**
- (b) To, thereafter, rent the Property to a Very-Low Income Household (as defined herein) approved by the County in accord with the terms of the aforesaid Agreement,
- (c) To charge rental rates that are affordable to the tenants based on their incomes in accord with the terms of the aforesaid Agreement,
- (d) To diligently market the availability of vacant dwelling units at the Property to persons likely to meet the definition of Middle Income Households OR Very-Low Income Households,
- (e) To maintain the Property in a state of repair pursuant to applicable housing and building codes,
- (f) To maintain insurance as required in the Agreement, and
- (g) To comply with the provisions, terms, and conditions set forth herein.

For the purpose of this Declaration of Restrictions, a Middle Income Household shall be defined as a household whose income is at or below one hundred and twenty percent (120%) of the median income for the West Palm Beach - Boca Raton Metropolitan Statistical Area adjusted by family size, as determined by the County at its sole discretion. *(OR USE THE BELOW AS APPLICABLE)*

For the purpose of this Declaration of Restrictions, a Very-Low Income Household shall be defined as a household whose income is at or below fifty percent (50%) of the median income for the West Palm Beach - Boca Raton Metropolitan Statistical Area adjusted by family size, as determined by the County at its sole discretion.

3. The Agency shall in connection with the lease or sale of the Property comply with all federal, state and local Fair Housing laws.

4. Should Agency change the use or planned use, or discontinue use, of the Property (including the beneficiaries of such use) from that for which the acquisition or improvements were made, or should the Agency sell, convey or transfer title to the Property, then the Agency shall pay the County an amount equal to the entire amount expended by the County in connection with the acquisition and rehabilitation of the Property.

5. The Agency shall pay, or cause to be paid, all taxes due while the Property is in its possession and/or in the possession of the County Approved Homeowners, and the Agency shall not voluntarily create, or permit or suffer to be created or to exist, on or against the Property, or any part thereof, any lien superior to the lien of this Declaration of Restrictions, except with the County's prior written consent. The Agency shall keep and maintain the Property free from the claims of all parties supplying labor or materials unto the same. The Agency agrees to notify the County of any liens, judgements or pending foreclosure on the Property within five (5) working days of the receipt of said notice by Agency.

6. The Agency acknowledges and covenants that the provisions specified below constitute a default under this Declaration of Restrictions for which there may be a forfeiture of the Agency's title to the Property:

- (a) Failure of the Agency to perform any covenant, agreement, term, or condition contained herein or in the Agreement referenced in Section 2 above.

Notwithstanding the foregoing, and at the sole discretion of the County, upon providing notice to the Agency of its determination that the Agency is in default of the terms of this Declaration of Restrictions, the County may, from time to time, at its sole discretion, cure each default under any covenant so curable in this Declaration of Restrictions, or in any instrument creating a lien upon the Property, or any part thereof, to such extent that the County, at its sole discretion, determines, and each amount paid, if any, by the County to cure any such default shall be paid by the Agency to the County in addition to the legal rate of interest from the time of expenditure and shall constitute a lien against the property which may be foreclosed if not discharged and satisfied within three (3) months of expenditure of such funds by the County. The County shall also become subrogated to whatever rights the holders of a prior lien might have under such instrument.

7. If the Agency fails, neglects or refuses to perform any of the provisions, terms and conditions set forth herein, for any breach of this Declaration of Restrictions, the County shall have the right to file in court of competent jurisdiction an action for:

- (a) Forfeiture of all the Agency's right, title, and interest in the Property for a breach of the restrictive covenants contained in this Declaration of Restrictions; and
- (b) Collection of due and unpaid real estate taxes, assessments, charges and penalties for which the Agency is obligated to pay, or cause to be paid.

In addition to any remedy set forth herein the County shall have such other remedies as are available at law or equity. The exercise or attempted exercise by the County of any right or remedy available under this Declaration of Restrictions shall not preclude the County from exercising any other right or remedy so available, nor shall any such exercise or attempted exercise constitute or be construed as an election of remedies. The Agency shall pay any reasonable expenses, including reasonable attorney's fees and costs incurred by the County, under this Declaration of Restrictions and the preparation and delivery of notices required hereunder. The failure or omission by the County to enforce any of its rights or remedies upon breach of any of the covenants, terms or conditions of this Declaration of Restrictions shall not bar or breach any of the County's rights or remedies on any subsequent default.



Before the County shall pursue any of its rights or remedies under this Declaration of Restrictions, the County shall first give the Agency written notice of the default complained of which such notice shall be given to the Agency at their address shown above. The Agency shall then have ten (10) working days from the date such notice is given to cure or correct any default.

8. The Agency shall submit to the County once each year a report detailing the Agency's compliance with the terms of the grant Agreement and this Declaration of Restrictions.

9. In the event of any litigation necessary to enforce the terms of this Declaration of Restrictions, the Agency agrees to reimburse the County for attorneys' fees and costs associated with litigation.

10. The Agency shall cause this Declaration of Restrictions to be recorded in the Public Records of Palm Beach County, Florida, and thereafter the Agency shall provided it to the Director of Housing and Community Development Department, at 100 Australian Avenue, Suite 500, West Palm Beach, Florida 33406.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

SIGNED, SEALED, AND DELIVERED IN THE PRESENCE OF:

Witness Name: Witness Signature:  X _____
Witness Name: Witness Signature:  X _____

**PALM BEACH COUNTY HOUSING AUTHORITY**

By: Dwyght Spence, Chair Signature:  <b>X (DO NOT SIGN THIS EXHIBIT)</b> _____
--

(CORPORATE SEAL BELOW)

STATE OF FLORIDA  
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by Dwyght Spence, who is personally known to me or has produced \_\_\_\_\_ as identification and who did (did not) take an oath.

**(DO NOT SIGN THIS EXHIBIT)**

Signature: \_\_\_\_\_

Notary Name: \_\_\_\_\_

Notary Public - State of Florida

(NOTARY SEAL ABOVE)

EXHIBIT G

SECTION 3 REQUIREMENTS

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**PURPOSE**

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The purpose of Section 3 of the Housing and Urban Development Act of 1968, as amended, is to ensure that employment and other economic opportunities generated through the use of federal funds (NSP/CDBG) shall, to the greatest extent feasible, and consistent with existing federal, state, and local laws and regulations, be directed to low-and very-low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low-and very-low-income persons.

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**APPLICABILITY/COVERED PROJECTS**

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Section 3 applies to training, employment, contracting, and other economic opportunities arising in connection with expenditure of NSP/CDBG funds. Covered projects that are funded in part or in whole with NSP/CDBG funds include contracts, subcontracts, and professional service agreements, awarded for:

- 1) construction, reconstruction, conversion, or rehabilitation of housing (including reduction and abatement of lead-based paint hazards).
- 2) public construction which includes buildings or improvements regardless of ownership.

The above includes management and administrative jobs including architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups, and jobs directly related to administrative support of these activities, e.g. construction manager, relocation specialist, payroll clerk, etc.

Exclusions from the above are:

- 1) contracts awarded under HUD's procurement program which are governed by the Federal Acquisition Regulation System (48 CFR, Chapter 1).
- 2) contracts for the purchase of supplies and materials. However, whenever a contract for materials (or equipment) includes the installation, the contract constitutes a Section 3 covered project, and is consequently not excluded.

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**DEFINITIONS**

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**A. SUBRECIPIENT:**

For the purposes of Section 3, a subrecipient is any entity which receives NSP/CDBG funds from Palm Beach County Department of Housing and Community Development (HCD) for Section 3 covered projects including, but not limited to, any State, unit of local government, public housing authority, or other public body, public or private nonprofit organization, private agency or institution, Agency, builder, property manager, and community housing development organization.

**B. SECTION 3:**

Means Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C.1701u) (24CFR Part 135).

**C. SECTION 3 RESIDENT:**

Means:

- 1) a resident of public housing (24 CFR Part 963), or
- 2) a resident of Palm Beach County whose household income, by household size, is at or below 80% of the median income for Palm Beach County.

(Note: Information on income limits at 80% of median income for Palm Beach County, by household size, is available through HCD and provided in the accompanying chart. As this information is periodically revised by HUD, subrecipients shall assure that they have current information for use on their projects).

**D. SECTION 3 BUSINESS CONCERN:**

Means any entity which contracts to perform work generated by the expenditure of NSP/CDBG funds, which is a business entity formed in accordance with state law, and which is licensed under state, county, or municipal law to engage in the type of business activity for which it was formed. A Section 3 Business Concern is further defined as a business concern:

- 1) that is 51% or more owned by Section 3 Residents, or
- 2) whose permanent full-time employees include persons, at least 30% of whom are currently Section 3 Residents, or who, within three years of the date of first employment with the business concern, were Section 3 Residents, or
- 3) that provides evidence of a commitment to subcontract in excess of 25% of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in the above two definitions.

**E. NEW HIRES:**

Means full-time employees for permanent, temporary or seasonal employment opportunities.

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**SUBRECIPIENT OBLIGATIONS**


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**A. DISCLOSURE OF APPLICABILITY:**

Subrecipients shall in every bid solicitation for every Section 3 covered project disclose to bidders the applicability of Section 3 to any such project and include the Section 3 clause shown below in its entirety in any such bid solicitation. Subrecipients may include further information on Section 3 in the bid solicitation documents, or indicate in such documents that Section 3 information is available at the Subrecipient offices for review by any bidder.

**B. SECTION 3 CLAUSE IN EVERY CONTRACT:**

Every contract awarded by Subrecipients for a Section 3 covered project shall include the following Section 3 clause in its entirety:

**Section 3 Clause:**

- 1) 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.
- 2) The parties to this contract agree to comply with HUD's requirements 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.
- 3) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers representative of the contractor's commitment 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 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 the Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- 5) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.
- 6) 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.

**C. SUBRECIPIENT GOALS:**

Subrecipients may demonstrate compliance with the "greatest extent feasible" requirement of Section 3 by meeting the numerical goals set forth for providing training, employment, and contracting opportunities to Section 3 Residents and Section Business Concerns. The numerical goals established below represent minimum numerical targets.

- 1) Training and Employment. Subrecipients and their contractors and subcontractors may demonstrate compliance with this requirement by committing to employ Section 3 Residents amounting to 30% of the aggregate number of new hires generated by Section 3 covered Projects.
- 2) Contracts. The numerical goals set forth below apply to contracts awarded in connection with all Section 3 covered activities. Subrecipients and their contractors and subcontractors may demonstrate compliance with the below requirements by committing to award to Section 3 Business Concerns:
  - At least 10% of the total dollar amount of all Section 3 covered contracts for building trades work for maintenance, repair, modernization or development of public housing, or for building trades work arising in connection with housing rehabilitation, housing construction and other public construction; and
  - At least 3% of the total dollar amount of all other Section 3 covered contracts.

