

Attachment D: ADDITIONAL CITY, STATE AND FEDERAL REQUIREMENTS

Provide attachments/descriptions as applicable to compliance within the following areas.

1. Accessibility Section 504 of the Rehabilitation Act, the Fair Housing Act, California's Fair Employment and Housing Act, and a variety of federal and California laws and regulations are applicable to the funding sources. The applicant must demonstrate how the proposed development will comply with all applicable laws regarding accessibility both for individuals and all common areas in the development. Applicants must also ensure that any other applicable, state, and local accessibility requirements are met.

2. Acquisition and Relocation Requirements. All developments shall comply with applicable state and federal relocation laws including California Government Code Section 7260 et seq., and 25 CCR Section 6000 et seq. Developments are subject to the Uniform Acquisition and Relocation Act of 1970 (URA) as revised, and Section 104 (d) of the Housing and Community Development Act of 1974, as amended.

3. Affirmative Fair Housing Marketing Plan. An Affirmative Fair Housing Marketing Plan (AFHMP) (refer to attachment D) shall outline methods of informing potential tenants about fair housing laws and contractor policies. An AFHMP must also contain a plan outlining how the applicant will affirmatively market the assisted units. In addition, an AFHMP must contain a plan outlining the special outreach actions to inform persons who would not be likely to apply for the assisted housing without special outreach efforts.

4. Affordability. Proposals awarded HOME funds must comply with affordability requirements pursuant to 24 CFR Part 92, as amended from time to time. Proposals awarded CDBG funds must comply with affordability requirements pursuant to 24 CFR 570, as amended from time to time.

5. Applicant Developer, and Contractor Debarment. All applicants, developers, construction contractors and sub-contractors must not be on the Excluded Parties List/SAM.gov, OIG Exclusions database, Federal Debarred Contractors List, or the State of California Medi-Cal Suspended and Ineligible Provider List. Housing developers must verify compliance before awarding the construction contract. No award or contract shall be made with any organization that is debarred or suspended or is otherwise excluded from or ineligible for participation in federal or state assistance programs. Prior to award of any contract or subcontract, applicant must provide proof of compliance, to include exclusion records from the System for Award Management (SAM) OIG Exclusions database and the State of California Medi-Cal Suspended and Ineligible Provider List.

6. Appraisal. An appraisal must meet the definition of an appraisal found at 49 CFR §24.2(a) (3) and the URA provisions at 49 CFR §24.103. An appraisal is required for all acquisition, rehabilitation and new construction projects. A review appraisal, in accordance with 49 CFR §24.104 of the Uniform Relocation Act, will be required for an "Involuntary Acquisition".

7. Audited Financial Statement and Single Audit (as applicable). Submitted audited financial statements must be current (within last 12 months) and must include a Financial Statement including surplus or deficits in operating accounts, a detailed itemized listing of income and expenses and the amounts of any fiscal reserves. The audit must be certified by an independent certified public accountant licensed in California. Any non-federal entity, including states, local governments, and non-profit organizations, that expend \$750,000 or more in a year in federal awards shall have a single audit, as specified in 2 CFR Part

200, conducted for that year. As applicable, a copy of the single audit with written notification of the results must be submitted with the application. In addition, compliance with all federal requirements, provide HHS with the corrective action plan for any deficiencies identified in the single audit and the latest status of the corrective action plan.

8. Competitive Bidding Requirements. Housing developers must obtain competitive bids or estimates for all materials purchased and work to be accomplished by contractors or sub-contractors. Documentation of such competition must be maintained for review during monitoring visits. In order for work to be accomplished by construction contractors or sub-contractors, a formal Request for Bids (RFB) package and advertisement must be prepared and submitted for pre-approval. The RFB package must include a copy of the Federal Labor Standards Provisions, form HUD-4010, and the current Davis-Bacon Act wage determination

9. Consistency with the City of San Diego Consolidated Plan. Applicants are required to demonstrate that the proposed development is consistent with the current HUD-approved Consolidated Plan for the City of San Diego where the development is located. A copy of the current City of San Diego Consolidated Plan can be found on the City's Economic Development website (provide link).

