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City of Saint Paul and the Housing and Redevelopment
Authority of the City of Saint Paul

**Inspiring Communities: Homeownership Development
Program**

REQUEST FOR PROPOSALS

Release Date: DATE TBD, 2022

**RESPONSES DUE: Approximately six to eight weeks after
Release Date**

APPLICATION GUIDE AND INSTRUCTIONS

Introduction

The Housing and Redevelopment Authority of the City of Saint Paul (HRA) and the City of Saint Paul are, collectively, accepting proposals from real estate developers who intend to construct or rehabilitate housing on selected HRA-owned properties in the Inspiring Communities program (ICP). The Inspiring Communities program provides focused investment in neighborhoods most impacted by foreclosure and vacancy by constructing new housing on vacant lots and rehabilitating vacant structures.

Funds allocated to this program will finance new construction or rehabilitation of identified properties and resale of these properties to qualified buyers. High scoring proposals in the RFP process will demonstrate an effective use of government subsidy, and a commitment to progressive policies and practices for equity, neighborhood-level workforce development, and marketing.

Purpose and objectives

The HRA has identified the following goals for the Inspiring Communities work:

- Leverage HRA property to build community wealth.
- Create job opportunities for local residents, including low-income residents, small and emerging businesses, and businesses owned by women and people of color.
- Achieve goals identified in the [Housing Chapter of the City of Saint Paul's 2040 Comprehensive Plan](#).
- Inspire innovative and environmentally sound design and construction.

City and HRA staff may refer to this RFP as the “2022 Inspiring Communities RFP” or, because it is the seventh major RFP in the history of the Inspiring Communities program, “RFP 7.”

Disclaimer

Real estate development carries significant financial risk. You are not guaranteed a profit and may experience a loss even if you receive all funds for which you apply. Market factors, delays and changes to the regulatory environment will impact your project(s). This is so even if the projections you make in your application are based on a full and correct understanding of the requirements of the Inspiring Communities program, current housing and real estate markets, and federal, state and local regulatory requirements. Read the RFP materials thoroughly and consult business, tax and legal advisors as necessary.

General information and requirements

Minimum Requirements to be considered

A Respondent must meet minimum criteria to have their proposals considered. The minimum criteria are:

- 1. Experience:** At least 2 years of relevant experience.
- 2. Capacity:** The Respondent must demonstrate that it has the capacity to successfully complete projects of the scope and size of those included in their proposal.
- 3. Access to Credit and Capital:** For each project applied for, the Respondent must demonstrate that it has secured or is in the process of securing **all funding sources** identified on the Sources and Uses statement (the format for the Sources and Uses document is included in the Ownership and Rental Program Manual Appendices). Demonstration can include a financial statement, letter of credit from a bank or other financial institution, or other written third party documentation of sources. In any event, the HRA reserves the right to obtain confirmation of sufficient funding prior to contracting with Respondent and during the term of any contract with the Respondent resulting from this RFP.

If a Respondent proposes projects on multiple properties, the City and HRA will determine whether the Respondent has the experience, capacity, and access to credit and capital to successfully complete all, some, or none of the proposed projects.

The HRA and City reserve the right to reject any proposal or all proposals in their sole discretion and for any reason, which may include lack of available funding or evidence of irresponsible or unethical conduct on the part of the applicant or affiliate of the applicant.

Available Funding Sources

The HRA and City obtained funds for the program through the U.S. Department of Housing and Urban Development's (HUD) Neighborhood Stabilization Program (NSP), Community Development Block Grant Program (CDBG) and the Minnesota Housing Finance Agency's (MHFA) Community Homeownership Impact Fund (CHIF or "Impact Fund"), and the Metropolitan Council's Local Housing Incentives Account (LHIA). In addition to these federal and state funds, the City and HRA may utilize local funds unallocated during previous Request for Proposal cycles, funds allocated to Inspiring Communities from the local Housing Trust Fund, and other local, federal and state sources that may become available. Each funding source has respective regulations, policies and procedures with which Developers, the HRA and the City must comply as a condition of using these funds for a project, and which may change in the

discretion of the responsible entities, which may include the HRA and the City. When multiple funding sources are used to pay for project costs, the most restrictive regulations apply. A summary of funding sources and eligible uses (for the purposes of this RFP) follows in the chart below.

Funds awarded to developers will be in the form of a 0% interest deferred loan forgiven upon sale to an eligible end buyer.

Applicants that are community land trusts or are partnering with community land trusts, and organizations that qualify as Community-Based Development Organizations (CBDO) under CDBG regulations, will be able to access a greater variety of funding sources available than will applicants that do not satisfy either criterion. Guidelines pertinent to a small subset of available funding, an Allocation Supporting Community Land Trusts from the City's/HRA's Housing Trust Fund, are linked from the ["Program Requirements" section of this RFP](#).

Funds available to prospective homebuyers are more fully described below, in the "Homebuyer Maximum Income Limits and Homebuyer Financial Assistance" section of this RFP.

Funding Source	Eligible Use
Community Development Block Grant (CDBG) Funds (Federal) ¹	Income qualified owner-occupied housing. (At least one unit in a two- to four- unit building must be owner-occupied.)
MHFA Community Homeownership Impact Fund (CHIF or "Impact Fund") (State)	
Metropolitan Council Local Housing Incentives Account (LHIA) (State)	
HRA/City Housing Trust Fund Allocation Supporting Community Land Trusts ²	
Other HRA/City Funds	
Neighborhood Stabilization Program (NSP) (Federal)	

¹ CDBG regulations at 24 CFR Part 570.207 require that new housing construction activity be completed only by organizations that qualify as Community Based Development Organizations (CBDO). Refer to [24 CFR Part 570.204](#) for information on CBDO eligibility.

² This funding source is limited to organizations that are community land trusts, nonprofit organizations with a community land trust program, and developers partnering with a community land trust or nonprofit organization with a community land trust program.

Tentative Timeline

Staff anticipates the following timeline:

RFP Posted on www.stpaulbids.com	Date TBD, 2022
Questions Due from Bidders to the HRA and City	Two to four weeks after RFP Posted
Responses to Questions due to Bidders from the HRA and City	Two to three weeks after Questions Due
RFP Responses Due	Six to eight weeks after RFP Posted
HRA Board Action	TBD, 2022
City Council Action (if necessary)	Two to four weeks after HRA Board Action
Execute Development Agreements	TBD, 2022 or early 2023
Close on Sale of Property from HRA to Developer	TBD, likely mid-to-late 2022 or early-to-mid 2023
Completion of Project	Approximately 12 to 18 months after Development Agreement executed

The HRA and City reserve the right to change the tentative timeline.

Anyone entering onto/into property owned by the HRA (including vacant lots and structures) must sign an *Assumption of Risk, Waiver, Covenant Not to Sue, Indemnity and Release of Liability form*. The form is included as an attachment to the Developer Application. If you or any other parties with which you are associated, such as architects, surveyors, construction contractors, or environmental consultants, wishes to enter an RFP property prior to submitting a complete Developer Application, please send a completed *Assumption of Risk, Waiver, Covenant Not to Sue, Indemnity and Release of Liability form* to Nick Boettcher and Claire Pettry via email at nick.boettcher@ci.stpaul.mn.us and Claire.pettry@ci.stpaul.mn.us no later than three business days prior to the “RFP Responses Due” deadline noted in the timeline above. Forms will be processed within three business days.

Homebuyer Maximum Income Limits and Homebuyer Financial Assistance

The income of the qualifying owner-occupant households must not exceed **80% of area median income (AMI)**, or a **lower income limit agreed to by the Developer and the HRA**, as of the date of initial occupancy.

The HRA and City intend to make available to qualified homebuyers funding in the form of a deferred, subordinate mortgage sufficient to achieve an affordable housing payment for, generally, households with incomes between 60% and 80% of area median income. **There is no minimum income limit**, but, in general, it is reasonable to expect that Program resources alone will be insufficient to achieve affordability for households with incomes much below 60% AMI.

Maximum income limits are updated annually by HUD, MHFA and the Metropolitan Council. In some limited instances and depending upon funding sources, the HRA and City may be able to serve households with incomes beyond these limits.

2021-2022 Maximum Income Limits

Respondents may select, for each Project, whether the maximum income limit is 80% of AMI, 70% of AMI, or 60% of AMI.

Limits effective as of May 1, 2021 are provided in the table below. These are effective until further notice.

Limits will be updated as necessary and stated in the Development Agreement. In accordance with the Inspiring Communities Program Income Verification and Documentation Policy (included in the Program Manual), the HRA will make a final determination of household income eligibility prior to sale.

Inspiring Communities 2021-2022 Income Limits								
Household Size	1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8 persons
60% AMI	\$44,100	\$50,400	\$56,700	\$62,940	\$67,950	\$73,020	\$78,060	\$83,100
70% AMI	\$50,050	\$57,200	\$64,350	\$71,450	\$77,150	\$82,900	\$88,600	\$94,300
80% AMI	\$55,950	\$63,950	\$71,950	\$79,900	\$86,300	\$92,700	\$99,100	\$105,500

Sources: [Metropolitan Council \(via HUD\)](#) (effective June 1, 2021); [Minnesota Housing Finance Agency](#) (effective May 1, 2021); [US Department of Housing and Urban Development](#) (CBSA# 33460) (effective June 1, 2021). 70% AMI figures are determined by rounding the midpoint between 80% and 60% up to the nearest \$50. There is no maximum household size; when necessary, income limits for households with more than eight persons will be determined by the HRA.

Project Planning Assistance

The Developer's project plans and budget must take into account all known and reasonably foreseeable site conditions.

Geotechnical evaluations and boundary & topographic surveys will be made available online at www.stpaul.gov/inspiringcommunities.

The Developer is responsible for ordering any additional tests required to meet all applicable development guidelines and building code requirements.

Zoning Code Considerations

The following are Zoning Code citations that may be relevant to the development of lots offered in this RFP. These citations are current as of December 2021, and this list is not comprehensive. . Determination as to applicability of and compliance with zoning requirements, and all related expenses, are sole responsibilities of the developer. Include expenses related to zoning permits in the development budget.

The complete City of Saint Paul zoning code can be found here:

https://library.municode.com/mn/st._paul/codes/code_of_ordinances?nodid=PTIILECO_TITVI IIZOCO_CH60ZOCOENPRDEZODIMAGE

§62.103 – Nonconforming lots

In any district in which single-family dwelling are permitted, notwithstanding limitations imposed by other provisions of this code, a single-family dwelling and customary accessory buildings may be erected on any single lot of record at the effective date of adoption or amendment of this code. This provision shall apply even though such lot fails to meet the requirements for area or width, or both, that are applicable in the district; provided, that yard dimensions and other requirements not involving area or width, or both, of the lot shall conform to the regulations for the district in which such lot is located. Yard requirement variances may be obtained through approval of the board of zoning appeals.

...

§66.231 – Residential district dimensional standards

See Dimensional Standards Table in this section, which sets forth density and dimensional standards that are specific to residential districts. These standards are in addition to the provisions of chapter 63, regulations of general applicability.

§66.232 – Maximum lot coverage standards

In residential districts, principal buildings shall not cover more than thirty-five (35) percent of any zoning lot.

Program Requirements

Developer must comply with all applicable laws, rules and regulations. Additional requirements of the Inspiring Communities Program are contained in the Development Agreement and

Program Manual. State and federal funding source requirements are included by reference in the Development Agreement. In the case of a conflict, the most restrictive requirement controls.

The Development Agreement

Following award, the Developer will execute a Development Agreement with the HRA. Following execution of the Development Agreement, property will be conveyed to the Developer subject to a secured loan in favor of the HRA.

The Program Manual

The HRA has developed a manual for the Inspiring Communities Homeownership Program. This document outlines procedures, secondary to those of the Development Agreement, relative to project budgets and funding sources, eligible costs and allowable expenses, development standards, bidding and draw procedures, end-occupant income restrictions, and general responsibilities.

Guidelines for Housing Trust Fund Allocations Supporting Community Land Trusts

Projects awarded funding from the City's/HRA's Housing Trust Fund Allocation Supporting Community Land Trusts must follow the [Guidelines for Housing Trust Fund Allocations Supporting Community Land Trusts](#) in addition to requirements of the Inspiring Communities Program.

Evaluation of Proposals

Scoring Criteria

Proposals will be scored using four broad evaluation criteria, which include timeline, design, amount of subsidy requested, and equity.

All point totals are “up to” amounts. The HRA may award a proposal fewer points on a given criterion if the applicant’s commitment is partial (e.g., limited to a part of the criterion, or to a limited number of total units proposed).

EVALUATION CRITERIA	POINTS
Level of financial assistance requested (average per unit)	
\$0 - \$100,000	15
\$100,001 – \$130,000	10
\$130,001 +	0
Timeline	
≤ 12 months	5
12 + months	0
Equity	
Contracting and Workforce Equity	40
Housing Equity	30
Design	
Sustainability and Design	10
Total Points Possible	105

Explanation of Scoring Criteria

Project Subsidy Request

Level of financial assistance is the total value gap requested per unit (including the cost of acquisition) to complete the project. (15 points)

Timeline

Project timeline/proposed schedule is the estimated amount of time between closing on the purchase of property with the HRA and substantial completion of the project. (5 points)

Equity

The City of Saint Paul recognizes that a healthy economy is vital to making Saint Paul the most livable city in America. A healthy economy is one where all residents, regardless of race, gender, disability, or socioeconomic background, have an equitable opportunity to win contracts, secure job opportunities, and find affordable housing in the City. Equity criteria seeks to award points to developers who demonstrate credible, concrete plans to foster equitable economic opportunity to low-income, minority and female residents, and to (70 points)

persons with disabilities in and around the City of Saint Paul. To understand what resources are available to assist developers in achieving equity goals and scoring points on the equity section, developers may consult, as a starting point, the City of Saint Paul's Community Partners webpage at:

<https://www.stpaul.gov/departments/human-rights-equal-economic-opportunity/contract-compliance-business-development-2>.

Contracting & Workforce Equity

- A. Proposals will be awarded points for providing written evidence that the Developer has successfully completed or is participating in training or educational programs designed for emerging real estate developers. An emerging real estate developer is an individual or group who has led the coordination of site acquisition and planning, financing, construction, and contract negotiation for fewer than five (5) real estate development projects and who faces challenges accessing real estate development loan products from mainstream financial institutions. Programs may include, but are not limited to, the City of Saint Paul's Emerging and BIPOC Developer Training Initiative, LISC Twin Cities' Developers of Color initiative, and the City of Minneapolis's Developer Technical Assistance Program.

(10 points)

- B. Proposals will be awarded points for working with local Community Development Financial Institutions (CDFI) that provide capital funds to applicant-borrowers who face barriers to securing funding in the conventional marketplace. Written evidence of working relationship required. A list of certified CDFI's is available at <https://www.cdfifund.gov/Pages/FAQ.aspx>.

(5 points)

- C. Proposals will be awarded points for including a commitment and plan to work with business development agencies that focus on serving local Section 3, Central Certification Program (CERT)-certified, Targeted Group Business (TGB), and/or Disadvantaged Business Enterprise (DBE) contractors, to recruit contractors for the project. Written evidence of working relationship required. Several community partners are listed on the City of Saint Paul's website at: <https://www.stpaul.gov/departments/human-rights-equal-economic-opportunity/contract-compliance-business-development-2>

(5 points)

- D. Proposals will be awarded points for including a commitment and plan to actively recruit workers from training programs that provide pathways to careers in construction for populations that face barriers to equal employment opportunity.

(5 points)

- E. Proposals will be awarded points for providing written evidence that the Developer or the general contractor fulfills at least one of the following requirements:

- Is owned by a Section 3 resident, or
- Is certified by a local jurisdiction as a Section 3 and/or CERT business

(10 points)

- F. Proposals will be awarded points for recruiting workers from neighborhoods that encompass or are adjacent to the location of the project.

(5 points)

Housing Equity

Proposals may be awarded points for providing equitable housing opportunities in any of the following ways:

- A. Committing to provide housing to households below 70% AMI; or

(10 points)

- B. Committing to provide housing to households below 60% of area median income. If an RFP respondent agrees to provide housing to one or more households below 60% AMI and if a homebuyer below 60% AMI needs affordability gap assistance in excess of Program resources, the RFP respondent will be responsible for ensuring that the end-buyer obtains adequate financing for the purchase of the property. (15 points)

- C. Proposals will be awarded points for developing one or more buildings with more than one unit (e.g., a duplex or single-family home with an ADU), one or more housing units with four or more bedrooms and/or other features designed to increase density and/or for larger family sizes. (5 points)

- D. Proposals will be awarded points for agreeing to sell a home with more than one primary unit, or a home with a primary unit and an ADU, to a homebuyer household that agrees to restrict the income of the occupant of the second primary unit or ADU to under 60% of AMI for at least 10 years.

(5 points)

Sustainability and Design

(10 points)

Proposals will be awarded for **innovative use of building materials or design** depending upon the extent to which the project will achieve one or more of the following objectives from the City of Saint Paul 2040 Comprehensive Plan:

- Policy H-8. Encourage creativity in building design and site layout.
- Policy H-9. Encourage the use of universal design elements to make housing accessible for all residents.
- Policy H-10. Encourage the use of energy efficient mechanical systems and building products in rehabilitation and new construction to decrease building operation costs and impacts on the environment.
- Policy H-12. Demonstrate the effectiveness of new construction technologies or techniques, such as passive building standards, that push the boundaries of energy efficiency in housing.
- Policy H-14. Encourage the use of low-impact landscaping, such as no-mow yards, native landscaping and raingardens, to reduce the consumption of natural resources in yard maintenance and encourage the use of yards as carbon sinks.

Additional property information and reports can be found at
www.stpaul.gov/inspiringcommunities

Attachments to the Application Guide and Instructions

- A. 2022 RFP [Property List](#)
- B. [Draft Development Agreement Template](#)
- C. Draft [Inspiring Communities Homeownership Program Manual](#)
- D. The [Developer Application](#)

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2022 INSPIRING COMMUNITIES RFP PROPERTY LIST

All are vacant lots

PIN	ADDRESS	NEIGHBORHOOD	LOT DIMENSIONS	SQUARE FOOTAGE	ZONING	ACQUISITION PRICE	MINIMUM DENSITY	ENCOURAGED DENSITY
322922220001	717 Desoto Street	Railroad Island	50X53	2650	RT1	\$19,500.00	1 UNIT	1 UNIT
252923410037	186 Front Avenue	North End	31X100	3100	RT1	\$16,000.00	1 UNIT	1 UNIT
282922320020	899 Sims Avenue	Payne-Phalen	25X125	3125	RT1	\$23,000.00	1 UNIT	1 UNIT
282922430141	1068 Ross Avenue	Dayton's Bluff	25X127	3175	RT1	\$22,000.00	1 UNIT	1 UNIT
292922340041	729 Burr Street	Payne-Phalen	40X90	3600	RT1	\$26,000.00	1 UNIT	1 UNIT
282922320063	930 York Avenue	Payne-Phalen	30X125	3750	R4	\$27,500.00	1 UNIT	1 UNIT
282922440022	810 Atlantic Street	Dayton's Bluff	50X90	4500	RT1	\$31,500.00	1 UNIT	2 UNITS*
252923140129	231 Front Avenue	North End	45X100	4500	T2	\$23,500.00	1 UNIT	2-3 UNITS*
292922130031	695 Cook Avenue E	Payne-Phalen	40X120	4800	RT1	\$35,000.00	1 UNIT	2 UNITS*
82822230052	6 George Street W	West Side	50X100	5000	RT1	\$52,000.00	1 UNIT	2 UNITS*
282922440144	1195 Bush Avenue	Dayton's Bluff	40X127	5080	RT1	\$35,500.00	1 UNIT	2 UNITS*
322922240065	560 Brunson Street	Railroad Island	115X115	13225	RT1	\$96,500.00	2 PRIMARY UNITS	3+ UNITS* OR 2 STRUCTURES

See Notes on following page.

Notes to Property List

- *May be multiple primary units, or one or more primary unit(s) with one or more accessory dwelling unit(s) (ADU)
- Copies of soil tests and surveys for each property are available online at www.stpaul.gov/inspiringcommunities; Remediation of any issues revealed by soil tests and surveys must be accounted for in applicants' proposed project timeline and budget.
- Lot dimensions and square footage are not exact.
- Zoning current as of January 2022. Confirm zoning at <https://www.stpaul.gov/departments/planning-and-economic-development/maps-and-data/maps>

Links to Soil Tests and Surveys

Visit www.stpaul.gov/inspiringcommunities.

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Staff comments to this draft Development Agreement are in red, are for informational purposes, and will be removed prior to finalization and execution.

**DEVELOPMENT AGREEMENT
(INSPIRING COMMUNITIES)
AND CDBG LOAN AGREEMENT (if using CDBG funds)**

BY AND BETWEEN

**Housing and Redevelopment Authority
of the City of Saint Paul, Minnesota,
and
City of Saint Paul**

AND

[Developer]

Dated: March 25, 2022

Property Address: Address TBD
Saint Paul, MN 55XXX

Tax Parcel ID No.: TBD

Public Participation Sources:

CDBG:	\$ TBD
HRA:	\$ TBD
LHIA:	\$ TBD
MHFA CHIF:	\$ TBD
HTF:	\$ TBD
Other Funds:	\$ TBD

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DEVELOPMENT AGREEMENT (INSPIRING COMMUNITIES)

THIS DEVELOPMENT AGREEMENT (INSPIRING COMMUNITIES) (the “**Agreement**”) is made effective this ___ day of _____, 20___ (“**Effective Date**”), by and between the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, a public body corporate and politic organized and existing under the laws of the State of Minnesota (the “**HRA**”) and the City of Saint Paul, a Minnesota municipal corporation and home rule charter city (the “**City**”, collectively with the HRA, is referred to herein as the “**Government Authority**”, “**Seller**”, “**Grantor**”, “**Mortgagee**”), and _____, a _____ (the “**Developer**”). The HRA, City, and Developer may be collectively referred to as the “**Parties**”.

RECITALS

WHEREAS, the Government Authority is the recipient of Neighborhood Stabilization Program (“**NSP**”) funds and Community Development Block Grant (“**CDBG**”) funds from the U.S. Department of Housing and Urban Development (“**HUD**”), Local Housing Incentives Account (“**LHIA**”) funds from the Metropolitan Council (“**Met Council**”), and Community Homeownership Impact Fund (“**CHIF**”) funds from Minnesota Housing Finance Agency (“**MHFA**”) and has acquired certain real properties with the use of these and other funds; and

WHEREAS, the Developer represents the Developer is a capable and qualified developer to perform the development activities contemplated in this Agreement on one of those real properties located at _____, Saint Paul, MN 55_____; and

WHEREAS, in order to achieve the Government Authority’s redevelopment goals and the objectives of the Public Participation Sources, as later defined herein, the HRA has agreed to sell and convey that certain real property, legally described in Exhibit A attached hereto, to the Developer and loan to the Developer CDBG funds (the “**CDBG Loan**”) and other Public Participation funds up to an amount of \$_____ (the “**Loan**”) pursuant to the terms of this Agreement; and

WHEREAS, the Developer intends to perform the development activities contemplated in this Agreement upon said real property in a manner described in a submittal the Developer made to the Government Authority as an a response to a Request For Proposals published by the Government Authority; and

WHEREAS, the national objective being satisfied in the use of CDBG funds is Low/Mod Housing (LMH) by improving OR constructing a permanent residential structure that will be occupied by a Low- and Moderate-Income (LMI) Household; and

WHEREAS, the Government Authority believes that the development of said real property, as more fully set forth in this Agreement, is in the best interest of the residents of the City and will eliminate blighting influences, foster an increase in the commercial development of the City, including increased opportunities for employment, and will otherwise benefit the health, safety, morals and welfare of the residents of the City, in accordance with the public purpose and provisions of the applicable federal, state, and local laws and requirements; and

WHEREAS, the Government Authority has held the necessary public hearing(s) and approved the sale of

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the property to the Developer pursuant to RES PH _____ and authorized the use of funds pursuant to RES PH _____ and RES _____; and

WHEREAS, this Agreement sets forth the mutual agreement of the Parties with respect to the development contemplated herein.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises and obligations of the Parties set forth herein, the Parties agree as follows:

ARTICLE I DEFINITIONS; INSPIRING COMMUNITIES PROGRAM

1.1 Definitions. All capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context. The singular includes the plural and vice-versa.

“Act” means the Municipal Housing and Redevelopment Act, Minnesota Statutes, 469.001-469.047 et seq., as amended.

“Acquisition Cost” means the value the HRA has established for the Property.

“Agreement” means this Development Agreement (Inspiring Communities), as the same may be from time to time modified, amended or supplemented.

“Area Median Income (AMI)” means the median income for the Minneapolis-Saint Paul-Bloomington Metropolitan Statistical Area as published and updated annually by HUD and adjusted for household size. For the Inspiring Communities Program, an individual or household total annual income at the time of purchase or rental may not exceed one hundred twenty (120%) percent of AMI.

“Board” means the Board of Commissioners of the HRA.

“CDBG Funds” means federal grant funds awarded to the City by HUD for use in accordance with the CDBG Regulations under Title 1 of the Housing and Community Development Act of 1974, as amended.

“CDBG Regulations” means 24 C.F.R. Part 570, as the same may be amended and supplemented from time to time, and such additional orders, regulations, rulings, interpretations and directives for CDBG Funds as may be promulgated or issued by HUD.

“Certificate of Completion” means the certificate in the form attached hereto as Exhibit H signed by the either the HRA Representative or the City Representative, or both as the case may be, certifying completion of the Minimum Improvements.

“CHIF Funds” means grant funds awarded to the City or HRA by the Minnesota Housing Finance Agency through its Community Homeownership Impact Fund or its predecessor.

“CHIF Homebuyer Assistance Mortgage” means the mortgage to be executed by a Qualified Homebuyer at the sale of the completed Project (or portion thereof if there is more than one tax parcel) by the Developer in

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the form attached hereto as Exhibit BB.

“CHIF Homebuyer Assistance Note” means the promissory note to be executed by a Qualified Homebuyer at the sale of the completed Project (or portion thereof if there is more than one tax parcel) by the Developer in the form attached hereto as Exhibit CC.

“CHIF Regulations” means those orders, regulations, ruling, interpretations and directives for, and restrictions upon, CHIF Funds as may be promulgated or issued by the Minnesota Housing Finance Agency.

“City” means the City of Saint Paul, a Minnesota municipal corporation and home rule charter city.

“City Representative” means the Director of Planning and Economic Development or the Director’s designee.

“Closing Date” or “Closing” means _____ or such other date as agreed to by the Government Authority and Developer, at which time the HRA will convey to the Developer the Property, subject to the terms and conditions of this Agreement.

“Completion Date” means the date the Certificate of Completion is executed by either the HRA Representative or the City Representative.

“Construction Costs” means the capital costs of the construction of the Minimum Improvements. Such costs include the costs of labor and materials; soft costs, including construction management and supervision expenses incurred by the Developer in its own management and supervision of construction; insurance and payment or performance bond premiums; architectural and engineering fees and expenses; property taxes; usual and customary fees or costs payable to the HRA, the City, or any other public body with regulatory authority over construction of the Project (e.g. building permits and inspection fees); and all other costs chargeable to the capital account of the Project under generally accepted accounting principles. The Acquisition Cost and Developer Fee are not Construction Costs.

“Construction Documents” shall mean the following documents, all of which shall be in form and substance acceptable to the Government Authority: (a) evidence satisfactory to Government Authority showing that the Project conforms to applicable zoning, subdivision and building code laws and ordinances, including a copy of the building permit for the Minimum Improvements; (b) a copy of the executed standard form of agreement between owner and architect for architectural services for the Project, if any, and (c) a copy of the executed general contractor’s contract for the Project, if any.

“Construction Lender” means Developer’s source of financing other than through this Agreement, namely:
_____.

“Construction Plans” means the plans, specifications, drawings and related documents for the construction of the Minimum Improvements which shall be as detailed as the plans, specifications, drawings and related documents which are submitted to the building inspector of the City.

“Contingency Date” means _____ (____) days after the Effective Date of this Agreement but no later than thirty (30) days prior to the Closing Date.

“Conveyed” means the Property is transferred to the Developer when the Minimum Improvements have been

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completed and, as applicable: 1) the Project is sold by the Developer to a Qualified Homebuyer(s); or 2) all or a portion of the residential units in the Project are leased to Income-Eligible Renters in a manner that achieves compliance with the Public Participation Source Regulations, and any other applicable federal, state, regional, or local law.

“Deed” means the quit claim deed, in the form attached hereto as Exhibit F, to be executed by the HRA conveying the Property to the Developer.

“Design Drawings” means the drawings for the construction of the Minimum Improvements including the exterior elevations and building finish materials, attached hereto as Exhibit E.

“Developer” means _____, a _____, also referred to as “Buyer”, “Borrower”, “Grantee”, and/or “Mortgagor” as those terms are used herein within documents for transaction from Government Authority to Developer; these terms shall not refer to Developer in the Homebuyer Assistance Mortgage and Homebuyer Assistance Note or any documents for the transaction between Government Authority and Homebuyer.

“Developer’s Documents” means any and all documents and instruments in connection with the Project as reasonably requested by Government Authority.

“Developer Fee” means _____% (\$ _____) (maximum of 10%) of the Total Development Costs (not including the Developer Fee) minus the Acquisition Cost.

“Developer Mortgage” means the combination mortgage, security agreement, assignment of rents and fixture financing statement, attached hereto as Exhibit T, to be executed by the Developer at Closing.

“Developer Note” means the promissory note, attached hereto as Exhibit S, to be executed by the Developer at Closing.

“Disbursement Agreement” means an escrow and disbursement agreement to be executed by and among the Government Authority, Developer, Developer’s Construction Lender and Title Company in the form attached hereto as Exhibit AA.

“Event of Default” means the occurrence of any one or more of the events set forth in Sections 11.2 or 11.3 herein.

“Government Authority Documents” means the documents to be executed and/or delivered by the Government Authority at the Closing pursuant to Section 3.5(B) of this Agreement.

“Homebuyer Assistance Mortgage” means the mortgage to be executed by a Qualified Homebuyer at the sale of the completed Project (or portion thereof if there is more than one tax parcel) by the Developer in the form attached hereto as Exhibit V.

“Homebuyer Assistance Note” means the promissory note to be executed by a Qualified Homebuyer at the sale of the completed Project (or portion thereof if there is more than one tax parcel) by the Developer in the form attached hereto as Exhibit U.

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“HRA Funds” means any funds provided by the HRA, other than CDBG Funds, CHIF Funds, LHIA Funds or NSP Funds, that are allocated for the financing of the development activities contemplated in this Agreement.

“HRA Representative” means the Executive Director of the HRA or the Executive Director’s designee.

“Income-Eligible Renter” means a residential tenant of any portion of the completed Minimum Improvements who meets all applicable criteria established by the Public Participation Source Regulations, including but not limited to criteria related to limits on income.

“LHIA Funds” means grant funds awarded to the City by the Met Council through its Local Housing Incentives Account.

“LHIA Regulations” means those orders, regulations, ruling, interpretations, and directives for, and restrictions upon, LHIA Funds as may be promulgated or issued by the Met Council.

“Limited Warranty Deed” means the limited warranty deed in the form attached hereto as Exhibit G to be executed by the Developer to the HRA conveying the Property.

“Median Family Income” means the median family income as most recently established by HUD for the Minneapolis/Saint Paul standard metropolitan statistical area, as adjusted for family size.

“Minimum Improvements” means the entire development consisting of all construction or rehabilitation described in Exhibit C.

“NSP Funds” means federal grant funds awarded to the City by HUD or any pass-through entity for use in accordance with the NSP Regulations under the Wall Street Reform and Consumer Protection Act of 2010, Neighborhood Stabilization Program, American Recovery and Reinvestment Act of 2009 and the Housing and Economic Recovery Act of 2008 as the same may be amended and supplemented from time to time, and such additional orders, regulations, rulings, interpretations and directives for NSP as may be promulgated or issued by HUD.

“NSP Regulations” means 24 C.F.R. Part 570, as modified by the alternative requirements and regulatory waivers promulgated by HUD under the Wall Street Reform and Consumer Protection Act of 2010, American Recovery and Reinvestment Act of 2009 and the Housing and Economic Recovery Act of 2008 as the same may be amended and supplemented from time to time, and such additional orders, regulations, rulings, interpretations and directives for NSP as may be promulgated or issued by HUD.

“Organizational Documents” means the following documents which include but are not limited to: (a) Articles of Incorporation/Organization of the Developer, accompanied by a Certificate of Good Standing from the Minnesota Secretary of State dated no earlier than thirty (30) days prior to the date of this Agreement; and (b) An opinion of counsel for or Affidavit of Developer stating that the Developer is a _____ duly organized and existing under the laws of the State of Minnesota, that each of the Developer’s Documents have been duly executed and delivered and are the legal and binding obligations of Developer, enforceable in accordance with their respective terms, subject to matters of bankruptcy, stay, insolvency, reorganization or other laws relating to or affecting creditors’ rights generally or by principles of equity, of which all documents referenced herein shall be in form and substance acceptable to the Government Authority.

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“Permitted Encumbrances” means those matters set forth in Exhibit B attached hereto.

“Project” means the Property together with the Minimum Improvements.

“Property” means all real property described in Exhibit A attached hereto.

“Public Participation Sources” means the sources of any public funds involved in the Project, including any public funds used by the HRA to acquire the Property or provided to the Developer as Value Gap Financing, or provided to a Qualified Homebuyer as homebuyer assistance. The Public Participation Sources involved in this Project are: [One or more of the following: CDBG Funds, CHIF Funds, HRA Funds, LHIA Funds and NSP Funds].

“Public Participation Source Regulations” means the orders, regulations, rulings, interpretations and directives for the use of the Public Participation Sources as may be promulgated or issued by any agency with power to promulgate or issue such orders, regulations, rulings, interpretations or directives, including all amendments thereto. The Public Participation Source Regulations involved in this Project are: [One or more of the following: CDBG Regulations, CHIF Regulations, HRA Regulations, LHIA Regulations and NSP Regulations].

“Qualified Homebuyer,” means a homebuyer who meets the criteria established by all applicable law and program guidelines, including the Public Participation Source Regulations. For this project, a “Qualified Homebuyer” must have an annual income equal to or less than 80% of the Area Median Income.

“Sources and Uses” means those amounts as detailed in Exhibit C.

“Timeline” means the timeline as set forth in Exhibit C.

“Title Company” means _____, with a physical address of _____.
Title Company representative is _____, Closing Agent: Phone: _____; Email: _____.

“Total Development Costs” means the sum of the Acquisition Cost, Construction Costs, Developer Fee, and other soft costs, as set forth in Exhibit C.

“Unavoidable Delays” means delays, outside the control of the party claiming its occurrence, which are the direct result of: (a) unusually severe or prolonged bad weather; (b) acts of nature, fire or other casualty to the Minimum Improvements; (c) litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays; (d) acts of any federal, state or local governmental unit which directly result in delays; (e) strikes, or other labor trouble; (f) delays in delivery of materials for the Minimum Improvements; (g) unusual and unforeseen soil conditions of the Property; or (h) delays in vacating any street necessary for the construction of the Minimum Improvements.

“Value Gap” means the amount of the Loan to be provided for the Project by or through the Government Authority, as identified on Exhibit C.

1.2 Inspiring Communities Program. The Government Authority and Developer agree and acknowledge that this Agreement is made under the HRA’s Inspiring Communities program, established and authorized by HRA Resolutions 13-1097 and 13-1592. Terms and conditions of the Inspiring Communities

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Homeownership Development Program or the Inspiring Communities Rental Development Program are contained in the Inspiring Communities Homeownership Development Program Manual (the "Ownership Program Manual") or the Inspiring Communities Rental Development Program Manual (the "Rental Program Manual"), whichever may be applicable for this Project, attached hereto as Exhibit W, which may be amended from time to time. The Government Authority and Developer further agree and acknowledge that they are bound by all the terms and conditions of the Inspiring Communities program as relevant to the Project, including but not limited to standards for design and construction/rehabilitation, procedures for draw requests and disbursements, requirements for marketing the completed Project, and terms and conditions that apply because of the Public Participation Sources involved in the Project. The Developer acknowledges that it will perform the development activities in a manner consistent with what it represented in its response to the Request for Proposal or other submittal, specifically pertaining to workforce equity, contracting equity and housing equity. The Developer acknowledges that it has read, understands, and will comply with all terms and conditions contained in the Ownership Program Manual or Rental Program Manual as relevant to the Project, and that it has had the opportunity to consult with legal counsel regarding which terms and conditions that apply. If any provision in the Ownership Program Manual or Rental Program Manual is inconsistent with this Agreement, this Agreement controls.