In the absence of evidence to the contrary, a subrecipient that meets the minimum numerical goals set forth above will be considered to have complied with the Section 3 preference requirements. In evaluating compliance, a subrecipient that has not met the numerical goals set forth above has the burden of demonstrating why it was not feasible to meet these numerical goals. Such justification may include impediments encountered despite actions taken. A subrecipient may also indicate other economic opportunities, such as those listed below, which were provided in its efforts to comply with Section 3 and the requirements listed below.

**D. SUBRECIPIENT RESPONSIBILITIES:**

Each subrecipient has the responsibility to comply with Section 3 in its own operations, and ensure compliance in the operations of its contractors and subcontractors. This responsibility includes but may not be necessarily limited to:

- 1) Implementing procedures designed to notify Section 3 Residents about training and employment opportunities generated by Section 3 Business Concerns about contracting opportunities generated by Section 3 covered assistance;
- 2) Notifying potential contractors for Section 3 covered projects of the requirements of this part, and incorporating the Section 3 clause set forth above in all solicitations and contracts.
- 3) Facilitating the training and employment of Section 3 Residents and the award of contracts to Section 3 Business Concerns by undertaking activities such as described in the Appendix to this document, as appropriate, to reach the goals set forth above. Subrecipients, at their own discretion, may establish reasonable numerical goals for the training and employment of Section 3 Residents and contract award to Section 3 Business Concerns that exceed those specified above.
- 4) Assisting and actively cooperating with the Assistant Secretary of HUD in obtaining the compliance of contractors and subcontractors with the requirements of Section 3, and refraining from entering into any contract with any contractor where the recipient has notice or knowledge that the contractor has been found in violation of the regulations in 24 CFR Part 135.
- 5) Documenting actions taken to comply with the requirements set forth in this document, the results of actions taken, and impediments, if any.

**E. PREFERENCE FOR SECTION 3 RESIDENTS:**

Subrecipients, contractors and subcontractors shall direct their efforts to provide, to the greatest extent feasible, training and employment opportunities generated from the expenditure of Section 3 covered assistance to Section 3 Residents in the order of priority provided below.

Priority consideration shall be given, where feasible to:

- 1) Section 3 Residents residing in the service area or neighborhood in which the Section covered project is located (collectively, referred to as category 1 residents); and
- 2) Participants in HUD Youthbuild programs (category 2 residents).
- 3) Where the Section 3 project is assisted under The Stewart B. McKenney Homeless Assistance Act (42 U.S.C. 11301 et seq.), homeless persons residing in the service area or neighborhood in which the Section 3 covered project is located shall be given the highest priority;
- 4) Other Section 3 Residents.

Subrecipients may at their own discretion, provide priority to recipients of government assistance for housing, including recipients of certificates or vouchers under the Section 8 housing assistance program, within the service area or neighborhood where the Section 3 covered project is located.

A Section 3 Resident seeking the preference in training and employment described above shall certify, or submit evidence to the recipient contractor or subcontractor, if requested, that the person is a Section 3 Resident, as defined above.

Nothing in the above shall be construed to require the employment of a Section 3 Resident who does not meet the qualifications of the position to be filled.

#### **E. PREFERENCE FOR SECTION 3 BUSINESS CONCERNS:**

Subrecipients, contractors and subcontractors shall direct their efforts to award Section 3 covered contracts, to the greatest extent feasible, to Section 3 Business Concerns in the order of priority provided below.

Priority consideration shall be given, when feasible, to:

- 1) Section 3 Business Concerns that provide economic opportunities for Section 3 Residents in the service area or neighborhood in which the Section 3 covered project is located (category 1 business); and
- 2) Applicants (as this term is defined in 42 U.S.C. 12899) selected to carry out HUD Youthbuild programs (category 2 businesses);
- 3) Other Section 3 Business Concerns.

A business concern seeking to qualify for a Section 3 contracting preference shall certify or submit evidence, if requested that the business concern is a Section 3 Business Concern as defined above. A Section 3 Business Concern seeking a contract or subcontract shall submit evidence to the Subrecipient, contractor, or subcontractor (as applicable), if requested, sufficient to demonstrate to the satisfaction of the party awarding the contract that the business concern is responsible and has the ability to perform successfully under the terms and conditions of the proposed contract. (The ability to reform successfully under the terms and conditions of the proposed contract is required of all contractors and subcontractors subject to the procurement standards of 24 CFR 85.36 (see 24 CFR 85.36(b)(8)).) This regulation requires consideration of, among other factors, the potential contractor's record in complying with public policy requirements. Section 3 compliance is a matter properly considered as part of this determination.

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#### **PROVIDING OTHER ECONOMIC OPPORTUNITIES**

In accordance with the findings of the Congress, as stated in Section 3, that other economic opportunities offer an effective means of empowering low-income persons, a subrecipient is encouraged to undertake efforts to provide to low-income persons economic opportunities other than training, employment, and contract awards in connection with Section 3 covered assistance.

- 1) Other economic opportunities to train and employ Section 3 Residents include, but need not be limited to, use of "upward mobility", "bridge" and trainee positions to fill vacancies; Section 3 Residents in management and maintenance positions within other housing developments; and hiring Section 3 Residents in part-time positions.
- 2) A subrecipient or contractor may provide economic opportunities to establish, stabilize or expand Section 3 Business Concerns, including micro-enterprises. Such opportunities include, but are not limited to the formation of Section 3 joint ventures, financial support for affiliating with franchise development, use of labor only contracts for building trades, purchase of supplies and materials from housing authority resident-owned businesses, purchase of materials and supplies from PHA resident-owned business and use of procedures in 24 CFR part 963 regarding HA contracts to HA resident-owned businesses. A subrecipient contractor may employ these methods directly or may provide incentives to Non-Section 3 Businesses to utilize such methods to provide other economic opportunities to low-income persons.

A Section 3 joint venture means an association of business concerns, one of which qualifies as a Section 3 Business Concern, formed by written joint venture agreement to engage in and carry out a specific business venture for which purpose the business concerns combine their efforts, resources, and skills for joint profit, but not necessarily on a continuing or permanent basis for conducting business generally, and for which the Section 3 Business Concern:

- 1) Is responsible for a clearly defined portion of the work to be performed and holds management responsibilities in the joint venture; and
- 2) Performs at least 25 percent of the work and its contractually entitled to compensation proportionate to its work.

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## REPORTING REQUIREMENTS

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Subrecipients shall submit the enclosed Section 3 Subrecipient Report for each contract or agreement funded in part or in whole through HCD. Said report shall accompany the final reimbursement request submitted by the subrecipient for each such contract or agreement. Furthermore, for each covered project, the subrecipient shall also submit a letter with the report that is submitted for the final reimbursement request of the last contract or agreement being funded for the project through HCD. The letter shall indicate what goals have been met by the subrecipient as required herein, and if not entirely met, the letter should demonstrate why it was not feasible to meet these goals, document actions taken to comply, the results of actions taken, and impediments, if any.

For example, a subrecipient is being funded for a certain project by HCD. The project includes an agreement with a consultant for services and a construction contract with a contractor. The consultant's work is completed first. The subrecipient would submit the above mentioned report for the consultant's agreement with the consultant's final reimbursement request. Then, when the construction contract is completed, the subrecipient would submit the report for the construction contract with the stated letter.

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## COMPLAINTS

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Complaints alleging noncompliance with Section 3 (24 CFR Part 135) may be filed with the Assistant Secretary of HUD, for Fair Housing and Equal Opportunity by any Section 3 Resident on behalf of himself or herself, or as a representative of persons similarly situated, seeking employment, training or other economic opportunities generated from Section 3 covered projects, or by a representative who is not a Section 3 Resident but who represents one or more Section 3 residents. Similarly complaints may be filed by any Section 3 Business Concern on behalf of itself, or as a representative of other Section 3 Business Concerns similarly situated, seeking contract opportunities generated from Section 3 covered projects, or by an individual representative of Section 3 Business Concerns. Where to file, time of filing, content of complaints, and other related matters are contained in the regulations at 24 CFR Part 135.

No subrecipient or other person shall intimidate, threaten, coerce, or discriminate against any person or business because the person or business has made a complaint, testified, assisted or participated in any manner in an investigation, proceeding, or hearing under the Section 3 regulations. The identity of complainants shall be kept confidential except to the extent necessary to carry out the purposes of the Section 3 regulations, including the conduct of any investigation, hearing or judicial proceeding arising thereunder. Nothing herein precludes a Section 3 Resident or Section 3 Business Concern from exercising the right, which may otherwise be available, to seek redress directly through judicial procedures.

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## APPENDIX

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### **A. EXAMPLES OF EFFORTS TO OFFER TRAINING AND EMPLOYMENT OPPORTUNITIES TO SECTION 3 RESIDENTS:**

- 1) Entering into "first sources" hiring agreements with organizations representing Section 3 Residents.
- 2) Sponsoring a HUD certified "Step-Up" employment and training program for Section 3 Residents.
- 3) Establishing training programs, which are consistent with the requirements of the Department of Labor, for public and Indian housing residents and other Section 3 Residents in the building trades.
- 4) Advertising the training and employment positions by distributing flyers (which identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process) to every occupied dwelling unit in the housing development or developments where category 1 or category 2 persons (as these terms are defined in 135.34) reside.
- 5) Advertising the training and employment positions by posting flyers (which identify the position to be filled, the qualifications required, and where to obtain additional information about the application process) in the common areas or other prominent areas of the housing development or developments. For HAs, post such advertising in the housing development or developments where category 1 or category 2 persons reside; for all other subrecipients, post such advertising in the housing development or developments and transitional housing in the neighborhood or service area of the Section 3 covered project.