10. Conflict of Interest. Strict federal and state non-conflict of interest laws and regulations apply to all City and/or subrecipient agency (i.e. developers, non-profit agencies, etc.) staff who are engaged in implementing funded activities. These requirements prohibit all City and/or sub-recipient agency staff, their families or family/business ties from obtaining any financial interest in a funded contract if they participated in or had inside information about the contract

11. Development. Forms/ Priorities and Underwriting Criteria (Pro-Forma): Applicants must submit: Rental Income Form, Operating Expense, Development Cost, Sources and Uses of Funds, Minimum 55-year Cash Flow, and Development Pro-Forma. • The proposed financing structure and operating pro forma will be evaluated to determine feasibility during the affordability period. Developments shall demonstrate financial feasibility for a minimum 55-year term. • HOME program regulations require the number of HOME-restricted units in a development be at least proportional to the amount of HOME funds invested when compared to the total development cost. • Developer's fees typically do not exceed 10 to 12 percent of the total development cost.

14. Environmental Site Assessment (ESA, Lead-Based Paint, Asbestos and other Hazardous Materials). Housing development proposal must have, at a minimum, an approved Phase I Environmental Site Assessment Report in accordance with the active standard for Phase I ESA's as defined by the American Society for Testing and Materials (ASTM) Standard Practice for Phase I ESA Process. This report is to be submitted with the NOFA application. If a Recognized Environmental Condition (REC) is found during the Phase I ESA process, a Phase II ESA may be required with the housing development proposal to determine if there are significant amounts of contaminants that will require remediation, monitoring, or create land use limitations. Contingent upon the results of the Phase II ESA, a Phase III ESA may be necessary to include in the housing development proposal. Testing for asbestos, residual pesticides, mold, water damage, and the completion of a hazardous material (asbestos, lead paint) inspection report may be required. Demolition or renovation operations that involve lead-based paint, asbestos containing materials, or other hazardous materials from these activities must conform to and be in compliance with hazardous waste disposal requirements (Title 22 CCR Division 4.5) worker and health safety requirements (Title 8 CCR Section 1532.1), State Lead Accreditation, Certification, and Work

Practice Requirements (Title 17 CCR Division 1, Chapter 8), 19 and the Health and Safety Code (Division 20, Chapter 6.95, Article 2, Section 25500-25520), and other local, State and Federal regulations. Time requirements for these reviews vary substantially, depending upon the potential for environmental impact. This process is also consistent with the HUD regulations (24 CFR Part 58), which state, "it is HUD policy that all properties that are being proposed for use in HUD programs be free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property." (24 CFR 58.5 (i)(2)(i)). Proposals involving buildings constructed prior to 1978 may be adversely affected by strict regulations requiring the remediation/removal of lead-based paint and asbestos-containing building materials, making rehabilitation of older buildings infeasible in some cases. Lead-based paint regulations, effective September 2000 appear in 24 CFR §35. Further information on lead-based paint hazard reduction can be obtained from the HUD Office of Lead Hazard Control and Healthy Homes. Demolition or renovation of structures on sites constructed prior to 1980 that may contain Lead Based Paint (LBP) and Asbestos Containing Materials (ACMs), or other hazardous materials from these activities are managed by applicable regulations including, at a minimum, the hazardous waste disposal requirements (Title 22 CCR Division 4.5, the worker health and safety requirements (Title 8 CCR Section 1532.1) and the State Lead Accreditation, Certification, and Work Practice Requirements (Title 17 CCR Division 1, Chapter 8). Demolition or renovation operations that involve asbestos-containing materials must conform to San Diego Air Pollution Control District (SDAPCD) Rules 361.140-361.156. In accordance with existing regulations, a development may be required to complete asbestos and lead surveys to determine the presence or absence of ACMs or LBP prior to issuance of a building permit that includes demolition of onsite structures and prior to commencement of demolition or renovation activities.

15. Environmental Review. A housing development proposal (acquisition, rehabilitation, or new construction) must have, at a minimum, an approved Phase I Hazardous Waste Assessment Report. This report is to be submitted with the NOFA application. A hazardous material (asbestos, lead paint) inspection report may also be required. In addition, testing for asbestos, residual pesticides, mold and water damage may be required. In certain situations, a Phase II and Phase III Environmental Assessment may be necessary. Time requirements for these reviews vary substantially, depending upon the potential for environmental impact. Proposed developments must complete environmental reviews pursuant to the California Environmental Quality Act (CEQA) and the CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000-15387), and the National Environmental Policy Act (NEPA) in accordance with HUD 24 CFR Part 58 environmental regulations. CEQA review must occur as a part of the land development process required by the local jurisdiction. City of San Diego staff will prepare and/or review the CEQA and NEPA documentation, as appropriate. Applicants will be apprised of the progress of the environmental processing and anticipated date of HUD's Release of Funds. From the time the application has been submitted, the applicant must not commit funds or take any choice limiting actions as defined by HUD 24 CFR Part 58.22 regulations, (including, but not limited to, property acquisition, contracts for excavation, filling, construction, rehabilitation, or other physical 20 activities) until completion of the environmental processing and HUD's formal Release of Funds, regardless of whether the work would be accomplished with federal funds or other matching funds. Failure to comply will jeopardize the availability of HUD funds for the development.