1.3 CDBG Program. The Government Authority and Developer agree and acknowledge that this Agreement is made under the City's CDBG program. The Developer shall perform all activities set forth in the Statement of Work/Scope of Services consisting of a description of the work to be performed, a schedule for completing the work and a budget, hereby made part of this Agreement as Exhibit C, and shall undertake these activities in accordance with the terms of this Agreement and with CDBG Program Entitlement Grant Regulations (24 CFR Part 570) as applicable, including as the same may be amended and supplemented from time to time, and such additional orders, regulations, rulings, interpretations and directives for CDBG funds as promulgated or issued by HUD. Those activities shall be completed in accordance with the Completion Schedule contained in Section 7 of Exhibit C attached hereto. If the Developer fails to comply with the Progress or Completion Schedule or any other term of this Agreement, the City may enforce remedies for noncompliance in accordance with 2 CFR 200.339-200.343.

A. Funding:

1. Budget. All funds required to carry out the activities identified in the Project Statement of Work/Scope of Services shall be provided to the Developer as identified in Exhibit C.

2. Payment. The Developer shall be entitled to reimbursement of funds in accordance with performance and City regulations and procedures. Any such disbursement of CDBG Funds is subject to Developer demonstrating in the reports Developer is required to submit pursuant to Section 9.3 of this Agreement that Developer is meeting the National Objective and the requirements for serving the intended population within that National Objective. The Developer shall submit itemized statements in such detail as required by the City to comply with all federal, state and local requirements. All requests for funds shall conform to the line items contained in the Project budget.

B. Flexibility in Budget. The Developer shall make CDBG eligible expenditures according to the line items set forth in the Statement of Work/Scope of Service Budget ("**Budget**"). Any and all amendments to the Budget must be submitted in writing for review and approval to the City at the following mailing address: City of Saint Paul Planning & Economic Development Department, Attn: Project Manager, 1300 City Hall Annex, 25 W. Fourth St., Saint Paul, MN 55102 or email address: nick.boettcher@ci.stpaul.mn.us.

ARTICLE II REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties by the Government Authority. The Government Authority makes the following representations and warranties:

A. The HRA is a public body corporate and politic organized and existing under the laws of the State of Minnesota and the City is a municipal corporation and home rule charter city possessing all powers possible for a municipal corporation in the State of Minnesota; and the Government Authority has the authority to enter into this Agreement and carry out its obligations hereunder.

B. The Government Authority has taken all action necessary to authorize the execution, delivery and performance of this Agreement, and any other documents or instruments required to be executed and delivered by the Government Authority pursuant to this Agreement.

C. The execution, delivery and performance of this Agreement, and any other documents or instruments required pursuant to this Agreement by the Government Authority do not, and consummation of the transactions contemplated therein and the fulfillment of the terms thereof, will not conflict with or constitute on the part of the Government Authority a breach of or default under any existing (i) indenture, mortgage, deed of trust or other agreement or instrument to which the Government Authority is a party or by which the Government Authority or any of its property is or may be bound, or legislative act, constitution or other proceeding establishing or relating to the establishment of the Government Authority or its officers or its resolutions.

D. There is not pending, nor to the best of the Government Authority's knowledge is there threatened, any suit, action or proceeding against the Government Authority before any court, arbitrator, administrative agency or other governmental authority that materially and adversely affects the validity of any of the transactions contemplated hereby, the ability of the Government Authority to perform its obligations hereunder, or as contemplated hereby or thereby, or the validity or enforceability of this Agreement.

E. No member of the Board, Council, public officer, or employee of the Government Authority has either a direct or indirect financial interest in this Agreement, nor will any member of the Board, Council, public officer, or employee of the Government Authority benefit financially from this Agreement, nor will the execution and delivery of this Agreement create a conflict of interest prohibited by or within the meaning of Minnesota Statutes Sections 317A.255, 412.311, 471.87, and 469.009, as amended.

F. The Government Authority will reasonably cooperate with the Developer with respect to any litigation commenced by third parties in connection with the Project, and the Government Authority agrees to deliver to the Developer upon the Developer's request copies of any environmental reports or studies relating to the Property in its possession or control.

2.2 Representations, Agreements and Warranties by the Developer. The Developer covenants, represents, certifies, agrees and warrants that:

A. The Developer: (i) is a _____ which is in good standing and authorized to do business in the State of Minnesota; (ii) is not in violation of any provisions of the articles of incorporation/organization or

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other Organizational Documents, or the laws of the State of Minnesota; and (iii) has power to enter into this Agreement, and all exhibits attached hereto, and has duly authorized the execution, delivery and performance of this Agreement by proper action of its members, officers or Board of Directors.

B. In the event the Property is conveyed to the Developer, the Developer will construct, operate and maintain the Minimum Improvements in accordance with the terms of this Agreement, Public Participation Source Regulations, any redevelopment plan and all local, state and federal laws, rules and regulations (including, but not limited to, environmental, zoning, energy conservation, building code and public health laws and regulations), except for variances necessary to construct or operate the Minimum Improvements contemplated in the Construction Plans approved by the Government Authority.

C. The Developer Documents will constitute legal and binding obligations enforceable against the Developer as its interest appears.

D. The Developer will obtain, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state, and federal laws and regulations, including but not limited to Public Participation Source Regulations, which must be obtained or met before the Minimum Improvements may be lawfully constructed.

E. The execution and delivery of this Agreement, the consummation of the transactions contemplated thereby, and the fulfillment of the terms and conditions thereof do not and will not conflict with or result in a breach of any of the terms or conditions: (i) of the Developer's Organizational Documents; (ii) of any restriction or any agreement or instrument to which the Developer is now a party or by which it is bound or to which any property of the Developer is subject, (iii) that would constitute a default under any of the foregoing or a violation of any order, decree, statute, rule or regulation of any court or of any state or federal regulatory body having jurisdiction over Developer or its properties, including its interest in the Project, and (iv) that would result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the property or assets of Developer contrary to the terms of any instrument or agreement to which Developer is a party or by which it is bound.

F. The execution and delivery of this Agreement will not create a conflict of interest prohibited by Minnesota Statutes Section 317A.255, as amended or 469.009, as amended.

G. Developer will reasonably cooperate with the Government Authority with respect to any litigation commenced by third parties in connection with the Minimum Improvements and the transactions contemplated by this Agreement.

H. There are no pending or threatened legal proceedings, of which the Developer has notice, contemplating the liquidation or dissolution of the Developer or threatening its existence, or seeking to restrain or enjoin the transactions contemplated by the Agreement, or questioning the authority of the Developer to execute and deliver the Developer's Documents described in Section 3.5(C) herein .

I. The Total Development Costs are as set forth in Exhibit C.

J. The financing commitments which the Developer has obtained to finance construction of the Minimum Improvements, and any other public or private funds obtained by the Developer, will be sufficient to enable the Developer to successfully complete the Minimum Improvements in conformance

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with the Construction Plans.

K. The Developer will cooperate with the Government Authority in resolution of any traffic, parking, trash removal or public safety problems which may rise in connection with the construction and operation of the Minimum Improvements.

L. The Developer agrees that, barring Unavoidable Delays, the Minimum Improvements will be substantially completed within twelve (12) months of Closing. If a homeownership project, Developer agrees to execute and record, in the proper office for recordation of deeds and other instruments pertaining to the Property, a Declaration for any required affordability period and cause any Qualified Homebuyer to execute a Homebuyer Assistance Note and Homebuyer Assistance Mortgage at the closing of the sale of the Project. If a rental project, Developer agrees to execute and record, in the proper office for recordation of deeds and other instruments pertaining to the Property, a Declaration.

M. The Developer agrees to pay all sewer service connection charges with respect to the Property.

N. The Developer agrees that any fencing on the Property must comply with Section 33.07 of the Saint Paul Legislative Code – Fences-Requirements.

O. The Developer is familiar with and knowledgeable of the Public Participation Source Regulations as they pertain to this transaction and has had the opportunity to consult with legal counsel as to the application of such Public Participation Source Regulations to its obligations under this Agreement.

P. The Developer must permit the Government Authority, upon reasonable notice, to examine all books, records, contracts, plans, permits, bills and statements of the Developer's account pertaining to the Property and Minimum Improvements and to make copies as the Government Authority may require with respect to the Loan.

ARTICLE III ACQUISITION AND CONVEYANCE OF PROPERTY

3.1 Purchase and Sale of Property; Purchase Price. Subject to and upon the terms and conditions of this Agreement, the HRA agrees to sell to the Developer, and Developer agrees to purchase from the HRA, the Property located at _____, Saint Paul, MN 55_____, in Ramsey County legally described on the attached Exhibit A, together with all Permitted Encumbrances as set forth on the attached Exhibit B, and all improvements, if any. The Developer is purchasing the Property based upon its own investigation and inquiry and is not relying on any representation or warranty of the HRA or other person and is agreeing to accept and purchase the Property "as-is and where-is".

3.2 As Is Conveyance. In recognition of the Government Authority's role as land assembler, and the significant economic contributions which the Government Authority has made to redevelop the Property, THE DEVELOPER AGREES THAT: (1) DEVELOPER IS ACCEPTING POSSESSION OF THE PROPERTY ON THE CLOSING DATE "AS IS, WHERE IS, WITH ALL FAULTS" AND DEFECTS, AND THAT, SUCH SALE SHALL BE WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING AS TO TITLE, EXCEPT SUCH REPRESENTATIONS AND WARRANTIES SPECIFICALLY SET FORTH IN THIS AGREEMENT; AND (2) DEVELOPER SPECIFICALLY ACKNOWLEDGES THAT DEVELOPER IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND

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WHATSOEVER, EXPRESS OR IMPLIED, FROM SELLER, AS TO ANY MATTER CONCERNING THE PROPERTY AND THAT DEVELOPER IS RELYING ENTIRELY ON ITS OWN INSPECTIONS, TESTING, EXISTING KNOWLEDGE OF THE PROPERTY, AND OTHER DUE DILIGENCE ACTIVITY, WITHOUT ANY OTHER PHYSICAL OR ENVIRONMENTAL REPRESENTATIONS OR WARRANTIES OF ANY KIND BY GOVERNMENT AUTHORITY. THE DEVELOPER WAIVES ANY CLAIMS AGAINST THE GOVERNMENT AUTHORITY AND ITS RESPECTIVE OFFICIALS, OFFICERS, EMPLOYEES, AGENTS AND SERVANTS FOR INDEMNIFICATION, CONTRIBUTION, REIMBURSEMENT OR OTHER PAYMENTS ARISING UNDER FEDERAL, STATE OR LOCAL LAW RELATING TO ENVIRONMENTAL OR ANY OTHER CONDITION OF THE PROPERTY. THE GOVERNMENT AUTHORITY HAS NO OBLIGATION TO PRODUCE ANY EVIDENCE OF TITLE. THE DEVELOPER WILL OBTAIN ITS OWN TITLE EVIDENCE FROM THE TITLE COMPANY.

3.3 Purchase Price and Manner of Payment. The total purchase price to be paid by Developer to the HRA for the Property is _____ (the "**Purchase Price**"). The Purchase Price for shall be paid by Developer to the HRA at Closing. The Developer shall assume or pay all taxes, special assessments and similar governmental impositions due and payable after the Closing Date and all future years.

3.4 Contingencies to Closing.

A. Developer's Contingencies. The Developer's obligation to purchase the Property under this Agreement is contingent upon satisfaction or waiver by Developer of each of the following by the respective dates indicated:

1. the Government Authority having performed all of the obligations required to be performed by the Government Authority under this Agreement as of the Closing Date, including but not limited to, delivery of all of the Government Authority's Documents described in Section 3.5(B) hereof; and
2. to the extent possible, the Developer has received or determined it will receive all necessary rezoning, variances, permits, site plan and other approvals needed to permit the construction of the Minimum Improvements; and
3. the Developer shall have completed such environmental investigation (including soil conditions) with respect to the Property as it deems prudent and shall be satisfied with the results thereof; and
4. the Developer shall have obtained financing acceptable to the Government Authority or the Government Authority's designee for construction of the Minimum Improvements; and
5. on the Closing Date, the Title Company shall be irrevocably committed to issue to Developer an owner's policy of title insurance with respect to the Property in form and substance approved by Developer.

B. Government Authority's Contingencies. The Government Authority's obligation to close the transaction contemplated under this Agreement is conditioned upon the following:

1. Developer shall have performed all of the obligations required to be performed by Developer under this Agreement as of the Closing Date; and

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2. Developer shall have delivered to the Government Authority all of the Developer's Documents; and
3. to the extent possible, Developer shall have received, or the Government Authority shall have determined that the Developer will receive all necessary rezoning, variances, permits, site plan and other approvals needed to permit the construction of the Minimum Improvements including without limitation any needed variances; and
4. Developer has acknowledged and executed the Government Authority's Disclosure Alternatives Statement attached hereto as Exhibit X; and
5. Developer shall have obtained all necessary financing for construction of the Minimum Improvements; and
6. Government Authority has received any required application fee; and
7. HRA's Board of Commissioners, after a public hearing, has approved of this Agreement and the sale of the Property to Developer.
8. City has taken the necessary actions to approve of this Agreement and the sale of the Property to Developer in connection with funding received by the City and being provided to the Developer for the Project.

C. Developer and Government Authority Options. If any conditions set forth in this Section 3.4 have not been satisfied or waived by the Developer or Government Authority, respectively, before the earlier occurrence of: (i) expiration of the time period specified therein; or (ii) the Closing Date, if no such period is specified, then the Parties may:

1. terminate this Agreement at any time on or before the applicable period by written notice to the other Party at the address provided for herein, and following such termination, the Parties shall sign a Cancellation of Purchase Agreement confirming the cancellation of this Agreement and directing that the Earnest Money (if any) shall be refunded to Developer. Upon the execution of a Cancellation of Purchase Agreement and refund of the Earnest Money (if any), neither Developer nor the Government Authority shall have any further rights or obligations under this Agreement except for Developer's indemnity obligations under Section 3.9, the covenants made in Section 3.6(D), and the remedies provided in Article X, all of which shall survive termination of this Agreement whether such termination is affected by Developer or Government Authority (the "Surviving Covenants"); or
2. waive such contingency by written notice, email is acceptable, and proceed to close; or
3. Developer and Government Authority may mutually agree to extend the Closing Date.

3.5 Closing.

A. Time and Place. Subject to the terms and conditions of this Agreement, the Closing on the purchase

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and sale of the Property shall take place on the Closing Date, unless postponed or extended in writing by the Parties, and shall take place at the offices of the Title Company, or such other place as the Parties agree. The HRA agrees to deliver possession of the Property to Developer on the Closing Date.

B. Government Authority's Documents. On the Closing Date, the Government Authority shall execute, where appropriate, and deliver to the Developer and/or Title Company all of the following Government Authority's Documents:

1. Deed. A Quit Claim Deed properly executed on behalf of the HRA conveying the Property to Developer subject to the Permitted Encumbrances and any deed restrictions ("Deed Restrictions") as described on the Quit Claim Deed attached hereto as Exhibit F
2. FIRPTA. A non-foreign affidavit, properly executed, containing such information as is required by Internal Revenue Code Section 1445(b)(2) and its regulations.
3. Well Certificate. A certificate signed by the HRA warranting that there are no wells on the Property within the meaning of Minn. Stat. § 103I, or if there are any such wells, a well certificate in the form required by law. Notwithstanding the foregoing, since the HRA does not know of any wells on or serving the Property within the meaning of Minn. Stat. § 103I, a separate certificate signed by the HRA need not be provided as long as the deed or other instrument of conveyance contains the statement: "The seller certifies that the seller does not know of any wells on the described real property."
4. Seller's Affidavit Regarding Business Entity. An Affidavit by the HRA indicating that on the Closing Date there are no outstanding, unsatisfied judgments, tax liens, or bankruptcies against or involving the HRA or the Property; that there has been no skill, labor or material furnished to the Property by direct request of the HRA for which payment has not been made or for which mechanics' liens could be filed; and there are no other unrecorded interests in the Property, together with whatever standard owner's affidavit may be required by the Title Company to issue the title policy.
5. Abstracts of title, if any, in the Government Authority's possession to any portion of the Property which is abstract property, and any owner's duplicate certificate of title to any portion thereof which is registered property. The Government Authority has no obligation to have any abstracts updated.
6. Closing Statement. A duly-executed settlement or closing statement consistent with this Agreement.
7. Any appropriate required federal income tax reporting form.
8. Request for Notice of Foreclosure.
9. Disbursement Agreement, if applicable.
10. All other documents as may be reasonably required in order to convey the Property to Developer as contemplated herein.

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C. Developer's Documents. On the Closing, the Developer will execute and deliver to the Government Authority the following Developer's Documents, all in form and content reasonably satisfactory to the Government Authority:

1. Purchase Price. The balance of the Purchase Price, plus or minus any prorations and other adjustments required herein, including but not limited to recording charges or fees for all documents which are to be placed on record, the fee or charge imposed by any closing agent designated by the Title Company, and any other incidental or related closing costs.
2. Business Documents. Organizational documents, a Certificate of Good Standing from the Secretary of State of the state of organization of the Developer, and an Affidavit or Resolution of Developer stating Developer has been fully authorized by its Board and/or Managers to enter into this Agreement.
3. Construction Cost Statement. A duly-executed and sworn construction cost statement executed by the Developer and the general contractor setting forth total Construction Costs of the Minimum Improvements.
4. Construction Plans. The Developer shall have submitted the Construction Plans to the Government Authority, and the Government Authority shall have approved the Construction Plans pursuant to Section 5.2 hereof.
5. Insurance Certificate(s). Copies of all Certificates of insurance required by this Agreement.
6. Government Approvals. To the extent required and obtainable as of the Closing Date, environmental clearances, subdivision approvals, permits, and any other required governmental approvals for the Minimum Improvements.
7. Buyer's Affidavit. An affidavit duly-executed by Developer indicating on the Closing Date that there are no outstanding, unsatisfied judgments, tax liens or bankruptcies against or involving the Developer; that there has been no skill, labor or material furnished to the Property for which payment has not been made or for which mechanic's liens could be filed.
8. Deed. Limited Warranty Deed for the Property properly executed by the Developer, to be held and not recorded by the HRA, except under specific provisions hereof.
9. The Developer Note.
10. The Developer Mortgage.
11. Such other documents as shall be required to carry out the intent of this Agreement.
12. Disbursement Agreement, if applicable.

3.6 Closing Costs and Expenses; Prorations. The Developer and Government Authority agree to the following prorations and allocation of costs and expenses at Closing:

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A. Closing Costs. Developer will pay all costs and fees in relation to Closing, including but not limited to any closing fee, title service fees, title searches, title examinations, abstracting, lender's title insurance premium, owner's title insurance premium, filing fees, and prepaid items.

B. Taxes.

1. Developer shall pay:
 - a. All state deed tax regarding the Deed to be delivered by the HRA under this Agreement.
 - b. All mortgage registration taxes.
 - c. General real estate taxes payable in the year of Closing prorated as of and including the Closing Date based upon the calendar year and all general real estate taxes and special assessments in all subsequent years after the year of Closing.
2. HRA shall pay:
 - a. General real estate taxes payable in the year of Closing prorated as of and including the day before the Closing Date based upon the calendar year and all general real estate taxes and special assessments payable in the years prior to the year in which Closing occurs and any deferred real estate taxes.

C. Recording Costs. Developer will pay the cost of recording all documents necessary to place record title in the name of the Developer and the cost of recording all other documents.

D. Attorney Fees. Developer and the Government Authority shall pay its own attorney fees in connection with the preparation and negotiation of this Agreement and the Closing.

3.7 Title. Title Examination will be conducted as follows:

A. As soon hereafter as reasonably possible and at Developer's sole cost, Developer shall obtain the following items (collectively the "**Title Evidence**"):

1. Title Insurance Commitment. A commitment ("Title Commitment") from the Title Company to issue to Developer a standard ALTA Owner's Policy of Title Insurance committing to insure title to the Property in the name of the Developer subject only to the Permitted Encumbrances and the preprinted or so-called standard exceptions, in the amount of the Purchase Price. The Title Commitment will include copies of all recorded documents referred to in "Schedule B" of such Title Commitment (the "Exception Instruments"). Developer will provide upon receipt a copy of the Title Commitment and Exception Instruments a copy to the Government Authority.
2. Survey. A survey of the Property if the Developer or the Government Authority deems necessary.

B. Developer's Objections. Within ten (10) days (excluding Saturdays, Sundays and national holidays) after receiving the last of the Title Evidence (the "**Title Review Period**"), Developer will make written objections ("**Objections**") to any exception or condition contained in the Title Commitment or any of the Exception Instruments or shown on any ALTA survey, if an ALTA survey is obtained by Developer. If Developer does not give written notice of any objections to the Government Authority within the Title Review Period, this shall constitute a waiver of any Objections and Developer shall be deemed to have

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approved the title as shown in the Title Commitment, Exception Instruments and ALTA survey and in relation to matters that would be disclosed on an updated survey of the Property, if any. Any such exceptions or matters not timely objected to during the Title Review Period shall be a Permitted Encumbrance under the terms of this Agreement. If Developer provides written notice of objections during the Title Review Period, the Government Authority may, but is not obligated to, cure the Objections. The Government Authority will have sixty (60) days after receipt of any Objections to cure the Objections ("**Title Cure Period**"), during which period the Closing will be postponed as necessary. If all of the Objections are not cured within the Title Cure Period (or agreed to be cured by the Government Authority on or prior to Closing) or if Developer elects in writing not to cure the Objections, Developer will have the option to do any of the following:

1. Terminate this Agreement by giving written termination notice to the Government Authority at the address provided for herein not later than ten (10) calendar days after the end of the Title Cure Period. Following such written notice of termination, the Parties shall sign a Cancellation of Purchase Agreement confirming the cancellation of this Agreement and directing that the Earnest Money (if any) shall be refunded to Developer. Upon the execution of a Cancellation of Purchase Agreement and refund of the Earnest Money (if any), neither the Government Authority or Developer shall have any further rights or obligations under this Agreement except for the Surviving Covenants; or
2. In the absence of such timely written notice, conclusively be deemed to have waived the uncured Objections, and any such uncured Objections shall become one of the Permitted Encumbrances on the Property thereby requiring the Developer to proceed with Closing.

C. Title Policy. On or before the Closing, Developer shall have obtained at Developer's sole cost and expense, an ALTA Owner's Title Insurance Policy (the "**Title Policy**") issued pursuant to the Title Commitment, or a suitably marked up Title Commitment initialed by Title Company undertaking to issue such Title Policy in the form required by the Title Commitment.

3.8 Environmental Remediation. Neither the City nor the HRA shall have any responsibility or obligation to undertake any cleanup or remediation on the Property. Following delivery of the Quit Claim Deed, the Developer agrees to remediate any environmental contamination or pollution on the Property that may be required by law.

3.9 Developer's Right to Inspect. The HRA shall allow Developer, and Developer's employees, agents, and contractors, access to and the right to enter upon the Property without charge and at all reasonable times upon reasonable advanced notice to the HRA prior to the Contingency Date for the purpose of Developer's investigation and testing as Developer deems necessary or advisable, and Developer shall have determined, on or before the Contingency Date, that Developer is satisfied, in its sole and absolute discretion, with the results of such investigation and testing. Developer shall promptly pay all costs and expenses of such investigation and testing and shall not suffer or permit the filing of any lien against the Property. Any inspections or testing shall be subject to the rights of parties in possession, if any. Developer shall further repair and restore, at Developer's sole cost, any damage to the Property caused by or occurring as a result of Developer's investigation and testing and return the Property to the same condition as existed prior to such entry. Developer shall waive and release, indemnify, defend, and hold harmless the Government Authority and the Property for any claims for damages, costs, liability and injuries, including without limitation reasonable attorneys' fees, arising out of Developer's activities and such investigation and testing hereunder. Notwithstanding anything to the contrary in this section, Developer shall not perform any intrusive testing

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unless Developer obtains prior written approval from the Government Authority. For purposes of this section, intrusive testing is defined as any testing, inspection, or investigation that changes the Property from its original conditions or otherwise damages the Property. For the purposes of this Agreement, the actions and omissions of any employees, agents, contractors, and subcontractors of Developer shall be deemed to be the actions and omissions of the Developer.

If any condition set forth in this Section 3.9 has not been satisfied or waived by Developer before the earlier occurrence of: (i) expiration of the time period specified therein; or (ii) the Closing Date, if no such period is specified, then Developer may, at Developer's option, terminate this Agreement at any time on or before the applicable period by written notice to the Government Authority at the address provided for herein. Following such termination, the Parties shall sign a Cancellation of Purchase Agreement confirming the cancellation of this Agreement and directing that the Earnest Money (if any) shall be refunded to Developer. Upon the execution of a Cancellation of Purchase Agreement and refund of the Earnest Money (if any), neither the Government Authority nor the Developer shall have any further rights or obligations under this Agreement except for the Surviving Covenants.

ARTICLE IV FINANCING

4.1 HRA Financing. The HRA will provide for three sources of financing for the Project and sale of the completed home to a Qualified Homebuyer, namely: (a) in accordance with the Homeownership Program Manual and Public Participation Source Regulations, the HRA will provide financing to the Developer to cover the Value Gap and Developer will evidence repayment of such financing by execution and delivery of the Developer Note and Developer Mortgage; and (b) in accordance with the Homeownership Program Manual and Public Participation Source Regulations, the HRA will provide homebuyer assistance in the amount of up to \$5,000.00 to a Qualified Homebuyer and repayment of such assistance will be evidenced by the execution and delivery of the Homebuyer Assistance Note and Homebuyer Assistance Mortgage; and (c) in accordance with CHIF Regulations, the HRA will provide homebuyer assistance in the amount of up to \$XXXXXX to a Qualified Homebuyer and repayment of such assistance will be evidenced by the execution and delivery of the CHIF Homebuyer Assistance Note and CHIF Homebuyer Assistance Mortgage.

4.2 CDBG Financing. Subject to the terms and conditions of this Agreement, the City awards the Developer the CDBG Loan to be used for payment of eligible Project costs, to be disbursed pursuant to the Disbursement Agreement set forth in Exhibit AA and any other disbursement agreement executed by the parties. In consideration of the CDBG Loan, the Developer agrees to perform all of its obligations under this Agreement and all applicable CDBG Regulations. Developer will evidence repayment of the Loan by execution and delivery of the Developer Note and Developer Mortgage.

A. Termination or Reduction in Payments.

1. CDBG. The Secretary of the U.S. Department of Housing and Urban Development (the "Secretary") is empowered by Section III, Title I, Public Law 93-383 (the "Act"), to terminate or reduce payments to the City and the Developer, or to limit availability of payments to the City and the Developer should the Secretary find, after reasonable notice and opportunity for hearing, that the City or Developer has failed to comply substantially with any provision of Title I of the Act. The City agrees, but without liability to itself or Developer, not to do anything which will cause the Secretary to take such action, and the Developer will be notified in writing of any proposed action by the

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Secretary. The Developer shall be given the opportunity to be represented at all such hearings. The City's obligation to provide CDBG Funds to the Developer is deemed dependent upon the City's receiving such funds from the Secretary, and all obligations of the City hereunder shall either terminate or be reduced or limited in the event the Secretary should take such actions as authorized by said Section. In accordance with 2 CFR 200.339, the City reserves the right to suspend or terminate this Agreement in the event the Developer fails to comply with any term of this Agreement.

2. Additional Developer Funding. The City additionally reserves the right to suspend, terminate, or reduce payments to the Developer from any of the funding sources identified in Exhibit C - Project Budget, or take any other such additional actions as may be necessary in the event the Developer fails to comply with any of the terms of this Agreement.

4.3 Authority Financing—Value Gap. The HRA shall approve all disbursements of the Value Gap in order to ensure Developer's compliance with its obligations under this Agreement.

ARTICLE V CONSTRUCTION OF MINIMUM IMPROVEMENTS

5.1 Design Drawings. The Developer has delivered to the Government Authority and obtained approval of the Design Drawings for the Minimum Improvements, subject to the ability of the Government Authority staff to approve changes thereof which do not substantially change the site plan, elevations and the exterior materials. If such approval is not obtained then the Government Authority may terminate this Agreement in accordance with the requirements of Section 3.4.

5.2 Construction Plans.

A. The Developer will deliver the Construction Plans for the Minimum Improvements to the Government Authority at least five (5) days prior to the Closing Date. The Construction Plans shall be consistent with the Design Drawings. The Government Authority shall review the Construction Plans and deliver to the Developer a written statement approving the Construction Plans or a written statement rejecting the Construction Plans and specifying the deficiencies in the Construction Plans. The Government Authority shall approve the Construction Plans if:

1. the Construction Plans substantially conform to the terms and conditions of this Agreement;
2. the Construction Plans are consistent with the goals and objectives of the Government Authority's applicable redevelopment plan; and
3. the Construction Plans comply with the Design Drawings; and
4. the Construction Plans do not violate any applicable federal, state or local laws, ordinances, rules or regulations including without limitation the Public Participation Source Regulations. If the Construction Plans are not approved by the Government Authority, then the Developer shall make such changes as the Government Authority may reasonably require.

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B. The approval of the Construction Plans, or any proposed amendment to the Construction Plans, by the Government Authority does not constitute a representation or warranty by the Government Authority that the Construction Plans or the Minimum Improvements comply with any applicable building code, health or safety regulation, zoning regulation, environmental law or other law or regulation, or that the Minimum Improvements will meet the qualifications for issuance of a certificate of occupancy or the requirements of the Developer, or any other users, of the Minimum Improvements. Approval of the Construction Plans, or any proposed amendment to the Construction Plans, by the Government Authority will not constitute a waiver of an Event of Default.

5.3 Construction of Minimum Improvements. Subject to the terms and conditions of this Agreement, the Developer agrees to construct the Minimum Improvements on the Property in substantial conformance with the Design Drawings and approved Construction Plans for the Minimum Improvements and to pay all Construction Costs. No changes shall be made to the Construction Plans for the Minimum Improvements without the Government Authority's prior written approval, unless the aggregate of such changes does not alter the total amount set forth in the sworn Construction Cost Statement delivered pursuant to Section 3.5(C) hereof by an increase or decrease of more than 5%. In no event may any changes materially affect the quality, exterior design or materials included in the Design Drawings and Construction Plans unless such changes are approved by Government Authority. The Government Authority agrees that its approval will not be unreasonably withheld or delayed.

5.4 Commencement and Completion of Construction. Subject to the terms and conditions of this Agreement, the Developer will commence construction of the Minimum Improvements within five (5) days following Closing and, subject to Unavoidable Delays, the Developer shall cause the Minimum Improvements to be substantially completed within twelve (12) months of Closing, all in accordance with this Agreement. The Minimum Improvements will be constructed by the Developer in substantial conformity with the Construction Plans approved by the Government Authority. Prior to delivery of the Certificate of Completion to the Developer, upon the request of the Government Authority, the Developer will provide the Government Authority reasonable access to the Property. "Reasonable access" means at least one site inspection per week during regular business hours. During construction of the Minimum Improvements, the Developer will deliver progress reports to the Government Authority from time to time as mutually agreed upon by the Government Authority and the Developer.

5.5 Compliance with Environmental Requirements. The Developer shall comply with all applicable local, state, and federal environmental laws, rules and regulations, and will obtain, and maintain compliance under any and all necessary environmental permits, licenses, approvals or reviews.

5.6 Additional Responsibilities of the Developer.

A. The Developer will construct and operate and maintain, or cause to be operated and maintained, the Minimum Improvements in substantial accordance with the terms of this Agreement, Public Participation Source Regulations, applicable redevelopment plan and all local, state, and federal laws, rules and regulations (including but not limited to zoning, building code, public health laws and regulations, except for variances necessary to construct the Minimum Improvements contemplated in the Construction Plans approved by the Government Authority).

B. The Developer will obtain, in a timely manner, all required permits, licenses, and approvals, and will meet, in a timely manner, all requirements of all applicable local, state, and federal laws, rules and

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regulations, including without limitation Public Participation Source Regulations, which must be obtained or met before the Minimum Improvements may be lawfully constructed. The Government Authority agrees to use reasonable efforts to assist the Developer in obtaining any permits, licenses and approvals necessary for the construction of the Minimum Improvements in accordance with the Construction Plans approved by the Government Authority.

C. The Developer will not construct any building or other structures on, over, or within the boundary lines of any public utility easement unless such construction is provided for in such easement or has been approved by the utility involved.

D. The Developer, at its own expense, will replace any public facilities and public utilities damaged during the construction of the Minimum Improvements, in accordance with the technical specifications, standards and practices of the owner thereof.

E. The Developer will comply with all applicable local, state and federal environmental laws, rules and regulations as they relate to the Minimum Improvements.

F. Certificate of Completion.

1. Entire Project. The Developer shall notify the Government Authority when construction of the Minimum Improvements has been substantially completed. The Government Authority shall promptly inspect the Minimum Improvements in order to determine whether the Minimum Improvements have been constructed in substantial conformity with the approved Construction Plans. If the Government Authority determines that the Minimum Improvements have not been constructed in substantial conformity with the approved Construction Plans, the Government Authority shall deliver a written statement to the Developer indicating in adequate detail the specific respects in which the Minimum Improvements have not been constructed in substantial conformity with the approved Construction Plans and Developer shall promptly remedy such deficiencies. Promptly upon determining that the Minimum Improvements have been constructed in substantial conformity with the approved Construction Plans, the Government Authority will furnish to the Developer a Certificate of Completion in the form attached hereto as Exhibit H certifying the completion of the Minimum Improvements. The Certificate of Completion issued for the Minimum Improvements shall conclusively satisfy and terminate the agreements and covenants of the Developer in this Agreement, except for the Surviving Covenants, to construct the Minimum Improvements but does not satisfy or terminate the agreements and covenants of the Developer to cause the Project to be operated in a manner consistent with any applicable HUD funding as described in the Declaration. The Developer may cause the Certificate of Completion to be recorded in the proper office for recordation of deeds and other instruments pertaining to the Property.

2. Single Tax Parcel Alternative. If the Property consists of more than one tax parcel, and construction upon at least one but less than all tax parcels has been substantially completed (such that construction of the Minimum Improvements would be substantially completed if construction upon every other tax parcel were also substantially completed), the Developer may notify the Government Authority and request that the Government Authority furnish a Certificate of Completion and Release of Forfeiture as to the substantially completed tax parcel(s) only. The Government Authority shall then proceed with the inspection, deficiency notification, and issuance of a recordable Certificate of Completion and Release of Forfeiture, duly executed by the City Representative and

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the HRA Representative, as to the affected tax parcel(s), following the procedure set forth in this section. A Certificate of Completion issued under this section conclusively satisfies and terminates the agreements and covenants of the Developer in this Agreement, except for the Surviving Covenants, for the affected tax parcel(s) only but does not satisfy or terminate the agreements and covenants of the Developer to cause the affected tax parcel(s) to be Conveyed and does not affect the agreements and covenants of the Developer with regard to any other tax parcel.

ARTICLE VI ENCUMBRANCE OF THE PROPERTY

6.1 Encumbrance of the Property. Until the Completion Date, neither the Developer nor any successor in interest to the Developer will engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Property, or portion thereof, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attach to the Property except only on the Property and only for the purpose of obtaining funds only to the extent necessary for making the Minimum Improvements (including, but not limited to, land and building acquisition, labor and materials, professional fees, real estate taxes, construction interest, organization and other indirect costs of development, costs of constructing the Minimum Improvements, and an allowance for contingencies).

6.2 Copy of Notice of Default to Mortgagee. If the Government Authority delivers any notice or demand to the Developer with respect to any Event of Default under this Agreement, the Government Authority will also deliver a copy of such notice or demand to the mortgagee of any permitted mortgage at the address of such mortgagee provided to the Government Authority in a written notice from the Developer or the mortgagee; provided that failure to give notice to the mortgagee shall not be a condition precedent to the exercise of any remedy by the Government Authority and shall not affect the validity of the Government Authority's actions.

6.3 Mortgagee's Option to Cure Events of Default. Upon the occurrence of an Event of Default, the mortgagee of any permitted mortgage will have the right, at its option, to cure or remedy such Event of Default.