- 6) Contacting resident councils, resident management corporations. Or other resident organizations, where they exist, in the housing development or developments where category 1 or category 2 persons reside, and community organizations in HUD-assisted neighborhoods, to request the assistance of these organizations in notifying residents of the training and employment positions to be filled.
- 7) Sponsoring (scheduling, advertising, financing or providing in-kind services) a job informational meeting to be conducted by an HA or contractor representative or representatives at a location in the housing development or developments where category 1 or category 2 persons reside or in the neighborhood or service area of the Section 3 covered project.
- 8) Arranging assistance in conducting job interviews and the housing development or developments where category 1 or category 2 persons reside and in the neighborhood or service area in which a Section 3 project is located.
- 9) Arranging for a location in the housing development or developments where category 1 persons reside, or the neighborhood or service area of the project, where job applications may be delivered to and collected by a subrecipient or contractor representative or representatives.
- 10) Conducting job interviews at the housing development or developments where category 1 or category 2 persons reside, or at a location within the neighborhood or service area of the Section 3 covered project.
- 11) Contacting agencies administering HUD Youthbuild programs, and requesting their assistance in recruiting HUD Youthbuild program participants for the HA's or contractor's training and employment positions.
- 12) Consulting with State and local agencies administering training programs funded through TPA or JOBS, probation and parole agencies, unemployment compensation programs, community organizations and other officials or organizations to assist with recruiting Section 3 Residents for the HA's or contractor's training and employment positions.
- 13) Advertising the jobs to be filled through the local media, such as community television networks, newspapers of general circulation, and radio advertising.
- 14) Employing a job coordinator, or contracting with a business concern that is licensed in the field of job placement (preferably one of the Section 3 Business Concerns identified in part 135), that will undertake, on behalf of the HA, other subrecipients or contractor, the efforts to match eligible and qualified Section 3 Residents with the training and employment positions that the HA or contractor intends to fill.
- 15) For an HA, employing section residents directly on either a permanent or a temporary basis to perform work generated by Section 3 assistance. (This type of employment is referred to as "force account labor" in HUD's Indian housing regulations. See 24 CFR 905.102, and 905.201(a)(6).)
- 16) Where there are more qualified section 3 residents than there are positions to be filled, maintaining a file of eligible qualified Section 3 Residents for future employment positions.
- 17) Undertaking job counseling, education and related programs in association with local educational institutions.
- 18) Undertaking such continued job training efforts as may be necessary to ensure the continued employment of Section 3 Residents previously hired for employment opportunities.
- 19) After selection of bidders but prior to execution of contracts, incorporating into the contract a negotiated provision for a specific number of public housing or other Section 3 Residents to be trained or employed on the Section 3 covered assistance.
- 20) Coordinating plans and implementation of economic development (e.g. job training and preparation, business development assistance for residents) with the planning for housing and community development.

**B. EXAMPLES OF EFFORTS TO AWARD CONTRACTS TO SECTION 3 BUSINESS CONCERNS:**

- 1) Utilizing procurement procedures for Section 3 Business Concerns similar to those provided in 24 CFR part 905 for business concerns owned by Native Americans.
- 2) In determining the responsibility of potential contractors, consider their record of Section 3 compliance as evidenced by past actions and their current plans for the pending contract.
- 3) Contracting business assistance agencies, minority contractors associations and community organizations to inform them of contracting opportunities and requesting their assistance in identifying Section 3 business which may solicit bids or proposals for contracts for work in connection with Section 3 covered assistance.
- 4) Advertising contracting opportunities by posting notices, which provide general information about the work to be contracted and where to obtain additional information in the common areas or other prominent areas of the housing development or developments owned and managed by the HA.

- 5) Providing written notice to all known Section 3 Business Concerns of the contracting opportunities. This notice should be in sufficient time to allow the Section 3 Business Concerns to respond to the bid invitations or request for proposals.
- 6) Following up with Section 3 Business Concerns that have expressed interest in the contracting opportunities by contacting them to provide additional information on the contracting opportunities.
- 7) Coordinating pre-bid meetings at which Section 3 Business Concerns could be informed of upcoming contracting and subcontracting opportunities.
- 8) Carrying out workshops on contracting procedures and specific contract opportunities in a timely manner so that Section 3 Business Concerns can take advantage of upcoming contracting opportunities, with such information being made available in languages other than English where appropriate.
- 9) Advising section 3 business concerns as to where they may seek assistance in overcome limitations such as inability to obtain bonding, lines of credit, financing, or insurance.
- 10) Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways to facilitate the participation of Section 3 Business Concerns.
- 11) Where appropriate, breaking out contract work items into economically feasible units to facilitate participation by Section 3 Business Concerns.
- 12) Contacting agencies administering HUD Youthbuild programs, and notifying these agencies of the contracting opportunities.
- 13) Advertising the contracting opportunities through trade association papers and newsletters, and through the local media, such as community television networks, newspapers of general circulation, and radio advertising.
- 14) Developing a list of eligible Section 3 Business Concerns.
- 15) Establishing or sponsoring programs designed to assist residents of public or Indian housing in the creation and development of resident-owned businesses.
- 16) Establishing numerical goals (number of awards and dollar amount of contracts) for award of contracts to Section 3 Businesses Concerns.
- 17) Supporting businesses which provide economic opportunities to low income persons by linking them to the support services available through the Small Business Administration (SBA), the Department of Commerce and comparable agencies at the State and local levels.
- 18) Encouraging financial institutions, in carrying out their responsibilities under the Community Reinvestment Act, to provide no or low interest loans for providing working capital and other financial business needs.
- 19) Actively supporting joint ventures with Section 3 Business Concerns.
- 20) Actively supporting the development or maintenance of business incubators which assist Section 3 Business Concerns.



EXHIBIT H**ASBESTOS REQUIREMENTS**  
**SPECIAL CONDITIONS FOR DEMOLITION AND RENOVATION OF BUILDINGS**

The provisions of this part apply to all demolition and renovation work contemplated in this Agreement and described in Exhibit A of this Agreement.

**I. DEFINITIONS**

ACBM: Asbestos Containing Building Materials  
 AHERA: Asbestos Hazard Emergency Response Act  
 EPA: Environmental Protection Agency  
 FLAC: Florida Licensed Asbestos Consultant  
 HCD: Palm Beach County Department of Housing and Community Development  
 NESHAP: National Emission Standards for Hazardous Air Pollutants  
 NRCA: National Roofing Contractors Association  
 NVLAP: National Voluntary Laboratory Accreditation Program  
 OSHA: Occupational Health and Safety Administration  
 PBCAC: Palm Beach County Asbestos Coordinator (in Risk Management)  
 TEM: transmission electron microscopy

**II. ASBESTOS SURVEYS**

All properties scheduled for renovation or demolition are required to have a comprehensive asbestos survey conducted by a Florida Licensed Asbestos Consultant, (FLAC). The survey shall be conducted in accordance with AHERA guidelines. Analysis must be performed by a NVLAP accredited laboratory.

For Renovation Projects (projects which will be reoccupied):

- Point counting must be done for all asbestos containing building materials (ACBM) indicating less than 1% asbestos (to determine if any asbestos is present).
- Samples of vinyl floor tile indicating asbestos not detected must be confirmed by transmission electron microscopy (TEM).
- Joint compound shall be analyzed as a separate layer.
- Roofing material shall be sampled only if a renovation requires the roof to be disturbed (in lieu of sampling the roof, it may be presumed to contain asbestos).

For Demolition Projects:

- Point counting must be done for all "friable" asbestos containing building materials (ACBM), indicating less than 1% asbestos. This includes joint compounds (to be analyzed as a separate layer), and vinyl asbestos tile.
- Roof materials shall be presumed to be asbestos containing.

If the Developer has a recent asbestos survey report prepared by a licensed asbestos consultant, a copy may be provided to HCD and PBCAC for review to determine if the survey is adequate to proceed with renovation/demolition work. If no survey is available, a survey may be initiated by the Agency or requested by HCD. A copy of the completed survey will be forwarded to the Agency. All asbestos survey's shall be forwarded to the PBCAC.

**III. ASBESTOS ABATEMENT****A. RENOVATION**

- (a) Prior to a renovation, all asbestos containing materials that will be disturbed during the renovation, must be removed by a Florida Licensed Asbestos Contractor under the direction of a FLAC. Exceptions may be granted by HCD prior to the removal, (such as asbestos containing roofs, transite pipe). The Agency must obtain approval for all exceptions from HCD. HCD will request the PBCAC to review and approve all exceptions.
- (b) Asbestos Abatement work may be contracted by the Agency or by HCD upon request.
- (c) If the Agency contracts the asbestos abatement, the following documents are required to be provided to the HCD and the PBCAC.
  1. An Asbestos Abatement Specification (Work Plan), sealed by an FLAC.
  2. Pre and Post Job submittals, reviewed and signed by the FLAC.

- (d) If the Agency requests HCD to contract the asbestos abatement, HCD will initiate the request through the PBCAC who will contract the asbestos abatement. HCD will provide a copy of all contractor and consultant documents to the Agency.
- (e) Materials containing <1% asbestos are not regulated by EPA/NESHAPS. However, OSHA compliance is mandatory. OSHA requirements including training, wet methods, prompt cleanup in leak tight containers, etc. The renovation contractor must comply with US Dept of Labor, Standard Interpretation (OSHA), Compliance requirements for renovation work involving material containing <1% asbestos, 11/24/2003. The renovation contractor must submit a work plan to HCD and the PBCAC prior to removal of the materials.

## B. DEMOLITION

All "friable" ACBM must be removed by a Florida Licensed Asbestos Contractor under the direction of a FLAC prior to demolition. Friable materials include: resilient asbestos tile and mastic which is not intact, linoleum, asbestos containing joint compound, asbestos containing cement panels (e.g. transite), etc.

Intact resilient tile and asbestos roof materials may be demolished with adequate controls (e.g. wet method) by a demolition contractor provided the contractor is aware of the asbestos containing materials present and exercises adequate control techniques (wet methods, etc.). In all cases, demolition work should be monitored by a FLAC to insure proper control measures and waste disposal. Any exceptions to these guidelines may be requested through HCD prior to the removal, (such as asbestos containing roofs, transite pipe). Exceptions may be granted by HCD prior to the removal, (i.e. asbestos containing roofs, transite pipe). The Agency must obtain approval for all exceptions from HCD and the PBCAC.