16. Equal Opportunity. Equal opportunity is encouraged in procurement and contract award. Toward this end, proposals from disabled veteran-owned businesses, women-owned businesses, minority-

owned businesses, Section 3 Business Concerns (24 CFR Part 75) and local firms are strongly encouraged. Prime contractors are encouraged to subcontract or join venture with these firms.

18. Evidence of Site Control. Applicants must possess control of the proposed development site through fee title, an option to purchase, a disposition and development agreement with a public agency, a land sales contract, leasehold with development provisions or any other enforceable instrument.

19. Evidence of Supportive Services Applicants must specify the type and level of supportive services to be provided to special needs populations, as applicable. In addition, applicants must provide evidence of commitment for the supportive services proposed and information about the supportive services provider and their ability to carry out services, see Proposal Requirements Section H(1) above for documentation required to be included in proposal related to supportive services. Note that HOME/CDBG/PLHA funding may support special needs rental housing developments. However, the use of services by residents may not be imposed on a mandatory basis. Funding requires that supportive services only be made available on a voluntary basis.

23. Market Study. Applicant must submit a market needs study that examines neighborhood market conditions to ensure adequate need for the development for which funds are to be used. The market assessment should include the following: market trends, market area, housing supply, and a competitive analysis.

24. Match Requirements for HOME. HOME funds require a minimum 25 percent match for acquisition and new construction.

25. Rehabilitation Standards. Rehabilitation activities under CDBG/HOME must conform to Rehabilitation Standards pursuant to 24 CFR §5.703. Note that the 2013 HOME Final Rule requires that HOME acquisition projects conform to the Uniform Physical Condition Standards (UPCS). The UPCS are uniform national standards established by HUD for housing that is decent, safe, sanitary, and in good repair, pursuant to 24 CFR §5.703.

32. Relocation Plan. NOFA applications involving relocation of residents (residential) shall include an anti-displacement/relocation plan in compliance with relocation local, State, and or Federal laws as applicable by funding source. Applicants are strongly encouraged to contract with a relocation consultant to manage the relocation process. Developments may be subject to California Government Code Section 7260 et seq., and 25 CCR Section 6000 et seq. and/or the California Relocation Assistance Act or Uniform Acquisition and Relocation Act of 1970 (URA), as revised, and Section 104(d) of the Housing and Community Development Act of 1974, as amended, may apply. Proposed relocation plans must budget for all relocation and displacement costs, including costs for temporary relocation during construction or rehabilitation. Relocation Plans must include a current copy of rent rolls, as of the date of submission, detailing family income, household characteristics and current rent paid per household.

33. Relocation Noticing. A Voluntary Acquisition Notice must be delivered to the seller of the property prior to making an offer, entering into a purchase agreement, and submittal of the NOFA application. Evidence of the manner and proof of delivery must be included with the NOFA application. Upon submission of the NOFA application, tenants (residential) must receive a written General Information Notice notifying tenants of their rights under the Uniform Relocation Act, as revised. New rental applicants to the proposed development must also receive a written notification "Notice to Prospective

Tenant” informing them of the proposed acquisition/rehabilitation of the property. All notices must be hand delivered or sent via U.S. Certified Mail. Applicant must document the manner of delivery and provide delivery receipts. Applicants are strongly encouraged to contract with a relocation consultant to manage the relocation process.

35. Timeline for Closing and Loan Disbursement of Funds. Time is of the essence to commit and expend funds. Upon approval of a conditional loan commitment, funds may be reserved for the project for a maximum of twenty-four (24) months but may be withdrawn earlier if satisfactory progress is not demonstrated. The City reserves the right to reallocate CDBG/HOME/PLHA funds from one approved project to another or to new activities, or to cancel fund reservations at its discretion if projects are not proceeding satisfactorily (in the sole opinion of the City) towards commencement of the proposed activity. Program funds available through this NOFA must meet regulatory commitment and expenditure requirements. Commitment and expenditure requirements vary by funding source. Recipients of CDBG/HOME/PLHA funds will be required to execute a promissory note, deed of trust, regulatory agreement, and other related loan documents. Loan funds will not be disbursed until the loan is in escrow. Verifiable documentation of expenses must be submitted with all draw requests.

38. Zoning. At the time of application, applicant must demonstrate that the development site’s zoning will permit the scope of development as proposed.