6.4 Defaults Under Mortgage. The Developer will use its best efforts to obtain an agreement from any mortgagee under a permitted mortgage, but failure to do so shall not constitute an Event of Default hereunder, that, in the event the Developer is in default under any mortgage, the mortgagee, within ten (10) days after it becomes aware of any default and prior to exercising any remedy available to it due to such default, will notify the Government Authority in writing of: (i) the fact of default; (ii) the elements of default; and (iii) the actions required to cure the default. If, within the time period required by the mortgage, the Government Authority cures any default under the mortgage, the mortgagee will pursue none of its remedies under the mortgage based on such default.

ARTICLE VII INSURANCE AND CONDEMNATION

7.1 Insurance.

A. Subject to the terms of any permitted mortgage, the Developer will obtain and keep in force, at Developer's expenses, on the Property during the term of this Agreement, and any extension periods,

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the following minimum insurance coverage, provided that the Developer must obtain the insurance described in clause (c) below prior to the commencement of construction of the Minimum Improvements:

1. General liability insurance covering any injury caused by act or omission on the part of the Developer, its officers, agents and employees in the performance of or with relation to any of the work or services performed or furnished by the Developer under the terms of this Agreement in an amount of not less than \$1,500,000 per occurrence and \$2,000,000 aggregate per project, and \$1,500,000 personal injury and advertising. The general liability coverage shall not exclude explosion, collapse, and underground property damage and must state that the Government Authority, its officials, employees, agents and representatives are additional insureds. Said policy must include an "all services, products, or completed operation" endorsement of not less than \$2,000,000 as a sublimit to the general liability policy. Errors and omissions coverage must be included if the Developer will be providing services for the Government Authority as a sublimit of the General Liability Policy in the amounts of \$1,000,000 per occurrence and \$1,000,000 aggregate.
2. Automobile Insurance for commercial vehicles, when commercial vehicles will be used in connection with a contract, in the minimum amounts for bodily injury of \$750,000 per person, \$1,000,000 per accident and for property damage, not less than \$50,000 per accident which coverage shall include hired, non-owned and owned automobiles. When personal vehicles are used in connection with a contract, the Government Authority is not required to be named as additional insured, but proof of insurance is required prior to commencement of activities. Developer must provide the Government Authority with endorsements from the insurance company showing personal vehicle coverage for bodily injury in an amount of \$30,000 per person and \$60,000 per accident and \$20,000 per accident for property damage. When rental vehicles are used in connection with a contract, the Developer shall either purchase insurance from the rental agency or provide the Government Authority of proof of insurance as stated above.
3. Builder's risk insurance in the amount of the construction contract for the entire construction contract period and any extension thereto.
4. Pollution liability / hazard insurance coverage with policy limits in an amount not less than \$1,000,000 per occurrence and \$1,000,000 aggregate, provided that in no event shall said insurance be less than the amount secured by any mortgage to the Government Authority. Hazard insurance shall be used firstly to pay any of the Government Authority loans and secondly to rebuild, at the Government Authority's option.
5. Worker's compensation in an amount not less than prescribed by Minnesota Statutes and Employer's Liability Insurance with a Minnesota endorsement and minimum limits of at least \$500,000 per accident, \$500,000 per employee and \$500,00 per disease policy limit. Contractors with 10 or fewer employees who do not have Worker's Compensation coverage are required to provide the Government Authority with a completed "Certificate of Compliance" (State of Minnesota form MN LIC 04) verifying their number of employees and the reason for their exemption.

B. General Insurance Requirements. All policies shall be written on an occurrence basis or as acceptable to the Government Authority. Certificates of insurance must indicate that the policy is issued on an occurrence basis. The Developer may not commence any work until Certificates of Insurance covering all of the insurance required for this Project are approved and the project manager has issued

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a notice to proceed. Insurance must remain in place for the duration of the original contract and any extension periods. The Government Authority reserves the right to review Developer's insurance policies at any time with reasonable notice provided to verify that Government Authority requirements have been met. Nothing shall preclude the Government Authority from requiring Developer to purchase and provide evidence of additional insurance if the scope or services change, if the amount of the contract is significantly increased, or if the exposure to the Government Authority or its citizens is deemed to have increased. Satisfaction of policy limits required above for General Liability and Automobile Liability Insurance may be met with the purchase of an umbrella or excess liability policy in an amount of not less than \$2,000,000. Any excess or umbrella policy shall be written on an occurrence basis, and if such policy is not written by the same insurance carrier, the proof of underlying policies (endorsement) shall be provided with any certificate of insurance.

C. Verifiable Insurance; Notice of Cancellation. The Developer shall furnish Certificates of Insurance evidencing compliance with this section which certificates shall become part of this Agreement. Each insurance policy shall contain a provision requiring thirty (30) days' notice of cancellation of the policy. At the Government Authority's request, the Developer must make copies of renewal policies available for inspection by the Government Authority and shall provide the broker's name and phone number should the Government Authority have questions regarding the policies. The Government Authority is not obligated to honor payment requests at any time when the coverages required by this Agreement are not in force.

D. Duty to Defend and Duty to Indemnify. Each coverage afforded to the Government Authority as an additional insured under the policies obtained by Developer must expressly include the duty to defend and the duty to indemnify. As evidence of this commitment, all Certificates of Insurance referenced in this Agreement shall include in the section labeled "Description/Special Items", typically in the lower left-hand corner of the document, the following language: "Each coverage afforded to the Government Authority as an additional insured under this policy expressly includes the duty to defend and indemnify."

E. Waiver of Subrogation. Developer hereby waives all rights of subrogation against the Government Authority. Each policy of insurance required by Developer herein shall include a written waiver of subrogation in favor of the Government Authority, such insurance shall be primary, and any policy of insurance carried by the Government Authority shall be secondary and noncontributory.

F. Defaults and Remedies. Should the Developer fail to obtain and/or keep in force insurance of the types and in the amounts as specified within this Agreement, or shall fail to indemnify, defend and hold harmless the Government Authority as set forth herein; in such event, the Developer shall be liable for all costs and fees, including reasonable attorney's fees, that may be incurred by the Government Authority in the enforcement of the Developer's agreement to indemnify and/or to obtain and keep in force the agreed upon insurance coverage.

G. The provisions of this Article VII supersede any inconsistent provisions in the Ownership Program Manual or the Rental Program Manual. In the case of damage to, or destruction of, the Minimum Improvements or any portion thereof resulting from fire or other casualty, the Developer agrees to notify the Government Authority promptly. Unless the terms of any permitted mortgage require otherwise, the Developer will either: (a) pay the outstanding balance due on the applicable Developer Note in full; or (b) forthwith repair, reconstruct and restore the Minimum Improvements to substantially the same or an improved condition or value as it existed prior to the event causing such damage and, to the extent

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necessary to accomplish such repair, reconstruction and restoration, the Developer or its successor will apply the net proceeds of any insurance relating to such damage received by the Developer or its successor to the payment or reimbursement of the costs thereof.

7.2 Condemnation. Subject to the terms of any permitted mortgage, if title to and/or possession of the Project, or any material part thereof, is threatened with a taking through the exercise of the power of eminent domain, the Developer will notify the Government Authority with reasonable promptness and in writing at the address herein of the threatened taking. The Developer will cooperate with the Government Authority if the Government Authority elects to assert its interests in the Project in any condemnation action undertaken against the Project other than a condemnation action commenced by the HRA, City, or the St. Paul Port Authority.

ARTICLE VIII DEVELOPER COVENANTS/CONTRACT REQUIREMENTS

8.1 Maintenance and Operation of the Minimum Improvements. Developer will at all times during the term of this Agreement, and any extension periods, maintain and operate the Minimum Improvements in a safe and secure way and in compliance with this Agreement and all federal, state and local laws, rules, regulations, rulings and ordinances applicable thereto including without limitation Public Participation Source Regulations. Developer shall pay all of the reasonable and necessary expenses of the operation and maintenance of the Minimum Improvements, including all premiums for insurance insuring against loss or damage thereto and insurance against liability for injury to persons or property arising from the Minimum Improvements as required pursuant to this Agreement. Developer shall not knowingly cause any person working in or attending to the Minimum Improvements, for any purpose, or to cause any tenant of the Minimum Improvements to be exposed to any hazardous or unsafe condition. Developer shall not be in default hereunder if it has required the contractors and subcontractors employed by Developer to perform work on the Minimum Improvements to take such precautions as may be available to protect the persons in and around the Minimum Improvements from hazards arising from the work and has further required each such contractor and subcontractor to obtain and maintain liability insurance protecting against liability to persons for injury arising from the work. The expenses of operation and maintenance of the Minimum Improvements shall be borne solely by Developer.

8.2 Compliance with Contracting Requirements. The Developer agrees to comply with the following requirements:

A. *This section will apply.* Affirmative Action/Equal Opportunity Program. Developer agrees to be bound by and to comply with and to cause its contractors and subcontractors to comply with the requirements of Section 183.04 of the Saint Paul Legislative Code, Chapter 86.06 of the Saint Paul Administrative Code, and the Rules Governing Affirmative Requirements in Employment adopted by the Saint Paul Human Rights Commission. Developer, its contractors, and affected subcontractors shall meet the requirements of this subsection by compliance with the statement of affirmative action/equal opportunity requirements attached hereto as Exhibit I and incorporated herein.

B. *This section is unlikely to apply.* Business Subsidy. Developer agrees to be bound by and comply with the requirements of the Minnesota Business Subsidy Act, Minn. Stat. § 116J.993-116J.995, and Business Subsidy Agreement as set forth in Exhibit J attached hereto and incorporated herein.

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C. *This section may apply depending on funding sources and amounts, and number of units produced. It has generally not applied to Inspiring Communities projects due to the funding sources and amounts involved and the numbers of units produced.* Labor Standards. Developer agrees to be bound by and to comply with and to cause its contractors, subcontractors and lower tier subcontractors to comply with all applicable local, state, and federal labor standards. Developer, its contractors and affected subcontractors shall meet the requirements of this subsection by compliance with the requirements set forth in Exhibit N attached hereto and incorporated herein, provided however, that if construction does not commence within 90 days of the date hereof, the wage decision set forth in Exhibit N shall be replaced by the wage decision provided to Developer by the City upon the commencement of construction and such wage decision shall be incorporated herein by reference upon delivery. Developer agrees to cause its contractor to separately sign Exhibit N to acknowledge its receipt of these requirements and its agreement to comply with them.

For those projects financed in whole or in part by state funds, the following provisions also apply:

Pursuant to Minnesota Statutes 177.41 to 177.44 and corresponding Rules 5200.1000 to 5200.1120, this Agreement, and any contract or subcontract, is subject to the prevailing wages as established by the Minnesota Department of Labor and Industry. Specifically, all contractors and subcontractors must pay all laborers and mechanics the established prevailing wages for work performed under the contract or subcontract. Failure to comply with the aforementioned may result in civil or criminal penalties.

For more information regarding prevailing wage and its application, contact:

Minnesota Department of Labor and Industry
Prevailing Wage Unit
443 Lafayette Road N.
St. Paul, MN 55155
Phone: (651) 284-5091
E-mail: dli.prevwage@state.mn.us / Web: www.dli.mn.gov

D. *This section is very likely to apply.* Vendor Outreach Program. Developer agrees to be bound by and to comply with and to cause its contractors and subcontractors to comply with the City's Vendor Outreach Program as required by Chapter 84 of the Saint Paul Administrative Code. In entering into contracts and subcontracts for the Project, and this includes all soft costs, professional services, hard construction costs and other Project costs, Developer and its contractors and subcontractors shall meet the requirements set forth in Exhibit O attached hereto and incorporated herein.

E. *This section will apply.* Sustainable Building Ordinance and PED/HRA Sustainability Initiative. Developer agrees to comply with the Sustainable Building Ordinance and the PED/HRA Sustainability Initiative both of which are attached hereto and incorporated herein as Exhibit L.

F. *This section will apply.* Two Bid Policy. Developer agrees to be bound by and to comply with and to cause its contractors and subcontractors to comply with the requirements of the Two Bid Policy as set forth in Exhibit M attached hereto and incorporated herein.

G. *This section is unlikely to apply.* Living Wage. For those projects receiving \$100,000 or more of funds from the Government Authority, Developer agrees to be bound by and to comply with and to cause those

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individuals or entities that it contracts with in relation to carrying out this Agreement to comply with, the requirements of the City's Living Wage and Responsible Public Spending Ordinance codified at Chapter 98 of the Saint Paul Administrative Code.

H. *This section may apply depending on funding sources and amounts. It has generally not applied to Inspiring Communities projects due to the funding sources and amounts involved.* Project Labor Agreement. Developer agrees to be bound by and to comply with the Project Labor Agreement resolution as set forth in Exhibit K attached hereto and incorporated herein and any Project Labor Agreement Developer enters into, as approved by the Government Authority.

I. *This section is very likely to apply.* Other Requirements; Community Development. Should the Project contain funds from either CDBG or NSP (as a component of CDBG) or should the Property have been acquired by the Government Authority using either CDBG or NSP (as a component of CDBG), or should both conditions exist, the Developer shall:

1. Carry out each activity set forth in the statement of work/scope of services in compliance with all federal laws and regulations described in 24 CFR Part 570, Subpart K, but except that the Developer does not assume the City's responsibility for initiating the review process under 24 CFR Part 52 nor the City's environmental responsibilities described in 24 CFR 570.604. Developer must comply with all applicable provisions of 24 CFR Part 570, which include but are not limited to:

- a. Sections 570.200 through 570.206 - Eligible Activities
- b. Section 570.207 - Ineligible Activities
- c. Section 570.504 - Program Income
- d. Section 570.506 - Records to be maintained
- e. Section 570.602 - Non-Discrimination
- f. Section 570.603 - Labor Standards
- g. Section 570.606 - Displacement, relocation, acquisition, and replacement of housing
- h. Section 570.607 - Employment and Contracting Opportunities
- i. Section 570.609 - Use of debarred, suspended contractors
- j. Section 570.610 - Uniform administrative requirements, cost principles and audit requirements for Federal awards
- k. requirements for Federal awards
- l. Section 570.611 - Conflict of Interest
- m. *This section may apply depending on funding sources and amounts. The subsidy amounts and sources generally provided to Inspiring Communities projects would not prompt Section 3 compliance.* Section 3 of the Housing and Urban Development Act of 1968:

i. Governing law & Definitions:

- (a). HUD Section 3 is governed by 12 U.S.C. § 1701u and Title 24 C.F.R. Subtitle A part 75 (hereinafter 24 C.F.R. §75.XX); and
- (b). Definitions for this section are pursuant to 24. C.F.R. §75.5.

ii. Compliance; goals; reporting. The Developer agrees to comply with and to cause its covered contractors and covered subcontractors to comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u and the regulations at 24 C.F.R. Part 75, the City of Saint Paul Section 3 Action Plan, and the

terms of this contract. The purpose of Section 3 is to ensure that economic opportunities, most importantly employment, generated by certain HUD financial assistance shall be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing or residents of the community in which the Federal assistance is spent. The 20% Section 3 Worker and 5% Section 3 Targeted Worker goals apply to this contract by the _____. The Developer agrees to report to the City/HRA, as requested by City/HRA, its compliance with these Section 3 requirements on the form(s) supplied by the City/HRA.

iii. [Title 24 C.F.R. Subtitle A part 75 Subpart C §75.19] Requirements. The Developer agrees that the following requirements apply to this contract:

1. Employment & Training: Actions to facilitate participation by Section 3 residents.

a) The Developer agrees, to the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, to ensure that employment and training opportunities arising in connection with Section 3 projects are provided to Section 3 workers within the metropolitan area (or nonmetropolitan county) in which the project is located.

b) The Developer further agrees to, where feasible, afford priority for opportunities and training described in paragraph (a)(i) of this section to:

- i. Section 3 workers residing within the service area or the neighborhood of the project, and
- ii. Participants in YouthBuild programs.

2. Contracting: Actions to facilitate participation by Section 3 businesses.

a) The Developer agrees, to the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart to ensure contracts for work awarded in connection with Section 3 projects are provided to business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which the project is located.

iv.) The Developer agrees that, where feasible, priority for contracting opportunities described in paragraph (b)(1) of this section should be given to:

- i. Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project, and
- ii. YouthBuild programs.

v.) The Developer further acknowledges and agrees to utilize the City of Saint Paul Section 3 Action Plan to achieve compliance with the requirements of HUD Section 3. The Developer also agrees to assist the City in compliance as it pertains to this project, in accordance with the Section 3 regulations in 24 C.F.R. §75.

vi. [Title 24 C.F.R. Subtitle A part 75 subpart C §75.21] Targeted Section 3 Workers

1. The Developer agrees to prioritize and report on efforts to employ and train Targeted Section 3 workers on this project in accordance with the following definitions and acknowledges a 5% goal for inclusion of Targeted Section 3 workers:

a) *Targeted Section 3 worker.* A Targeted Section 3 worker for housing and community development financial assistance means a Section 3 worker who is:

- i. A worker employed by a Section 3 business concern

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ii. A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:

1. Living within the service area or the neighborhood of the project, as defined by 24 C.F.R. 75.5; or
2. A YouthBuild participant.

vii. [Title 24 C.F. R. Subtitle A part 75 Subpart C §75.25] Reporting. The Developer agrees to report to the City in a manner consistent with federal regulations outlined at 24 C.F.R. §75.25, and in accordance with documents provided by the City of Saint Paul pursuant to the City's Section 3 Action Plan to demonstrate efforts to satisfy HUD Section 3 Requirements outlined herein and in federal regulations at 24 C.F.R. §75.

viii. [Title 24 C.F.R. Subtitle A part 75 Subpart C §75.23] Section 3 Safe Harbor.

1. The Developer shall certify to the City/HRA its compliance with HUD Section 3 by certifying on documents provided by the City that the Developer has followed the prioritization requirements for employment and contracting outlined in Section B of these terms. .

2. Upon supplying the certification, the Developer shall be deemed to have complied the requirements of HUD Section 3 by meeting or exceeding the benchmarks outlined herein for inclusion of Section 3 workers, as reported on documents provided by the City/HRA, absent evidence to the contrary.

3. [Title 24 C.F.R. Subtitle A part 75 Subpart C §75.25 (b)] If the Developer has not met the benchmarks outlined herein, the Developer shall report in a form prescribed by HUD on the qualitative nature of its activities and those its contractors and subcontractors pursued. Such qualitative efforts may, for example, include but are not limited to the following:

- a) Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers.
- b) Provided training or apprenticeship opportunities.
- c) Provided technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).
- d) Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.
- e) Held one or more job fairs.
- f) Provided or referred Section 3 workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, child care).
- g) Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.
- h) Assisted Section 3 workers to obtain financial literacy training and/or coaching.
- i) Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.
- j) Provided technical assistance to help Section 3 business concerns understand and bid on contracts.
- k) Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns.
- l) Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.

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m) Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.

n) Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.

ix. Multiple Funding Sources. If this project is subject to Section 3 requirements pursuant to both 24 C.F.R. §75.3(a)(1) and (2), the provisions of 24 C.F.R. §75.29 apply to this project.

x. Record Keeping. The Developer agrees to comply with the applicable record keeping requirements pursuant to 24 C.F.R. Subtitle A §75.31.

xi. Remedies for default. Upon a failure to comply with any of the requirements described herein, the City may elect to enforce the terms of this contract as afforded by law or equity.

The Section 3 requirements set forth above apply to any and all contracts that Developer enters into with another party as part of the CDBG program. Any reference to contractor within the Section 3 requirements also includes subcontractors (including any second or third tier subcontractors).

and,

2. Comply with all federal, state and local applicable laws, orders and regulations articulated in Exhibit DD hereto; and,
3. Along with its contractors and subcontractors, comply with Domestic Preferences for Procurement, specifically the requirements of 24 C.F.R. 200.322, and cause the requirements of this section to be included in all contracts and purchase orders for work or products, which provides that:
 - a. the Developer, its contractors and subcontractors shall, to the greatest extent practicable, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products).
 - b. For purposes of this subsection: 1) "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States; and 2) "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

J. Pre-Bid and Preconstruction Compliance Conferences. Developer, and its contractors shall attend a pre-bid and along with all subcontractors shall also attend a preconstruction compliance conference conducted by the Government Authority staff. These conferences are held for the benefit and information of all participating contractors and subcontractors and attendance is required. Each area of compliance is reviewed by the appropriate Government Authority staff member and forms are distributed for documentation and reporting. Government Authority staff will explain the documentation at this time and will provide on-going technical assistance in an effort to keep the report requirements up to date. Any subcontractors identified after the initial conferences shall arrange to attend a subsequent conference

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unless such attendance is waived by the Government Authority. The Government Authority will be scheduling regular meetings with the Developer, contractor and subcontractors to review the compliance reports, discuss any obstacles to reach the required goals and contract requirements, and propose courses of action to follow to assure full compliance. The meetings will begin on a monthly basis and then at such intervals as deemed necessary by Government Authority staff.

K. B2Gnow/LCPtracker. This Agreement is subject to contract compliance tracking, and the Developer, general/prime contractor and any subcontractors are required to provide any noted and/or requested contract compliance-related data electronically using the B2Gnow/LCPtracker system. The Developer, general/prime contractor and all subcontractors are responsible for responding by any noted response date or due date to any instructions or request for information and for checking the B2Gnow/LCPtracker system on a regular basis to manage contact information and contract records. The Developer is responsible for ensuring all general/prime contractors, and subcontractors have completed all requested items and that their contact information is accurate and up-to-date. The Government Authority may require additional information related to the contract to be provided electronically through the B2Gnow/LCPtracker system at any time before, during, or after execution of this Agreement. Information related to contractor access of the B2Gnow/LCPtracker system will be provided to a designated point of contact with each Developer, general/prime contractor and any subcontractors upon execution of this Agreement or at a future point in time as needed. The B2Gnow/LCPtracker system is web-based and can be accessed at the City's Internet address.

L. Federal Excluded Parties List. General Contractors and subcontractors must be checked against the Federal System for Award Management (SAM) (www.sam.gov) by the Developer and copies of the verification must be submitted to the Government Authority on or before Closing.

8.3 Contract Documents. Developer, if Developer has received any amount of federal funds for the Project, shall incorporate in all construction contracts to which it is a party the requirements of Section 8.2 and to cause its contractors or subcontractors to incorporate the requirements of Section 8.2 in all subcontracts, including contracts for purchase of materials and services.

8.4 Assistance to Developer. The Government Authority may assist the Developer with clarifications and interpretations of federal, state and local requirements as specified in this Agreement. The Developer shall notify the Government Authority if and when such assistance is required, and Government Authority staff shall provide to the Developer whatever technical and professional assistance the Government Authority deems appropriate to help Developer comply with all federal, state and local regulations. Notwithstanding anything in this Agreement or paragraph to the contrary, the Government Authority does not warrant or guarantee the accuracy or correctness of the technical or professional assistance given to Developer and that Developer relies upon such assistance at its own peril or risk. Developer understands and agrees that the compliance with rules and regulations referenced in this Agreement shall always remain the sole responsibility of the Developer.

Nothing in this section shall be taken or regarded by the Developer as placing the Government Authority, its employees or agents as acting in the role of the Developer's attorneys, accountants or engineers. The pledge of assistance herein is limited to that of the Government Authority serving as a facilitator and liaison with the federal, state and local governments so that the Developer can be apprised of those governmental units' business practices and customs, as the Government Authority understands them to be.

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At all times, the Developer has the sole and non-delegable responsibility to obey all laws, rules and regulations and to conform to accepted accounting and auditing practices and so has a duty, throughout the term of this Agreement and any extension thereto to retain at its own expense, such attorneys, accountants, engineers and business advisers upon whose advice and counsel the Developer may incur risk, liability and penalty.

8.5 Historic Preservation. Developer shall comply with all requirements imposed by federal, state and local law respecting historic preservation. Prior to acquisition, rehabilitation or demolition of property fifty years or older, Developer shall request an opinion of eligibility for placement on the historic register from the Planning Division of the Department of Planning and Economic Development, and Government Authority staff will notify the Developer of any determination and additional requirements. Furthermore, the State Historic Preservation Office (SHPO) shall have reviewed acquisition of all structures, per federal funding requirements, if applicable.

8.6 Constitutional Prohibition. In accordance with the First Amendment Church/State Principles, as a general rule, CDBG assistance may not be used for religious activities. Restrictions and limitations on the use of CDBG funds are found at 24 CFR 570.200 (j) and are hereby incorporated by reference.

8.7 Timeline for Performance. The Government Authority and the Developer agree that the Developer's activities set forth on the Timeline attached as Exhibit C shall be completed no later than the dates set forth within the Timeline.

8.8 Cost Overruns. The Developer agrees to pay any cost overruns in excess of those in the budget of attached as Exhibit C.

8.9 Signage - Credit, Acknowledgments and Notices, Publicity. If construction signage is used for the Project, the Developer shall, prior to the commencement of construction, at its own expense, erect a sign of reasonable size in a prominent position on the Project indicating to the general public the name of the Project and acknowledging the participation of the City and the Authority. The design of any signage shall comply with the sign specifications and the requirements that can be obtained from the Authority. The Developer shall also give reasonable notice to the Authority of groundbreaking, opening ceremonies and like events so the Authority may obtain publicity of and participation in such events. The Developer agrees to assist and cooperate in and with such publicity and participation. The Developer further agrees that the Authority shall also have the right to issue press releases concerning the Project.

8.10 No Public Funds. There are no public funds for the Project from the HRA or City except as identified herein.

8.11 Project Description. The Developer agrees to construct the Project as described in Exhibit C.

8.12 Public Participation Source Regulations. Developer agrees to fully comply with all other applicable Public Participation Source Regulations, and all other federal, state and local laws, rules and regulations, including, without limitation, lead-based paint hazard requirements, fair housing, relocation assistance and environmental compliance, and those regulations and restrictions contained in all agreements that the HRA or City have executed to be awarded the Public Participation Sources and which are received by the Developer under this Agreement.

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8.13 Records and Reports. The Developer will establish and maintain accurate and complete books, accounts and records pertaining to the Project, and in the manner of normally accepted accounting practices. A full account of the status of activities undertaken as part of this Agreement, in a format satisfactory to the Government Authority, shall be submitted to the Government Authority at the addresses set forth in Section 11.4. These reports shall be due thirty (30) days from the six-month anniversary of the Closing Date and thirty (30) days from the one-year anniversary of the Closing Date. Developer shall retain all such books, accounts and records for a period of six (6) years from the date of this Agreement or six years from the date that the Project is sold, whichever is less. The Government Authority and Title Company, and their representatives, will have the right, but not the obligation, at all reasonable times to inspect, examine and copy all books and records of Developer relating to the Project and to inspect all work done, labor performed, and material furnished in or about the Project. Notwithstanding the foregoing, Developer shall be responsible for making inspections to the Project during the course of construction and shall determine to its own satisfaction that the work done, or materials supplied by all contractors have been properly supplied in accordance with the applicable contract. Developer will hold the Government Authority harmless, and the Government Authority has no liability or obligation of any kind to Developer or creditors of Developer, in connection with any defective, improper or inadequate workmanship or material brought in or related to each tax parcel, or any mechanic's liens arising as a result of such workmanship or materials.

8.14 Local Vicinity Hiring Policy. Developer agrees to comply with the Government Authority's Vicinity Hiring Policy attached as Exhibit Z.

ARTICLE IX TRANSFER LIMITATIONS AND INDEMNIFICATION

9.1 Representation as to Project. The Developer represents to the Government Authority that its purchase of the Property, and its other undertakings under this Agreement, are for the purpose of performing the development activities contemplated by this Agreement and described in Exhibit C, and not for the purpose of speculation in land holding. The Developer acknowledges that, in view of the importance of the development of the Property to the general welfare of the Government Authority and the substantial financing and other public aids that have been made available by the Government Authority for the purpose of making such development possible, the qualifications and identity of the Developer are of particular concern to the Government Authority. The Developer further acknowledges that the Government Authority is willing to enter into this Agreement with the Developer because of the qualifications and identity of the Developer.

9.2 Limitations on Transfer; Assignment. The Government Authority acknowledges and agrees that the Developer may sell, assign, convey or transfer in any other mode or manner, all or a portion of this Agreement, the Property or the Minimum Improvements to a lender providing financing for the Minimum Improvements. The Government Authority acknowledges and agrees that if a homeownership project, the Developer will sell the Property to a qualified end-buyer pursuant to the Homeowner Program Manual, or if a rental project, the Developer will lease the property to an income-eligible renter pursuant to the Rental Program Manual. During the term of this Agreement, and except as provided above, the Developer will not sell, assign, convey, lease or transfer in any other mode or manner this Agreement, the Property or the Minimum Improvements, or any interest therein, without the express written approval of the Government Authority. The Government Authority shall be entitled to require conditions to any approval of any sale, assignment, conveyance, lease, use or transfer of this Agreement or the Minimum Improvements that:

A. Any proposed transferee shall have the qualifications and financial responsibility, as determined by

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the Government Authority, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer.

B. Any proposed transferee, by instrument in writing satisfactory to the Government Authority and in form recordable among the land records shall, for itself and its successors and assigns, and expressly for the benefit of the Government Authority have expressly assumed all of the obligations of the Developer under this Agreement and agreed to be subject to all the conditions and restrictions to which the Developer is subject.

C. There shall be submitted to the Government Authority for review all instruments and other legal documents involved in effecting transfer, and if approved by Government Authority, its approval shall be indicated to the Developer in writing.

D. The Developer and its transferee shall comply with such other conditions as the Government Authority may find desirable in order to achieve and safeguard the purposes of the Act and the Developer Documents.

E. In the absence of specific written agreement by the Government Authority to the contrary, no such transfer or approval by the Government Authority thereof shall be deemed to relieve the Developer or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Minimum Improvements, from any of its obligations with respect thereto.

9.3 Indemnification.

A. The Developer releases from and covenants and agrees that the Government Authority, its officials, officers, employees, agents, and servants, including the independent contractors, consultants and legal counsel, thereof (hereinafter, for purposes of this section, collectively the "Indemnified Parties") shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Project, the construction of the Minimum Improvements and any Hazardous Substances, as later defined herein, on or in the vicinity of the Property.

B. The Developer agrees to indemnify the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claims, demands, suits, costs, expenses (including reasonable attorneys' fees) actions or other proceedings whatsoever by any person or entity whatsoever arising or purportedly arising from the actions or inactions of the Developer (or if other persons acting on its behalf or under its direction or control) under this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Project; except when such claims, demands, suits, costs, expenses, actions, or proceedings are the direct result of the intentional misconduct of the Government Authority and provided that this indemnification shall not apply to the warranties made or obligations undertaken by the Government Authority under this Agreement.

C. The Government Authority makes no warranties or representations regarding, nor does it indemnify the Developer with respect to, the existence or nonexistence on or in the vicinity of the Property of any toxic or hazardous substances or wastes, pollutants or contaminants (including, without limitation, asbestos, urea formaldehyde, the group of organic compounds known as polychlorinated biphenyls, petroleum products including gasoline, fuel oil, crude oil and various constituents of such products, or

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any hazardous substance as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. §§ 9601- 9657, as amended (collectively, the "Hazardous Substances"). The foregoing disclaimer relates to any Hazardous Substance allegedly generated, treated, stored, released or disposed of, or otherwise placed, deposited in or located on or in the vicinity of the Property, as well as any activity claimed to have been undertaken on or in the vicinity of the Property that would cause or contribute to causing (1) the Property to become a treatment, storage or disposal facility within the meaning of, or otherwise bring the Property within the ambit of, the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. §§ 6901 et seq., as amended, or any similar state law or local ordinance, (2) a release or threatened release of toxic or hazardous wastes or substances, pollutants or contaminants, from the Property within the meaning of, or otherwise bring the Property within the ambit of, CERCLA, or any similar state law or local ordinance, or (3) the discharge of pollutants or effluents into any water source or system, the dredging or filling of any waters or the discharge into the air of any emissions, that would require a permit under the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251 et seq., as amended, or any similar state law or local ordinance. Further, the Government Authority makes no warranties or representations regarding, nor does the Government Authority indemnify the Developer with respect to the existence or nonexistence on or in the vicinity of the Project of any substances or conditions in or on the Property that may support a claim or cause of action under RCRA, CERCLA or any other federal, state or local environmental statutes, regulations, rules, ordinances or other environmental regulatory requirements, including without limitation, the Minnesota Environmental Response and Liability Act, Minnesota Statutes, Chapter 115B. The Government Authority makes no representations or warranties regarding the existence of any above ground or underground tanks in or about the Property or whether any above or underground tanks have been located under, in or about the Property and have subsequently been removed or filled.

D. The Developer waives any claims against the Government Authority, and its respective officials, officers, employees, agents and servants, for indemnification, contribution, reimbursement or other payments arising under federal, state or local law or relating to the environmental condition of the land constituting the Property except where such claims are the result of the intentional misconduct of the Government Authority.

9.4 Limitation. All covenants, stipulations, promises, agreements and obligations of the Government Authority or the Developer contained in this Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Government Authority or the Developer, respectively, and not of any official, officer, agent, servant or employee of the Government Authority or the Developer in the individual capacity thereof.

ARTICLE X EVENTS OF DEFAULT AND REMEDIES

10.1 Events of Default Defined. Subject to applicable cure periods, the following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean, whenever it is used in this Agreement, any one or more of the following events:

A. Developer Events of Default. The following shall be Developer Events of Default:

1. The Developer fails to comply with the terms of the Developer Note or Developer Mortgage, subject to all applicable cure periods.

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2. The Developer fails to close on the acquisition of the Property in accordance with the terms of this Agreement.

3. Subject to Unavoidable Delays, the Developer shall fail to begin construction of the Minimum Improvements within five (5) days following closing and to proceed with due diligence to complete the Minimum Improvements within twelve (12) months from the date of closing or all in conformity with this Agreement, and such failure to begin or proceed with due diligence to complete the construction of the Minimum Improvements shall not be cured within thirty (30) days after written notice to do so.

4. Subject to Unavoidable Delays, the Developer shall default in or violate its obligations with respect to the construction of the Minimum Improvements (including the nature and the date for the completion thereof), or shall abandon or substantially suspend construction work, and any such default, violation, abandonment or suspension is not cured, ended or remedied within thirty (30) days after written demand by the Government Authority so to do.

5. Subject to Unavoidable Delays, failure by Developer to observe or perform any other material covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement, and the continuation of such failure for a period of thirty (30) days after written notice of such failure from the Government Authority.

6. There is, in violation of this Agreement, any conveyance or other transfer of the Property or any part thereof, and such violation is not cured within thirty (30) days after written demand by the Government Authority to the Developer.

7. The Developer shall (i) file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act of 1978, as amended or under any similar federal or state law; or (ii) make an assignment for the benefit of its creditors; or (iii) become insolvent or adjudicated a bankrupt, or (iv) if a petition or answer shall be filed in any court proposing the adjudication of Developer as a bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law and such petition or answer shall not be discharged or denied within ninety (90) days after the filing thereof, or a receiver, trustee or liquidator of Developer, or of the Project, or part thereof, shall be appointed in any proceeding brought against Developer, and shall not be discharged within ninety (90) days after such appointed, or if Developer shall consent to or acquiesce in such appointment.

8. Notwithstanding the foregoing with respect to Sections 10.1(A)3, 10.1(A)4, and 10.1(A)5 above, if the default reasonably requires more than thirty (30) days to cure, such default shall not constitute an Event of Default, provided that: (i) the curing of the default is promptly commenced upon receipt by the Developer of the notice of the default; (ii) is thereafter continuously prosecuted to completion with due diligence; (iii) is completed within a reasonable period of time; and (iv) Developer keeps the Government Authority well informed at all times of its progress in curing the default provided in no event shall such additional cure period extend beyond 180 days;

B. Government Authority Events of Default. Subject to Unavoidable Delays, the failure of the Government Authority to observe or perform any material covenant, representation, warranty, condition,

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obligation or agreement on its part to be observed or performed under this Agreement, and the continuation of such failure for a period of thirty (30) days after written notice of such failure from the Developer, shall be considered an Event of Default for the Government Authority. Notwithstanding the foregoing, if the default reasonably requires more than thirty (30) days to cure, such default shall not constitute an Event of Default, provided that: (i) the curing of the default is promptly commenced upon receipt by the Government Authority of the notice of the default; and (ii) is thereafter continuously prosecuted to completion with due diligence; and (iii) is completed within a reasonable period of time; and (iv) Government Authority keeps the Developer well informed at all times of its progress in curing the default; provided in no event shall such additional cure period extend beyond 180 days.