- (a) Asbestos Abatement work may be contracted by the Agency or by HCD upon request.
- (b) If the Agency contracts the asbestos abatement, the following documents must be provided to the PBC/HCD and reviewed by the PBCAC.
  1. An Asbestos Abatement Specification (Work Plan), sealed by an FLAC.
  2. Pre and Post Job submittals, reviewed and signed by the FLAC.
- (c) If the Agency requests HCD to contract the asbestos abatement, HCD will initiate the request through the PBCAC who will contract the asbestos abatement. HCD will provide a copy of all contractor and consultant documents to the Agency.
- (d) Recycling, salvage or compacting of any asbestos containing materials or the substrate is strictly prohibited.
- (e) In all cases, compliance with OSHA "Requirements for demolition operations involving material containing <1% asbestos is mandatory.
- (f) For all demolitions involving asbestos containing floor tile, asbestos containing roofing material and materials containing <1%, the Demolition Contractor shall submit the following documents to HCD. HCD will provide a copy of these documents to PBCAC.
  1. Signed statement that the demolition contractor has read and understood the requirements for complying with EPA, OSHA and the State of Florida Licensing regulations for demolition of structures with asbestos materials.
  2. Submit a plan for the demolition of asbestos containing roofing and floor tile. State if these materials are likely to remain intact. Include in the plan what shall occur if materials become "not intact".
  3. Submit a plan for compliance with OSHA requirements such as but not limited to: competent person, establishing a regulated area, asbestos training of workers, respiratory protection, use of disposable suits, air monitoring, segregation of waste, containerizing asbestos waste, waste disposal.
- (g) If materials are discovered that are suspect asbestos materials that were not previously sampled, stop all work that will disturb these materials and immediately notify HCD.

**IV. NESHAPS NOTIFICATION****A. RENOVATION**

A NESHAP form must be received by the Palm Beach County Health Department at least ten working days prior to an asbestos renovation that includes regulated asbestos containing material greater than 160 square feet or 260 linear feet or 35 cubic feet. For lesser quantities, the Agency (or its contractor) shall provide a courtesy notification to the Palm Beach County Health Department at least ten working days prior to an asbestos renovation. The removal of vinyl asbestos floor tile and linoleum shall be considered regulated. Asbestos roof removal requires a notification at least 3 working days prior to the removal.

**B. DEMOLITION**

A NESHAP form must be received by the Palm Beach County Health Department at least ten working days prior to the demolition.

- C. The NESHAP notification shall be sent return receipt requested to the address shown below with a copy to HCD. HCD shall provide a copy to the PBCAC. All fees shall be paid by the Agency.

Palm Beach County Department of Health  
Asbestos Coordinator  
901 Evernia Street  
Post Office Box 29  
West Palm Beach, Florida 33401

**V. APPLICABLE ASBESTOS REGULATIONS/GUIDELINES**

The Agency, through its demolition or renovation contractor, shall comply with the following asbestos regulations/guidelines. This list is *not* all inclusive:

- (a) Environmental Protection Agency (EPA) NESHAP, 40 CFR Parts 61 Subpart M – National Emission standard for Asbestos, revised July 1991
- (b) Occupational Health and Safety Administration (OSHA) Construction Industry Standard, 29 CFR 1926.1101
- (c) EPA: A Guide to Normal Demolition Practices Under the Asbestos NESHAP, September 1992
- (d) Demolition practices under the Asbestos NESHAP, EPA Region IV
- (e) Asbestos NESHAP Adequately Wet Guidance
- (f) Florida State Licensing and Asbestos Laws
  - 1. Title XVIII, Chapter 255, Public property and publicly owned buildings.
  - 2. Department of Business and Professional Regulations, Chapter 469 Florida Statute, Licensure of Asbestos Consultants and Contractors
- (g) Resilient Floor Covering Institute, NRCI, Updated Recommended Work Practices and Asbestos Regulatory Requirements, September 1998.
- (h) Florida Roofing Sheet Metal and Air Conditioning Contractors Association, NRCA, June 1995
- (i) US Dept of Labor, Standard Interpretation (OSHA)
  - 1. Application of the asbestos standard to demolition of buildings with ACM in Place, 8/26/2002.
  - 2. Requirements for demolition operations involving material containing <1% asbestos, 8/13/1999.
  - 3. Compliance requirements for renovation work involving material containing <1% asbestos, 11/24/2003.

3. The NSP grantee has a legitimate role in contributing to the appraisal process, especially in developing the scope of work and defining the appraisal problem. The scope of work and development of an appraisal under these requirements depends on the complexity of the appraisal problem. HUD's guide to preparing an appraisal scope of work under the URA is available in HUD Handbook 1378 - Appendix 19.

4. The NSP grantee shall establish criteria for determining the minimum qualifications and competency of appraisers. Qualifications shall be consistent with the scope of work for the assignment. The NSP grantee shall review the experience, education, training, certification/licensing, designation(s) and other qualifications of appraisers, and use only those determined by the NSP grantee to be qualified.

5. If the NSP grantee uses a contract (fee) appraiser to perform the appraisal, such appraiser shall be State licensed or certified in accordance with Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) (12 U.S.C. 3331 *et seq.*).

EXHIBIT C

URA REQUIREMENT  
FOR NSP VOLUNTARY ACQUISITION OF FORECLOSED PROPERTY

(...on Agency letterhead...)

(...date...)

(...seller address...)

Subject: General Information Notice

Dear \_\_\_\_\_:

\_\_\_\_\_ Agency's name \_\_\_\_\_, is interested in acquiring property you own at \_\_\_\_\_ (address) \_\_\_\_\_ for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the Neighborhood Stabilization Program (NSP).

Please be advised that \_\_\_\_\_ Agency's name \_\_\_\_\_ does not have authority to acquire your property by eminent domain. In the event we cannot reach an amicable agreement for the purchase of your property, we will not pursue this proposed acquisition.

The subject property is listed for purchase at \$\_\_\_\_\_. We currently believe \$\_\_\_\_\_ to be the market value of the property. Under the NSP, we are required to purchase foreclosed property at a discount from its current market appraised value. Depending on the results of our appraisal, our purchase offer may differ from the amounts noted above.

Please contact us at your convenience if you are interested in selling your property.

In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance. A tenant-occupant who moves as a result of a voluntary acquisition for a federally-assisted project may be eligible for relocation assistance. Such displaced persons may include not only current lawful occupants, but also former tenants required to move for any reason other than an eviction for cause in accordance with applicable federal, state, and local law. If your property is currently tenant-occupied or a tenant lawfully occupied your property on or after (date of NSP agreement between Agency and County) we need to know immediately. Further, you should not order current occupant(s) to move, or fail to renew a lease, in order to sell the property to us as vacant.

If you have any questions about this notice or the proposed project, please contact \_\_\_\_\_ (name) \_\_\_\_\_, \_\_\_\_\_ (title) \_\_\_\_\_, at \_\_\_\_\_ (address) \_\_\_\_\_, or by telephone at \_\_\_\_\_ (phone number) \_\_\_\_\_.

Sincerely,

**EXHIBIT D**

**ENVIRONMENTAL REVIEW CHECKLIST REQUEST**

**DATE:** \_\_\_\_\_

**TO:** Elena Escovar, Manager, Planning Section  
Housing and Community Development

**FROM:** *Name* \_\_\_\_\_

**RE:** NSP Residential Redevelopment Program  
Environmental Review Checklist Request

This is to request an Environmental Review checklist for the below identified rehabilitation project under the 2005 Disaster Recovery Initiative Program:

Property Owner(s):			
Property Address:			
Property Control No:			
Property is:	<input type="checkbox"/> Owner occupied	<input type="checkbox"/> Tenant occupied	<input type="checkbox"/> Vacant
Number of Units:		Year Built:	(See below)

**Attachment:** Attach one front view photo and one side view photo of each structure mounted on a Photographic Survey form.

If the property was built more than 50 years ago: Complete the Rehabilitation Justification and Historical Background Information below.

**REHABILITATION JUSTIFICATION  
AND  
HISTORICAL BACKGROUND INFORMATION**

For structures built more than 50 years ago:

1. Provide a detailed justification for the rehabilitation of the above stated property. The information/documentation should describe the current condition/deterioration of the structure, and include both interior and exterior photographs: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2. Provide information on any historical events or individuals known to be associated with the above stated property: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. Provide information on the immediate surroundings of the above stated property. Is the property located next to a potential historic district? Provide photographs of the surrounding lots and/or buildings: \_\_\_\_\_

\_\_\_\_\_

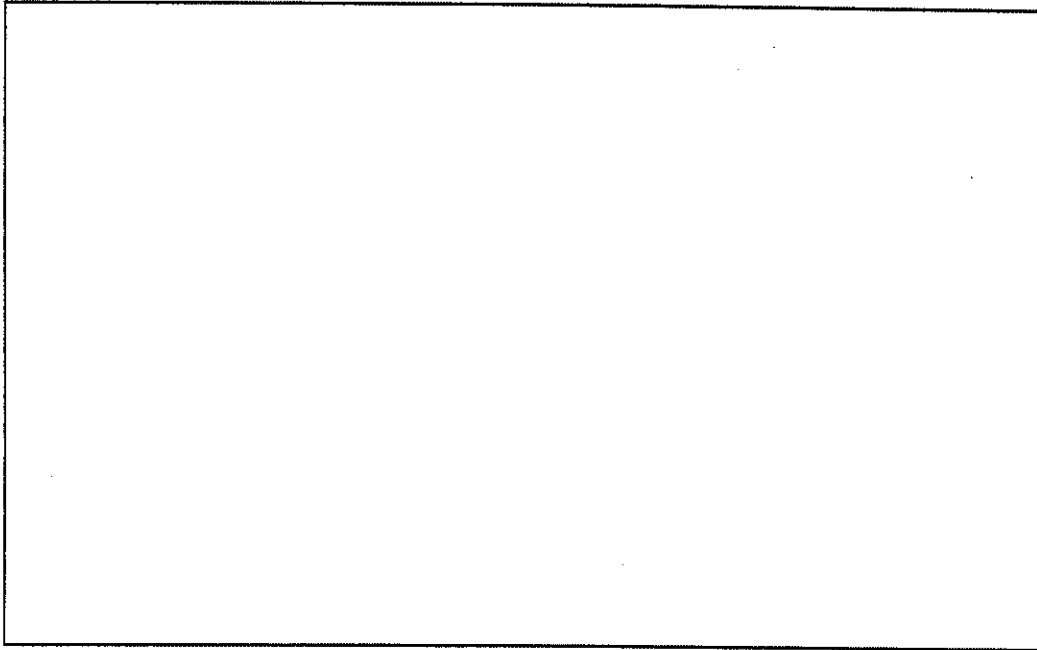
\_\_\_\_\_

\_\_\_\_\_

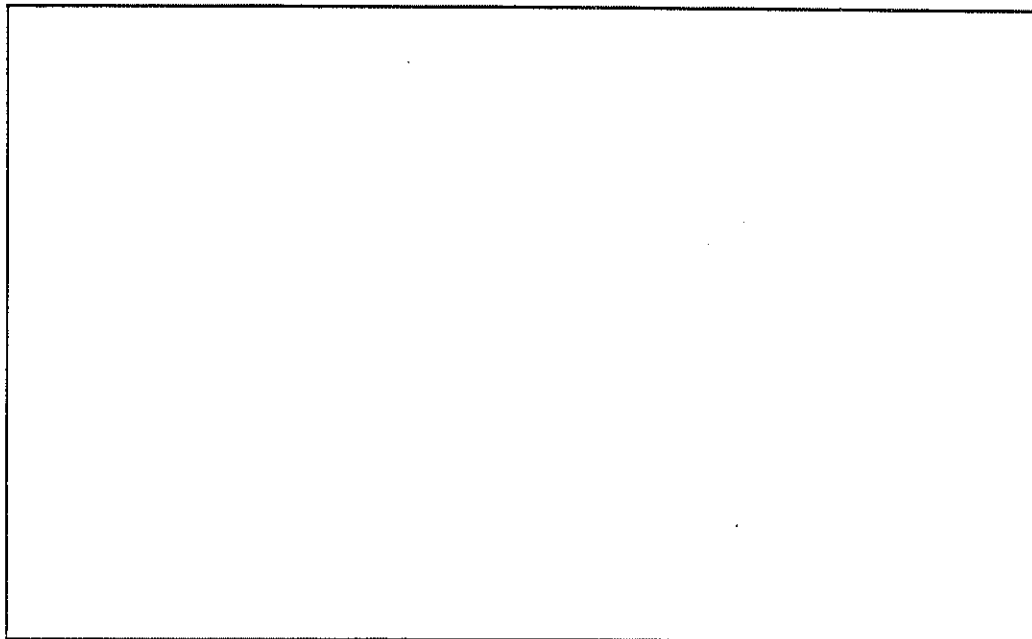
\_\_\_\_\_

PHOTOGRAPHIC SURVEY

PROPERTY OWNER:	
PROPERTY ADDRESS:	
PHOTO DATE:	



**FRONT VIEW**



**SIDE VIEW**

EXHIBIT EREHABILITATION STANDARDS

Rehabilitation of residential property funded through this Agreement shall, to the extent necessary, comply with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability. All rehabilitation undertaken must be consistent with existing County CDBG rehabilitation policies except that household income requirements contained in these policies are superceded by those contained in this Agreement. All rehabilitation undertaken in connection with this Agreement shall upgrade properties to ensure compliance with applicable municipal, county and state housing and building standards to the extent that the repairs performed are practical and feasible. Rehabilitation may also include improvements to increase the energy efficiency or conservation of such properties or to provide a renewable energy source or sources for such properties.

Code, health and safety violations include (but are not limited to): non-functional plumbing, roof replacement, mold remediation, faulty electrical system, failing septic system, missing exterior doors and windows, structural defects, failing foundations due to termites and/or termite damage.

HCD will only replace code related items (in lieu of repair) if the items are either missing or deemed inoperable and beyond repair. Where applicable, installation costs are eligible under NSP, if grant funding has been set aside to replace that item. In cases where appliances, fixtures and the like must be replaced, it is required that those items be replaced with energy efficient products. If appliances, fixtures and the like are in satisfactory working condition, those items cannot be replaced. Remodeling is not an eligible use of NSP grant awards. Only those approved items are eligible for repair and/or replacement. A rehabilitation contract shall list all repairs that are to be made and shall be executed by the Agency and the contractor prior to the use of NSP funds.

**EXAMPLES OF ELIGIBLE REHABILITATION ITEMS:**

- Replacement of deteriorated roofing systems
- Broken water pipes
- Water leaks in walls or foundation
- Interior and exterior door replacement including hardware
- Bathroom rehabilitation to include repair/replacement of bathroom fixtures
- Garage door repair/replacement
- Windows and window fixtures replacement including screens
- Inoperable hot water heater
- Drywall replacement/repair
- Inoperable exterior doors and windows
- Replacement of missing or inoperable hurricane shutters
- Electrical repairs to include breaker panel upgrades and whole house rewiring
- Gas leaks
- Termite treatment
- Kitchen rehabilitation to include: wall repair, repair/replacement of missing or inoperable stove, refrigerator, sink, dishwasher, garbage disposal and cabinets
- Repair of cracked/dangerous driveway
- Repair/replace HVAC system
- Floor covering repair or replacement
- Insulation
- Repair deteriorated siding/stucco (to include interior and exterior painting where necessary)
- Repair of an existing sprinkler system and related items
- Repair of an existing screen and patio enclosures
- Repair of an existing fence
- Repair/replace light fixtures as required by code
- Accommodations in bedroom, bathroom and/or kitchen including removal of architectural barriers for persons with disabilities
- Repair of existing lawn sprinkler system when required by code
- Replace existing yard grass (sod) when required by code
- Any other repairs identified as being in violation of applicable housing and building codes threatening the life, health and safety of the residents or the general public



EXHIBIT F

Return to:  
Palm Beach County  
Housing & Community Development  
160 Australian Avenue, Suite 500  
West Palm Beach, Florida 33406  
Prepared by: Tammy K. Fields,  
Senior Assistant County Attorney  
Attention: Amin Houry

**DECLARATION OF RESTRICTIONS  
FOR RENTAL PROPERTIES**

The undersigned, Palm Beach County Housing Authority, a special district of the State of the Florida, formed under F.S. Chapter 421, having its principal office at 3432 West 45<sup>th</sup> Street, West Palm Beach, FL 33407, (hereinafter referred to as "Agency", which term as used in every instance herein shall include Agency's successors and assigns), for the property described below, in consideration of funding in the amount of \_\_\_\_\_ Dollars (\$000,000) received from the Palm Beach County Board of County Commissioners (the "County") does hereby grant to the County the following restrictions against the subject property, hereinafter referred to as the Property, and described as:

**Legal Description**

**Property Control Number(s): 00-XX-XX-XX-XX-XXX-XXXX**

1. These restrictions shall be deemed a covenant running with the land and are binding upon the undersigned, their heirs, executors, successors, and assigns. These restrictions can only be terminated or released by the Palm Beach County Board of County Commissioners, and/or those persons to whom such authority is formally delegated, and executed with the same formalities as this document.

2. In consideration of the County's grant for the purchase of the Property, as provided through a grant Agreement with the County dated April 1, 2010, the Agency hereby covenants and agrees until March 31, 2030:

- (a) To rehabilitate the Property (consisting of one (1) dwelling units) upon its acquisition to render it suitable for occupancy, to the extent rehabilitation is necessary based on the condition of the Property,
- (b) To, thereafter, rent the Property to a Middle Income Household (as defined herein) approved by the County in accord with the terms of the aforesaid Agreement,  
*(OR USE THE BELOW AS APPLICABLE)*
- (b) To, thereafter, rent the Property to a Very-Low Income Household (as defined herein) approved by the County in accord with the terms of the aforesaid Agreement,
- (c) To charge rental rates that are affordable to the tenants based on their incomes in accord with the terms of the aforesaid Agreement,
- (d) To diligently market the availability of vacant dwelling units at the Property to persons likely to meet the definition of Middle Income Households OR Very-Low Income Households,
- (e) To maintain the Property in a state of repair pursuant to applicable housing and building codes,
- (f) To maintain insurance as required in the Agreement, and
- (g) To comply with the provisions, terms, and conditions set forth herein.

For the purpose of this Declaration of Restrictions, a Middle Income Household shall be defined as a household whose income is at or below one hundred and twenty percent (120%) of the median income for the West Palm Beach - Boca Raton Metropolitan Statistical Area adjusted by family size, as determined by the County at its sole discretion. *(OR USE THE BELOW AS APPLICABLE)*

For the purpose of this Declaration of Restrictions, a Very-Low Income Household shall be defined as a household whose income is at or below fifty percent (50%) of the median income for the West Palm Beach - Boca Raton Metropolitan Statistical Area adjusted by family size, as determined by the County at its sole discretion.

3. The Agency shall in connection with the lease or sale of the Property comply with all federal, state and local Fair Housing laws.

4. Should Agency change the use or planned use, or discontinue use, of the Property (including the beneficiaries of such use) from that for which the acquisition or improvements were made, or should the Agency sell, convey or transfer title to the Property, then the Agency shall pay the County an amount equal to the entire amount expended by the County in connection with the acquisition and rehabilitation of the Property.

5. The Agency shall pay, or cause to be paid, all taxes due while the Property is in its possession and/or in the possession of the County Approved Homeowners, and the Agency shall not voluntarily create, or permit or suffer to be created or to exist, on or against the Property, or any part thereof, any lien superior to the lien of this Declaration of Restrictions, except with the County's prior written consent. The Agency shall keep and maintain the Property free from the claims of all parties supplying labor or materials unto the same. The Agency agrees to notify the County of any liens, judgements or pending foreclosure on the Property within five (5) working days of the receipt of said notice by Agency.

6. The Agency acknowledges and covenants that the provisions specified below constitute a default under this Declaration of Restrictions for which there may be a forfeiture of the Agency's title to the Property:

- (a) Failure of the Agency to perform any covenant, agreement, term, or condition contained herein or in the Agreement referenced in Section 2 above.

Notwithstanding the foregoing, and at the sole discretion of the County, upon providing notice to the Agency of its determination that the Agency is in default of the terms of this Declaration of Restrictions, the County may, from time to time, at its sole discretion, cure each default under any covenant so curable in this Declaration of Restrictions, or in any instrument creating a lien upon the Property, or any part thereof, to such extent that the County, at its sole discretion, determines, and each amount paid, if any, by the County to cure any such default shall be paid by the Agency to the County in addition to the legal rate of interest from the time of expenditure and shall constitute a lien against the property which may be foreclosed if not discharged and satisfied within three (3) months of expenditure of such funds by the County. The County shall also become subrogated to whatever rights the holders of a prior lien might have under such instrument.

7. If the Agency fails, neglects or refuses to perform any of the provisions, terms and conditions set forth herein, for any breach of this Declaration of Restrictions, the County shall have the right to file in court of competent jurisdiction an action for:

- (a) Forfeiture of all the Agency's right, title, and interest in the Property for a breach of the restrictive covenants contained in this Declaration of Restrictions; and
- (b) Collection of due and unpaid real estate taxes, assessments, charges and penalties for which the Agency is obligated to pay, or cause to be paid.