10.2 Developer Limited Remedies on Default. Whenever any Event of Default occurs by the Government Authority, the Developer has the limited right to take whatever action at law or in equity may appear necessary or desirable to the Developer to enforce performance and observance of any obligation, agreement, covenant, representation, certification, or warranty, of the Government Authority under this Agreement. The Developer has no right to any monetary damages of any kind against the Government Authority.

10.3 Government Authority Remedies on Default. Whenever any Developer Event of Default occurs, the Government Authority may take any one or more of the following actions to the extent permitted by law:

- A. Suspend performance under this Agreement and/or suspend or terminate any further disbursements of the Loan until it receives assurances from the Developer, deemed adequate by the Government Authority, that the Developer will cure its default and continue its performance under this Agreement.
- B. Withhold the Certificate of Completion.
- C. Cancel and terminate the Agreement and terminate the Developer's rights to acquire the Property pursuant to Minnesota Statutes Section 559.21.
- D. Take whatever action at law or in equity may appear necessary or appropriate to collect all sums then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement, covenant, representation, certification or warranty of the Developer under this Agreement, or any related instrument; or to otherwise compensate the Government Authority for any damages on account of such Developer Event of Default.
- E. Exercise the Government Authority's right to re-vest title in the HRA as set forth in Section 10.4.
- F. Notwithstanding any provision to the contrary herein, Developer's lender may elect to cure any Event of Default hereunder and the Government Authority shall accept such cure as of made by the Developer.

No remedy conferred upon or reserved to the Government Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Government Authority to exercise any remedy reserved to it in this section, it shall not be necessary to give any notice, other than

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such notice as may be herein expressly required or be required by law.

10.4 Re-vesting Title in the HRA. If, subsequent to conveyance of the Property to the Developer, a Developer Event of Default occurs and is not cured within the cure period allowed, then the Government Authority shall have the right to re-enter and take possession of the Property and to terminate and re-vest in the HRA the estate conveyed by the Quit Claim Deed to the Developer, and the Government Authority has the right to record or file the Limited Warranty Deed to be provided to the HRA by the Developer at Closing. The Developer agrees that complete and unconditional delivery of the Limited Warranty Deed shall have been accomplished upon the recording or filing thereof free of any claim to title or interest therein by Developer. It is the intent of this Agreement that the conveyance or transfer of the Property to the Developer shall be conditioned on the Developer's performance hereunder, and that upon the occurrence of a Developer Event of Default, and the filing or recording of the Limited Warranty Deed, all the rights and interest of the Developer, and any assigns or successors, in and to the Property described in the filed or recorded Limited Warranty Deed shall revert to the HRA.

ARTICLE XI ADDITIONAL PROVISIONS

11.1 Binding Effect; Waiver. No waiver of the provisions of this Agreement shall be effective unless in writing, executed by the party to be charged with such waiver. No waiver shall be deemed a continuing waiver or waiver in respect of any subsequent breach or default, either of similar or different nature, unless expressly stated in writing. The provisions of this Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. No delay on the part of Developer or the Government Authority in exercising any right, power, or privilege shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege constitute such waiver nor exhaust the same, which shall be continuing. The rights and remedies of the Government Authority specified in this Agreement shall be in addition to and not exclusive of any other right and remedies which the Government Authority, by operation of law, would otherwise have.

11.2 Attorney Fees and Expenses. In the event the Developer should default under any of the provisions of this Agreement, including any and all attachments hereto, and the Government Authority should employ attorneys or incur other expenses for the collection of amounts due hereunder or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer, the Developer will on demand pay to the Government Authority the reasonable fees of such attorneys and such other expenses so incurred.

11.3 Amendment. This Agreement may be amended by the mutual written consent of both parties.

11.4 Notices. Any notice required or permitted hereunder shall be given by either (i) personal delivery upon an authorized representative of a party hereto, or (ii) United States registered or certified mail, return receipt requested, postage prepaid, or (iii) a nationally recognized, reputable overnight courier, in each case properly addressed as follows:

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If to the City: City of Saint Paul (PED)
Attn: Director
1300 City Hall Annex
25 West Fourth Street
Saint Paul, MN 55102

And/or to the HRA: Housing and Redevelopment Authority
of the City of Saint Paul, Minnesota
Attn: Executive Director
1300 City Hall Annex
25 West Fourth Street
Saint Paul, MN 55102

With a copy to: Office of the City Attorney (CAO)
Attn: PED/HRA Attorney
400 City Hall
15 West Kellogg Boulevard
Saint Paul, MN 55102

If to Developer: ENTITY NAME
Attn: NAME OR TITLE
ADDRESS
CITY, STATE ZIP

or at such other address as any Party may, from time to time, designate in writing and forward to the other Parties, as provided above. Notices shall be deemed effective on the earlier of the date of receipt or the date of deposit, as aforesaid; provided, however, that if notice is given by deposit, the time for response to any notice by the other party shall commence to run one business day after any such deposit.

11.5 Conflicts of Interest. No member of the Board or other official of the Government Authority shall have any financial interest, direct or indirect, in this Agreement, the Property or the Minimum Improvements, or any contract, agreement or other transaction contemplated to occur or be undertaken thereunder or with respect thereto, nor shall any such member of the governing body or other official participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No member, official or employee of the Government Authority shall be personally liable to the Government Authority in the event of any default or breach by Developer, its successor or assigns, or on any obligations under the terms of this Agreement.

11.6 Relationship of Parties; Independent Contractor. Nothing in this Agreement is intended, or shall be construed, to create a partnership or joint venture between the Parties hereto, and the rights and remedies of the Parties hereto shall be strictly as set forth in this Agreement. For the purpose of this Agreement, the Developer shall be deemed to be an independent contractor and not an employee of the Government Authority. Any and all employees of the Developer or other persons while engaged in the performance of any work or services required by the Developer under this Agreement, shall not be considered employees of the Government Authority. Any and all claims by any third party as a consequence of any act or omission on the part of the Developer, its employees or other persons shall be the obligation of the Developer. The Developer

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shall be responsible for all contractual obligations entered into pursuant to and in the performance of this Agreement. Withholding and payment of federal and state income taxes and FICA, for its employees shall be the responsibility of the Developer. The Developer shall pay contributions to the unemployment compensation fund and comply with all other employer requirements in accordance with the Minnesota unemployment compensation laws.

11.7 Counterparts. The Parties may sign this Agreement in counterparts, each of which constitutes an original, but all of which together constitute one instrument

11.8 Electronic Signatures. The Parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The Parties further agree that any document (including this Agreement and any attachments or exhibits to this Agreement) containing, or to which there is affixed, an electronic signature shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. For purposes hereof, "electronic signature" also means a manually signed original signature that is then transmitted by any electronic means, including without limitation a faxed version of an original signature or an electronically scanned and transmitted version (e.g., via PDF) of an original signature. Any party's failure to produce the original signature of any electronically transmitted signature shall not affect the enforceability of this Agreement.

11.9 Consents and Approvals. In all cases where consents or approvals are required hereunder, such consents or approvals shall not be unreasonably conditioned, delayed or withheld. All consents or approvals shall be in writing in order to be effective.

11.10 Representatives. Except as otherwise provided herein, all approvals and other actions required of or taken by the Government Authority shall be effective upon action by the City Representative and/or the HRA Representative, respectively as the case may be, and all actions required of or taken by Developer shall be effective upon action by the Developer's Representatives. The Developer may change its Developer's Representative by written notice to the Government Authority. The Developer's Representative at the time of this Agreement is _____.

11.11 Captions; Exhibits. The section and paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement. All schedules, exhibits, addenda or attachments referred to herein are hereby incorporated in and constitute a part of this Agreement.

11.12 Governing Law, Jurisdiction and Venue. This Agreement is to be construed and enforced according to and governed by the laws of the State of Minnesota. Any dispute arising out of this Agreement shall be venued in Ramsey County District Court, Second Judicial District, State of Minnesota. Buyer and Seller hereby consent to personal jurisdiction and venue in the foregoing court and agree that any dispute shall not be removed therefrom to any other federal or state court.

11.13 Entire Agreement; Modification. This Agreement, and any exhibits and attachments, constitutes the complete agreement between the Government Authority and Developer and supersedes any prior oral or written agreements between them regarding the Project. There are no oral agreements that change this Agreement, and no amendment of any of its terms will be effective unless in writing and executed by both

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Government Authority and Developer.

11.14 Non-Discrimination. The Developer shall be deemed a contractor for the application of all provisions, ordinances and other laws against discrimination, including but not limited to:

- A. Title VI of the Civil Rights Act of 1964 (Public Law 88-352); and
- B. Executive Order No. 11246 entitled "Equal Employment Opportunity" as amended by Executive Order 11375 entitled "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing the Department of Labor Regulations (41 CFR Chapter 60); and
- C. Chapter 363A, Minnesota Statutes; and
- D. Chapter 183 of the Saint Paul Legislative Code.

11.15 Severability. If any provision of this Agreement is invalid or unenforceable, such provision shall be deemed to be modified to be within the limits of enforceability or validity, if feasible; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

11.16 Uniform Administrative Requirements. With respect to any HUD Funds, the Developer shall comply with the policies, guidelines, and requirements and standards (as the same may be amended, supplemented or superseded from time to time), as applicable, of 2 CFR Part 200 to the extent specified in 24 CFR 570.502(a).

11.17 Term. Except as otherwise provided herein, the term of this Agreement shall be effective from the day and year first above written and shall remain in effect through the completion of the Minimum Improvements (as determined in the discretion of the Government Authority), at which time the Certificate of Completion is issued as described in Section 5.6(F), and shall continue through any applicable affordability periods, all in accordance with the provisions herein, at which time this Agreement shall automatically cease and terminate, except for the Surviving Covenants.

11.18 Mediation. All claims, disputes or other matters in question between the Parties to this Agreement arising out of or relating to this Agreement or breach thereof, shall be referred to non-binding mediation before, and as a condition precedent to, the initiation of any legal action hereof, provided for herein. Each Party agrees to participate in up to two hours of mediation. The mediator shall be selected by the Parties, or if the Parties are unable to agree on a mediator then any Party can request the administrator of the Ramsey County District Court Civil ADR Program and/or similar person, to select a person from its list of qualified neutrals. The mediation shall be attended by employees or agents of each Party having authority to settle the dispute. All expenses related to the mediation shall be equally borne by each Party, including without limitation, the costs of any experts or legal counsel. All applicable statutes of limitations and all defenses based on the passage of time are tolled while the mediation procedures are pending, and for a period of thirty (30) days thereafter.

11.19 Survival. Except as otherwise expressly provided herein, all of the covenants and agreements and any indemnification provisions given by Developer to the Government Authority made in this Agreement, or in any schedule, exhibit, certificate, or document delivered in connection with this Agreement, shall survive any rescission, termination, or expiration of this Agreement and be enforceable after the Closing.

11.20 No Third-Party Benefit. Other than as explicitly stated in this Agreement, the obligations,

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covenants, representations, and agreements of Developer hereunder are for the exclusive benefit of the Government Authority and shall not be construed to create rights or convey benefits to any other third party not a party to this Agreement.

11.21 Data Practices Act. Developer acknowledges that all of the data created, collected, received, stored, used, maintained or disseminated by Developer with regard to the performance of its obligations and duties under this Agreement are subject to the requirements of Minnesota Statutes, Chapter 13, ("Minnesota Governmental Data Practices Act"). The Developer's obligations and duties in this section shall survive the termination or expiration of this Agreement.

11.22 Exhibits. The following exhibits are incorporated into and made a part of this Agreement:

Exhibit A	Legal Description
Exhibit B	Permitted Encumbrances
Exhibit C	Statement of Work / Scope of Services
Exhibit D	Insurance Certificate(s)
Exhibit E	Design Drawings
Exhibit F	Quitclaim Deed
Exhibit G	Limited Warranty Deed
Exhibit H	Certificate of Completion
Exhibit I	Affirmative Action Requirements
Exhibit J	Business Subsidy
Exhibit K	Project Labor Agreement Resolution and Contract
Exhibit L	Sustainable Building Ordinance and/or PED/HRA Sustainability Initiative
Exhibit M	Two Bid Policy
Exhibit N	Labor Standards
Exhibit O	Vendor Outreach Program
Exhibit P	Signage Specifications
Exhibit Q	HUD Section 3
Exhibit R	Declaration of Covenants, Conditions & Restrictions
Exhibit S	Developer Note
Exhibit T	Developer Mortgage
Exhibit U	Homebuyer Assistance Note
Exhibit V	Homebuyer Assistance Mortgage
Exhibit W	Inspiring Communities Homeownership Program Manual
Exhibit X	Addendum to Inspiring Communities Purchase Agreements
Exhibit Y	Inspiring Communities Design Standards
Exhibit Z	Vicinity Hiring Policy
Exhibit AA	Disbursement Agreement
Exhibit BB	CHIF Homebuyer Assistance Note
Exhibit CC	CHIF Homebuyer Assistance Mortgage
Exhibit DD	CDBG and General Fund Records and Reporting Requirements
Exhibit EE	CDBG Federal, State and Local Requirements
Exhibit FF	CDBG Borrower Administrative Policies
Exhibit GG	CDBG Year End Report/Project Evaluation
Exhibit HH	CDBG Program Guidelines Not applicable.
Exhibit II	Lobbying Certification, if applicable

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IN WITNESS WHEREOF, the Government Authority and Developer have caused this Agreement to be duly executed as of the date first above written.

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City Signature Page

This Agreement has been reviewed for appropriate language as outlined in 24 CFR 570.503 of the Federal Regulations, applicable to projects/programs funded with CDBG monies. This review must be completed and signatures obtained before other City signatures are requested.

Department of Planning and
Economic Development

Grants Management Staff Signature

Print Name & Title

GOVERNMENT AUTHORITY: City of Saint Paul

By: _____
Its: Mayor/Deputy Mayor

By: _____
Its: Director, or Director's Designee,
Office of Financial Services

By: _____
Its: Director, Office of Human Rights
and Equal Economic Opportunity

By: _____
Its: Director, Planning and Economic Development

Approved as to form:

Assistant City Attorney

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HRA Signature Page

**GOVERNMENT AUTHORITY:
Housing and Redevelopment Authority
of the City of Saint Paul, Minnesota**

By: _____
Its: Chair/Commissioner

By: _____
Its: Executive Director

By: _____
Its: Director, or Designee, Office of
Financial Services of the City of Saint Paul

Approved as to form:

Assistant City Attorney

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Developer Signature Page

DEVELOPER:

a Minnesota _____

By: _____
Its: _____

By: _____
Its: _____

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EXHIBITS

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Exhibit A
Legal Description

The following are not a part of the legal description above and are for convenience of reference only

Select One Property

Common Address:

Tax Parcel ID:

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Exhibit B
Permitted Encumbrances

The Property is subject to and encumbered by the following liens and covenants, and no others, which are expressly stated to be covenants running with and burdening the Property:

1. Minerals and mineral rights in favor of the State of Minnesota in those portions of the Property the title to which may have forfeited to the State of Minnesota.
2. Easements, covenants, conditions, and restrictions and other instruments of record or shown on the plat, if any.
3. For Inspiring Communities Homeownership Development projects, the Property shall at all times be owner-occupied and homesteaded as defined in Minnesota Statute 273.124, by the Developer or end user, unless specifically waived in writing by the Government Authority. For Inspiring Communities Rental Development projects, the Property shall at all times be occupied by an income-eligible renter, unless specifically waived in writing by the Government Authority.
4. The Developer shall not discriminate upon the basis of race, color, creed, religion, sex, or sexual or affectional orientation, national origin, age, or disability, marital status, or status with regard to public assistance, in the sale, or advertising of the Property, or any dwelling therein, and in its use or occupancy.
5. The Property is subject to and must at all times comply with Section 33.07 of the Saint Paul Legislative Code-Fences-Requirements.
6. The personal property that is or will be located on and/or in the Property as of the date of the Agreement, specifically the range, refrigerator, dishwasher, clothes washer, clothes dryer, and microwave, may not be removed from the Property unless specifically approved in writing by the Government Authority.
7. Real estate taxes and special assessments due in 20____ and subsequent years.
8. Applicable building and zoning laws, ordinances, and all other local, state, regional and federal laws and regulations.
9. Terms, Covenants and Conditions as contained in the Redevelopment Plan applicable to the areas in which the real property described herein is located and as contained in Minn. Stat. Section 469.029.
10. Restrictions imposed by any Declaration of Covenants required by the Agreement.
11. The lien of the first mortgage given by the Grantee in favor of _____.
12. Those permitted encumbrances listed on the title commitment identified as follows:

(i)

It is intended and agreed that the Restrictions and Covenants shall be covenants running with the land, and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise,

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be binding to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by the Government Authority, its successors and assigns, against the Developer, its successors and assigns, and any party in possession or occupancy of the Property or any part thereof. The Government Authority shall be entitled to recover its attorney fees and costs if it prevails in any action brought to enforce the Restrictions and Covenants against the Developer, its successors and assigns, and any party in possession or occupancy of the Property or any part thereof.

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Exhibit C
Statement of Work / Scope of Services

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ESTIMATED PROJECT BUDGET (Sources and Uses)

Project Address:

Project Description:

Sq. ft.

Beds:

Baths:

USES

ACQUISITION COSTS	
Purchase Price	\$ -
Closing Costs - Acquisition	\$ -
Total Acquisition Costs	\$ -

Use price from HRA property listing

CONSTRUCTION COSTS (HARD COSTS)	
Hard Construction Costs	\$ -
Contingency	\$ -
Total Construction Costs	\$ -

Estimated Contract Amount

Maximum 10%

$\$/Sq. ft.$ #DIV/0!

SOFT COSTS	
Design and Construction Management	\$ -
Legal Work	\$ -
Radon/Abestos/Lead Tests	\$ -
Real Estate Commission Fee	\$ -
Soil Tests	\$ -
Survey	\$ -
Marketing/Staging	\$ -
Seller's Closing Costs	\$ -
After Rehab Appraisal Fee	\$ -
Holding Costs (maintenance, utilities)	\$ -
Property Insurance	\$ -
Permits	\$ -
Construction Financing Fees and Interest	\$ -
Other	\$ -
Total Soft Costs	\$ -
Developer's Fee	\$ -
Total Soft Costs plus Developer Fee	\$ -

Cap 6% of estimated hard costs

Note: if HRA has provided tests, it is expected this estimate will be minimal

Cap 6% of estimated sales price

Note: if HRA has provided tests, it is expected this estimate will be minimal

Note: if HRA has provided surveys, it is expected this estimate will be minimal

Cap \$500 marketing materials expense (staging excluded)

Homes with NSP financing cannot include these in TDC calculation for sale price

Specify:

#DIV/0! *Percentage of soft costs relative to TDC*

Cap 10% of Total Construction + Soft Costs, (Acquisition Costs not included)

TOTAL DEVELOPMENT COSTS	\$ -
NSP eligible TDC	\$ -
Estimated Appraised Value	\$ -

Total of Acquisition, Construction Costs, Soft Costs, and Developer Fee

TDC less holding costs (only on homes with NSP financing)

Estimated value of home. Homes must be sold for their value.

PROJECTED VALUE GAP	\$ -
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Total Development Costs less Estimated Appraised Value

SOURCES DURING CONSTRUCTION

Costs Deferred to Completion	\$ -
Developer Equity	\$ -
Construction Loan	\$ -
Business Loan	\$ -
Other Source:	\$ -
Other Source:	\$ -
HRA Purchase Price	\$ -
Portion of the HRA Net Subsidy Request available to draw during Construction	\$ -
Total Construction Sources	\$ -

E.g., real estate commission, retainage

Terms:

Terms:

Terms:

Terms:

Terms: Land Value included in Forgivable Loan Amount

Terms: Loan Forgiven at Completion, only partially disbursed during construction ar

Source total must equal TDC

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Exhibit D
Insurance Certificates

Refer to [Section 7.1 of the Development Agreement](#). Insurance certificates are due to the HRA from the Developer prior to closing and will be attached once received.

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Exhibit E
Design Drawings

Design Drawings are due from applicants and will be attached once recieved.

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Exhibit F
Quit Claim Deed

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(Top 3 inches reserved for recording data)

QUIT CLAIM DEED
Business Entity to Business Entity

eCRV number: _____

DEED TAX DUE: \$ _____

DATE: _____

THE HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA, a public body corporate and politic organized and existing under the laws of the State of Minnesota ("**Grantor**" or "**Seller**"), has entered into a Development Agreement dated _____ (the "**Agreement**") with _____, a ("**Developer**", "**Grantee**" or "**Buyer**") for the purchase of the herein described lands setting forth the terms, conditions and restrictions upon which this conveyance is conditioned. The Agreement is on file and available for public inspection in the City of Saint Paul Department of Planning and Economic Development. Said Agreement provides for a right of re-entry and re-vesting of title to Grantor, and other remedies, for breach or noncompliance with the terms of the Agreement.

FOR VALUABLE CONSIDERATION, Grantor hereby conveys and quit claims to Grantee real property in Ramsey County, Minnesota legally described as follows:

See attached Exhibit A (hereinafter referred to as the "**Property**")

Check here if all or part of the described real property is Registered (Torrens)

together with all hereditaments and appurtenances belonging thereto, and subject to: 1) the Permitted Encumbrances described on the attached Exhibit B; and 2) the Deed Restrictions described on the attached Exhibit C.

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Check applicable box:

- The Seller certifies that the Seller does not know of any wells on the described real property.
- A well disclosure certificate accompanies this document or has been electronically filed. (if electronically filed, insert WDC number: _____.)
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

GRANTOR

Housing and Redevelopment Authority
of the City of Saint Paul, Minnesota,
a public body corporate and politic organized and
existing under the laws of the State of Minnesota

By: _____
Its: _____

State of Minnesota, County of Ramsey

This instrument was acknowledged before me on _____, by _____, as Select One of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, a public body corporate and politic organized and existing under the laws of the State of Minnesota, by authority of its Board of Commissioners and on behalf of said entity.

(Stamp)

Title (and Rank): Minnesota Notary Public
My commission expires: _____

THIS INSTRUMENT WAS DRAFTED BY:

Saint Paul City Attorney's Office
City Hall, Suite 400
15 W. Kellogg Boulevard
Saint Paul, MN 55102

TAX STATEMENTS FOR THE REAL PROPERTY DESCRIBED IN
THIS INSTRUMENT SHOULD BE SENT TO:

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EXHIBIT A
(to Quit Claim Deed)
LEGAL DESCRIPTION

The following are not a part of the legal description above and are for convenience of reference only

Select One Property

Common Address:

Tax Parcel ID:

DRAFT

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EXHIBIT B
(to Quit Claim Deed)
PERMITTED ENCUMBRANCES

The Property is subject to and encumbered by the following liens and covenants, and no others:

1. Minerals and mineral rights in favor of the State of Minnesota in those portions of the Property the title to which may have forfeited to the State of Minnesota.
2. Easements, covenants, conditions, and restrictions and other instruments of record or shown on the plat, if any.
3. The personal property that is or will be located on and/or in the Property as of the date of the Agreement, specifically the range, refrigerator, dishwasher, clothes washer, clothes dryer, and microwave, may not be removed from the Property unless specifically approved in writing by the Government Authority.
4. Real estate taxes and special assessments due in 20____ and subsequent years.
5. Applicable building and zoning laws, ordinances, and all other local, state, regional and federal laws and regulations.
6. Terms, Covenants and Conditions as contained in the Redevelopment Plan applicable to the areas in which the real property described herein is located and as contained in Minn. Stat. Section 469.029.
7. Restrictions imposed by any Declaration of Covenants required by the Agreement.
8. The lien of the first mortgage given by the Grantee in favor of _____.
9. Those permitted encumbrances listed on the title commitment identified as follows:
 - (i)

It is intended and agreed that the Permitted Encumbrances shall be covenants running with the land, and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, be binding to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by the Government Authority, its successors and assigns, against the Grantee, its successors and assigns, and any party in possession or occupancy of the Property or any part thereof. The Government Authority shall be entitled to recover its attorney fees and costs if it prevails in any action brought to enforce the Permitted Encumbrances against the Grantee, its successors and assigns, and any party in possession or occupancy of the Property or any part thereof.

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EXHIBIT C
(to Quit Claim Deed)
DEED RESTRICTIONS

1. Grantee shall not discriminate upon the basis of race, color, creed, religion, sex, or sexual or affectional orientation, national origin, age, or disability, marital status, or status with regard to public assistance, in the sale, rental or advertising of the Property, or any dwelling therein, and in its use or occupancy.
2. The Property is subject to and must at all times comply with Section 33.07 of the Saint Paul Legislative Code-Fences-Requirements.
3. For Inspiring Communities Homeownership Development projects, the Property shall at all times be owner-occupied and homesteaded as defined in Minnesota Statute 273.124, by the Developer or end user, unless specifically waived in writing by the Government Authority. For Inspiring Communities Rental Development projects, the Property shall at all times be occupied by an income-eligible renter, unless specifically waived in writing by the Government Authority.
4. The Property is subject to all other terms, conditions, and restrictions of the Agreement not already specified herein, which Agreement is fully incorporated herein by reference.

If Grantee, its successors and assigns, tenants or any occupant of the Property violates any of these Deed Restrictions, then Grantor may enforce the covenants and restrictive uses against the Property by bringing an action seeking injunctive relief and decree to compel performance of any term, covenant or condition set forth in the Deed Restrictions, it being agreed that the remedy at law for such breach is not adequate, and/or damages. Grantor is entitled to recover its costs, disbursements, and reasonable attorney fees in connection with any such legal proceeding or action. All remedies available to Grantor are cumulative.

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Exhibit G
Limited Warranty Deed

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(Top 3 inches reserved for recording data)

LIMITED WARRANTY DEED
Business Entity to Business Entity

eCRV number: _____

DEED TAX DUE: \$ _____

DATE: _____

FOR VALUABLE CONSIDERATION, _____, a Minnesota _____, (“Grantor”), hereby does grant, bargain and convey to the HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA, a public body corporate and politic, organized and existing under the laws of the State of Minnesota (“Grantee”), real property in Ramsey County, Minnesota legally described as follows:

See attached Exhibit A (hereinafter referred to as the “Property”)

Check here if all or part of the described real property is Registered (Torrens)

together with all hereditaments and appurtenances belonging thereto.

Grantor covenants and represents that this Limited Warranty Deed conveys after-acquired title. Grantor warrants that Grantor has not made, done, executed, or suffered any act or thing whereby the Property, or any part thereof, now or at any time hereafter, shall or may be imperiled, charged or encumbered in any manner, and Grantor will warrant the title to the Property against all persons claiming the same from or through Grantor as a result of any such act or thing, EXCEPT: Permitted Encumbrances listed on the attached Exhibit B.

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Check applicable box:

- The Seller certifies that the Seller does not know of any wells on the described real property.
- A well disclosure certificate accompanies this document or has been electronically filed. (if electronically filed, insert WDC number: _____.)
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

GRANTOR

a Minnesota _____

By: _____
Its: _____

By: _____
Its: _____

State of Minnesota, County of Ramsey

This instrument was acknowledged before me on this day of _____, _____, 20____, by _____(name), the _____(title) and _____(name), the _____(title), of _____(entity name), a Minnesota _____(type of entity), and the said instrument was signed on behalf of the entity by authority of its _____ and said instrument is the free act and deed of said entity.

(Stamp)

Title (and Rank): Minnesota Notary Public
My commission expires: _____

THIS INSTRUMENT WAS DRAFTED BY:

Saint Paul City Attorney's Office
City Hall, Suite 400
15 W. Kellogg Boulevard
Saint Paul, MN 55102

TAX STATEMENTS FOR THE REAL PROPERTY DESCRIBED IN THIS INSTRUMENT SHOULD BE SENT TO:

Housing and Redevelopment Authority
of the City of Saint Paul, Minnesota
25 West Fourth Street, 13th Floor
Saint Paul, MN 55102

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EXHIBIT A
(to Limited Warranty Deed)
LEGAL DESCRIPTION

The following are not a part of the legal description above and are for convenience of reference only

Select One Property

Common Address:

Tax Parcel ID:

DRAFT

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EXHIBIT B
(to Limited Warranty Deed)
PERMITTED ENCUMBRANCES

The Property is subject to and encumbered by the following liens and covenants, and no others:

1. Minerals and mineral rights in favor of the State of Minnesota in those portions of the Property the title to which may have forfeited to the State of Minnesota.
2. Easements, covenants, conditions, and restrictions and other instruments of record or shown on the plat, if any.
3. Real estate taxes and special assessments due in 20____ and subsequent years.
4. Applicable building and zoning laws, ordinances, and all other local, state, regional and federal laws and regulations.
5. Terms, Covenants and Conditions as contained in the Redevelopment Plan applicable to the areas in which the real property described herein is located and as contained in Minn. Stat. Section 469.029.

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Exhibit H
Certificate of Completion

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(Top 3 inches reserved for recording data)

**CERTIFICATE OF COMPLETION
AND RELEASE OF FORFEITURE**

THIS CERTIFICATE OF COMPLETION AND RELEASE OF FORFEITURE is made this ____ day of _____, 20__ (the "**Certificate**") by the HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA, a public body corporate and politic, organized and existing under the laws of the State of Minnesota (the "**HRA**"), and the CITY OF SAINT PAUL, a Minnesota municipal corporation and home rule charter city (the "**City**"), collectively the HRA and City are referred to as the "**Government Authority**", for the benefit of _____, a Minnesota _____ (the "**Developer**" or "**Benefitted Party**").

WHEREAS, the Government Authority and Developer entered into a _____ Agreement dated _____, 20__ (the "**Agreement**"), for the purchase and redevelopment of the real property described on the attached Exhibit A (the "**Property**") that set forth the terms and conditions upon which said real property was conditioned; and

WHEREAS, the Agreement provided for conveyance of the Property via a quit claim deed which contained rights of re-entry, possession, and re-vesting of title retained by the HRA to run with the land and be binding upon the Developer, its successors and assigns, until terminated upon completion by Developer of certain improvements to the Property as certified to by the Government Authority; and

WHEREAS, the HRA conveyed and quit claimed the Property to Developer by a Quit Claim Deed dated _____, 20__, and recorded _____ as Ramsey County Document No. _____ ("**Doc No.** _____"), which further reserved the Agreement terms and conditions.

NOW THEREFORE, the Government Authority does hereby certify that

1. Developer, its successors and assigns, has satisfactorily completed all improvements as required by the Agreement and pursuant to Doc. No. _____ and has complied with all terms and conditions of the Agreement; and
2. The covenants, restrictions and conditions, and other rights of the HRA and/or City contained in Doc. No. _____ are terminated, including but not limited to the right of forfeiture and re-entry; and
3. The Agreement, as approved by the Government Authority, authorized the City Representative and HRA Representative to sign a Certificate of Completion and Release of Forfeiture upon certification of the completion of all improvements as required by the Agreement; and

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3. The Benefitted Party has no further obligations to the Government Authority, EXCEPT:

- (a) To satisfy the non-discrimination clause contained in Doc. No. _____; and
- (b) To continue any and all reporting requirements for all Public Participation Funds received, if any, for the period as specified in the Agreement and Public Participation Source Regulations; and
- (c) To: i) sell the real property described herein to a Qualified Homebuyer or ii) make available for rental to an income-eligible Renter, as both are defined in the Agreement.

IN WITNESS WHEREOF, the HRA and the City hereby release all their respective reversionary rights and interests to the Property and have executed this Certificate as of the date first above written.

HOUSING AND REDEVELOPMENT AUTHORITY
OF THE CITY OF SAINT PAUL, MINNESOTA

By _____
Its Executive Director & HRA Representative

State of Minnesota, County of Ramsey

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____, the Executive Director and HRA Representative of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, a public body corporate and politic, duly signed on behalf of said entity by authority of its Board of Commissioners.

(Seal if any)

(signature of notarial officer)

Title (and Rank):

My commission expires: _

(month/day/year)

#

CITY OF SAINT PAUL

By _____
Its Director, Planning and Economic Development
Department and City Representative

State of Minnesota, County of Ramsey

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____, the Director, Planning and Economic Development Department and City Representative of the City of Saint Paul, a Minnesota municipal corporation and home rule charter city, duly signed on behalf of said entity by authority of its City Council.

(Seal if any)

(signature of notarial officer)
Title (and Rank):

My commission expires: _

(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:

Saint Paul City Attorney's Office
City Hall, Suite 400
15 W. Kellogg Boulevard
Saint Paul, MN 55102

#

EXHIBIT A
(to Certificate)
LEGAL DESCRIPTION

The following are not a part of the legal description above and are for convenience of reference only

Select One Property

Common Address:

Tax Parcel ID:

DRAFT

#

Exhibit I
Affirmative Action / Equal Opportunity Requirements

DRAFT



AFFIRMATIVE ACTION / EQUAL EMPLOYMENT OPPORTUNITY (AA/EEO) Contract Specifications

Definition of Terms:

City Funds – Money originating from the City of Saint Paul or other federal and state funds. Some examples include: Capital Investment Bonds (CIB), U.S. Department of Housing and Urban Development Community Development Block Grant (CDBG), Federal Low Income Housing Tax Credits (LIHTC), Housing Redevelopment Authority (HRA), Home Investment Partnership Program (HOME), Metropolitan Council funding programs, multi-family Housing Revenue Bonds, Sales Tax Revitalization (STAR), Tax Increment Financing (TIF), and any combination of loans, grants, and land write-down or other funding vehicles.

Contract – A formal agreement between the City of Saint Paul and a contractor. For AA/EEO compliance monitoring, the word “contract” is used to refer to all agreements. A contract is defined as a development agreement, master contract, a professional service agreement, a purchase order, a service agreement, and any other contract where the City provides funding.

Contractor – Any person entering into a contract or agreement with the City of Saint Paul.

Person – Includes natural persons, firms, corporations, partnerships, joint ventures, companies, organizations, for profit and nonprofit, agencies, clubs, groups, or any other association of natural persons, legal entities, or both.

1. Contractors who have been awarded or enter into a contract with the City that meets or exceeds \$50,000 within the preceding twelve-month period are required to have an Affirmative Action Plan (AAP) certified for compliant.
2. The two things a contractor will need to submit are.
 - a. The Affirmative Action Plan. An AAP template is provided by the city for contractor to use as needed.
 - b. The \$75 fee to cover the cost of certifying and monitoring the affirmative action plan.

Make check payable to "City of St Paul". Mailing address is:

City of St Paul – HREEO
Attention: AA/EEO
15 West Kellogg Blvd, CH/CH280
Saint Paul, MN 55102



3. An AAP is certified for a two-year period and covers all contracts within that two-year time frame. Semi-annual compliance reports of employment activities are required of companies located in the 15 greater Minneapolis – Saint Paul area.
4. Submission of the AAP indicates that the contractor will comply with affirmative action/equal employment opportunity for the next two years:
 - a. has a policy of equal employment opportunity
 - b. is committed to affirmative action equal employment opportunity
 - c. fully supports incorporation of non-discrimination and affirmative action rules and regulations into contracts and agreements
 - d. intends to implement those policies.
5. The contractor shall take specific actions to ensure equal employment opportunity. The contractor shall document these efforts fully and shall implement affirmative action steps as indicated in the AAP.
 - a. Designate a responsible official to monitor employment activities.
 - b. Maintain an environment free of harassment, intimidation, coercion, and discriminatory acts.
 - c. Establish and maintain face to face relationship with recruitment sources for people of color and individuals with disabilities.
 - d. Annually review the affirmative action plan activities.
6. If the contractor fails to comply with the affirmative action requirements, its implementing rules, or these specifications, the Director may proceed with sanctions which may include: suspension, termination, cancellation of existing contracts until corrective steps are taken, and declarations of non-eligibility to bid.
7. The contractor shall not enter into any contract or agreement with any person or firm debarred from government contracts under Section 183 of the Saint Paul Legislative Code, Chapter 139 of the Minneapolis Ordinances, Federal Executive Order 11246, or whose state certificate of compliance has been suspended or revoked pursuant to Minnesota Statutes, Section 363.073.

Contact:

HREEO – AA/EEO Contract Compliance Officer

affirmativeaction@ci.stpaul.mn.us

Phone: 651-266-8928



Workforce Participation Goals for Construction Contracts

The following supplemental AA/EEO specifications shall apply to contracts for **construction** which receive City funding. All contractors need to include these specifications in all lower tier contracts for construction work. Developer and prime contractor shall communicate this information to all subcontractors.

City workforce participation goals for City funded construction projects of \$50,000 or more are expressed as a percentage of the total hours performed by female and minority construction workers.

32% Minority total project hours
20% Female total project hours

After the contract has been awarded, but before construction begins, all contractors that have been selected to work on the project will be required to meet in a pre-construction conference. This conference will be held to discuss the utilization goals for minority and women, how the goals will be met, and any problems that may affect the project's ability to achieve the goals. Each contractor that utilizes subcontractors must submit the **Prime and Subcontractor Identification Form** identifying lower tier contractors and material suppliers.

All lower tier or sub-contractors must complete and submit the mandatory **Project Employment Utilization (PEU)** form indicating estimated total number of project work hours, and estimated women and minority workforce hours. Contractors must indicate on the bottom of the PEU form if they will meet the goals with their internal workforce or by hiring additional employees. If they are unable to meet the goals, they must provide the reason at the bottom of the PEU form. The prime contractor must collect the PEU forms from subcontractors and submit them to the City's AA/EEO Compliance Officer at: affirmativeaction@ci.stpaul.mn.us

Workforce participation goals on construction projects is monitored via certified payroll in **LCPtracker**. LCPtracker is a paperless, online system of entering certified payroll reports. In LCP Tracker, contractors are required to select the job classification, gender, and race of each individual worker. In instances where LCPtracker is not used, contractors shall report the project workforce participation goals manually on city provided spreadsheet.

Failure to make Good Faith Efforts

If a contractor fails to make and demonstrate a good faith effort to meet the goals for participation of women and minorities, the Director may take appropriate measures to sanction the contractor. This may include suspension, termination, cancellation of existing contracts until corrective steps are taken, and declarations of non-eligibility to bid.

AFFIRMATIVE ACTION PLAN

We, _____ hereby confirm that we have developed and are implementing over the next two years an effective Affirmative Action Program (AAP) which complies with Section 183.04 of the Saint Paul Legislative Code (Human Rights Ordinance) and the Rules Governing Affirmative Requirements in Employment. Our AAP includes, but is not limited to, the provisions listed below:

DISSEMINATION OF AFFIRMATIVE ACTION/EQUAL EMPLOYMENT OPPORTUNITY (AA/EEO)

POLICY STATEMENT

1. Policy statement and non-discrimination posters will be permanently posted and conspicuously displayed in areas available to employees and applicants for employment. All employees and contractors will be furnished a copy of the AA/EEO policy statement. This policy will be made available to all employees including part-time, temporary or seasonal.
2. We will include the statement “Affirmative Action, Equal Opportunity Employer” on company letterhead, employment applications, contracts and subcontracts, and in advertisements recruiting employees and contractors.
3. We will include non-discrimination clauses in all union agreements, and we will review all contractual provisions to ensure that they are non-discriminatory. We will inform all union officials of the AA/EEO policy and request their cooperation.
4. We will personally meet with recruitment resources and, if applicable, with labor union representatives to inform them of our AA/EEO policies and encourage them to actively recruit and refer women, minorities, and people with disabilities, in order to achieve our affirmative action goals. We will utilize media resources which target women, minorities and people with disabilities.
5. We will include the Saint Paul Affirmative Action/Equal Employment Opportunity contract specifications in all bid specifications and contracts on City of Saint Paul-assisted contracts. We will include these contract specifications in all lower tier contracts for materials and construction work on City-assisted contracts.

RECRUITMENT OF EMPLOYEES

1. All solicitations and advertisement for employees placed by us or on our behalf will state that we are an Affirmative Action, Equal Opportunity Employer. Copies of advertisements for employees will be kept on file for review by the Saint Paul Human Rights and Equal Economic Opportunity Department.
2. We will meet with and encourage our subcontractors to utilize agencies and organizations which refer and recruit women, minorities, and people with disabilities.

UNDERUTILIZATION ANALYSIS & GOALS AND TIMETABLE

1. We will conduct an analysis of our employee workforce to determine present employment levels of women, minorities, and people with disabilities to identify areas of underutilization of such persons and to determine causes of underutilization. We will maintain a statement of the goals and timetables to remedy any underutilization of women, minorities and people with disabilities. (See attached form on page 6 and 7.)
2. We will set a 10% employment goal for people with disabilities on our non-construction workforce. (See attached page 8.)

AGREEMENT

1. We, _____ agree to maintain a current effective Affirmative Action Program (AAP), to implement all provisions of that AAP during the next two years, and to comply with Section 183.04 of the Saint Paul Legislative Code (Human Rights Ordinance) and the Rules Governing Affirmative Requirements in Employment. Our AAP is now available for inspection and will be submitted to the department at any time upon its request.
2. We agree to keep records of all personnel actions such as applicant flow, hiring, firing, lay-off, promotions, and actions taken to recruit and hire women, minorities, and people with disabilities. During the next two years we agree to submit AA/EEO Semi-Annual Compliance Reports detailing these personnel activities and affirmative action efforts to the department. Any data collected are subject to MN Data Practice Act.
3. During the next two years we agree to provide, as requested by the department, proof of compliance with Section 183.04 and its implementation. This will include documentation of our good faith efforts to recruit and hire women, minorities and people with disabilities.
4. For City-assisted construction projects of \$50,000 or more, we agree to make every good faith effort to meet the city's workforce inclusion goals for women and minorities and to provide project monitoring documentations requested by the department.

Company Name

Date

Signature of Chief Executive Officer

Signature of AA/EEO Manager

AFFIRMATIVE ACTION/EQUAL EMPLOYMENT OPPORTUNITY (AA/EEO) POLICY STATEMENT

This statement is to affirm _____ policy on providing Equal Employment Opportunity (EEO) to all employees and applicants for employment in accordance with all applicable Affirmative Action Equal Employment Opportunity laws, directives and regulations of Federal, State and local governing bodies or agencies, including Section 183.04 of the Saint Paul Legislative Code (Human Rights Ordinance) and the Rules Governing Affirmative Requirements in Employment.

_____ will not discriminate against any employee or applicant for employment because of age, ancestry, color, creed, disability, familial status, genetic information (genetic testing, family medical history, and/or genetic services), marital status, national origin, public assistance status, race, religion, retaliation, retaliation by association, retaliation by opposition, sex, pregnancy, sexual or affection orientation.

_____ will maintain zero tolerance for harassment of or by any employee or applicant for employment because age, ancestry, color, creed, disability, familial status, genetic information (genetic testing, family medical history, and/or genetic services), marital status, national origin, public assistance status, race, religion, retaliation, retaliation by association, retaliation by opposition, sex, pregnancy, sexual or affection orientation. We will maintain an internal complaint procedure for complaints of such harassment, and will provide employees with contact information for federal, state and local enforcement agencies.

_____ will take Affirmative Action (AA) to ensure that all employment practices are free of such discrimination and harassment. Such employment practices include, but are not limited to, the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, selection, layoff, disciplinary action, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

_____ fully supports incorporation of non-discrimination and affirmative action rules and regulations into contracts with subcontractors for goods and services.

_____ will commit the necessary time and resources, both financial and human, to achieve the goals of Affirmative Action and Equal Employment Opportunity.

_____ will evaluate the performance of its management and supervisory personnel on the basis of their involvement in achieving these Affirmative Action and Equal Employment Opportunity objectives as well as other established criteria.

_____ has appointed _____ as AA/EEO Manager to manage the Equal Employment Opportunity Program. His/Her responsibilities will include monitoring all Equal Employment Opportunity activities and reporting the effectiveness of this Affirmative Action Plan (AAP), as required by Federal, State and Local agencies. He/she will be given the necessary top management support and staffing to fulfill his/her job duties. The Chief Executive Officer of _____ will receive and review reports on the progress of the plan. If any employee or applicant for employment believes he/she has been discriminated against, please contact _____ at this address: _____

Chief Executive Officer (Please Print)

Signature of Chief Executive Officer

Date

DESCRIPTION OF CONTRACT:

A. _____
Company Name E-mail Address

B. _____
Address City State Zip Code

C. _____
Phone # Fax #

D. _____
Chief Executive Officer Telephone #

E. _____
AA/EEO Manager Telephone # Email

F. _____
Nature of Business

G. _____

Natures of work to be perform for the City of St Paul.

H. \$ _____ -
Estimated Dollar Amount of work with the City of St Paul:

I: _____
Estimated Contract Start Date Estimated Contract Completion Date

J. _____
Name of City of St Paul's Dept./Agency Requesting the Work or Service Contact Name

L. _____
Description of City funded construction project (name, address, or location)

M. _____
Type of construction to be performed by your company

N. _____
Name of Project's Developer Contact Name & Email

O. _____
Name of Project's Prime Contractor Contact Name & Email

EMPLOYMENT DATA AS OF:

COMPANY NAME:

AA/EEO MANAGER:

ADDRESS:

CITY:

STATE:

ZIP CODE:

TELEPHONE:

E-MAIL:

ALL EMPLOYEES (FULL-TIME, PART-TIME, TEMPORARY AND SEASONAL)

JOB CODE	JOB CATEGORIES	PEOPLE WITH DISABILITES	MALE						FEMALE						TOTAL
			WH	BL	HI	AP	AA	M	WH	BL	HI	AP	AA	M	
1	OFFICIALS& MANAGERS														
2	PROFESSIONALS														
3	TECHNICIANS														
4	SALES WORKERS														
5	OFFICE & CLERICAL														
6	CRAFT WORKERS (SKILLED)														
7	OPERATIVES (SEMI-SKILLED)														
8	LABORERS (UNSKILLED)														
9	SERVICE WORKERS														
10	CURRENT TOTAL EMPLOYMENT														
11	TOTAL EMPLOYMENT IN LAST REPORT														

WH: WHITE HI: HISPANIC AA: AMERICAN INDIAN/ALASKAN NATIVE
 BL: BLACK AP: ASIAN/PACIFIC ISLANDER M: MIXED/MULTIPLE

I affirm that the information entered on this form and on all attachments is accurate and true to the best of my knowledge.

Signature

Title

Date

UNDERUTILIZATION ANALYSIS

(To be completed by firms with twenty (20) or more employees)

COMPANY NAME: _____

DATE: _____

JOB GROUP	TOTAL	WOMEN					MINORITIES				
		UTILIZATION		AVAILABILITY		NUMBER UNDERUTILIZED	UTILIZATION		AVAILABILITY		NUMBER UNDERUTILIZED
		NUMBER	%	NUMBER	% *		NUMBER	%	NUMBER	% *	
OFFICIALS& MANAGERS											
PROFESSIONALS											
TECHNICIANS											
SALES WORKERS											
OFFICE & CLERICAL											
CRAFT WORKERS (SKILLED)											
OPERATIVES (SEMI-SKILLED)											
LABORERS (UNSKILLED)											
SERVICE WORKERS											
COLUMN #	#1	#2	#3	#4	#5	#6	#2	#3	#4	#5	#6

* Percentage for availability should be in decimal form for ease of calculation

INSTRUCTIONS:

1. Column 1 = total in job group
2. Column 2 = total # of women or minorities in job group
3. Column 3 = Column 2 ÷ Column 1
4. Column 4 = Column 5 x Column 1 (Round up or down to nearest whole number)
5. Column 5 = Availability (See below for explanation of source)
6. Column 6 = Column 4 - Column 2 (If result is negative, enter 0.)

You may submit your own Underutilization Analysis and Goals and Timetables forms in lieu of these forms. If you need availability data, go to the MN Dept of Employment and Economic Development website for the Affirmative Action Statistics to complete the underutilization analysis. <http://mn.gov/deed/data/data-tools/affirmative-action-statistics.jsp>

GOALS AND TIMETABLES

(To be completed by firms with twenty (20) or more employees)

Job Group		Current Work Force				Underutilization (#)		* A. H. O.	Annual Goals		Ultimate Goals		
		Total	Male	Female	Minority	Minority	Female		Minority	Female	Year	Minority	Female
1	#												
	%												
2	#												
	%												
3	#												
	%												
4	#												
	%												
5	#												
	%												
6	#												
	%												
7	#												
	%												
8	#												
	%												
9	#												
	%												
	#												
	%												

* A.H.O. = Anticipated Hiring Opportunities (including all attrition plus possible expansion.)

UTILIZATION GOALS FOR PEOPLE WITH DISABILITIES

(To be completed by all firms)

Company Name _____

Date _____

Total Employees in Non-Construction Job Groups	Percentage Available	Numerical Goal
_____	x 0.10	= _____

TENNESSEN WARNING

In accordance with the Minnesota Government Data Practices Act, the Affirmative Action Program for the City of St. Paul, is required to inform you of your rights as they pertain to the private information collected from you. Private data is information which is available to you, but not to the public.

The information collected from you or from other agencies or individuals authorized by you is used to determine if you are in compliance with the City's Affirmative Action Program.

You are not required to provide this information; however, it is necessary to determine if you are in compliance. If you do not supply the required information, the Affirmative Action Program will not be able to consider you in compliance. The use of the private data we collect from you is limited to that necessary for the administration and management of the Affirmative Action Program Registration and verification process. Persons or agencies with whom this information may be shared include:

1. Affirmative Action Program employees
2. Members of the general public that submit a Public Data Request

Unless otherwise authorized by state statute or federal law, other government agencies utilizing any reported private data must also treat the information as private.

You may wish to exercise your rights as contained in the Minnesota Government Data Practices Act. These rights include:

3. The right to see and obtain copies of the data maintained on you,
4. Be told the contents and meaning of the data,
5. Contest the accuracy and completeness of the data.

To exercise these rights, contact: HREEO, AA/EEO Contract Compliance Officer, affirmativeaction@ci.stpaul.mn.us.

I have read and understand the above information regarding my rights as a subject of government data.

Company Name

Date

#

Exhibit J
Business Subsidy

DRAFT

MN Business Subsidy Law

Minnesota Statute Sections 116J.993-.995 and City Council Resolution #99-742 state that a business receiving state or local government assistance, unless it is determined that an exception applies, must have a defined public purpose and recipients must set goals for job creation, wages and benefits to be achieved within 2 years of receiving assistance. Businesses not meeting these conditions must repay the assistance at the terms described in a business subsidy agreement to be executed by the business and the City or HRA. Assistance includes a grant or loan of \$150,000 or more. A report is due to the City or HRA annually on the anniversary date of the loan or grant agreement, or as may otherwise be needed by the City or HRA in order to comply with statutory requirements.

Summary of Requirements:

- A. Any business subsidy award, a loan of more than \$150,000, and/or grants of \$150,000 or more, must be approved by City Council/HRA. Only nonprofit entities with at least 100 full-time equivalent positions and with a ratio of highest to lowest paid employee, that exceeds ten to one, determined on the basis of full-time equivalent positions, are a “Business Subsidy Recipient.”
- B. Any business subsidy more than \$150,000 requires a public notice and a hearing on the subsidy. The published notice must indicate the that a summary of the terms of the subsidy is available rather than a copy of the entire subsidy agreement and be published at least 10 days prior to the date of the hearing. If more than one non-state grantor provides a subsidy to the same recipient, the grantors may designate one of them to hold the public hearing.
- C. Reporting-
 - Grant For grants between \$25,000 and \$150,000 reports of public participation are still required for two years
 - Loan For loans between \$75,000 and \$150,000 reports of public participation are still required for two years
- C. A business subsidy must meet a public purpose. Tax base enhancement is an acceptable public purpose, but may not be the sole justification for the subsidy. Job retention may only be used as a public purpose in cases where job loss is imminent and demonstrable.
- D. To be included in the subsidy agreement:
 - 1. a description of the subsidy, including the amount and type of subsidy, and type of district if the subsidy is TIF;
 - 2. a statement of the public purposes for the subsidy;

3. goals for the subsidy to be achieved within two years of the benefit date that must be measurable, specific, and tangible, including Full-time and Part time jobs and wages;
 4. a description of the financial obligation of the recipient if goals are not met;
 5. a statement of why the subsidy is needed;
 6. a commitment to continue operations in the jurisdiction where the subsidy is used for five years; however, the five-year commitment may be waived if the grantor, after a public hearing, approves the recipient's request to move;
 7. the name and address of the parent corporation of the recipient, if any;
 8. a list of all financial assistance by all grantors for the project;
 9. a statement that the recipient does not have an ongoing unresolved adverse action on their record with OSHA or the EPA;
 10. a statement that the company has a company-wide Affirmative Action Policy.
- E. A Minnesota Business Assistance Form (MBAF) must be submitted to the City or HRA, each year for two years after the benefit date or until all goals outlined in the agreement have been met, whichever is later.
- F. Recipients failing to fulfill business subsidy agreements may not receive business subsidies from any grantor for five years or until they have satisfied their repayment obligations, whichever comes first.
- G. Preference will be given to applicants meeting the following criteria:
1. A demonstrated higher target percentage of hires for Saint Paul residents;
 2. Demonstration of employer contributions made to employee child care and retirement accounts;
 3. Participation in responsible labor relations. Responsible labor relations are defined as neutrality on union organizing, providing a complete and accurate list of names and addresses of employees, reasonable access to employees and facilities during non-working periods, voluntary recognition based on a card check demonstrating that a union represents a majority of employees in a bargaining unit, and binding arbitration on the first contract;
 4. A statement that if job creation/retention is the primary development objective, recipients will create (or in cases where job loss is imminent and demonstrable, retain) at least one full-time living wage job per \$25,000 of the subsidy;
 5. A statement that a recipient with at least 100 FTE's will invest a portion equal to 5% of the loan or grant for training Saint Paul workers;
 6. A statement that an employer with at least 75 FTE's will offer employees the opportunity to participate in a health care program which includes an employer contribution;
 7. A statement that a recipient with at least 100 FTE's will dedicate a portion of the loan or grant to a program encouraging housing opportunities for the employees within the job creation period of the assistance. This assistance may be in the

form of advances for down payments or closing costs, grants for house or property acquisition, or partnerships with affordable housing agencies or lenders.

Of note: The following forms of financial assistance are NOT a business subsidy:

1. a business subsidy of less than \$150,000;
2. assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location, or similar general criteria;
3. public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
4. redevelopment property polluted by contaminants as defined in section 116J.552, subdivision 3;
5. assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code, and assistance provided for designated historic preservation districts, provided that the assistance is equal to or less than 50 percent of the total cost;
6. assistance to provide job readiness and training services if the sole purpose of the assistance is to provide those services;
7. assistance for housing;
8. assistance for pollution control or abatement including assistance for a tax increment financing hazardous substance subdistrict as defined under section 469.174, subdivision 23;
9. assistance for energy conservation;
10. tax reductions resulting from conformity with federal tax law;
11. workers' compensation and unemployment compensation;
12. benefits derived from regulation;
13. indirect benefits derived from assistance to educational institutions;
14. funds from bonds allocated under chapter 474A, bonds issued to refund outstanding bonds, and bonds issued for the benefit of an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1999;
15. assistance for collaboration between a Minnesota higher education institution and a business;
16. assistance for a tax increment financing soils condition district as defined under section 469.174, subdivision 19;
17. redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;

18. general changes in tax increment financing law and other general tax law changes of a principally technical nature;
19. federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency (presumably, this means that a loan funded directly by federal dollars is not a business subsidy, but a loan made from a revolving loan fund is a business subsidy);
20. funds from dock and wharf bonds issued by a seaway port authority;
21. business loans and loan guarantees of \$150,000 or less;
22. federal loan funds provided through the US Department of Commerce, Economic Development Administration; and
23. property tax abatements granted under section 469.1813 to property that is subject to valuation under Minnesota Rules, chapter 8100 (*i.e., utility companies*)

#

Exhibit K
Project Labor Agreement

DRAFT

PROCEDURE FOR PROJECT LABOR AGREEMENTS
September 8, 2009

Reference: Council Resolution 09-584, adopted June 3, 2009. This procedure is applicable to all building construction, parks or public works projects involving a city or HRA contract with \$250,000 or more in city or HRA money.

1. A department planning a construction project with \$250,000 or more in city or HRA money must bring the matter to the City Council for a decision regarding the use of a Project Labor Agreement (PLA) on the proposed project before bidding documents are finalized or city approval of the project.
2. Prior to going to the City Council for a decision regarding the use of a PLA on the project, the department must send a written "Notice and Request for Recommendation on the Use of a PLA" (Notice) to all parties having an interest in the project, including, but not limited to, those listed in Resolution 09-584. The Notice may be faxed, e-mailed or mailed. A sample Notice and a sample Response to Notice are attached to this Procedure. Interested parties have 10 days to return their recommendation.
3. The department must prepare a resolution for the Council's decision on the use of a PLA on the project and a staff report that includes the following:
 - a. The requesting department's recommendation regarding the use of a PLA and justifications for that recommendation.
 - b. Statement that the Notice was sent in accordance with the "Procedures for Use of a Project Labor Agreement."
 - c. Written recommendations and the stated justifications for the recommendations received from interested parties in response to the Notice.
4. Upon request by the Administration, a Councilperson or an interested party, the City Council will hold a public hearing as to the City's need for and interest in a PLA with respect to a project, at which hearing interested parties may participate.

Notice

To:

Re: Notice of City of Saint Paul Construction Project (s) and Request for Recommendation on the Use of a Project Labor Agreement

Dear Interested Party:

The City of Saint Paul is planning the following construction project.

Project Description: *[It is recommended that department identify the location, size, components and major materials for the project. Example: Remodeling of the Harriet Island Regional Park Clarence W. Wiginton Pavilion, 200 Dr. Jutus Ohange Blvd, Saint Paul, MN 55102. Remodeling includes New restrooms, upgraded kitchen and floor sealing.]*

Estimated Cost:

Estimated Start Date:

Estimated Project length:

Other project facts:

Pursuant to City Council Resolution 09-584, as a party that may be interested in this project, your recommendation is requested regarding the use of a Project Labor Agreement for this project. Please indicate on the attached form your recommendation and your reasons for the recommendation, and return the form to the undersigned either by United States Mail to the address listed below, in person, or by e-mail address as listed below. Please respond by _____ (*ten business days from date of letter*). Thank you for taking the time to response.

Very truly yours,

Department Project Person's name
Street Address
e-mail address

Response Form

Date _____

Project _____

Name of Interested Party _____

In response to your request, our recommendation on the use of a PLA for this project is as follows:

Yes, a Project Labor Agreement is recommended for the following reasons:

No, a Project Labor Agreement is not recommended for the following reasons:

By _____
Name and Title

**RESOLUTION
CITY OF SAINT PAUL, MINNESOTA**

Presented by

W. B. DeFronzo
Kathy Hart
Paul J. [unclear]
ML-2 [unclear]

1 **WHEREAS**, in undertaking building and construction, parks and public works projects, the City of Saint
2 Paul has a compelling proprietary and economic interest in ensuring that construction proceeds in a timely,
3 cost-effective manner, with the highest degree of quality and with minimal delays and disruption, and with
4 the highest degree of safety for workers and the public; and

5
6 **WHEREAS**, a project labor agreement ("PLA") is a form of multi-employer, multi-craft pre-hire
7 collective bargaining agreement covering terms and conditions of employment for construction employees
8 on a particular construction project; and

9
10 **WHEREAS**, throughout the country, public and private construction owners regularly utilize and require
11 PLAs for billions of dollars worth of construction each year; and

12
13 **WHEREAS**, the City and other public agencies and private owners in the City of Saint Paul have
14 successfully completed projects on time and on budget under PLAs for numerous projects; and

15
16 **WHEREAS**, the Rondo Library PLA entered into by the City of Saint Paul and the Saint Paul Building
17 and Construction Trades Council in December 2004 is one example of a PLA entered into by the City; and

18
19 **WHEREAS**, the PLAs entered into by the Saint Paul Public Schools, Regions Hospital, HealthEast/St.
20 Joseph's Hospital, Concordia University and Upper Landing and the Saint Paul Building and Construction
21 Trades Council are other examples of PLAs entered into by contractors and labor organizations; and

22
23 **WHEREAS**, the City of Saint Paul wishes to formalize a process in which it reviews building and
24 construction, parks and public works contracts for the need to include PLAs that establish uniform terms
25 and conditions of employment for the contractors and craft construction employees working on a project,
26 because such have been shown to provide an effective mechanism for overall construction project staffing
27 and planning because they allow project owners to:

- 28
29 (i) Predict their labor costs and requirements up-front, and, therefore, more accurately estimate
30 actual total project costs; and
31 (ii) Promote cost-effective, timely, and safe construction project delivery, by providing access
32 to a reliable supply of properly trained and skilled construction craft personnel for all
33 aspects of the project; and
34 (iii) Assure greater productivity and quality from construction craft personnel, thereby yielding
35 cost-effective projects, while also reducing maintenance and repair costs over the life of the
36 project; and
37 (iv) Integrate work schedules and standardize work rules for the project, to provide a well-
38 coordinated, efficiently functioning construction worksite that will minimize delays, foster
39 labor harmony, promote quality, and maintain project safety; and
40 (v) Assure that construction will proceed without interruptions from staffing shortages, high
41 employee turnover, safety incidents, and labor disputes, by providing reliable project

42 staffing, contractual guarantees against work stoppages, and mutually binding procedures
43 for resolving disputes; and

44
45 **WHEREAS**, reference to the City of Saint Paul in this resolution also includes the Housing and
46 Redevelopment Authority of the City of Saint Paul, Minnesota.

47
48 **NOW, THEREFORE, BE IT RESOLVED**, that consistent with the City's role as a market participant in
49 purchasing construction services, the City of Saint Paul may require contractors and subcontractors to
50 abide by a PLA as a condition of working on a particular building construction, parks or public works
51 project under the following terms and conditions.

52
53 1. The City shall consider the use of a PLA on all building construction, parks or public works
54 projects involving a City contract with \$250,000.00 or more in city money. This requirement does not
55 apply if the City is a party to a joint powers agreement with another public entity for the project. Any
56 department or agency of the City that plans to undertake such a project shall timely submit the matter to the
57 City Council for a decision on whether to use a PLA for the particular project. Any decision on the use of a
58 PLA must be made before City approval of the project. Interested parties shall be given notice of the matter
59 and allowed ten days to respond. The City may use a PLA when it determines, in the exercise of its
60 discretion, that doing so will further its interests in promoting timely, cost-effective, and quality
61 construction with minimal delays and disruptions.

62
63 2. Upon request by the Administration, a Councilperson or an interested party, the City
64 Council will hold a public hearing at which interested parties may participate. The hearing will be held on
65 two weeks' notice in the customary manner that notices of City Council meetings are published. At this
66 hearing evidence may be presented as to the City's need for and interest in a PLA with respect to the
67 particular project.

68
69 3. The City, when considering whether to use a PLA on a particular project, shall undertake an
70 evaluation to determine whether doing so would advance its interests as project owner. Relevant criteria
71 for considering whether to use a PLA on a particular project include, but are not limited to, the following:

- 72
73 a. Size of the job;
74 b. Cost of the job;
75 c. Duration of the job;
76 d. Impact of any delays;
77 e. Amount of construction projects in the area competing for skilled workers;
78 f. The number of local collective bargaining agreements ("CBAs") that will expire
79 during the term of the project;
80 g. Number of crafts and CBAs in the geographic area;
81 h. Whether a majority of successful bidders on prior projects were union employers;
82 i. Record of good quality and efficient construction under previous PLAs; and
83 j. Impact on achieving vendor outreach program and workforce goals.

84
85 4. The City may retain a project manager, consultant or assign staff to prepare a report
86 analyzing whether it would serve the City's interests to use a PLA. If the City decides, based on its
87 evaluation, to use a PLA on a particular project it shall set forth the basis for its decision in writing. The

88 City's findings should analyze the particular benefits that a PLA could reasonably be expected to provide
9 to the City as project owner.

90

91 5. When the City has determined to use a PLA on a particular project, the City shall require its
92 general contractor to negotiate and enter into a PLA for the particular project.

93

94 6. When the City has determined to require a PLA on a particular project, the City shall
95 require execution of a PLA by the general contractor in the bid specifications and in all relevant bid
96 documents. The bid specifications shall make clear that bidding is open to union and nonunion
97 contractors, provided that a contractor that is a successful bidder agrees to become a party to and comply
98 with the PLA while working on the project.

99

100 7. Any such PLA used by the City shall meet the following criteria.

101

- 102 a. The PLA shall be made binding on all contractors and subcontractors working on the
103 site, and shall establish certain uniform job conditions;
- 104 b. The PLA shall set forth binding procedures for resolving any jurisdictional and labor
105 disputes arising during the construction process including disputes pertaining to
106 alleged violations of the PLA and in particular alleged violations of the prohibition
107 against strikes, lock-outs, handbilling, leafletting, or other similar disruptive job
108 actions;
- 109 c. The PLA shall contain guarantees against strikes, lock-outs, handbilling, leafletting,
110 and any other similar job actions that would disrupt construction;
- 111 d. The PLA shall provide that there shall be no discrimination against any employee or
112 applicant for employment because of his or her membership or non-membership in a
113 union or based on race, creed, color, sex, age, religion, or national origin of such
114 employee or applicant. For all employees not presently members of a union at the
115 outset of the Project, becoming and remaining a member of the union shall not be a
116 requirement for employment under the PLA. However, any employee who does not
117 become a member of the Union shall be required to pay the appropriate
118 representation fee, not to exceed dues or fees paid by union members. The PLA shall
119 provide for hiring from the applicable union hiring halls to ensure a steady supply of
120 highly skilled and trained craft workers. The PLA shall provide that there shall be no
121 discrimination in referrals or employment against any employee or applicant for
122 employment because of his or her membership or non-membership in a union or
123 based on race, creed, color, sex, age, religion or national origin of such employee or
124 applicant; and
- 125 e. The PLA shall not require any contractor to be or become a party to a collective
126 bargaining agreement on any other construction project in order to qualify to work
127 under a PLA implemented for a particular project.
- 128 f. The PLA shall require parties to make a demonstrable effort to achieving the
129 following objectives:
- 130 (i) Workforce diversity reflective of the region in partnership with capacity
131 strengthening employment programs such as Minnesota Build, Apprenticeship Opportunities Program, or
132 any other local, state, or national efforts that are recognized for achieving workforce diversity;
- 133 (ii) Maximum use of local businesses;

09-584

- 134 (iii) Maximum use of small businesses; and
- 135 (iv) Maximum use of minority, women, and low income persons and businesses
- 136 in a manner consistent with applicable federal, state, and local laws,
- 137 regulations, policies and grant requirements.

138

139 g. The Department of Human Rights and Equal Economic Opportunity shall collect

140 and analyze data on the effectiveness of PLAs on achieving the goals and objectives

141 stated in this Resolution and report its findings and recommendations to the Mayor

142 within six months following the passage of this Resolution and annually thereafter.

143

144 BE IT FURTHER RESOLVED, that City staff of the Department of Human Rights and Equal Economic

145 Opportunity notify potentially interested parties, including but not limited to, Asian American Chamber of

146 Commerce, Asian American Contractors Association, Associated Builders and Contractors, Associated

147 General Contractors of Minnesota, Association of Women Contractors, Hispanic Chamber of Commerce

148 of Minnesota, Minnesota American Indian Chamber of Commerce, National Association of Minority

149 Contractors Upper Midwest (Saint Paul and Minneapolis), National Black Chamber of Commerce, Saint

150 Paul Building and Construction Trades Council, Saint Paul Area Labor Federation, USPan Asian American

151 Chamber of Commerce, of this resolution and request that they indicate whether or not they wish to be

152 notified of projects with \$250,000 or more in City/HRA money.

	Yeas	Nays	Absent
Bostrom	✓		
Carter	✓		
Harris	✓		
Helgen	✓		
Lantry	✓		
Stark	✓		
Thune			✓
	6	0	1

Requested by Department of:

Mayor's Office

By: Sara Shewery

Approved by the Office of Financial Services

By: _____

Approved by City Attorney

By: [Signature]

Approved by Mayor for Submission to Council

By: Sara Shewery

Adopted by Council: Date 4/3/09

Adoption Certified by Council Secretary

By: [Signature]

Approved by Mayor: Date 6/9/09

By: [Signature]

#

Exhibit L
Sustainable Building Ordinance and/or Sustainable Building Initiative

DRAFT

Saint Paul PED / HRA Sustainability Initiative
January 30, 2007
(Amended October 5, 2010)

Objective of the Initiative

To make future development projects in Saint Paul more environmentally and financially sustainable by identifying and incorporating *proven and tested* practices that demonstrate *significant measurable results* and *return on investment*.

Requirements for development projects funded, in whole or in part, by the City of Saint Paul PED/HRA:

1. All developers who plan to newly construct:

- a commercial building of 15,000 square feet or greater, or
- a residential building with common space of 15,000 square feet or greater, or,
- a residential building of 150,000 square feet or greater (not including the garage)

are required to participate in Xcel Energy's *Energy Design Assistance* program and implement energy-saving recommendations. Initial inquiry should occur during the schematic design phase to maximize energy saving potential.

➤ *Energy Design Assistance* (Xcel Energy will determine the best level)

- Level 1 (generally for buildings 20,000 square feet or larger) provides a comprehensive approach to energy savings including personalized computer energy modeling for a planned building. This modeling predicts energy use, suggests energy-saving strategies and projects energy-cost savings.
- Level 2 (generally for buildings smaller than 20,000 square feet) provides a review of preliminary construction documents and recommends energy-saving strategies.
- Compared to code requirements, participants save an average of 30% on annual energy bills.
- Follow-up services help ensure that strategies are implemented and working to save on energy bills.
- Cost:
 - ▶ Consultation is free.
 - ▶ Xcel Energy pays the architectural and engineering team for their participation in Level 1.
 - ▶ Recommended strategies qualify for Xcel Energy's cash incentives, which decrease out-of-pocket cost.

2. All developers of new residential buildings that have less than 15,000 square feet of common space are required to participate in the *ENERGY STAR Qualified New Homes* program.

AND

All developers of rehabilitated single-family or duplex homes are required to participate in *Home Performance with ENERGY STAR*. New and rehabilitated buildings must receive third-party verification from an accredited organization.

- The Neighborhood Energy Connection (NEC), a Saint Paul nonprofit organization with independent consultants, can provide these services and help developers access rebates or reduced fees through Xcel Energy.
 - Consultants provide recommendations and projected return on investment for each improvement made.
 - Consultants make site visits to ensure that agreed upon improvements are being made and installed properly.
 - After the consultant's recommendations have been followed and inspection has been passed:
 - newly constructed buildings will receive ENERGY STAR HOMES certification, and
 - rehabilitated single-family or duplex homes will be eligible for rebates.
 - Financing is available. Tax breaks, rebates and other incentives may also be available.
 - Approximate Cost for ENERGY STAR HOMES:
 - ▶ Consulting services worth \$600.00 per home can be fully recovered through Xcel rebates.
 - ▶ Typically the added cost of for improvements is very low or non-existent.
 - ▶ Any costs are recovered by the homeowner through lower utility bills.
3. On every HRA / City-funded project within the District Energy service area, the developer is required to obtain cost estimates from District Energy and Xcel Energy for the provision of heating and/or cooling services early in the design process.
 4. On a project by project basis, including new construction, rehab and conversion, PED staff will attempt to negotiate with developers higher standards, which may include, but are not limited to, the United States Green Building Council's Leadership in Energy and Environmental Design (LEED) standards; the Minnesota Sustainable Building Guidelines; and Minnesota Green Communities standards.
 5. This policy applies to all projects that have not yet reached the design development phase.

City Contact: Kurt Schultz
1100 City Hall Annex
25 West 4th Street
St. Paul, MN 55102
651-266-6590 kurt.schultz@ci.stpaul.mn.us



Legislation Text

File #: Ord 17-60, **Version:** 2

Establishing sustainable building regulations for buildings owned, operated, or funded by the City.

THE COUNCIL OF THE CITY OF SAINT PAUL DOES HEREBY ORDAIN

Section 1

For the purpose of creating new regulations pertaining to sustainable building, Saint Paul Administrative Code Chapter 81 is hereby created as follows:

Chapter 81. Sustainable Building.

Sec. 81.01. Declaration of Policy.

The purpose of this chapter is to provide for public health and welfare by increasing the environmental and financial sustainability of future development projects within the City of Saint Paul.

Sec. 81.02. Definitions.