In addition to any remedy set forth herein the County shall have such other remedies as are available at law or equity. The exercise or attempted exercise by the County of any right or remedy available under this Declaration of Restrictions shall not preclude the County from exercising any other right or remedy so available, nor shall any such exercise or attempted exercise constitute or be construed as an election of remedies. The Agency shall pay any reasonable expenses, including reasonable attorney's fees and costs incurred by the County, under this Declaration of Restrictions and the preparation and delivery of notices required hereunder. The failure or omission by the County to enforce any of its rights or remedies upon breach of any of the covenants, terms or conditions of this Declaration of Restrictions shall not bar or breach any of the County's rights or remedies on any subsequent default.

Before the County shall pursue any of its rights or remedies under this Declaration of Restrictions, the County shall first give the Agency written notice of the default complained of which such notice shall be given to the Agency at their address shown above. The Agency shall then have ten (10) working days from the date such notice is given to cure or correct any default.

8. The Agency shall submit to the County once each year a report detailing the Agency's compliance with the terms of the grant Agreement and this Declaration of Restrictions.

9. In the event of any litigation necessary to enforce the terms of this Declaration of Restrictions, the Agency agrees to reimburse the County for attorneys' fees and costs associated with litigation.

10. The Agency shall cause this Declaration of Restrictions to be recorded in the Public Records of Palm Beach County, Florida, and thereafter the Agency shall provided it to the Director of Housing and Community Development Department, at 100 Australian Avenue, Suite 500, West Palm Beach, Florida 33406.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

SIGNED, SEALED, AND DELIVERED IN THE PRESENCE OF:

Witness Name: Witness Signature:  <b>X</b> _____
Witness Name: Witness Signature:  <b>X</b> _____

**PALM BEACH COUNTY HOUSING AUTHORITY**

By: Dwyght Spence, Chair Signature:  <b>X (DO NOT SIGN THIS EXHIBIT)</b> _____
--

(CORPORATE SEAL BELOW)

STATE OF FLORIDA  
COUNTY OF PALM BEACH

The forgoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by Dwyght Spence, who is personally known to me or has produced \_\_\_\_\_ as identification and who did (did not) take an oath.

**(DO NOT SIGN THIS EXHIBIT)**

Signature: \_\_\_\_\_

Notary Name: \_\_\_\_\_  
Notary Public - State of Florida

(NOTARY SEAL ABOVE)

**EXHIBIT G**

**SECTION 3 REQUIREMENTS**

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**PURPOSE**

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The purpose of Section 3 of the Housing and Urban Development Act of 1968, as amended, is to ensure that employment and other economic opportunities generated through the use of federal funds (NSP/CDBG) shall, to the greatest extent feasible, and consistent with existing federal, state, and local laws and regulations, be directed to low-and very-low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low-and very-low-income persons.

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**APPLICABILITY/COVERED PROJECTS**

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Section 3 applies to training, employment, contracting, and other economic opportunities arising in connection with expenditure of NSP/CDBG funds. Covered projects that are funded in part or in whole with NSP/CDBG funds include contracts, subcontracts, and professional service agreements, awarded for:

- 1) construction, reconstruction, conversion, or rehabilitation of housing (including reduction and abatement of lead-based paint hazards).
- 2) public construction which includes buildings or improvements regardless of ownership.

The above includes management and administrative jobs including architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups, and jobs directly related to administrative support of these activities, e.g. construction manager, relocation specialist, payroll clerk, etc.

Exclusions from the above are:

- 1) contracts awarded under HUD's procurement program which are governed by the Federal Acquisition Regulation System (48 CFR, Chapter 1).
- 2) contracts for the purchase of supplies and materials. However, whenever a contract for materials (or equipment) includes the installation, the contract constitutes a Section 3 covered project, and is consequently not excluded.

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**DEFINITIONS**

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**A. SUBRECIPIENT:**

For the purposes of Section 3, a subrecipient is any entity which receives NSP/CDBG funds from Palm Beach County Department of Housing and Community Development (HCD) for Section 3 covered projects including, but not limited to, any State, unit of local government, public housing authority, or other public body, public or private nonprofit organization, private agency or institution, Agency, builder, property manager, and community housing development organization.

**B. SECTION 3:**

Means Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C.1701u) (24CFR Part 135).

**C. SECTION 3 RESIDENT:**

Means:

- 1) a resident of public housing (24 CFR Part 963), or
- 2) a resident of Palm Beach County whose household income, by household size, is at or below 80% of the median income for Palm Beach County.

(Note: Information on income limits at 80% of median income for Palm Beach County, by household size, is available through HCD and provided in the accompanying chart. As this information is periodically revised by HUD, subrecipients shall assure that they have current information for use on their projects).

**D. SECTION 3 BUSINESS CONCERN:**

Means any entity which contracts to perform work generated by the expenditure of NSP/CDBG funds, which is a business entity formed in accordance with state law, and which is licensed under state, county, or municipal law to engage in the type of business activity for which it was formed. A Section 3 Business Concern is further defined as a business concern:

- 1) that is 51% or more owned by Section 3 Residents, or
- 2) whose permanent full-time employees include persons, at least 30% of whom are currently Section 3 Residents, or who, within three years of the date of first employment with the business concern, were Section 3 Residents, or
- 3) that provides evidence of a commitment to subcontract in excess of 25% of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in the above two definitions.

**E. NEW HIRES:**

Means full-time employees for permanent, temporary or seasonal employment opportunities.

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**SUBRECIPIENT OBLIGATIONS**


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**A. DISCLOSURE OF APPLICABILITY:**

Subrecipients shall in every bid solicitation for every Section 3 covered project disclose to bidders the applicability of Section 3 to any such project and include the Section 3 clause shown below in its entirety in any such bid solicitation. Subrecipients may include further information on Section 3 in the bid solicitation documents, or indicate in such documents that Section 3 information is available at the Subrecipient offices for review by any bidder.

**B. SECTION 3 CLAUSE IN EVERY CONTRACT:**

Every contract awarded by Subrecipients for a Section 3 covered project shall include the following Section 3 clause in its entirety:

**Section 3 Clause:**

- 1) 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.
- 2) The parties to this contract agree to comply with HUD's requirements 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.
- 3) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers representative of the contractor's commitment 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 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 the Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- 5) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.
- 6) 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.

**C. SUBRECIPIENT GOALS:**

Subrecipients may demonstrate compliance with the "greatest extent feasible" requirement of Section 3 by meeting the numerical goals set forth for providing training, employment, and contracting opportunities to Section 3 Residents and Section Business Concerns. The numerical goals established below represent minimum numerical targets.

- 1) Training and Employment. Subrecipients and their contractors and subcontractors may demonstrate compliance with this requirement by committing to employ Section 3 Residents amounting to 30% of the aggregate number of new hires generated by Section 3 covered Projects.
- 2) Contracts. The numerical goals set forth below apply to contracts awarded in connection with all Section 3 covered activities. Subrecipients and their contractors and subcontractors may demonstrate compliance with the below requirements by committing to award to Section 3 Business Concerns:
  - At least 10% of the total dollar amount of all Section 3 covered contracts for building trades work for maintenance, repair, modernization or development of public housing, or for building trades work arising in connection with housing rehabilitation, housing construction and other public construction; and
  - At least 3% of the total dollar amount of all other Section 3 covered contracts.

In the absence of evidence to the contrary, a subrecipient that meets the minimum numerical goals set forth above will be considered to have complied with the Section 3 preference requirements. In evaluating compliance, a subrecipient that has not met the numerical goals set forth above has the burden of demonstrating why it was not feasible to meet these numerical goals. Such justification may include impediments encountered despite actions taken. A subrecipient may also indicate other economic opportunities, such as those listed below, which were provided in its efforts to comply with Section 3 and the requirements listed below.

**D. SUBRECIPIENT RESPONSIBILITIES:**

Each subrecipient has the responsibility to comply with Section 3 in its own operations, and ensure compliance in the operations of its contractors and subcontractors. This responsibility includes but may not be necessarily limited to:

- 1) Implementing procedures designed to notify Section 3 Residents about training and employment opportunities generated by Section 3 Business Concerns about contracting opportunities generated by Section 3 covered assistance;
- 2) Notifying potential contractors for Section 3 covered projects of the requirements of this part, and incorporating the Section 3 clause set forth above in all solicitations and contracts.
- 3) Facilitating the training and employment of Section 3 Residents and the award of contracts to Section 3 Business Concerns by undertaking activities such as described in the Appendix to this document, as appropriate, to reach the goals set forth above. Subrecipients, at their own discretion, may establish reasonable numerical goals for the training and employment of Section 3 Residents and contract award to Section 3 Business Concerns that exceed those specified above.
- 4) Assisting and actively cooperating with the Assistant Secretary of HUD in obtaining the compliance of contractors and subcontractors with the requirements of Section 3, and refraining from entering into any contract with any contractor where the recipient has notice or knowledge that the contractor has been found in violation of the regulations in 24 CFR Part 135.
- 5) Documenting actions taken to comply with the requirements set forth in this document, the results of actions taken, and impediments, if any.

**E. PREFERENCE FOR SECTION 3 RESIDENTS:**

Subrecipients, contractors and subcontractors shall direct their efforts to provide, to the greatest extent feasible, training and employment opportunities generated from the expenditure of Section 3 covered assistance to Section 3 Residents in the order of priority provided below.

Priority consideration shall be given, where feasible to:

- 1) Section 3 Residents residing in the service area or neighborhood in which the Section covered project is located (collectively, referred to as category 1 residents); and
- 2) Participants in HUD Youthbuild programs (category 2 residents).
- 3) Where the Section 3 project is assisted under The Stewart B. McKenney Homeless Assistance Act (42 U.S.C. 11301 et seq.), homeless persons residing in the service area or neighborhood in which the Section 3 covered project is located shall be given the highest priority;
- 4) Other Section 3 Residents.

Subrecipients may at their own discretion, provide priority to recipients of government assistance for housing, including recipients of certificates or vouchers under the Section 8 housing assistance program, within the service area or neighborhood where the Section 3 covered project is located.

A Section 3 Resident seeking the preference in training and employment described above shall certify, or submit evidence to the recipient contractor or subcontractor, if requested, that the person is a Section 3 Resident, as defined above.

Nothing in the above shall be construed to require the employment of a Section 3 Resident who does not meet the qualifications of the position to be filled.

#### **E. PREFERENCE FOR SECTION 3 BUSINESS CONCERNS:**

Subrecipients, contractors and subcontractors shall direct their efforts to award Section 3 covered contracts, to the greatest extent feasible, to Section 3 Business Concerns in the order of priority provided below.

Priority consideration shall be given, when feasible, to:

- 1) Section 3 Business Concerns that provide economic opportunities for Section 3 Residents in the service area or neighborhood in which the Section 3 covered project is located (category 1 business); and
- 2) Applicants (as this term is defined in 42 U.S.C. 12899) selected to carry out HUD Youthbuild programs (category 2 businesses);
- 3) Other Section 3 Business Concerns.

A business concern seeking to qualify for a Section 3 contracting preference shall certify or submit evidence, if requested that the business concern is a Section 3 Business Concern as defined above. A Section 3 Business Concern seeking a contract or subcontract shall submit evidence to the Subrecipient, contractor, or subcontractor (as applicable), if requested, sufficient to demonstrate to the satisfaction of the party awarding the contract that the business concern is responsible and has the ability to perform successfully under the terms and conditions of the proposed contract. (The ability to reform successfully under the terms and conditions of the proposed contract is required of all contractors and subcontractors subject to the procurement standards of 24 CFR 85.36 (see 24 CFR 85.36(b)(8)).) This regulation requires consideration of, among other factors, the potential contractor's record in complying with public policy requirements. Section 3 compliance is a matter properly considered as part of this determination.

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#### **PROVIDING OTHER ECONOMIC OPPORTUNITIES**

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In accordance with the findings of the Congress, as stated in Section 3, that other economic opportunities offer an effective means of empowering low-income persons, a subrecipient is encouraged to undertake efforts to provide to low-income persons economic opportunities other than training, employment, and contract awards in connection with Section 3 covered assistance.

- 1) Other economic opportunities to train and employ Section 3 Residents include, but need not be limited to, use of "upward mobility", "bridge" and trainee positions to fill vacancies; Section 3 Residents in management and maintenance positions within other housing developments; and hiring Section 3 Residents in part-time positions.
- 2) A subrecipient or contractor may provide economic opportunities to establish, stabilize or expand Section 3 Business Concerns, including micro-enterprises. Such opportunities include, but are not limited to the formation of Section 3 joint ventures, financial support for affiliating with franchise development, use of labor only contracts for building trades, purchase of supplies and materials from housing authority resident-owned businesses, purchase of materials and supplies from PHA resident-owned business and use of procedures in 24 CFR part 963 regarding HA contracts to HA resident-owned businesses. A subrecipient contractor may employ these methods directly or may provide incentives to Non-Section 3 Businesses to utilize such methods to provide other economic opportunities to low-income persons.

A Section 3 joint venture means an association of business concerns, one of which qualifies as a Section 3 Business Concern, formed by written joint venture agreement to engage in and carry out a specific business venture for which purpose the business concerns combine their efforts, resources, and skills for joint profit, but not necessarily on a continuing or permanent basis for conducting business generally, and for which the Section 3 Business Concern:

- 1) Is responsible for a clearly defined portion of the work to be performed and holds management responsibilities in the joint venture; and
- 2) Performs at least 25 percent of the work and its contractually entitled to compensation proportionate to its work.

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## REPORTING REQUIREMENTS

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Subrecipients shall submit the enclosed Section 3 Subrecipient Report for each contract or agreement funded in part or in whole through HCD. Said report shall accompany the final reimbursement request submitted by the subrecipient for each such contract or agreement. Furthermore, for each covered project, the subrecipient shall also submit a letter with the report that is submitted for the final reimbursement request of the last contract or agreement being funded for the project through HCD. The letter shall indicate what goals have been met by the subrecipient as required herein, and if not entirely met, the letter should demonstrate why it was not feasible to meet these goals, document actions taken to comply, the results of actions taken, and impediments, if any.

For example, a subrecipient is being funded for a certain project by HCD. The project includes an agreement with a consultant for services and a construction contract with a contractor. The consultant's work is completed first. The subrecipient would submit the above mentioned report for the consultant's agreement with the consultant's final reimbursement request. Then, when the construction contract is completed, the subrecipient would submit the report for the construction contract with the stated letter.

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## COMPLAINTS

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Complaints alleging noncompliance with Section 3 (24 CFR Part 135) may be filed with the Assistant Secretary of HUD, for Fair Housing and Equal Opportunity by any Section 3 Resident on behalf of himself or herself, or as a representative of persons similarly situated, seeking employment, training or other economic opportunities generated from Section 3 covered projects, or by a representative who is not a Section 3 Resident but who represents one or more Section 3 residents. Similarly complaints may be filed by any Section 3 Business Concern on behalf of itself, or as a representative of other Section 3 Business Concerns similarly situated, seeking contract opportunities generated from Section 3 covered projects, or by an individual representative of Section 3 Business Concerns. Where to file, time of filing, content of complaints, and other related matters are contained in the regulations at 24 CFR Part 135.

No subrecipient or other person shall intimidate, threaten, coerce, or discriminate against any person or business because the person or business has made a complaint, testified, assisted or participated in any manner in an investigation, proceeding, or hearing under the Section 3 regulations. The identity of complainants shall be kept confidential except to the extent necessary to carry out the purposes of the Section 3 regulations, including the conduct of any investigation, hearing or judicial proceeding arising thereunder. Nothing herein precludes a Section 3 Resident or Section 3 Business Concern from exercising the right, which may otherwise be available, to seek redress directly through judicial procedures.

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## APPENDIX

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### **A. EXAMPLES OF EFFORTS TO OFFER TRAINING AND EMPLOYMENT OPPORTUNITIES TO SECTION 3 RESIDENTS:**

- 1) Entering into "first sources" hiring agreements with organizations representing Section 3 Residents.
- 2) Sponsoring a HUD certified "Step-Up" employment and training program for Section 3 Residents.
- 3) Establishing training programs, which are consistent with the requirements of the Department of Labor, for public and Indian housing residents and other Section 3 Residents in the building trades.
- 4) Advertising the training and employment positions by distributing flyers (which identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process) to every occupied dwelling unit in the housing development or developments where category 1 or category 2 persons (as these terms are defined in 135.34) reside.
- 5) Advertising the training and employment positions by posting flyers (which identify the position to be filled, the qualifications required, and where to obtain additional information about the application process) in the common areas or other prominent areas of the housing development or developments. For HAs, post such advertising in the housing development or developments where category 1 or category 2 persons reside; for all other subrecipients, post such advertising in the housing development or developments and transitional housing in the neighborhood or service area of the Section 3 covered project.



- 6) Contacting resident councils, resident management corporations. Or other resident organizations, where they exist, in the housing development or developments where category 1 or category 2 persons reside, and community organizations in HUD-assisted neighborhoods, to request the assistance of these organizations in notifying residents of the training and employment positions to be filled.
- 7) Sponsoring (scheduling, advertising, financing or providing in-kind services) a job informational meeting to be conducted by an HA or contractor representative or representatives at a location in the housing development or developments where category 1 or category 2 persons reside or in the neighborhood or service area of the Section 3 covered project.
- 8) Arranging assistance in conducting job interviews and the housing development or developments where category 1 or category 2 persons reside and in the neighborhood or service area in which a Section 3 project is located.
- 9) Arranging for a location in the housing development or developments where category 1 persons reside, or the neighborhood or service area of the project, where job applications may be delivered to and collected by a subrecipient or contractor representative or representatives.
- 10) Conducting job interviews at the housing development or developments where category 1 or category 2 persons reside, or at a location within the neighborhood or service area of the Section 3 covered project.
- 11) Contacting agencies administering HUD Youthbuild programs, and requesting their assistance in recruiting HUD Youthbuild program participants for the HA's or contractor's training and employment positions.
- 12) Consulting with State and local agencies administering training programs funded through TPA or JOBS, probation and parole agencies, unemployment compensation programs, community organizations and other officials or organizations to assist with recruiting Section 3 Residents for the HA's or contractor's training and employment positions.
- 13) Advertising the jobs to be filled through the local media, such as community television networks, newspapers of general circulation, and radio advertising.
- 14) Employing a job coordinator, or contracting with a business concern that is licensed in the field of job placement (preferably one of the Section 3 Business Concerns identified in part 135), that will undertake, on behalf of the HA, other subrecipients or contractor, the efforts to match eligible and qualified Section 3 Residents with the training and employment positions that the HA or contractor intends to fill.
- 15) For an HA, employing section residents directly on either a permanent or a temporary basis to perform work generated by Section 3 assistance. (This type of employment is referred to as "force account labor" in HUD's Indian housing regulations. See 24 CFR 905.102, and 905.201(a)(6).)
- 16) Where there are more qualified section 3 residents than there are positions to be filled, maintaining a file of eligible qualified Section 3 Residents for future employment positions.
- 17) Undertaking job counseling, education and related programs in association with local educational institutions.
- 18) Undertaking such continued job training efforts as may be necessary to ensure the continued employment of Section 3 Residents previously hired for employment opportunities.
- 19) After selection of bidders but prior to execution of contracts, incorporating into the contract a negotiated provision for a specific number of public housing or other Section 3 Residents to be trained or employed on the Section 3 covered assistance.
- 20) Coordinating plans and implementation of economic development (e.g. job training and preparation, business development assistance for residents) with the planning for housing and community development.

**B. EXAMPLES OF EFFORTS TO AWARD CONTRACTS TO SECTION 3 BUSINESS CONCERNS:**

- 1) Utilizing procurement procedures for Section 3 Business Concerns similar to those provided in 24 CFR part 905 for business concerns owned by Native Americans.
- 2) In determining the responsibility of potential contractors, consider their record of Section 3 compliance as evidenced by past actions and their current plans for the pending contract.
- 3) Contracting business assistance agencies, minority contractors associations and community organizations to inform them of contracting opportunities and requesting their assistance in identifying Section 3 business which may solicit bids or proposals for contracts for work in connection with Section 3 covered assistance.
- 4) Advertising contracting opportunities by posting notices, which provide general information about the work to be contracted and where to obtain additional information in the common areas or other prominent areas of the housing development or developments owned and managed by the HA.