For the purposes of this chapter, the following words and phrases shall have the following meanings:

(a) *City Funding* means funds provided for New Construction or Major Renovations provided by agreement from the City of Saint Paul or the Saint Paul Housing and Redevelopment Authority (HRA), including:

- (1) Community Development Block Grants (CDBG)
- (2) Tax Increment Financing (TIF)
- (3) HOME Investment Partnership Program (HOME)
- (4) Multi-Family Housing Revenue Bonds
- (5) Low-Income Housing Tax Credits (LIHTC)
- (6) Any other Federal, State, or Metropolitan Council (Met Council) funding source
- (7) Any other City of Saint Paul funding source
- (8) Any other HRA funding source

(9) Notwithstanding the above, City Funding does not include the following:

- a. Department of Employment and Economic Development (DEED) Cleanup and Investigation Grants
- b. Met Council Tax Base Revitalization Account (TBRA) Contamination Cleanup Grants
- c. Met Council TBRA Site Investigation Grants
- d. Conduit Bonds issued for the benefit of qualified 501(c)(3) entities

(b) *Developer* means the entity, whether public or private, that undertakes New Construction or Major Renovation, and to whom the provisions of this chapter apply.

- (c) Director means the Director of the Department of Planning and Economic Development or their designee.
- (d) Major Renovation means renovation work performed on a building or portion thereof consisting of at least 10,000 square feet, and requiring installation of new mechanical, ventilation, or cooling systems, or the replacement of such systems.
- (e) New Construction means the planning, design, construction and commissioning of a new building, or an addition to an existing building if such addition requires installation of new mechanical, ventilation, or cooling systems.
- (f) Saint Paul Overlay means specific measurable standards that New Construction and Major Renovations must meet, and which are to be promulgated by the Director. The Saint Paul Overlay must include requirements for the following:
- (1) Predicted and actual energy use
 - (2) Predicted greenhouse gas emissions
 - (3) Predicted and actual use of potable water
 - (4) Predicted use of water for landscaping
 - (5) Utilization of renewable energy
 - (6) Electric vehicle charging capability
 - (7) Diversion of construction waste from landfills and incinerators
 - (8) Indoor environmental quality
 - (9) Stormwater management
 - (10) Resilient Design
 - (11) Ongoing monitoring of actual energy and water use

(g) Sustainable Building Standard means any of the following:

- (1) For commercial projects:
 - i. LEED for New Construction and Major Renovation; Certified Silver, Gold or Platinum
 - ii. State of Minnesota B3 Guidelines; Certified Compliant
 - iii. Saint Paul Port Authority Green Design Review (if applicable)
- (2) For residential projects:
 - i. LEED for New Construction and Major Renovation; Certified Silver, Gold or Platinum
 - ii. State of Minnesota B3 Guidelines; Certified Compliant
 - iii. GreenStar; Certified Silver, Gold or Platinum
 - iv. Green Communities; Certified
- (3) For parking structures:
 - i. Parksmart; Certified Silver or Gold

In the event that any of the above standards is determined by the Director to be obsolete, equivalent substitute standards may be utilized at the discretion of the Director until such time as this chapter may be updated to include new standards.

Sec. 81.03. Applicability.

This chapter applies to:

- (a) New Construction or the Major Renovation of facilities owned or operated by the City of Saint Paul or

the HRA.

- (b) New Construction or the Major Renovation of any facilities of which the City or HRA are, or will become, the sole tenant.
- (c) New Construction or Major Renovation of any facilities within the City of Saint Paul receiving more than \$200,000 of City Funding.

Sec. 81.04. Requirements.

- (a) New Construction or Major Renovations to which this chapter applies pursuant to Section 81.03 are required to be certified under an eligible Sustainable Building Standard at the listed rating level, and must meet the standards set forth in the Saint Paul Overlay.
- (b) For any projects to which this chapter applies under Sec. 81.03(c), compliance with this chapter must be a condition of receipt of City Funding.

Sec. 81.05 Waiver.

The requirements of this chapter may be waived, in whole or in part, by the Saint Paul City Council, or, in the event that the expenditure of City Funds is approved by the HRA, the HRA Board of Commissioners.

Section 2

This ordinance shall take effect and be in force on July 1, 2018, and apply to all projects for which schematic design is initiated on or after July 1, 2018.

Saint Paul Overlay

In addition to certification with one of the Sustainable Building Standards, projects complying with the Saint Paul Sustainable Building Ordinance (SPSBO) must also meet and document the requirements laid out in this section, referred to as the *Saint Paul Overlay*. The Ordinance states that the Overlay must require specific measurable requirements in the following areas:

- Predicted and actual energy use
- Predicted greenhouse gas emissions
- Predicted and actual use of potable water
- Predicted use of water for landscaping
- Utilization of renewable energy
- Electric vehicle charging capability
- Diversion of construction waste from landfills and incinerators
- Indoor environmental quality
- Stormwater management
- Resilient Design
- Ongoing monitoring of actual energy and water use

While achieving the Overlay requirements may contribute toward compliance with one or more of the identified *Sustainable Building Standards*, some additional documentation of compliance with the *Saint Paul Overlay* must be completed.

The following section lists the requirements of the *Saint Paul Overlay*, the required method(s) of demonstration of compliance, and the time at which this is due to be reported to the *Sustainability Facilitator*. Some of the *Overlay Requirements* have coordinating or overlapping reporting requirements; these are reordered to streamline project teams reporting.

List of Overlay Requirements:

1. Predicted and actual energy use
Predicted greenhouse gas emissions
Ongoing monitoring of actual energy use
2. Predicted and actual use of potable water
Predicted use of water for landscaping
Ongoing monitoring of actual water use
3. Utilization of renewable energy
4. Electric vehicle charging capability
5. Diversion of construction waste from landfills and incinerators
6. Indoor Environmental Quality
7. Stormwater Management
8. Resilient Design

* Overlay Requirement 1: Meet SB 2030 Energy Standard

Meeting this requirement during design and construction will document compliance with the following items:

- Predicted and actual energy use
- Predicted greenhouse gas emissions
- Ongoing monitoring of actual energy use

Overlay requirement:

Project teams must demonstrate that projects meet the State of Minnesota's SB 2030 Standard during both design and through 10 years of occupancy. The SB 2030 Standard sets an absolute energy target in Energy Use Intensity (EUI) in annual kBtu/sf based on the building's program and schedule. This standard is based on the following reduction from a 2003 baseline average building: 70% from 2015 through 2019, 80% from 2020 through 2024, and 90% from 2025 through 2030. Achieving this energy target may be done through improvement in energy efficiency and/or on-site renewable energy. Owners of campuses or sites that are greater than, and contiguous with the specific project site are permitted to locate new renewable systems that contribute to meeting SB 2030 anywhere on that campus, not merely on the portion associated with the relevant SPSBO project.

The SB 2030 program documentation is available at <http://www.b3mn.org/2030energystandard/>. Multiple paths may be available for projects, including methods for smaller buildings (under 20,000ft²) with more limited energy modeling requirements.

* Overlay Requirement 2: Indoor and Outdoor Water Efficiency

Meeting this requirement during design, construction, and operation will document compliance with the following items:

- Predicted and actual use of potable water indoors
- Predicted use of water for landscaping
- Ongoing monitoring of actual water use

Overlay requirement:

The project shall achieve the following:

Indoor water use: Reduce predicted and actual municipal potable water or harvested groundwater use in the building by 30% compared to code (Energy Policy Act of 1992) for any fixture types and water consuming appliances referenced by that standard. The criteria may be met by any combination of: selection of low or no flow fixtures, use of alternatively sourced water, or other strategies.

Outdoor water use: Design and maintain landscape so that after a 2-year establishment period, the landscape uses 50% less municipal potable water or harvested ground water for irrigation than a base case landscape design. (Exception: annuals are exempt.) Any amount of site-harvested rainwater, storm water, or gray or waste water treated on site to tertiary standards may be used. The criteria may be met by any combination of: selection of native or low water use plants, use of alternatively sourced irrigation water as described, use of high efficiency irrigation systems, or other strategies. In order to verify compliance with this guideline during operation of the building it is necessary to sub-meter irrigation separately from indoor water consumption.

Overlay Requirement 3: Renewable Energy

Meeting this requirement during design and construction will document compliance with the following items:

- Utilization of renewable energy

Overlay requirement:

Project teams must implement a renewable energy system designed to meet at least 2% of the annual energy need of the project through on-site solar and/or wind renewable energy systems if determined cost-effective. Cost-effectiveness is achieved when the system-lifetime cost of on-site renewable supplied energy is less than that supplied by available utility. It may be necessary to supply more than 2% of the energy needs to meet Overlay Requirement 1: Meet SB 2030 Energy Standard.

Overlay Item 4: Electric Vehicle Ready

Meeting this item during design and construction will document compliance with the following items:

- Electric vehicle charging capability

Overlay requirement:

Provide Electric Vehicle Supply Equipment (EVSE) infrastructure to permit future electric vehicle charging for at least 20% of the parking provided by the project. If the project is providing 5 or less total parking spaces EVSE Infrastructure must be provided for at least one space. EVSE infrastructure shall consist of:

- Dedicated space for future electrical distribution equipment to support EVSE
- Raceway of at least 1" connecting the future EVSE parking space(s) to dedicated space above

Considerations for locations of EVSE should include the ability for accessible parking to access charging capability.

* Overlay Requirement 5: Construction Waste Diversion

Meeting this requirement during design and construction will document compliance with the following items:

- Diversion of construction waste from landfills and incinerators

Overlay requirement:

Divert at least 75% (by weight) of construction, demolition, and land clearing debris from landfill and incinerator disposal.

* Overlay Requirement 6: Indoor Environmental Quality

Meeting this requirement during design and construction will document compliance with the following items:

- Indoor Environmental Quality

Overlay requirement:

Projects must meet all of the following:

- Projects not regulated under the Minnesota State Residential Code must achieve ventilation rates of not less than that required by the Minnesota State Energy Code or ASHRAE 62.1, whichever is more stringent.
- Projects regulated under the Residential Code must meet the Residential Code Minimums or ASHRAE 62.2, whichever is more stringent.
- Projects must document a Construction IAQ Management Plan, including following the SMACNA IAQ Guidelines for Occupied Buildings Under Construction, 2nd edition, if any portion of the building is occupied during construction.
- Document that the project is designed to meet the design, operating, and performance criteria of the most current version of ASHRAE 55.
- All newly installed interior materials must comply with the California Department of Health (CDPH) Standard Method v1.1-2010 and be certified as low-VOC. Interior materials are considered to be those within the least vapor-permeable most continuously-sealed layer.

* Overlay Requirement 7: Stormwater Management

Meeting this requirement during design and construction will document compliance with the following items:

- Stormwater Management

Overlay requirement:

Sites with 1/4 acre or more of total land disturbance must meet the following three criteria:

- Water Quality Management: For a two-year, 24-hour rainfall event, provide treatment systems designed to remove 80% of the average annual post-development Total Suspended Solids (TSS) and remove 60% of the average annual post-development Total Phosphorus (TP), by implementing Best Management Practices (BMP's) outlined in "Urban Small Sites Best Management Practices" handbook (Metropolitan Council), "Protecting Water Quality in Urban Areas" (Minnesota Pollution Control Agency), or the "Minnesota Storm Water Manual" (Minnesota Pollution Control Agency). All BMP treatments systems for the subject site shall include safety factors, maintenance, and a back-up plan in case of failure. All manufactured devices require independent laboratory testing to confirm product claims.
- Volume Control/Infiltration: Maintain or increase infiltration rates from pre-project site conditions.
- Operation and Maintenance: All practices must have an Operation and Maintenance plan

Overlay Requirement 8: Resilience in Design

Meeting this requirement during design and construction will document compliance with the following items:

- Resilient Design

Overlay requirement:

Urban resilience, as defined by the Rockefeller Foundation, is “the capacity of individuals, communities, institutions, businesses, and systems within a city to survive, adapt, and grow no matter what kinds of chronic stresses and acute shocks they experience.” Building resilience is about making people, communities, and systems better prepared to withstand catastrophic events—both natural and manmade—and able to bounce back more quickly and emerge stronger from these shocks and stressors.

For the purposes of the Saint Paul Overlay, Priority Shocks and Priority Stressors are identified as:

Priority Shocks are:

- Utility interruption: Partial or complete disruption of water, sewer, natural gas, and/or electricity service, evaluated during a period of extreme heat or extreme cold.
- Extreme rainfall: Precipitation equal to or greater than a 50-year, 24-hour (ATLAS 14) storm event.
- Transportation interruption: loss of passenger vehicle access to the building site for a period of 10 days.

Priority Stressors:

- Water quality: Document positive impact to chloride and nitrates levels leaving the site, beyond the level required by other portions of this Ordinance and other regulations.
- Heat island: Document positive impact to building’s heat island effect, beyond the level required by this Ordinance and other regulations.
- Air quality: Document positive impact to air quality or the building’s response to existing and future outdoor air quality issues, beyond the level required by this and other regulations.

The design team must identify from the above list at least one Priority Shock and one Priority Stressor that could reasonably be expected to impact the project in the future. The design team must then develop at least one strategy to address the identified Priority Shock(s) and Priority Stressor(s) and integrate those strategies into the design of the project. Additionally, the design team will provide a *Resilience Plan*, a narrative that identifies the selected Priority Shock(s) and Priority Stressor(s) and describes the strategy/strategies adopted to address the them.

#

Exhibit M
Two-Bid Policy

DRAFT

Exhibit M
Two-Bid Policy

Effective Date: January 21, 2009

**Policy Regarding
Requirement of Two (2) bids**

I. Purpose

The Housing and Redevelopment Authority of the City of Saint Paul, Minnesota ("HRA") has the power to engage in development and redevelopment activities under Minnesota Law, Chapter 469. To accomplish its objectives under Chapter 469, the HRA (i) awards financial assistance and contracts to profit and not-for-profit applicants, and (ii) contracts with community development corporations and other similar entities ("Conduit Organizations") to operate programs on behalf of the HRA.

The purpose of this policy is to require two (2) written bids for construction work by all recipients of HRA or Conduit Organizations Contracts and this requirement will also apply to single family residences. This policy is effective on the Effective Date for all new and pending requests for HRA or Conduit Organizations financial assistance and HRA Contracts not approved by the HRA Board of Commissioners. This Policy applies to the contracts for the entire project even though only a portion of the improvements are being funded with public assistance.

This policy does not apply to (i) those portions of a HRA or Conduit Organizations Contract that are self-performed by the recipient of the HRA or Conduit Organizations Contract or (ii) contracts involving 'soft costs' i.e. professional services.

II. Definitions

Contract(s) means any HRA or Conduit Organizations agreement or City STAR (i.e. sales tax) agreement involving financial assistance with a value of \$20,000 or more in any of the following forms: grant; contribution of personal or real property; with respect to a loan given by the HRA or Conduit Organizations, the present value of the difference in the interest rate given by the HRA or Conduit Organizations and that rate commercially available to the recipient; reduction or deferral of any tax, assessment or fee; guaranty of any loan, lease or other obligation; tax increment financing; tax credits; or other HRA or Conduit Organizations financial participation. Conduit bonds and bond host approval are excluded from this definition and this policy.

III. Minimum of 2 Bid requirement-All contracts.

1. For all Contracts, whether for single family residence or non-single family residence, in any of the forms described in Section II above, each applicant and recipient of public financial assistance must request and obtain at least two (2) written bids for the construction work to be performed under the Contract by the general contractor/construction manager and subcontractors and award the contract or contracts to the lowest responsible bidder.

IV. **Waiver/Exemption**

1. The requirements of this Policy may be waived in whole or in part by the HRA Executive Director or his/her designee after consideration of the advantages and disadvantages of a waiver, and upon a showing by the applicant of a compelling public purpose.
2. Subcontracts with entities that are the sole providers of a product or service are exempt from the competitive bid requirements of this Policy.

Effective Date: March 5, 2009

Supplement to Policy Regarding Requirement of Two (2) bids

The HRA's Policy Regarding Requirement of Two (2) bids ("Policy") requires, in part, that each applicant of public financial assistance request and obtain at least two {2} bids for the general contractor/construction manager contract and to award the contract to the lowest responsible bidder. As an alternative to fulfilling this requirement, *if* an applicant elects to negotiate a contract with a general contractor/construction manager in lieu of obtaining 2 written bids and awarding the contract to the lowest responsible bidder, then the applicant must contact at least 3 potential general contractors/construction managers and consider the following standards in making its decision to award the contract to particular general contractor/construction manager:

1. Experience in constructing the type of improvements being funded in whole or in part by the HRA.
2. Experience in the construction and management of publicly financed projects and familiarity with reporting requirements and accounting for public funds.
3. Having the licenses required by state, county and city authorities.
4. Proven track record of bringing similar projects to completion within budget, on-time and in an industry acceptable manner during the past five years.
5. Having the appropriate material, equipment, facility and personnel resources and expertise available, or the ability to obtain such resources and expertise, necessary to indicate the capability to meet all contractual responsibilities.
6. Previous and current compliance with federal laws, state statutes, and city ordinances and regulations applicable to the work of a contract.
7. Having sufficient financial resources to perform the contract.
8. Not being a debarred vendor under the City of St. Paul's debarment ordinance; or other state or federal debarment list.
9. History of complying with the HRA's requirements for affirmation action, apprenticeship training program, labor standards, vendor outreach program, project labor agreements, and other HRA requirements.
10. History of change orders on projects, including their frequency, size and percentage of total development cost.
11. Amount of proposed overhead profit and charges.
12. Amount of proposed general conditions charges.
13. Amount of proposed contingency.

Each applicant must submit to the HRA: (a) information and documents on the above described standards for each potential general contractor/construction manager, and (b) resulting rationale for selecting a particular general contractor/construction manager, before the HRA makes a decision on awarding any public assistance or executes a contract awarding public assistance.

The other provisions of the Policy remain in full force and effect including without limitation the requirement of receiving 2 bids from subcontractors.

April 14, 2009

Two (2) Bid Policy

Example 1.

Developer has hired architect and has full construction drawings. Developer solicits bids for construction contract. Developer must solicit 2 or more bids from general contractor and award contract to lowest responsible bidder. No need to solicit bids from those subcontractors whose bids are included in general contractor's bid.

In the case of a subcontractor whose bid is not included in the general contractor's bid but instead contracts directly with the developer, then two (2) or more bids are required from those subcontractors and contracts must be awarded to lowest responsible bidders.

Example 2.

Developer has no construction drawings and wants to retain general contractor/construction manager. Developer can elect to proceed under Supplement to Two (2) Bid Policy and contact at least 3 potential general contractors/construction managers. Developer must consider the 13 factors listed in Supplement and submit to HRA requested information and documents.

Full construction drawings are then prepared. Two (2) or more bids are required from the subcontractors and contracts must be awarded to lowest responsible bidders.

Example 3.

Recipient of public financial assistance is homeowner of single-family residence who acts as his own general contractor. Homeowner must solicit 2 or more bids from each subcontractor and award contracts to lowest responsible bidder.

#

Exhibit N
Labor Standards

DRAFT



CITY OF SAINT PAUL FEDERAL LABOR STANDARDS

LABOR STANDARDS REQUIREMENTS

Developers, general contractors, subcontractors and lower-tier subcontractors shall comply with any of the following regulations as may be applicable:

Davis-Bacon Act, 40 U.S.C. 276(a) – 276(a)(7)
Davis-Bacon Related Acts, 29 CFR Part 5
Copeland Act, 40 U.S.C. X276C and 18 U.S.C. § 874
Contract Work Hours and Safety Standards Act, 40 U.S.C. § 327-333
Minnesota Statutes § 177.41 - 177.44
Minnesota Rules 5200.1000-5200.1120
City of Saint Paul § 82.07

Davis-Bacon compliance requirements include, but are not limited to, the following:

- 1) All workers performing labor on site must be paid the minimum prevailing wages established by the U.S. DOL and/or MN/DLI. Payment shall be paid on a weekly basis to all onsite workers. The developer and/or prime contractor is responsible to ensure that all onsite workers are compensated according to the U.S. DOL federal wage decision, and (if applicable) the MN/DLI state prevailing wage determination, incorporated into and found elsewhere in this contract, **whichever is greater.**
- 2) A contractor shall not permit or require a worker to work longer than the prevailing hours of labor unless the worker is paid for all hours in excess of the prevailing hours at a rate of at least 1½ times the base hourly rate of pay. The prevailing hours of labor is defined as not more than 40 hours per week (and 8 hours per day if applicable).
- 3) Apprentices/trainees are the only workers allowed to work at a lesser rate if registered in an approved apprenticeship/training programs. Proof of apprenticeship must be provided before an employee begins work on site.
- 4) The prime contractor and all applicable subcontractors are required to **submit certified payroll reports electronically through LCPTracker.**
- 5) The following must be physically attached to all bid documents and contract agreements pertaining to this project:
 - Labor Standards Requirements
 - Federal Labor Standards Provisions (HUD 4010)
 - Apprentice/Trainee Guidelines
 - Wage Decision(s)
- 6) The Labor Standards posters and Wage Decision(s) must be posted at the construction site in a visible location and be protected from the elements.

Please contact the Labor Standards Specialist with Davis Bacon questions:
Alex Dumke | 651-266-8969 | alexander.dumke@ci.stpaul.mn.us



CITY OF SAINT PAUL FEDERAL LABOR STANDARDS

LABOR STANDARDS FACT SHEET

- Applicable projects in excess of \$2,000 require weekly payment of the prevailing rate (wage + fringes) to all on-site workers, based on the actual type of work performed and regardless of skill
- Contracts cannot be awarded to businesses debarred or suspended by federal, state, or city authorities
- Payrolls must be certified and submitted using LCPTtracker. Payroll reports are due within seven (7) days after the payroll period.
- Business owners working with their crew must report their wage information and can certify the payroll. Business owners working alone cannot certify payment of their own prevailing wage; instead, they are reported on a weekly payroll prepared and certified by their engaging contractor (wage information must be reported). **There are no Davis-Bacon exceptions for owners of businesses, sole proprietors, salaried employees, self-employed owners, partners, corporate officers, or others.**
- Workers must be paid overtime (time and one-half times the basic rate of pay plus the fringe benefit amount) for all hours worked in excess of 40 per week, and over 8 hours in a day (**if applicable**).
- Apprentices/trainees registered in approved programs may be paid less than the wage rate in the wage decision for their work classification. Apprentice program ratio requirements are applied hour-for-hour to the project site. Out-of-ratio apprentices must be paid the prevailing wage rate for the classification of work performed.
- Developer/prime contractor submits ID of Prime and Subs which is to be kept current
- General contractor/subcontractors/lower-tier subcontractors must submit the Contractor Profile prior to starting work
- Verification of employee wage receipt may include contacting the trade local, benefit fund administrator, submission of cancelled paychecks, stubs, time cards and interview responses
- Employers shall permit authorized representatives to interview workers at the project site (on company time) to verify payment of the prevailing rate for the classification of work they are performing
- Cleaning performed during construction is subject to prevailing wage provisions. In the absence of a specific wage rate for cleaning classification, the cleaners must be paid the predetermined wage rate for laborers. Demolition related to the project is also subject to prevailing wage provisions.
- Contractors must keep a complete set of their project payrolls and other basic records (tax records, time cards, work logs, payroll checks and stubs, evidence of fringe payments, etc.) for a period of 3 years after project close-out

Please contact the Labor Standards Specialist with Davis Bacon questions:
Alex Dumke | 651-266-8969 | alexander.dumke@ci.stpaul.mn.us



**CITY OF SAINT PAUL
FEDERAL LABOR STANDARDS**

APPRENTICES/TRAINEES

WAGES	An Apprentice/Trainee can be paid less than the wage rate listed in the wage decision for his/her work classification if he/she is registered in an approved apprenticeship/training program.
PROGRAMS	Approved programs are registered with the Department of Labor (DOL) or a DOL recognized State Apprenticeship Agency (SAC). Apprentices/trainees are paid wage rates in accordance with the wage schedule in the approved program.
REQUIREMENTS	<p>If using apprentices as part of your on-site workforce, submit the following to your engaging contractor or other designee:</p> <ul style="list-style-type: none"> • A copy of the Apprenticeship Agreement; • The current level of advancement (include “apprentice” and the hour or percentage level with the work classification on your payroll reports); and • A copy of YOUR registered/approved program wage rates and ratios.
LIMITATIONS	The maximum number of apprentices/trainees you can use on the job site cannot exceed the ratio of apprentices/trainees to journey workers allowed in the approved program. Ratios are applied hour-for-hour at the project site. You will be required to pay wage restitution for ratio violations.

PROBATIONARY APPRENTICES

Probationary Apprentices can be paid as an apprentice **if**:

- The DOL or SAC has certified that the person is eligible for probationary employment as an apprentice; and
- verification is submitted to the city.

PRE APPRENTICES (an individual not registered in a program)

A Pre-apprentice must be paid the full journey worker rate on the wage decision for the classification of work they perform.

HELPERS/ASSISTANTS

Helpers are not allowed to work at a lesser rate of pay on State and Federally-funded projects.

Please contact the Labor Standards Specialist with Davis Bacon questions:
 Alex Dumke | 651-266-8969 | alexander.dumke@ci.stpaul.mn.us

Applicability

The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

A. 1. (i) Minimum Wages. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section I(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible, place where it can be easily seen by the workers.

(ii) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140.)

(c) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(ii)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part

of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

2. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work, all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

3. (i) Payrolls and basic records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1(b)(2)(B) of the Davis-bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been

communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)

(ii) (a) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i) except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this subparagraph for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to HUD or its designee. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

(b) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5 (a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i), and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by subparagraph A.3.(ii)(b).

(d) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under subparagraph A.3.(i) available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and Trainees.

(i) **Apprentices.** Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who

is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) **Trainees.** Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by

the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under 29 CFR Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract

6. Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in subparagraphs 1 through 11 in this paragraph A and such other clauses as HUD or its designee may by appropriate instructions require, and a copy of the applicable prevailing wage decision, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this paragraph.

7. Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

10. (i) Certification of Eligibility. By entering into this contract the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be

awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, Section 1 01 0, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part: "Whoever, for the purpose of . . . influencing in any way the action of such Administration..... makes, utters or publishes any statement knowing the same to be false..... shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.

B. Contract Work Hours and Safety Standards Act. The provisions of this paragraph B are applicable where the amount of the prime contract exceeds \$100,000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which the individual is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

(3) Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

C. Health and Safety. The provisions of this paragraph C are applicable where the amount of the prime contract exceeds \$100,000.

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, (Public Law 91-54, 83 Stat 96). 40 USC 3701 et seq.

(3) The contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontractor as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.



The LCPtracker™ service is a paperless, online system of entering Certified Payroll Reports. Payroll data may be entered directly into the system or uploaded from major construction, accounting, and payroll programs. The service eliminates the need for contractors to submit paper prevailing wage documents and forms while providing an online database of all certified payroll reports. The service also generates audits, logs and correspondence.

All contract-specific wage rates and worker classifications are online, within the system, and contractors select classifications from a menu. Worker information is entered once and then remains in the system accessible to all of the Agencies' public works contract activity. Potential errors in wage rates or worker classification entries are flagged to contractors preemptively, allowing contractors to correct data prior to submittal.

A few of the immediate benefits conferred by the use of LCPtracker™ are:

- LCPtracker™ confirms rates and classifications prior to allowing contractors to submit payroll or payroll-related documents to the City of Saint Paul.
- All reports are available instantly to contractors in hardcopy and electronic formats.
- No need to mail in paperwork. Payrolls will be submitted electronically. There is an audit trail of all submitted records and all correspondence between the City of Saint Paul and the contractors.

There is no cost to contractors for this service. The successful bidder (contractors with city contracts,) will be given access to the system. On-line training is provided at no cost. Contractors may access the training after receiving login i.d. and password. An email with login instructions will be sent to contractors once they are assigned to a contract in LCPtracker™.

Questions may be directed to Alex Dumke at 651-266-8969, or emailed to alexander.dumke@ci.stpaul.mn.us. Complete and full support is also offered directly to contractors by LCPtracker™ for any technical questions on the use of the service. Contact **LCPtracker Support at 714-669-0052, #4** or support@lcptracker.com.

P.O. Box 187
Orange, CA 92856-6187
(714) 669-0052
www.lcptracker.com



CONTRACTOR PROFILE

Project Name: _____

Business Name: _____ Federal Tax ID #: _____

Address: _____

Phone #: _____ Fax #: _____

Our agreement/contract dated _____ is with _____ in the amount of \$ _____

For _____
(Identify specific contract work)

Will you sub out any of your contract work? _____ If yes, please identify subs: _____

Person authorized to certify (sign) payroll reports: _____

Person submitting electronic payroll reports: _____ Email: _____

Identify work classifications (as listed in project wage decision) you anticipate using, base rate of pay, and total wage payment:

<u>Work Classification</u> (Group #, if applicable. Add pages if necessary)	<u>Base Rate of Pay</u>	<u>Total Wage Payment</u> (base +fringes)
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____

Check (A), (B) or (C) identifying how fringe benefits are paid to your workers:

- (A) _____ included with pay check in the amount of \$ _____;
- (B) _____ funded (with trustee or third party) fringe benefit plan in the hourly amounts indicated below:
- (C) _____ unfunded* (company-paid) fringe benefit plan in the hourly amounts indicated below
(identify for each employee working on the project, include: hourly fringe amounts, provider/company name if applicable, & how often contribution is made):

<u>*Holiday</u>	<u>*Vacation</u>	<u>*Sick Leave</u>	<u>Health</u>	<u>Dental</u>	<u>Life</u>	<u>Pension</u>	<u>Other</u> (identify)	<u>TOTAL HOURLY FRINGE RATE</u>
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____ =	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____ =	\$ _____

Benefit funds are deposited into Account #(s) _____ and are maintained by (agency name & address):

_____ Phone #: _____

IF FUNDS ARE MAINTAINED BY A THIRD PARTY FRINGE BENEFIT PLAN, PLEASE ATTACH A CURRENT LETTER FROM THE FUND ADMINISTRATOR.

Owner/Principal Officer & Title (PLEASE PRINT) _____ Owner/Principal Officer Signature _____ Date _____

IS THIS A SOLE PROPRIETORSHIP OR PARTNERSHIP BUSINESS? Yes No

IDENTIFICATION OF PRIME CONTRACTOR AND SUBCONTRACTORS (INCLUDING MATERIAL SUPPLIERS)



Form required for Labor Standards, AAVEEO, HUD Section 3, and Vendor Outreach

Submit completed form to: Contract Compliance & Business Development

15 West Kellogg Blvd, Room 280

Saint Paul, MN 55102-1681

Phone: 651-266-8900, Fax: 651-266-8919

Email: contractcompliance@stpaul.gov

Project: _____ Bid #: _____ Est. Construction Cost: _____ VOP Goal: \$ _____ %

Please identify all sub-contractors (including material suppliers) you intend to utilize on this project. Identify all suppliers with an (S). Identify Minority Owned, Women Owned, Small, and Section 3 businesses with **MBE, WBE, SBE, or Sec 3** respectively. Please identify Certified Vendors. **Form must be updated and submitted when you add, delete, or make other changes to the list.**

	Name, Address, Contact Person, and Phone Number	CERT W/M/S/BE Vendor	Section 3 Certified Vendor	Nature of Work	Date Work to Begin	Date Work Completed	Contract Amount
PRIME:	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
SUBS: 1	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
2	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
3	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
4	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
5	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
6	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
7	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
8	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____

IDENTIFICATION OF PRIME CONTRACTOR AND SUBCONTRACTORS (INCLUDING MATERIAL SUPPLIERS)

	Name, Address, Contact Person, and Phone Number	CERT W/M/S/BE Vendor	Section 3 Certified Vendor	Nature of Work	Date Work to Begin	Date Work Completed	Contract Amount
9	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
10	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
11	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
12	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
13	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
14	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
15	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
16	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
17	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
18	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
19	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
REPORT OF ADDITIONAL CLASSIFICATION AND RATE**

HUD FORM 4230A

OMB Approval Number 2501-0011
(Exp. 01/31/2010)

1. FROM (name and address of requesting agency)	2. PROJECT NAME AND NUMBER
	3. LOCATION OF PROJECT (City, County and State)

4. BRIEF DESCRIPTION OF PROJECT	5. CHARACTER OF CONSTRUCTION <input type="checkbox"/> Building <input type="checkbox"/> Residential <input type="checkbox"/> Heavy <input type="checkbox"/> Other (specify) <input type="checkbox"/> Highway
---------------------------------	---

6. WAGE DECISION NO. (include modification number, if any) <input type="checkbox"/> COPY ATTACHED	7. WAGE DECISION EFFECTIVE DATE
--	---------------------------------

8. WORK CLASSIFICATION(S)	HOURLY WAGE RATES	
	BASIC WAGE	FRINGE BENEFIT(S) (if any)

9. PRIME CONTRACTOR (name, address)	10. SUBCONTRACTOR/EMPLOYER, IF APPLICABLE (name, address)
-------------------------------------	---

Check All That Apply:

The work to be performed by the additional classification(s) is not performed by a classification in the applicable wage decision.

The proposed classification is utilized in the area by the construction industry.

The proposed wage rate(s), including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage decision.

The interested parties, including the employees or their authorized representatives, agree on the classification(s) and wage rate(s).

Supporting documentation attached, including applicable wage decision.

Check One:

Approved, meets all criteria. DOL confirmation requested.

One or more classifications fail to meet all criteria as explained in agency referral. DOL decision requested.

<p style="text-align: center;">_____</p> <p style="text-align: center;">Agency Representative (Typed name and signature)</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Date</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Phone Number</p>	<p>FOR HUD USE ONLY</p> <p>LR2000:</p> <p>Log in:</p> <p>Log out:</p>
---	---

EMPLOYEE RIGHTS UNDER THE DAVIS-BACON ACT

FOR LABORERS AND MECHANICS EMPLOYED ON FEDERAL OR FEDERALLY ASSISTED CONSTRUCTION PROJECTS

THE UNITED STATES DEPARTMENT OF LABOR WAGE AND HOUR DIVISION

PREVAILING WAGES

You must be paid not less than the wage rate listed in the Davis-Bacon Wage Decision posted with this Notice for the work you perform.

OVERTIME

You must be paid not less than one and one-half times your basic rate of pay for all hours worked over 40 in a work week. There are few exceptions.

ENFORCEMENT

Contract payments can be withheld to ensure workers receive wages and overtime pay due, and liquidated damages may apply if overtime pay requirements are not met. Davis-Bacon contract clauses allow contract termination and debarment of contractors from future federal contracts for up to three years. A contractor who falsifies certified payroll records or induces wage kickbacks may be subject to civil or criminal prosecution, fines and/or imprisonment.

APPRENTICES

Apprentice rates apply only to apprentices properly registered under approved Federal or State apprenticeship programs.

PROPER PAY

If you do not receive proper pay, or require further information on the applicable wages, contact the Contracting Officer listed below:



Federal Labor Standards Compliance
City of Saint Paul
651-266-8900
www.stpaul.gov/federallaborstandards

or contact the U.S. Department of Labor's Wage and Hour Division.



For additional information:

1-866-4-USWAGE

(1-866-487-9243) TTY: 1-877-889-5627



WWW.WAGEHOUR.DOL.GOV

DERECHOS DEL EMPLEADO

BAJO LA LEY DAVIS-BACON

PARA OBREROS Y MECÁNICOS EMPLEADOS EN PROYECTOS DE CONSTRUCCIÓN FEDERAL O CON ASISTENCIA FEDERAL

LA SECCIÓN DE HORAS Y SUELDOS DEL DEPARTAMENTO DE TRABAJO DE EEUU

SALARIOS PREVALECIENTES

No se le puede pagar menos de la tasa de pago indicada en la Decisión de Salarios Davis-Bacon fijada con este Aviso para el trabajo que Ud. desempeña.

SOBRETIEMPO

Se le ha de pagar no menos de tiempo y medio de su tasa básica de pago por todas las horas trabajadas en exceso de 40 en una semana laboral. Existen pocas excepciones.

CUMPLIMIENTO

Se pueden retener pagos por contratos para asegurarse que los obreros reciban los salarios y el pago de sobretiempo debidos, y se podría aplicar daños y perjuicios si no se cumple con las exigencias del pago de sobretiempo. Las cláusulas contractuales de Davis-Bacon permiten la terminación y exclusión de contratistas para efectuar futuros contratos federales hasta tres años. El contratista que falsifique los registros certificados de las nóminas de pago o induzca devoluciones de salarios puede ser sujeto a procesamiento civil o criminal, multas y/o encarcelamiento.

APRENDICES

Las tasas de aprendices sólo se aplican a aprendices correctamente inscritos bajo programas federales o estatales aprobados.