- 5) Providing written notice to all known Section 3 Business Concerns of the contracting opportunities. This notice should be in sufficient time to allow the Section 3 Business Concerns to respond to the bid invitations or request for proposals.
- 6) Following up with Section 3 Business Concerns that have expressed interest in the contracting opportunities by contacting them to provide additional information on the contracting opportunities.
- 7) Coordinating pre-bid meetings at which Section 3 Business Concerns could be informed of upcoming contracting and subcontracting opportunities.
- 8) Carrying out workshops on contracting procedures and specific contract opportunities in a timely manner so that Section 3 Business Concerns can take advantage of upcoming contracting opportunities, with such information being made available in languages other than English where appropriate.
- 9) Advising section 3 business concerns as to where they may seek assistance in overcome limitations such as inability to obtain bonding, lines of credit, financing, or insurance.
- 10) Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways to facilitate the participation of Section 3 Business Concerns.
- 11) Where appropriate, breaking out contract work items into economically feasible units to facilitate participation by Section 3 Business Concerns.
- 12) Contacting agencies administering HUD Youthbuild programs, and notifying these agencies of the contracting opportunities.
- 13) Advertising the contracting opportunities through trade association papers and newsletters, and through the local media, such as community television networks, newspapers of general circulation, and radio advertising.
- 14) Developing a list of eligible Section 3 Business Concerns.
- 15) Establishing or sponsoring programs designed to assist residents of public or Indian housing in the creation and development of resident-owned businesses.
- 16) Establishing numerical goals (number of awards and dollar amount of contracts) for award of contracts to Section 3 Businesses Concerns.
- 17) Supporting businesses which provide economic opportunities to low income persons by linking them to the support services available through the Small Business Administration (SBA), the Department of Commerce and comparable agencies at the State and local levels.
- 18) Encouraging financial institutions, in carrying out their responsibilities under the Community Reinvestment Act, to provide no or low interest loans for providing working capital and other financial business needs.
- 19) Actively supporting joint ventures with Section 3 Business Concerns.
- 20) Actively supporting the development or maintenance of business incubators which assist Section 3 Business Concerns.

EXHIBIT H**ASBESTOS REQUIREMENTS**  
**SPECIAL CONDITIONS FOR DEMOLITION AND RENOVATION OF BUILDINGS**

The provisions of this part apply to all demolition and renovation work contemplated in this Agreement and described in Exhibit A of this Agreement.

**I. DEFINITIONS**

ACBM: Asbestos Containing Building Materials  
 AHERA: Asbestos Hazard Emergency Response Act  
 EPA: Environmental Protection Agency  
 FLAC: Florida Licensed Asbestos Consultant  
 HCD: Palm Beach County Department of Housing and Community Development  
 NESHAP: National Emission Standards for Hazardous Air Pollutants  
 NRCA: National Roofing Contractors Association  
 NVLAP: National Voluntary Laboratory Accreditation Program  
 OSHA: Occupational Health and Safety Administration  
 PBCAC: Palm Beach County Asbestos Coordinator (in Risk Management)  
 TEM: transmission electron microscopy

**II. ASBESTOS SURVEYS**

All properties scheduled for renovation or demolition are required to have a comprehensive asbestos survey conducted by a Florida Licensed Asbestos Consultant (FLAC). The survey shall be conducted in accordance with AHERA guidelines. Analysis must be performed by a NVLAP accredited laboratory.

For Renovation Projects (projects which will be reoccupied):

- Point counting must be done for all asbestos containing building materials (ACBM) indicating less than 1% asbestos (to determine if any asbestos is present).
- Samples of vinyl floor tile indicating asbestos not detected must be confirmed by transmission electron microscopy (TEM).
- Joint compound shall be analyzed as a separate layer.
- Roofing material shall be sampled only if a renovation requires the roof to be disturbed (in lieu of sampling the roof, it may be presumed to contain asbestos).

For Demolition Projects:

- Point counting must be done for all "friable" asbestos containing building materials (ACBM), indicating less than 1% asbestos. This includes joint compounds (to be analyzed as a separate layer), and vinyl asbestos tile.
- Roof materials shall be presumed to be asbestos containing.

If the Developer has a recent asbestos survey report prepared by a licensed asbestos consultant, a copy may be provided to HCD and PBCAC for review to determine if the survey is adequate to proceed with renovation/demolition work. If no survey is available, a survey may be initiated by the Agency or requested by HCD. A copy of the completed survey will be forwarded to the Agency. All asbestos survey's shall be forwarded to the PBCAC.

**III. ASBESTOS ABATEMENT****A. RENOVATION**

- (a) Prior to a renovation, all asbestos containing materials that will be disturbed during the renovation, must be removed by a Florida Licensed Asbestos Contractor under the direction of a FLAC. Exceptions may be granted by HCD prior to the removal, (such as asbestos containing roofs, transite pipe). The Agency must obtain approval for all exceptions from HCD. HCD will request the PBCAC to review and approve all exceptions.
- (b) Asbestos Abatement work may be contracted by the Agency or by HCD upon request.
- (c) If the Agency contracts the asbestos abatement, the following documents are required to be provided to the HCD and the PBCAC.
  1. An Asbestos Abatement Specification (Work Plan), sealed by an FLAC.
  2. Pre and Post Job submittals, reviewed and signed by the FLAC.

- (d) If the Agency requests HCD to contract the asbestos abatement, HCD will initiate the request through the PBCAC who will contract the asbestos abatement. HCD will provide a copy of all contractor and consultant documents to the Agency.
- (e) Materials containing <1% asbestos are not regulated by EPA/NESHAPS. However, OSHA compliance is mandatory. OSHA requirements including training, wet methods, prompt cleanup in leak tight containers, etc. The renovation contractor must comply with US Dept of Labor, Standard Interpretation (OSHA), Compliance requirements for renovation work involving material containing <1% asbestos, 11/24/2003. The renovation contractor must submit a work plan to HCD and the PBCAC prior to removal of the materials.

## B. DEMOLITION

All "friable" ACBM must be removed by a Florida Licensed Asbestos Contractor under the direction of a FLAC prior to demolition. Friable materials include: resilient asbestos tile and mastic which is not intact, linoleum, asbestos containing joint compound, asbestos containing cement panels (e.g. transite), etc.

Intact resilient tile and asbestos roof materials may be demolished with adequate controls (e.g. wet method) by a demolition contractor provided the contractor is aware of the asbestos containing materials present and exercises adequate control techniques (wet methods, etc.). In all cases, demolition work should be monitored by a FLAC to insure proper control measures and waste disposal. Any exceptions to these guidelines may be requested through HCD prior to the removal, (such as asbestos containing roofs, transite pipe). Exceptions may be granted by HCD prior to the removal, (i.e. asbestos containing roofs, transite pipe). The Agency must obtain approval for all exceptions from HCD and the PBCAC.

- (a) Asbestos Abatement work may be contracted by the Agency or by HCD upon request.
- (b) If the Agency contracts the asbestos abatement, the following documents must be provided to the PBC/HCD and reviewed by the PBCAC.
  1. An Asbestos Abatement Specification (Work Plan), sealed by an FLAC.
  2. Pre and Post Job submittals, reviewed and signed by the FLAC.
- (c) If the Agency requests HCD to contract the asbestos abatement, HCD will initiate the request through the PBCAC who will contract the asbestos abatement. HCD will provide a copy of all contractor and consultant documents to the Agency.
- (d) Recycling, salvage or compacting of any asbestos containing materials or the substrate is strictly prohibited.
- (e) In all cases, compliance with OSHA "Requirements for demolition operations involving material containing <1% asbestos is mandatory.
- (f) For all demolitions involving asbestos containing floor tile, asbestos containing roofing material and materials containing <1%, the Demolition Contractor shall submit the following documents to HCD. HCD will provide a copy of these documents to PBCAC.
  1. Signed statement that the demolition contractor has read and understood the requirements for complying with EPA, OSHA and the State of Florida Licensing regulations for demolition of structures with asbestos materials.
  2. Submit a plan for the demolition of asbestos containing roofing and floor tile. State if these materials are likely to remain intact. Include in the plan what shall occur if materials become "not intact".
  3. Submit a plan for compliance with OSHA requirements such as but not limited to: competent person, establishing a regulated area, asbestos training of workers, respiratory protection, use of disposable suits, air monitoring, segregation of waste, containerizing asbestos waste, waste disposal.
- (g) If materials are discovered that are suspect asbestos materials that were not previously sampled, stop all work that will disturb these materials and immediately notify HCD.

**IV. NESHAPS NOTIFICATION****A. RENOVATION**

A NESHAP form must be received by the Palm Beach County Health Department at least ten working days prior to an asbestos renovation that includes regulated asbestos containing material greater than 160 square feet or 260 linear feet or 35 cubic feet. For lesser quantities, the Agency (or its contractor) shall provide a courtesy notification to the Palm Beach County Health Department at least ten working days prior to an asbestos renovation. The removal of vinyl asbestos floor tile and linoleum shall be considered regulated. Asbestos roof removal requires a notification at least 3 working days prior to the removal.

**B. DEMOLITION**

A NESHAP form must be received by the Palm Beach County Health Department at least ten working days prior to the demolition.

- C. The NESHAP notification shall be sent return receipt requested to the address shown below with a copy to HCD. HCD shall provide a copy to the PBCAC. All fees shall be paid by the Agency.

Palm Beach County Department of Health  
Asbestos Coordinator  
901 Evernia Street  
Post Office Box 29  
West Palm Beach, Florida 33401

**V. APPLICABLE ASBESTOS REGULATIONS/GUIDELINES**

The Agency, through its demolition or renovation contractor, shall comply with the following asbestos regulations/guidelines. This list is *not* all inclusive:

- (a) Environmental Protection Agency (EPA) NESHAP, 40 CFR Parts 61 Subpart M -- National Emission standard for Asbestos, revised July 1991
- (b) Occupational Health and Safety Administration (OSHA) Construction Industry Standard, 29 CFR 1926.1101
- (c) EPA: A Guide to Normal Demolition Practices Under the Asbestos NESHAP, September 1992
- (d) Demolition practices under the Asbestos NESHAP, EPA Region IV
- (e) Asbestos NESHAP Adequately Wet Guidance
- (f) Florida State Licensing and Asbestos Laws
  1. Title XVIII, Chapter 255, Public property and publicly owned buildings.
  2. Department of Business and Professional Regulations, Chapter 469 Florida Statute, Licensure of Asbestos Consultants and Contractors
- (g) Resilient Floor Covering Institute, NRCI, Updated Recommended Work Practices and Asbestos Regulatory Requirements, September 1998.
- (h) Florida Roofing Sheet Metal and Air Conditioning Contractors Association, NRCA, June 1995
- (i) US Dept of Labor, Standard Interpretation (OSHA)
  1. Application of the asbestos standard to demolition of buildings with ACM in Place, 8/26/2002.
  2. Requirements for demolition operations involving material containing <1% asbestos, 8/13/1999.
  3. Compliance requirements for renovation work involving material containing <1% asbestos, 11/24/2003.