PAGO APROPIADO

Si Ud. no recibe el pago apropiado, o precisa de información adicional sobre los salarios aplicables, póngase en contacto con el Contratista Oficial que aparece abajo:



Las Normas Laborales Federales
La Ciudad de Saint Paul
651-266-8900
www.stpaul.gov/federallaborstandards

o póngase en contacto con la Sección de Horas y Sueldos del Departamento de Trabajo de EEUU.



Para obtener información adicional:

1-866-4-USWAGE

(1-866-487-9243) TTY: 1-877-889-5627



WWW.WAGEHOUR.DOL.GOV



CITY OF SAINT PAUL CITY LABOR STANDARDS (LITTLE DAVIS-BACON) FACT SHEET

- All City of Saint Paul projects in the amount of \$25,000 dollars or more require that all workers on the job site whose duties are physical or manual be paid weekly prevailing rates (including fringe benefits).
- Workers shall be compensated at not less than one and one-half times (1.5) the basic rate of pay plus one times the identified fringe benefit amount for all hours worked in excess of 8 per day or 40 per week on this project (whichever is greater).
- Developer/prime contractor is responsible for only employing subcontractors who have certified eligibility in written contracts containing Little Davis-Bacon Requirements. Contracts cannot be awarded to businesses debarred or suspended by federal, state, or city authorities.
- Developer/prime contractor is responsible for posting the Prevailing Rates Schedule and “Notice to All Employees” (red, white, and blue poster) in a highly visible location on the job site.
- Prime, subcontractors and lower-tiers must submit a Contractor Profile form and Identification of Prime and Subs if applicable; Prime also submits Weekly Site Logs and keeps the identification of prime and sub-contractors current.
- Payrolls must be certified and submitted using **LCPtracker**. Payroll reports are due within seven (7) days after the payroll period. Non-working weeks must be recorded in LCPtracker for the weeks not onsite after the start of work on the project.
- BEFORE performing contract work**, self-employed and partnership contractors must submit bona fide status documentation for review and approval by the labor standards officer.
- Business owners **working with their crew** must report their wage information and can certify the payroll. Business owners **working alone** cannot certify payment of their own prevailing wage; instead they are reported on a weekly payroll prepared and certified by their engaging contractor (wage information must be reported.) **There is no exception to this protection for owners of business, sole proprietors, self-employed, partners, corporate officers, or others.**
NOTE: Owners, officers, shareholders of a corporation are employees and are to be paid the prevailing rate (including fringe benefits) when working at the project site; All wage information must be included.
- Apprentices/trainees are the only workers allowed to work at a lesser rate when registered in approved apprenticeship/training programs. Submit an Apprenticeship agreement, the current level of advancement and corresponding wage information the week the apprentice first appears on the jobsite. Apprentice to journey-worker ratios must be adhered to hour-for-hour. Apprentices/trainees working alone must be paid journey-worker rates. **THERE ARE NO EXCEPTIONS TO THE ON-SITE RATIO.** Pre-apprentices are not allowed at a lesser rate.
- Cleaning performed during construction is subject to prevailing wage provisions. In the absence of a specific wage rate for cleaning classification, the cleaners must be paid the predetermined wage rate for laborers. Demolition related to the project is also subject to prevailing wage provisions.
- Verification of employee wage receipt may include contacting the local trade or designated benefit fund account, or contractor submission of canceled paychecks, timecards and/or stubs for weeks(s) specified.
- All timekeeping records (including timecards, work logs, payroll checks and stubs, etc.) must be kept on file for a period of two (2) years after the close of the project.



CITY/STATE LABOR STANDARDS REQUIREMENTS

Developers, general contractors, subcontractors, and lower-tier subcontractors shall comply with any of the following rules and regulations as may be applicable:

- Little Davis-Bacon Ordinance, Section 82.07, Saint Paul Administrative Code
- Minnesota Statutes §§ 177.41- 44 and Rules 5200.1000 – 5200.1120

The requirements of the Ordinance/Statutes are as follows:

- (1) **The minimum wage rates and fringe benefits established by the City of Saint Paul and/or the Minnesota Department of Labor and Industry shall be paid weekly to all on-site workers. Failure to comply with the aforementioned may result in civil or criminal penalties.**
- (2) **All workers shall be paid time-and-one-half for all overtime hours worked, meaning hours worked over 8 in a day or over 40 in a week, whichever is greater.**
- (3) **Apprentices/trainees are allowed to work at a lesser rate if they are registered in approved apprenticeship/training programs. Ratios are applied on-site and the appropriate ratio of apprentices to journey-workers must be maintained hour-for hour. (See Apprentice/Trainee Guidelines)**
- (4) **Independent Truck Owner/Operators or Multiple Truck Owner/Operators must be paid the applicable Truck Rental Rate set out by the Minnesota Department of Labor and Industry. Month-End Trucking reports must be submitted to the City of Saint Paul detailing ITO/MTO work on the project. (See Trucking Guidelines.)**
- (5) **The developer, prime contractor and any subcontractors are required to:**
 - **Provide any noted and/or requested contract compliance-related data electronically in the online Contract Compliance System;**
 - **Respond to any instruction or request for information by any noted response/due date; and**
 - **Check the online Contract Compliance System on a regular basis to manage contact information and payroll records.**

The developer (or prime contractor) is responsible for ensuring all prime contractors, and/or subcontractors have completed all requested items and that their contact information is accurate and up-to-date.

Documents to be attached to all bid specifications, contracts, subcontracts and lower-tier subcontracts for this project include, but are not limited to:

- Labor Standards Requirements;
- Applicable Prevailing Wage Rates;
- Apprentice/Trainee Guidelines; and
- Bona Fide Self-Employed/Independent and Partnership Subcontractor Status

A City Labor Standards Poster and the Prevailing Wage Rate Data **must be** posted at the construction site in a visible location.

FOR ASSISTANCE OR SPECIFIC INFORMATION CONTACT:
City Labor Standards • 15 W. Kellogg Blvd., St. Paul, MN 55102 • 651-266-8900
ContractCompliance@ci.stpaul.mn.us



NOTICE TO CONTRACTORS

The prevailing wage rates certified and published by the Minnesota Department of Labor and Industry apply to all City of Saint Paul Projects (with limited exceptions) in the amount of \$25,000 dollars or more involving new construction, demolition work, or repair work to public and private property. Rates will apply based on construction type, and are subject to change until the date of advertisement.

FOR HOUSING AND REDEVELOPMENT AUTHORITY PROJECTS ONLY: Wage decisions in effect on contract signing will be locked in for the duration of the project, provided construction begins within 90 days of contract signing. After 90 days, wage decisions will be updated up to construction start date. **This wage decision may or may not be locked into the contract.**

CONSTRUCTION DEFINITIONS:

1. Commercial construction

Commercial construction means all building construction projects exclusive of residential construction.

2. Highway and heavy construction

Highway and heavy construction" means all construction projects which are similar in nature to those projects based upon bids as provided under Minnesota Statutes, section 161.32 for the construction or maintenance of highways or other public works and includes roads, highways, streets, airport runways, bridges, power plants, dams, and utilities.

3. Residential construction or agricultural construction

Residential construction or agricultural construction means all construction, remodeling, or repairing of single or two family homes and structures appurtenant thereto including agricultural or farming buildings appurtenant to private farm residences when utilized to carry on primary farming operations.



The LCPtracker™ service is a paperless, online system of entering Certified Payroll Reports. Payroll data may be entered directly into the system or uploaded from major construction, accounting, and payroll programs. The service eliminates the need for contractors to submit paper prevailing wage documents and forms while providing an online database of all certified payroll reports. The service also generates audits, logs and correspondence.

All contract-specific wage rates and worker classifications are online, within the system, and contractors select classifications from a menu. Worker information is entered once and then remains in the system accessible to all of the Agencies' public works contract activity. Potential errors in wage rates or worker classification entries are flagged to contractors preemptively, allowing contractors to correct data prior to submittal.

A few of the immediate benefits conferred by the use of LCPtracker™ are:

- LCPtracker™ confirms rates and classifications prior to allowing contractors to submit payroll or payroll-related documents to the City of Saint Paul.
- All reports are available instantly to contractors in hardcopy and electronic formats.
- No need to mail in paperwork. Payrolls will be submitted electronically. There is an audit trail of all submitted records and all correspondence between the City of Saint Paul and the contractors.

There is no cost to contractors for this service. The successful bidder (contractors with city contracts,) will be given access to the system. On-line training is provided at no cost. Contractors may access the training after receiving login i.d. and password. An email with login instructions will be sent to contractors once they're assigned to a contract in LCPtracker™. Questions may be directed to Contract Compliance at 651-266-8900, or emailed to ContractCompliance@ci.stpaul.mn.us. Complete and full support is also offered directly to contractors by LCPtracker™ for any technical questions on the use of the service. Contact **LCPtracker Support at 714-669-0052, #4** or support@lcptracker.com.

P.O. Box 187
Orange, CA 92856-6187
(714) 669-0052
www.lcptracker.com



**CITY OF SAINT PAUL
APPRENTICESHIP GUIDELINES**

APPRENTICES/TRAINEES

WAGES	An Apprentice/Trainee can be paid less than the wage rate listed in the wage decision for his/her work classification if he/she is registered in an approved apprenticeship/training program.
PROGRAMS	Approved programs are registered with the Department of Labor (DOL) or a DOL recognized State Apprenticeship Agency (SAC). Apprentices/trainees are paid wage rates in accordance with the wage schedule in the approved program.
REQUIREMENTS	<p>If using apprentices as part of your on-site workforce, submit the following to your engaging contractor or other designee:</p> <ul style="list-style-type: none"> • A copy of the Apprenticeship Agreement; • The current level of advancement (include “apprentice” and the hour or percentage level with the work classification on your payroll reports); and • A copy of YOUR registered/approved program wage rates and ratios.
LIMITATIONS	<p>The maximum number of apprentices/trainees you can use on the job site cannot exceed the ratio of apprentices/trainees to journey workers allowed in the approved program. Ratios are applied hour-for-hour at the project site. You will be required to pay wage restitution for ratio violations.</p> <p>NOTE: If the program does not have onsite apprenticeship ratios, your company will be required to follow the apprenticeship ratios promulgated by the Minnesota Department of Labor and Industry.</p>

PROBATIONARY APPRENTICES

Probationary Apprentices can be paid as an apprentice **if:**

- The DOL or SAC has certified that the person is eligible for probationary employment as an apprentice; and
- Verification of this is submitted to your engaging contractor or other designee.

PRE APPRENTICES (an individual not registered in a program)

A Pre-apprentice must be paid the full journey worker rate on the wage decision for the classification of work they perform.

HELPERS/ASSISTANTS

Helpers are not allowed to work at a lesser rate of pay on State and Federally-funded projects.

R.U.C.S (RESIDENTIAL UTILITY CARPENTERS)

R.U.C.s are not allowed to work at a lesser rate of pay on State and Federally-funded projects.



CITY OF SAINT PAUL LITTLE DAVIS-BACON REQUIREMENTS FOR BONA FIDE SELF-EMPLOYED AND PARTNERSHIP SUBCONTRACTOR STATUS

REQUIREMENTS

- All “self-employed” and “partnership” businesses must provide bona fide status demonstration prior to performing work at the project site. Failure to demonstrate contractor/subcontractor status may result in payment delay and possible contract/subcontract agreement cancellation
- All “self-employed” and “partnership” businesses must have executed and provided a written contract/subcontract agreement (containing the Little Davis-Bacon Labor Standards Requirements and applicable Prevailing Wage Rates) for their work performance to the labor standards contract administrator assigned to this project.

Bona Fide SELF-EMPLOYED SUBCONTRACTOR Status Demonstration

All self-employed contractors/subcontractors must submit copies of 4 of the 6 the documents listed below:

- (1) Identification of a registered trade name and location of telephone listing under that name;
- (2) Contractor’s license;
- (3) A subcontractor’s bond;
- (4) Proof of worker’s compensation insurance coverage;
- (5) Copy of previous tax year’s income tax filing;
- (6) Any other determination regarding status as defined by the State or Federal Department of Revenue

IMPORTANT: Failure to provide copies of the requested documentation will disallow the “subcontractor status” and the individuals will be included on the engaging company’s payroll as employees.

Bona Fide PARTNERSHIP Subcontractor Status Demonstration

If the subcontractor is a partnership, the following must be submitted for approval prior to starting work on the site:

- (1) A copy of the executed partnership agreement;
- (2) Federal and State Tax Identification Numbers applicable to the partnership agreement; and
- (3) A copy of the previous tax year’s filing, including Schedule E

IMPORTANT: Failure to provide copies of the requested documentation will disallow the “subcontractor status” and the individuals will be included on the engaging company’s payroll as employees.



BONA FIDE SELF-EMPLOYED AND PARTNERSHIP SUBCONTRACTOR STATUS DOCUMENTATION LOG

Pursuant to the 82.07 of the Administrative Code, all contractors awarded contracts with the City of Saint Paul in the amount of \$25,000 or more involving either new construction work or repair work on any roads, bridges, sewers, streets, alleys, parks, parkways, buildings, or any other public work involving the improvement of public or private property, including the removal of public nuisances, **are required** to provide the information detailed in the **BONA FIDE SELF-EMPLOYED AND PARTNERSHIP SUBCONTRACTOR STATUS SHEET**. Return this log to the Labor Standards Compliance Officer with requested documentation as proof of bona-fide self employed subcontractor status. Use additional forms if necessary.

Project Name: _____ Date: _____

Prime Contractor: _____

Contact Name: _____

Address: _____

Telephone: _____

DIRECTIONS: Please list each subcontractor separately below and circle the type of documentation provided for each subcontractor.

1. SUBCONTRACTOR: _____

[a] Trade Name [b] License [c] Bond [d] Insurance [e] Partnership [f] Tax Form [g] Trucker

2. SUBCONTRACTOR: _____

[a] Trade Name [b] License [c] Bond [d] Insurance [e] Partnership [f] Tax Form [g] Trucker

3. SUBCONTRACTOR: _____

[a] Trade Name [b] License [c] Bond [d] Insurance [e] Partnership [f] Tax Form [g] Trucker

4. SUBCONTRACTOR: _____

[a] Trade Name [b] License [c] Bond [d] Insurance [e] Partnership [f] Tax Form [g] Trucker

5. SUBCONTRACTOR: _____

[a] Trade Name [b] License [c] Bond [d] Insurance [e] Partnership [f] Tax Form [g] Trucker

City Labor Standards Officer Contact Information:
City of Saint Paul, Labor Compliance Unit
15 Kellogg Blvd. W, #280, Saint Paul, MN 55102
ContractCompliance@ci.stpaul.mn.us



CITY OF SAINT PAUL TRUCKING GUIDELINES

DEFINITION:

An Independent Truck Operator/Owner (ITO) is an individual, partnership, or principal stockholder of a corporation who owns or holds a vehicle under lease and who contracts that vehicle and the owner's services to an entity, which provides construction services for a city project.

REQUIREMENTS:

- Pursuant to Section 82.07 of the Saint Paul Administrative Code, Minnesota Statutes 177.41-44, and Minnesota Rules 5200.1100-1102, Independent Truck Operator/Owners must be paid in accordance with the Minnesota Department of Labor and Industry Truck Rental Rates.
- Contractors using ITOs must provide the city with bona fide demonstration of status of such entities **prior** to the final award of any contract. The contractor must provide:
 - (1) A Cab Card;
 - (2) Valid Driver's License and Registration;
 - (3) A copy of the previous year's tax filing; and
 - (4) Any other determination regarding status as defined by the State or Federal Department of Revenue.
- Proof of payment in the form of monthly trucking reports or certified payroll reports must be submitted by the contractor on behalf of the ITO.

EMPLOYEE TRUCK DRIVERS:

Truckers employed by the engaging contractor or subcontractor must be paid the prevailing wage rate according to the applicable job classification in the bid specifications, or if unavailable, pursuant to the Minnesota Department of Labor and Industry Prevailing Wage Rates, and must be included on employee payrolls.

IMPORTANT:

**Failure to provide the requested documentation will disallow the "ITO status"
And the individual(s) will be included on the engaging contractor's payroll
as employees, receiving pay as identified by the Prevailing Wage Rates
applicable to the project.**



**CITY OF SAINT PAUL
DEPARTMENT OF HUMAN RIGHTS & EQUAL ECONOMIC OPPORTUNITY
LABOR COMPLIANCE UNIT**

**APPLICATION OF PREVAILING WAGE RATE
PROVISIONS TO TRUCKERS HAULING MATERIALS**

Pursuant to Section 82.07 of the City of Saint Paul Administrative Code, the City of Saint Paul requires all contractors to comply with the standards set forth in Minnesota Rules 5200.1106 to determine activities considered to be work under a contract for which payment of truck rental rates is required. The standards are as follows:

A. Work performed by employees of a contractor or subcontractor that operates an asphalt or concrete plant, that was moved into a gravel pit, borrow pit, or other location not on the project, primarily to serve public works projects is considered work under the contract including the contractor's employees loading the equipment hoppers with materials obtained from the pit regardless of whether the pit meets the definition of commercial establishment.

B. The following hauling activities are included in hours worked and considered work under the contract for purposes of payment of the truck rental rate:

1. The hauling of any or all stockpiled or excavated materials on the project work site to other locations on the same project even if the trucks leave the work site at some point;
2. The delivery of materials from any facility that does not meet the requirements of a commercial establishment to the project and the return haul to the starting location either empty or loaded;
3. The delivery of materials from another construction project site to the public works project and the return haul empty or loaded is considered work under the contract. Construction projects are not considered a commercial establishment;
4. The hauling required to remove any materials from the public works project to a location off the project site and the return haul if empty or if loaded from other than a commercial establishment;
5. The delivery of materials or products by trucks hired by a contractor, subcontractor, or agent thereof, from a commercial establishment; and
6. The delivery of sand, gravel, or rock, by or for a commercial establishment, which is deposited "substantially in place," either directly or through spreaders from the transporting vehicles is work under the contract. In addition, the return haul to the off-site facility empty or loaded is also considered work under the contract.

The following hauling activities are not included in hours worked and are not considered work under the contract for purposes of payment of the truck rental rate:

1. The delivery of processed or manufactured goods to a Public Works project by the employees of a commercial establishment including truck-owner operators, hired by and paid by the commercial establishment, unless it is the delivery of mineral aggregate that is incorporated into the work under the contract by depositing the material substantially in place; or
2. Multiple site hauling operations include secondary hauling activities in addition to the hauling of materials on and off the Public Works project in order to complete the truck's round trip haul. The hauling of materials or products between these secondary off-site facilities as part of a multiple site hauling operation is not considered work under the contract as long as the time hauling between the secondary sites is properly documented in the trucking records and the time spent hauling on and off the project is properly compensated

NOTE: Employee truckers must be paid the applicable prevailing wage rate. See *City of Saint Paul Trucking Guidelines* for further information.



CONTRACTOR PROFILE

Project Name: _____

Business Name: _____ Federal Tax ID #: _____

Address: _____

Phone #: _____ Fax #: _____

Our agreement/contract dated _____ is with _____ in the amount of \$ _____

For _____
(Identify specific contract work)

Will you sub out any of your contract work? _____ If yes, please identify subs: _____

Person authorized to certify (sign) payroll reports: _____

Person submitting electronic payroll reports: _____ Email: _____

Identify work classifications (as listed in project wage decision) you anticipate using, base rate of pay, and total wage payment:

<u>Work Classification</u> (Group #, if applicable. Add pages if necessary)	<u>Base Rate of Pay</u>	<u>Total Wage Payment</u> (base +fringes)
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____

Check (A), (B) or (C) identifying how fringe benefits are paid to your workers:

- (A) _____ included with pay check in the amount of \$ _____;
- (B) _____ funded (with trustee or third party) fringe benefit plan in the hourly amounts indicated below:
- (C) _____ unfunded* (company-paid) fringe benefit plan in the hourly amounts indicated below
(identify for each employee working on the project, include: hourly fringe amounts, provider/company name if applicable, & how often contribution is made):

<u>*Holiday</u>	<u>*Vacation</u>	<u>*Sick Leave</u>	<u>Health</u>	<u>Dental</u>	<u>Life</u>	<u>Pension</u>	<u>Other</u> (identify)	<u>TOTAL HOURLY FRINGE RATE</u>
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____ =	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____ =	\$ _____

Benefit funds are deposited into Account #(s) _____ and are maintained by (agency name & address):

_____ Phone #: _____

IF FUNDS ARE MAINTAINED BY A THIRD PARTY FRINGE BENEFIT PLAN, PLEASE ATTACH A CURRENT LETTER FROM THE FUND ADMINISTRATOR.

Owner/Principal Officer & Title (PLEASE PRINT) _____ Owner/Principal Officer Signature _____ Date _____

IS THIS A SOLE PROPRIETORSHIP OR PARTNERSHIP BUSINESS? Yes No

IDENTIFICATION OF PRIME CONTRACTOR AND SUBCONTRACTORS (INCLUDING MATERIAL SUPPLIERS)



Form required for Labor Standards, AA/EEO, HUD Section 3, and Vendor Outreach
Submit completed form to: Contract Compliance & Business Development
 15 West Kellogg Blvd, Room 280 Phone: 651-266-8900, Fax: 651-266-8919
 Saint Paul, MN 55102-1681 Email: *contractcompliance@stpaul.gov*

Project: _____ Bid #: _____ Est. Construction Cost: _____ VOP Goal: \$ _____ % _____

Please identify all sub-contractors (including material suppliers) you intend to utilize on this project. Identify all suppliers with an **(S)**.
 Identify Minority Owned, Women Owned, Small, and Section 3 businesses with **MBE, WBE, SBE, or Sec 3** respectively. Please identify Certified Vendors.
Form must be updated and submitted when you add, delete, or make other changes to the list.

	Name, Address, Contact Person, and Phone Number	CERT W/M/S/BE Vendor	Section 3 Certified Vendor	Nature of Work	Date Work to Begin	Date Work Completed	Contract Amount
PRIME:	_____	_____	_____	_____	_____	_____	_____
	_____			_____			
SUBS: 1	_____	_____	_____	_____	_____	_____	_____
	_____			_____			
2	_____	_____	_____	_____	_____	_____	_____
	_____			_____			
3	_____	_____	_____	_____	_____	_____	_____
	_____			_____			
4	_____	_____	_____	_____	_____	_____	_____
	_____			_____			
5	_____	_____	_____	_____	_____	_____	_____
	_____			_____			
6	_____	_____	_____	_____	_____	_____	_____
	_____			_____			
7	_____	_____	_____	_____	_____	_____	_____
	_____			_____			
8	_____	_____	_____	_____	_____	_____	_____
	_____			_____			

IDENTIFICATION OF PRIME CONTRACTOR AND SUBCONTRACTORS (INCLUDING MATERIAL SUPPLIERS)

	Name, Address, Contact Person, and Phone Number	CERT W/M/S/BE Vendor	Section 3 Certified Vendor	Nature of Work	Date Work to Begin	Date Work Completed	Contract Amount
9	_____	_____	_____	_____	_____	_____	_____
	_____			_____			
10	_____	_____	_____	_____	_____	_____	_____
	_____			_____			
11	_____	_____	_____	_____	_____	_____	_____
	_____			_____			
12	_____	_____	_____	_____	_____	_____	_____
	_____			_____			
13	_____	_____	_____	_____	_____	_____	_____
	_____			_____			
14	_____	_____	_____	_____	_____	_____	_____
	_____			_____			
15	_____	_____	_____	_____	_____	_____	_____
	_____			_____			
16	_____	_____	_____	_____	_____	_____	_____
	_____			_____			
17	_____	_____	_____	_____	_____	_____	_____
	_____			_____			
18	_____	_____	_____	_____	_____	_____	_____
	_____			_____			
19	_____	_____	_____	_____	_____	_____	_____
	_____			_____			



CITY OF SAINT PAUL
CITY LABOR STANDARDS (LITTLE DAVIS-BACON)
COMPLIANCE CHECKLIST FOR CONTRACTORS

Project Name: _____

Business Name: _____

Are you a subcontractor? Yes No Prime Contractor Name: _____

◆
► **Instructions:** After receiving this Labor Standards Packet from the project manager, please complete the steps in Phase I immediately. Check boxes next to applicable items as they are completed.

PHASE I: PRIOR TO PROJECT START

- Submit Contractor Profile Form
- Submit Contractor Prime / Sub ID Sheet
- Submit Bona-Fide Self-Employed Subcontractor Status Demonstration (*check only if this applies to the project*)
- Submit ITO/MTO Status Demonstration (*check only if this applies to the project*)
- Submit the following apprenticeship documentation – for each apprentice:
 - Apprenticeship agreement
 - Level of apprenticeship
 - Current union wage scale
 - Rate breakdown: ❶ Hourly Rate ❷ Fringe Rate (hourly) ❸ Total Rate
 - On-site apprenticeship ratios – per the union agreement. *Must be provided by the union.*
- Make sure your company is signed up and assigned to a project in LCPtracker
- Prime Contractors: In LCPtracker, assign your subcontractors to the project and enter your employee information
- Subcontractors: Enter your employee information into LCPtracker

◆
► **Instructions:** Items in Phase II are due on a rolling basis, and require consistent monitoring on the part of the contractor. Please pay close attention to the deadlines. Check boxes next to applicable items as they are completed.

PHASE II: CONSTRUCTION

- Submit known apprenticeship documentation (see requirements above)
- Contact Compliance Officer if unsure about wage rate or job classification
- Submit payrolls 7 days after the pay period ends
- Submit payrolls for non-work weeks (once your company has begun work on the project)
- Submit month end trucking reports (*check only if this applies to the project*)

◆
► **Instructions:** Check boxes next to applicable items as they are completed. When you have completed work on a project, it is very important to signify completion in LCPtracker. This is the final step of compliance.

PHASE III: PROJECT END

- Follow-up with the Compliance Officer to ensure you are in compliance with City of Saint Paul Labor Standards
- Indicate your last payroll on the project as “Final” in LCPtracker
- Sign, date, and submit this completed checklist to the Compliance Officer

Signature: _____ Date: _____
(principal/owner)

For questions, contact:
City Labor Standards • 15 W. Kellogg Blvd., St. Paul, MN 55102 • 651-266-8900
ContractCompliance@ci.stpaul.mn.us

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Exhibit O
Vendor Outreach Program

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Exhibit O
Vendor Outreach Program

VENDOR OUTREACH PROGRAM
Human Rights & Equal Economic Opportunity

The goal of the Vendor Outreach Program (“VOP”) is to encourage contracting with local small business VOP helps local small, small minority-owned and small woman-owned businesses take part on City contracts. The Saint Paul Administrative Code (chapter 84) governs VOP. Generally, there is a \$50,000 threshold for VOP applicability. A small business set-aside program does exist for contracts under \$50,000, in certain circumstances.

VOP strives to award as many purchases goods, services, and construction to eligible local businesses. The Central (CERT) Certification Program certifies eligible businesses. Generally, there is a goal to award at least 25% of opportunities to certified businesses. The 25% business inclusion is broken down as follows:

- 5% to minority-owned business enterprises (MBE)
- 10% to woman-owned business enterprises (WBE)
- 10% to other small business enterprises (SBE).

However, VOP evaluates each project and contract on its own. Goals may vary for several reasons, such as actual available business opportunity.

The federal DBE program will govern certain City contracts. If that is the case, you are subject to DBE requirements and not VOP. If DBE applies, information pertaining to such requirements will be included.

Procedure

Under VOP, you must seek vendors that are currently certified. The searchable database of certified companies is at <https://cert.smwbe.com>. There is information on this page explaining how to get a Vendor List or access. CERT staff will attempt to respond to your request within 2 business days. You will report on VOP through our online Contract Compliance Monitoring Software, B2Gnow.

How a business can be certified

Generally, businesses can be certified if they are located in the eligible area and qualify as a small business. Once a business meets those two qualifications, they can also certify as being woman-owned or minority-owned.

Eligible businesses may be located in any of the following counties: Anoka, Benton, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Stearns, Washington Wright, Pierce (WI), St. Croix (WI).

Whether a business qualifies as small depends on their revenue and their applicable NAICS codes. Certain types of businesses (such as subsidiaries and franchisees) may not be eligible for certification. For specific information please e-mail cert@ci.stpaul.mn.us or call 651-266-8900 and ask for CERT staff.

DEPARTMENT OF HUMAN RIGHTS AND EQUAL
ECONOMIC OPPORTUNITY



CITY OF SAINT PAUL
Melvin Carter, Mayor

280 City Hall
15 West Kellogg Boulevard
Saint Paul, MN 55102-1681

Telephone: (651) 266-8904
Facsimile: (651) 266-8919
TDD: (651) 266-8977

**City of Saint Paul
Vendor Outreach Program
Good Faith Effort Standards**

Excerpted From Chapter 84 of the Saint Paul Administrative Code

The steps listed below are not a checklist, but rather a set of guidelines meant to provide various ways to exhibit good faith efforts. This is not an exhaustive list. To truly display a good faith efforts showing within the spirit of the Saint Paul Administrative Code good faith efforts will be evaluated throughout the life of the contract. If a contract fails to meet the VOP goals at the end of the contract, appropriate documentation must be submitted to the Vendor Outreach Coordinator explaining why.

- (a) *Good faith efforts required.* On any contract with the City where a contracting party has failed to meet the established level of certified vendor participation, good faith efforts to meet such levels must be shown. Levels of certified vendor participation are evaluated throughout the duration of the contract.
- (b) *Factors to be considered.* When determining whether a good faith effort has been established the City will consider all relevant efforts, including but not limited to the following factors:
- (1) List each possible subcontract opportunity in the contract, indicating where possible the NAICS Code (or NIGP Code) of such work, seeking the assistance of the department in ascertaining such subcontract opportunities.
 - (2) Obtain access to the CERT Certified Vendor Online Directory or an exported list of the CERT certified businesses from CERT staff and search for current CERT certified SBEs, MBEs and WBEs.
 - (3) Attend all pre-bid and pre-construction conferences to obtain information about the Vendor Outreach Program, the levels of participation of CERT certified SBEs, MBEs, and WBEs, and the outreach requirements herein.
 - (4) Request assistance from local small business related organization; minority and women community organizations; minority and women contractor groups; or other organizations that provide assistance in the recruitment and placement of SBEs, MBEs, and WBEs.
 - (5) Solicit bids from CERT certified SBEs, MBEs and WBEs, which have been identified as being available and capable of performing the necessary work for the business opportunity within the contract within sufficient time for such business to provide a response, but at no time less than (10) business days prior to bid opening, by phone, fax, electronic mail, internet or other social media.
 - (6) Advertising available business opportunities in local papers, minority publications, and women publications.

- (7) Solicit bids from a minimum of three (3) such certified businesses for each business opportunity available within the contract. Bidders who continuously list the same certified SBEs, MBEs and WBEs as having been contacted and listed as unavailable, when contact has previously been unsuccessful as a result of disconnected phone numbers or returned mail, will not be deemed to have made good faith efforts.
- (8) Provided plans and specifications; information regarding the location of plans and specifications; or other necessary information regarding the opportunity to SBEs, MBEs and WBEs in a timely manner.
- (9) Where applicable, advise and make efforts to assist interested CERT certified SBEs, MBEs and WBEs to obtain bonds, lines of credit or insurance, or other potential capacity barriers required to perform the contract.
- (10) Submit documentation if responses from CERT certified SBEs, MBEs or WBEs were rejected, giving the complete basis for the rejection and evidence that the rejection was justified.
- (11) Encourage potential SBE, MBE and WBE candidates to become CERT certified.

(c) *Failure to meet good faith efforts.*

- (1) A contracting party who fails to meet established goals and provide sufficient good faith efforts shall be subject to a penalty, the amount of which shall be calculated as follows:

The difference between the established Vendor Outreach Program goal based off of the available business opportunity on the contract that failed to establish good faith efforts and the actual goal achieved/actual amount contracted with CERT certified businesses.

- (2) Additionally, a contracting party who fails to meet established goals and provide sufficient good faith efforts on a project will be deemed a non-responsible bidder and placed on a list of ineligible bidders for a period of one year. During the period of ineligibility, the contracting party may request a review of its subsequent efforts to work with SBEs, MBEs, and WBEs on projects with other entities within the Marketplace for the purpose of being removed from the list and reinstated as an eligible bidder.
- (3) A contracting party found to have failed to provide good faith efforts shall be notified in writing of the determination. The notice must contain the amount of penalty being imposed, the date upon which placement on the ineligible list occurs, and the method for appealing the determination.

DEPARTMENT OF HUMAN RIGHTS AND EQUAL
ECONOMIC OPPORTUNITY



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VENDOR OUTREACH PROGRAM-PRIME CONTRACTOR PROCESS OVERVIEW

Directions: Once you receive the Vendor Outreach Program Packet from your project manager, please complete the steps in Phase I immediately.

PHASE I: PRIOR TO PROJECT START

- ❖ Locate and identify certified vendors to include in your bid specifications by accessing the CERT certified vendor list on <https://cert.smwbe.com/> (see “Vendor Lists” in the left hand column to request an updated list)
- ❖ Submit VOP ID of Prime & Subs Sheet (this will be an Excel spreadsheet)
- Log into B2Gnow and click on the relevant project/contract
 - If you do not see your project/contract listed on your dashboard then the contract has not been inserted into the database. Please e-mail ContractCompliance@ci.stpaul.mn.us and provide the contract amount, contract start date, contract end date, and a primary contact person. Please indicate: “Request for B2Gnow Project Setup” in the subject line.
- The prime must insert all vendors into B2Gnow
 - **NOTE:** Listing all vendors includes first tier, second tier, third tier, etc. subs and suppliers. The prime may delegate to first tier subs to report their second tier subs, and so on.
 - Please go to www.stpaul.diversitycompliance.com and login using your username and password. If you have forgotten your username and/or password, your e-mail address is your username and if you need to reset your password, there is link on the login page that reads “Forgot Password”. Place your username in the field provided and the system will send you a temporary password.
 - Once logged in, click on the contract you wish to add subs. At the top of the page you should see a tab entitled “Subs.” Click on this tab. Once on the page, you should see a button (closer to the top) that reads “Add Subcontractor.” Click this. Once on this page, start typing the company name in the “Vendor” search window. If the vendor is listed in our database a dropdown list should appear. If it is not, then you will need to click the red “Get Vendor.” If, after clicking the red “Get Vendor” you are unable to find the vendor, the vendor will need to be added to the database.
- Once all subcontractors are added to the database, they will need to be approved before the prime can insert

a payment. As a result, **make sure subs are inserted prior to a Draw Request**. If all subs to date are not inserted prior to a Draw Request, **VOP will not approve the Draw Request until the most recent Sub ID sheet corresponds with the subs in B2Gnow.**

PHASE II: CONSTRUCTION:

- ❖ After subs are approved, the prime **must** insert all payments made to the subs by clicking on the “Compliance Audit List” tab at the top of the page.
- After a payment is entered for a sub, the sub will be notified by B2Gnow and will need to confirm the payment.
 - To “Confirm” a payment the sub will need to login to B2Gnow at <https://stpaul.diversitycompliance.com>. Once logged in, the sub should see the “Data dashboard” form there he/she can click on the appropriate contract and “Confirm” the payment amount made to him/her.
- **NOTE: If payments to subs are not inserted in B2Gnow and confirmed prior to a Draw Request, this will hold up approval of Draw Requests.**

Directions: When you have completed work on a project, it is very important to signify completion in B2Gnow. This is the final step of compliance.

PHASE III: PROJECT END:

- ❖ Verify that all subs and all payments to subs have been entered into B2Gnow.
- ❖ Verify that the most recent Subcontractor ID Sheet submitted to the Vendor Outreach Coordinator matches up with the entries in B2Gnow.
- ❖ Verify that all subs have confirmed all payments prior to the final draw request.
- ❖ Indicate in B2Gnow that the audit is final.
- ❖ **NOTE: A final Draw Request will not be approved unless everything is up to date and completed in B2Gnow.**

For questions, contact:
Human Rights and Equal Economic Opportunity Department
Vendor Outreach Program
15 Kellogg Blvd. W. Saint Paul, MN 55102
ContractCompliance@ci.stpaul.mn.us / (651) 266-8900

DEPARTMENT OF HUMAN RIGHTS AND EQUAL
ECONOMIC OPPORTUNITY



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VENDOR OUTREACH PROGRAM-SUBCONTRACTOR CHECKLIST

PHASE I: PRIOR TO PROJECT START

- Provide prime contractor with a list of all of your subcontractors and suppliers.

PHASE II: CONSTRUCTION:

- Confirm all payments entered by the prime. The database will send you an e-mail instructing you to log in and confirm payments per monthly audit.
- Report your subs and suppliers in B2Gnow, as well as their payments. (See the "Contractor Compliance Checklist" on the previous page for instructions on how to do this).
- NOTE: Draw Requests will be held up until subs confirm payments and report accordingly.

PHASE III: PROJECT END:

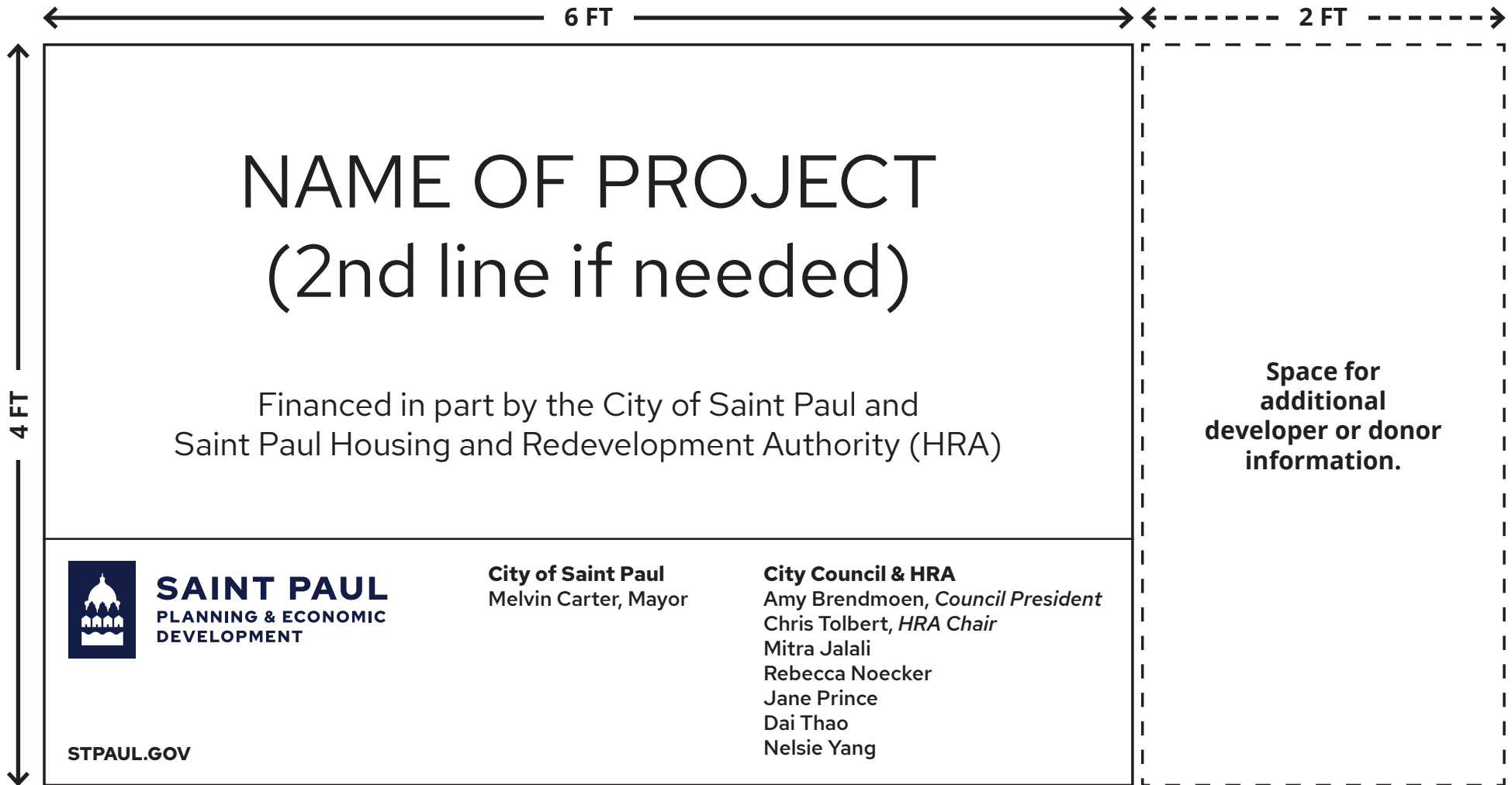
- Make sure you have confirmed all payments made to you by the prime once your work is complete.
- Ensure all of your subs and suppliers have been reported, as well as their payments.
- NOTE: Failure to confirm payments will result in payments being withheld until B2Gnow reflects a payment confirmation.

For questions, contact:
Human Rights and Equal Economic Opportunity Department
Vendor Outreach Program City Hall 280
Saint Paul, MN 55102
ContractCompliance@ci.stpaul.mn.us / (651) 266-8900

#

Exhibit P
Signage Specifications

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Sign size: 4 ft. (H) x 6 ft. (W)
 With optional side panel: 4 ft. (H) x 8 ft. (W)
 Smaller sign: 2 ft. (H) x 3 ft. (W)
 PED Logo should be dark blue (PANTONE 2768 C).
 If unavailable, use black.
 Download logos at stpaul.gov/media-kit.

Questions?
Department of Planning
and Economic Development:
 651-266-6565
 Updated 4/1/2021

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Exhibit Q
HUD Section 3

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CITY OF SAINT PAUL HUD SECTION 3 COMPLIANCE INFORMATION

The City has Section 3 responsibilities that it must meet. This includes meeting certain utilization goals (below) as well as including certain Section 3 language in bid materials, solicitations, and contracts, and keeping detailed documentation of efforts to meet these goals. Depending on the sub-contract amounts awarded, it may be the case that the City, Developer, and the general contractor share Section 3 responsibilities with 1st, 2nd, and 3rd tier sub-contractors, as long as they receive contracts for over 100K.

GOALS

- Direct **10%** of dollar amount of all sub-contracts awarded for **labor** to Section 3 businesses
- Direct **3%** of the dollar amount of all **professional service** contracts (architects, attorneys, engineers, appraisers, etc.) to Section 3 businesses
- Fill **30%** of **new hire opportunities** with Section 3 residents

All three apply to the general contractor and all sub-contractors with contracts for over 100K

DOCUMENTATION OF EFFORTS

Documentation of efforts to meet goals must be maintained by the general contractor and all sub-contractors receiving contracts for over 100K.

In addition to those goals listed above, sub-contracts (issued by the general or any major subs) must include the Section 3 language and major contractors must keep detailed documentation of efforts taken to meet these goals. These efforts could include copies of bid solicitations, any walk-throughs with potential subcontractors, and any outreach activities undertaken to solicit bids.

REQUIRED FROM ALL MAJOR CONTRACTORS

- 1. Action Plan** – detail contracting, hiring, training activities
- 2. Core Workforce List** – trades people and office staff
 - Submit with Action Plan
- 3. Quarterly Reports** – update contracting, hiring, training activities
 - Work on calendar year schedule – all due from the general contractor by these dates:
 - 1st Quarter (Jan 1 – Mar 31); Due **April 15, 2014**
 - 2nd Quarter (Apr 1 – June 31); Due **July 15, 2014**
 - 3rd Quarter (July 1 – Sept 31); Due **Oct 15, 2014**
 - 4th Quarter (Oct 1 – Dec 31); Due **Jan 15, 2015**

All three items are required from the general contractor and all major sub-contractors (+100K)



CITY OF SAINT PAUL HUD SECTION 3 COMPLIANCE INFORMATION

IF YOUR HIRE SUBCONTRACTORS . . .

1. Section 3 Business List

- Helps you find Section 3 certified businesses

2. Section 3 Language

- Include in Bid Solicitations AND
- In Contracts with Subs – send copies of executed contracts to the Section 3 program

3. Solicitations

- Solicit three (3) Section 3 businesses
- Send copy of solicitation to Section 3 program to help you find certified contractors

4. ID Sheet

- Identifies sub-contractors used, usually compiled by the general contractor
-

IF YOU MAKE NEW HIRES & ARE A UNION CONTRACTOR . . .

1. Section 3 Union Letter

- Send copies to union and Section 3 program before request

2. Worker Request Form – use this form, or similar substitute, to request workers

- Creates documentation of efforts

3. Section 3 Verification of Eligibility

- The City of Saint Paul reserves the right to request verification of an applicant's eligibility for Section 3. Verification of eligibility includes (but is not limited to) tax returns to verify income or evidence of receipt of public assistance or public housing.

IF YOU MAKE NEW HIRES & ARE NOT A UNION CONTRACTOR . . .

1. Job Connect Solicitation Form

- Send copies to Job Connect and Section 3 program

2. Notice Posting – Post this document on job site in conspicuous area

- Creates documentation of efforts
-



**CITY OF SAINT PAUL
CONTRACTOR HUD SECTION 3 ACTION PLAN
MANDATORY SUBMISSION**

Contractors receiving contracts in excess of \$100,000 must complete and submit this Action Plan - failure to do so could result in a finding of non-compliance and may result in penalties or other remedies.

PROJECT NAME: _____ CONTRACT AWARD: _____

CONTRACTOR NAME: _____ SERVICES PROVIDED: _____

CONTRACTOR CONTACT: _____
(Company's Section 3 compliance contact)

ADDRESS: _____ TELEPHONE: _____

EMAIL: _____ FAX NUMBER: _____

Contractors must satisfy the following contracting and hiring/training goals:

- **Award 10%** of total dollar amount of all construction labor sub-contracts to Section 3 businesses
- **Award 3%** of total dollar amount of non-construction sub-contracts (professional services and other soft costs) to Section 3 businesses
- **Fill 30%** of all new hire opportunities with Section 3 residents

Part 1. **Contracting Activity.** Provide the following information on this project (if none, enter "0"):

A. Estimated total dollar amount that you will award in labor sub-contracts: _____

B. Est. dollar amount of labor sub-contracts that you will award to Sec. 3 businesses: _____

C. Est. total dollar amount that you will award for professional services (soft costs): _____

D. Est. dollar amount of professional (soft cost) contracts that you will award to Sec. 3 businesses: _____

E. Est. total dollar amount that you will award to material suppliers: _____

What Section 3 and non-Section 3 sub-contractors have you contacted for this work, what was their response, and who do you expect to utilize? Include type of work and estimated dollar amounts. Attach additional pages if necessary.			
Contractor Name	Response	Type of Work	Est. Dollar Amount

Part 2. **Hiring & Training Activity.** Provide the following information (if none, enter "0"):

A. Est. number of new job/training opportunities that you will generate with project: _____

B. Est. number of new job/training opportunities that you will fill with Section 3 residents: _____



**CITY OF SAINT PAUL
HUD SECTION 3 ACTION PLAN – MANDATORY EFFORTS**

Each Contractor must also engage in and submit documentation of the mandatory efforts listed in Parts 3 and 4. Documentation of mandatory compliance efforts may be submitted after award is made.

Part 3. Mandatory Contracting Efforts

Mandatory Contractor Efforts: Awarding Contracts
Designate a Section 3 compliance Officer for the project
Obtain a list of certified Section 3 business concerns from the City
Attend all pre-bid and pre-construction conferences to obtain information about Section 3 and its goals
Where appropriate break out contract work items into economically feasible units to facilitate inclusion
Arrange solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways to facilitate the participation of Section 3 business concerns
Provide plans and specifications or information regarding the location of plans and specifications to Section 3 business concerns
Include Section 3 Contract Clauses in all covered contracts and all solicitations for work Solicit at least 3 bids from the City's Section 3 business list for each service that requires subcontracts*
Advertise subcontracting opportunities in at least 2 community newspapers*
Provide bid preference for Section 3 businesses in accordance with the Section 3 regulations*
Document the efforts taken and the impediments encountered in trying to satisfy Section 3 requirements*

*Require submission of documentation

Part 4. Mandatory Hiring/Training Efforts

Mandatory Contractor Efforts: New Hires/Training Opportunities
Provide list of your core workforce (include on-site labor staff and office/administrative personnel)*
Provide contact information for Union Representative or Dispatcher from applicable Union Hall*
Provide notice to the local bargaining unit (Union Halls) of Section 3 hiring obligations*
Submit the Worker Request Form for Union members to the Union and City*
Erect weatherproof signage at the job site that is visible from the street and provides information on job opportunities, including the number and type of positions available, contact information, and instructions on how to apply*
Advertise job openings on Ramsey County Job Connect (www.jobconnect.com)*
Develop and implement efforts to conduct aggressive outreach and notification of opportunities
Document the efforts taken and the impediments encountered in trying to satisfy Section 3 requirements *

*Require submission of documentation



**CITY OF SAINT PAUL
HUD SECTION 3 ACTION PLAN – OPTIONAL EFFORTS**

The City of Saint Paul encourages Contractors to be creative and make additional efforts to direct economic opportunities to Section 3 businesses and residents. Parts 5 and 6 provide examples of additional efforts.

Part 5. Optional Contracting Efforts

Optional Contractor Efforts: Awarding Contracts	Yes/No?
Notify business assistance agencies, minority contractor associations, and community organizations of contracting opportunities and collaborate to identify Section 3 businesses to solicit bids or proposals	
Consider record of Section 3 compliance in determining responsibility of potential contractors	
Provide additional information to Section 3 businesses that have expressed interest in opportunities	
Carry out workshops on contracting procedures and opportunities in a timely manner so that Section 3 businesses can take advantage of opportunities	
Provide information on contracting procedures and opportunities in languages other than English	
Advise Section 3 businesses as to where to find assistance in obtaining bonding, lines of credit, financing, or insurance	
Notify HUD Youthbuild programs of contracting opportunities	
Other (specify):	

Part 6. Optional Hiring/Training Efforts

Optional Contractor Efforts: New Hires/Training Opportunities	Yes/No?
Conduct job interviews within the neighborhood or service area of the section 3 covered project	
Advertise the jobs to be filled through the local media, such as community television networks, newspapers of general circulation, and radio advertising	
Maintain a file of qualified section 3 residents for future employment positions	
Other (specify):	

A Contractor having completed this questionnaire accurately and in full agrees to meet its obligations to the City of Saint Paul’s Section 3 policies and procedures. You will be required to provide documentation of the above listed efforts to the City of Saint Paul.

Send Action Plan & Documentation of efforts to:
 Dept. of Human Rights & Equal Economic Opportunity – Contract Compliance
 15 W. Kellogg Blvd – 280 City Hall
 Saint Paul, MN 55102
Section3program@stpaul.gov
 Phone: 651-266-8900 Fax: 651-266-8919

Signature of Contractor Representative

Date



CITY OF SAINT PAUL
SAMPLE CONTRACTOR HUD SECTION 3 ACTION PLAN (example)
MANDATORY SUBMISSION

Contractors receiving contracts in excess of \$100,000 must complete and submit this Action Plan - failure to do so could result in a finding of non-compliance and may result in penalties or other remedies.

PROJECT NAME: Section 3 Flats CONTRACT AWARD: \$800,000

CONTRACTOR NAME: ABC Mechanical, Inc. SERVICES PROVIDED: Mechanical

CONTRACTOR CONTACT: John Doe
(Company's Section 3 compliance contact)

ADDRESS: 123 Main Ave, Saint Paul, MN 55102 TELEPHONE: 123-456-7890

EMAIL: JohnDoe@abcmechanical.com FAX NUMBER: 234-567-8901

Contractors must satisfy the following contracting and hiring/training goals:

- **Award 10%** of total dollar amount of all construction labor sub-contracts to Section 3 businesses
- **Award 3%** of total dollar amount of non-construction sub-contracts (professional services and other soft costs) to Section 3 businesses
- **Fill 30%** of all new hire opportunities with Section 3 residents

Part 1. **Contracting Activity.** Provide the following information on this project (if none, enter "0"):

- A. Estimated total dollar amount that you will award in labor sub-contracts: \$80,000
- B. Est. dollar amount of labor sub-contracts that you will award to Sec. 3 businesses: \$80,000
- C. Est. total dollar amount that you will award for professional services (soft costs): \$0
- D. Est. dollar amount of professional (soft cost) contracts that you will award to Sec. 3 businesses: \$0
- E. Est. total dollar amount that you will award to material suppliers: \$0

What Section 3 and non-Section 3 sub-contractors have you contacted for this work, what was their response, and who do you expect to utilize? Include type of work and estimated dollar amounts. Attach additional pages if necessary.			
Contractor Name	Response	Type of Work	Est. Dollar Amount
XYZ Insulation (Sec 3)	Will use bid submitted	Insulation	\$80,000
123 Insulation	No Response	Insulation	NA
456 Insulation	Bid submitted – will not use	Insulation	NA

Part 2. **Hiring & Training Activity.** Provide the following information (if none, enter "0"):

- A. Est. number of new job/training opportunities that you will generate with project: 3
- B. Est. number of new job/training opportunities that you will fill with Section 3 residents: 1



CITY OF SAINT PAUL HUD SECTION 3 ACTION PLAN – MANDATORY EFFORTS

Each Contractor must also engage in and submit documentation of the mandatory efforts listed in Parts 3 and 4. Documentation of mandatory compliance efforts may be submitted after award is made.

Part 3. Mandatory Contracting Efforts

Mandatory Contractor Efforts: Awarding Contracts
Designate a Section 3 compliance Officer for the project
Obtain a list of certified Section 3 business concerns from the City
Attend all pre-bid and pre-construction conferences to obtain information about Section 3 and its goals
Where appropriate break out contract work items into economically feasible units to facilitate inclusion
Arrange solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways to facilitate the participation of Section 3 business concerns
Provide plans and specifications or information regarding the location of plans and specifications to Section 3 business concerns
Include Section 3 Contract Clauses in all covered contracts and all solicitations for work Solicit at least 3 bids from the City's Section 3 business list for each service that requires subcontracts*
Advertise subcontracting opportunities in at least 2 community newspapers*
Provide bid preference for Section 3 businesses in accordance with the Section 3 regulations*
Document the efforts taken and the impediments encountered in trying to satisfy Section 3 requirements*

*Require submission of documentation

Part 4. Mandatory Hiring/Training Efforts

Mandatory Contractor Efforts: New Hires/Training Opportunities
Provide list of your core workforce (include on-site labor staff and office/administrative personnel)*
Provide contact information for Union Representative or Dispatcher from applicable Union Hall*
Provide notice to the local bargaining unit (Union Halls) of Section 3 hiring obligations*
Submit the Worker Request Form for Union members to the Union and City*
Erect weatherproof signage at the job site that is visible from the street and provides information on job opportunities, including the number and type of positions available, contact information, and instructions on how to apply*
Advertise job openings on Ramsey County Job Connect (www.jobconnect.com)*
Develop and implement efforts to conduct aggressive outreach and notification of opportunities
Document the efforts taken and the impediments encountered in trying to satisfy Section 3 requirements *

*Require submission of documentation



CITY OF SAINT PAUL
HUD SECTION 3 ACTION PLAN – OPTIONAL EFFORTS

The City of Saint Paul encourages Contractors to be creative and make additional efforts to direct economic opportunities to Section 3 businesses and residents. Parts 5 and 6 provide examples of additional efforts.

Part 5. Optional Contracting Efforts

Optional Contractor Efforts: Awarding Contracts	Yes/No?
Notify business assistance agencies, minority contractor associations, and community organizations of contracting opportunities and collaborate to identify Section 3 businesses to solicit bids or proposals	Yes
Consider record of Section 3 compliance in determining responsibility of potential contractors	Yes
Provide additional information to Section 3 businesses that have expressed interest in opportunities	Yes
Carry out workshops on contracting procedures and opportunities in a timely manner so that Section 3 businesses can take advantage of opportunities	No
Provide information on contracting procedures and opportunities in languages other than English	No
Advise Section 3 businesses as to where to find assistance in obtaining bonding, lines of credit, financing, or insurance	No
Notify HUD Youthbuild programs of contracting opportunities	No
Other (specify):	

Part 6. Optional Hiring/Training Efforts

Optional Contractor Efforts: New Hires/Training Opportunities	Yes/No?
Conduct job interviews within the neighborhood or service area of the section 3 covered project	No
Advertise the jobs to be filled through the local media, such as community television networks, newspapers of general circulation, and radio advertising	No
Maintain a file of qualified section 3 residents for future employment positions	Yes
Other (specify):	

A Contractor having completed this questionnaire accurately and in full agrees to meet its obligations to the City of Saint Paul’s Section 3 policies and procedures. You will be required to provide documentation of the above listed efforts to the City of Saint Paul.

Send Action Plan & Documentation of efforts to:
 Dept. of Human Rights & Equal Economic
 Opportunity – Contract Compliance
 15 W. Kellogg Blvd – 280 City Hall
 Saint Paul, MN 55102
Section3program@stpaul.gov
 Phone: 651-266-8900 Fax: 651-266-8919

 John Doe
Signature of Contractor Representative

 3/1/2014
Date



CITY OF SAINT PAUL – PROJECT COMPLIANCE REPORT CONTRACTOR’S SUMMARY OF HIRING ACTIVITY

The information provided will be used to monitor the program recipient’s compliance with Section 3, to assess the City’s efforts to meet the objectives of Section 3, prepare reports for HUD, and by recipients as a self-monitoring tool.

Provide the requested information for each new hire made on this project. **All Contractors and sub-contractors that have received contracts of over \$100,000 must submit this report fully completed.**

Contractor Name & Address		Contact Person			Reporting Period		Date		
		Telephone Number			Email Address				
		Project Name			Start Date		Completion Date		
		Total Amount of Award \$			Prime Contractor <input type="radio"/>				
			Sub-Contractor <input type="radio"/>						
Job Category	# of New Hires	Total No. of Hours that are New Hires	No. of New Hires that are Sec 3 Residents	Total No. of Hours that are Sec 3 Residents	No. of Sec 3 Employees & Trainees	Total No. of hours that are Sec 3 Employees & Trainees			
Total for this Reporting Period									
Total from Contract Start Date									

Certified this ____ day of _____, 2014

By: _____



CITY OF SAINT PAUL– PROJECT COMPLIANCE REPORT CONTRACTOR’S NEW HIRE OPPORTUNITY WORKSHEET

To ensure efforts are made to reach the City of Saint Paul’s numerical goals for job placement of low-income individuals; all Contractors shall provide information on all available employment and training opportunities related to the project. This document must be submitted with certified payrolls. This is a **mandatory quarterly submittal**.

# of Core Employees	Proposed # of New Hires	Proposed # of Section 3 Hires	Contract Amount \$		
Proposed % of Section 3 New Hires	# of New Employees Hired for Construction Work	# of New Employees Hired for Non-Construction Work			
Name of New Hire	New Hire Job Titles	Sect. 3 Yes/No	Estimated Start Date	Estimated End Date	Office Use

Office Use Only
 Section 3 Employment Goals – 30% of new hires
 Actual Hiring Goal: _____ Achieved _____



CITY OF SAINT PAUL– PROJECT COMPLIANCE REPORT CONTRACTOR’S SUMMARY OF CONTRACTING ACTIVITY

Please summarize the project’s contracting and sub-contracting information below and attach a completed ID sheet. **All Contractors and sub-contractors that have received contracts of over \$100,000 must submit this report.**

CONSTRUCTION CONTRACTS			
Total \$ Amount of all Contracts Awarded on the Project	Total \$ Amount of Const Contracts Awarded to Section 3 Businesses	Percentage of Total \$ Amount Awarded to Section 3 Businesses	Total No. of Section 3 Businesses Awarded Contracts
\$	\$	%	
NON-CONSTRUCTION CONTRACTS			
Total \$ Amount of all Contracts Awarded on the Project	Total \$ Amount of Const Contracts Awarded to Section 3 Businesses	Percentage of Total \$ Amount Awarded to Section 3 Businesses	Total No. of Section 3 Businesses Awarded Contracts
\$	\$	%	

Office Use Only

Construction Contract Goal – 10% of total dollar amount of construction work
 Section 3 Construction Contract Goal \$ _____ Achieved _____

Non-Construction Contract Goal – 3% of total dollar amount of other contracts
 Non-Construction Contract Goal \$ _____ Achieved _____

Certified this ____ day of _____, 2014

By: _____



CITY OF SAINT PAUL– PROJECT COMPLIANCE REPORT CONTRACTOR’S EFFORTS TO ACHIEVE HUD SECTION 3 COMPLIANCE

Indicate below the efforts made to direct employment and other economic opportunities, to the greatest extent feasible, to low-income persons and businesses providing opportunities to low-income persons. **All Contractors and sub-contractors that have received contracts of over \$100,000 must submit this report.**

(See section VII. Ensuring Compliance with Section 3 Policies and review the minimum efforts required by Contractors to complete this form.)

Check all that Apply

- Attempted to recruit low-income residents through local advertising media, and signs prominently displayed at the project site.
- Partnered or coordinated events with community organizations and/or public and private agencies in the area in which the project is located, or similar methods
- Coordinated with Youthbuild programs in the metropolitan area in which the Section 3 Project is located.

Describe additional methods undertaken to achieve the objectives of Section 3 Compliance (attach additional pages if necessary):

Indicate what specific strategies and outreach efforts were used for contracting with Section 3 business concerns and for hiring Section 3 residents:



CITY OF SAINT PAUL– PROJECT COMPLIANCE REPORT - SAMPLE CONTRACTOR’S NEW HIRE OPPORTUNITY WORKSHEET

To ensure efforts are made to reach the City of Saint Paul’s numerical goals for job placement of low-income individuals; all Contractors shall provide information on all available employment and training opportunities related to the project. This document must be submitted with certified payrolls. This is a **mandatory quarterly submittal**.

# of Core Employees: 10	Proposed # of New Hires: 3	Proposed # of Section 3 Hires: 1	Contract Amount \$ 800,000		
Proposed % of Section 3 New Hires: 30%	# of New Employees Hired for Construction Work: 3	# of New Employees Hired for Non-Construction Work: 0			
Name of New Hire					
Name of New Hire	New Hire Job Titles	Sect. 3 Yes/No	Estimated Start Date	Estimated End Date	Office Use
Jay Doe	App. Carpenter	Y	3/15/2014	7/15/2014	
Jane Doe	Journeyman Carpenter	N	3/15/2014	7/15/2014	
Jo Doe	Journeyman Carpenter	N	3/15/2014	7/15/2014	

Office Use Only
 Section 3 Employment Goals – 30% of new hires
 Actual Hiring Goal: _____ Achieved _____



CITY OF SAINT PAUL– PROJECT COMPLIANCE REPORT - SAMPLE CONTRACTOR’S SUMMARY OF CONTRACTING ACTIVITY

Please summarize the project’s contracting and sub-contracting information below and attach a completed ID sheet. **All Contractors and sub-contractors that have received contracts of over \$100,000 must submit this report.**

CONSTRUCTION CONTRACTS			
Total \$ Amount of all Contracts Awarded on the Project	Total \$ Amount of Const Contracts Awarded to Section 3 Businesses	Percentage of Total \$ Amount Awarded to Section 3 Businesses	Total No. of Section 3 Businesses Awarded Contracts
\$ 80,000	\$ 80,000	100%	1
NON-CONSTRUCTION CONTRACTS			
Total \$ Amount of all Contracts Awarded on the Project	Total \$ Amount of Const Contracts Awarded to Section 3 Businesses	Percentage of Total \$ Amount Awarded to Section 3 Businesses	Total No. of Section 3 Businesses Awarded Contracts
\$ 0	\$ 0	% 0	0

Office Use Only

Construction Contract Goal – 10% of total dollar amount of construction work
 Section 3 Construction Contract Goal \$ _____ Achieved _____

Non-Construction Contract Goal – 3% of total dollar amount of other contracts
 Non-Construction Contract Goal \$ _____ Achieved _____

Certified this ____ day of _____, 2014

By: _____



CITY OF SAINT PAUL– PROJECT COMPLIANCE REPORT - SAMPLE CONTRACTOR’S EFFORTS TO ACHIEVE SECTION 3 COMPLIANCE

Indicate below the efforts made to direct employment and other economic opportunities, to the greatest extent feasible, to low-income persons and businesses providing opportunities to low-income persons. **All Contractors and sub-contractors that have received contracts of over \$100,000 must submit this report.**

(See section VII. Ensuring Compliance with Section 3 Policies and review the minimum efforts required by Contractors to complete this form.)

Check all that Apply

- Attempted to recruit low-income residents through local advertising media, and signs prominently displayed at the project site.
- Partnered or coordinated events with community organizations and/or public and private agencies in the area in which the project is located, or similar methods
- Coordinated with Youthbuild programs in the metropolitan area in which the Section 3 Project is located.

Describe additional methods undertaken to achieve the objectives of Section 3 Compliance (attach additional pages if necessary):

Indicate what specific strategies and outreach efforts were used for contracting with Section 3 business concerns and for hiring Section 3 residents:

- Solicited 4 Section 3 businesses for insulation work
- Worked with union hall to request available Section 3 union workers – this resulted in one Section 3 resident new hire

AWARDING SUB-CONTRACTS



Form required for Labor Standards, AA/EEO, HUD Section 3, and Vendor Outreach
Submit completed form to: Contract Compliance & Business Development
 15 West Kellogg Blvd, Room 280 Phone: 651-266-8900, Fax: 651-266-8919
 Saint Paul, MN 55102-1681 Email: contractcompliance@stpaul.gov

Project: _____ Bid #: _____ Est. Construction Cost: _____ VOP Goal: \$ _____ %

Please identify all sub-contractors (including material suppliers) you intend to utilize on this project. Identify all suppliers with an **(S)**.
 Identify Minority Owned, Women Owned, Small, and Section 3 businesses with **MBE, WBE, SBE, or Sec 3** respectively. Please identify Certified Vendors.
Form must be updated and submitted when you add, delete, or make other changes to the list.

	Name, Address, Contact Person, and Phone Number	CERT W/MS/BE Vendor	Section 3 Certified Vendor	Nature of Work	Date Work to Begin	Date Work Completed	Contract Amount
PRIME:							
SUBS: 1							
2							
3							
4							
5							
6							
7							
8							

SECTION 3 COMPLIANCE COVER PAGE

Note: HUD Section 3 Compliance Applies to this Project

Subrecipients, subgrantees, developers, contractors, and subcontractors involved with this project must satisfy the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u and the regulations at 24 CFR part 135, the City of Saint Paul Section 3 Action Plan, and the terms of this contract.

Instructions for use of Section 3 language.

1. The attached language **must** be inserted in the main body (not in an exhibit or attachment) of every contract, grant, and other agreement in which HUD funds of \$1.00 or more are being used.
2. This language **must** also be included in all bid and proposal instructions, notices, specifications, and solicitations for work that are distributed.
3. The bidding requirements listed below include specific actions that must be taken in order to facilitate the participation of Section 3 businesses with this project. Any entity that solicits bids or proposals for work or services must exercise the **bid preferences** listed after receiving all bids or proposals.
4. The subrecipients, subgrantees, developers, and covered contractors and subcontractors understand and agree that the **penalty language** applies to their involvement with this Section 3 project.
5. Insert into the blank fields the name of the recipient of HUD funds, e.g. Subgrantee, Subrecipient, Developer, Borrower, Contractor, Sub-contractor, etc. Insert the word “Bidder” in the blank fields when this language is used as part of bid and proposal instructions, notices, specifications, and solicitations for work.

____. SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968

A. Compliance; goals; reporting. The _____ agrees to comply with and to cause its covered contractors and covered subcontractors to comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u and the regulations at 24 CFR part 135, the City of Saint Paul Section 3 Action Plan, and the terms of this contract. The contracting goals of 10% of building trade work and 3% of other contracts, and the 30% new hire employment goals apply to this contract by the _____. The _____ agrees to report to the City/HRA, as requested by City/HRA, its compliance with these Section 3 requirements on the form(s) supplied by the City/HRA.

B. Bids. The _____ agrees that the following bidding requirements apply to this contract:

(a) Actions to facilitate participation by Section 3 business concerns.

(i) The _____ agrees to arrange solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways to facilitate the participation of Section 3 business concerns.

(ii) The _____ agrees where appropriate to break out contract work items into economically feasible units to facilitate participation by Section 3 business concerns.

(iii) The _____ agrees to solicit a minimum of three (3) bids from the City of Saint Paul Section 3 business list for each service that requires subcontracts. If the City’s business list includes fewer than three (3) qualified businesses that perform the work needed, the _____ agrees to solicit bids from all the businesses that are on the City’s Section 3 business list.

(b) Preference for Section 3 Business Concerns.

(i) Request for Bid process. Preference in the award of Section 3 covered contracts that are awarded under a sealed bid process shall be provided as follows: Bids shall be solicited from all businesses (section 3 business concerns, and non-section 3 business concerns). An award shall be made to the qualified section 3 business concern with the highest priority ranking and with the lowest responsive bid if that bid—

(A) is within the maximum total contract price established in the budget for the project for which bids are being taken, and

(B) is not more than “X” higher than the total bid price of the lowest responsive bid from any responsible bidder. “X” is determined as follows:

	x=lesser of:
When the lowest responsive bid is less than \$100,000	10% of that bid or \$9,000.
When the lowest responsive bid is:	

At least \$100,000, but less than \$200,000	9% of that bid, or \$16,000.
At least \$200,000, but less than \$300,000	8% of that bid, or \$21,000.
At least \$300,000, but less than \$400,000	7% of that bid, or \$24,000.
At least \$400,000, but less than \$500,000	6% of that bid, or \$25,000.
At least \$500,000, but less than \$1 million	5% of that bid, or \$40,000.
At least \$1 million, but less than \$2 million	4% of that bid, or \$60,000.
At least \$2 million, but less than \$4 million	3% of that bid, or \$80,000.
At least \$4 million, but less than \$7 million	2% of that bid, or \$105,000.
\$7 million or more	1 ½ % of the lowest responsive bid, with no dollar limit.

(ii) If no responsive bid by a Section 3 business concern meets the requirements of paragraph (i) of this section, the contract shall be awarded to a responsible bidder with the lowest responsive bid.

(ii) Request for Proposal process. Where the Section 3 covered contract is to be awarded based on factors other than price, a Request for Proposals (“RFP”) shall identify all evaluation factors (and their relative importance) to be used to rate proposals.

- One of the evaluation factors shall address both the preference for Section 3 business concerns and the acceptability of the strategy for meeting the greatest extent feasible requirement, as disclosed in proposals submitted by all business concerns (Section 3 and non-section 3 business concerns). This factor shall provide for a range of 15 to 25 percent of the total number of available points to be set aside for the evaluation of these two components.
- The component of this evaluation factor designed to address the preference for Section 3 business concerns must establish a preference for these business concerns in the order of priority ranking as described in 24 CFR 135.36.
- With respect to the second component (the acceptability of the Section 3 strategy), the RFP shall require the disclosure of the contractor’s Section 3 strategy to comply with Section 3 training and employment preference, or contracting preference, or both. If applicable, a determination of the contractor’s responsibility will include the submission of an acceptable Section 3 strategy. The contract award shall be made to the responsible firm (either Section 3 or non-section 3 business concerns) whose proposal is determined most advantageous, considering price and all other factors specified in the RFP.

C. Penalty. The following penalty clause only applies to (a) a subgrantee, subrecipient or developer for a Section 3 covered project for which the amount of HUD assistance exceeds \$200,000, and (b) for those contractors and subcontractors whose contracts exceed \$100,000 for those section 3 covered projects for which the HUD assistance exceeds \$200,000:

Where at least 10% of the total dollar amount of all Section 3 covered contracts for building trades work arising in connection with housing rehabilitation, housing construction, and public construction or at least 3% of the total dollar amount of all other Section 3 covered contracts are not provided to Section 3 business concerns and/or do not result in the employment of Section 3 residents, the contractor, sub-contractor, developer or sub-recipient will be required to contribute the difference between 10% of the covered contract amount (3% for nonconstruction related contracts) and the amount provided to Section 3 business concerns and/or in the employment of Section 3 residents into the City's Section 3 Implementation Fund. The City will enforce this requirement.

D. Remedies for default. In addition to the penalty described above, the City may, upon a failure to comply with any of the Section 3 requirements described herein, elect to enforce any other remedy described in the City of Saint Paul Section 3 Action Plan, the terms of this contract and as afforded by City Ordinance, law or equity.

E. 24 CFR Section 135.38 Section 3 Clause.

This Section 3 clause is a part of this contract:

A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

G. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

MAKING NEW HIRES



**SAMPLE NOTICE OF HUD SECTION 3
EMPLOYMENT & TRAINING OPPORTUNITIES**

CITY OF SAINT PAUL RESIDENTS MAY QUALIFY FOR EMPLOYMENT, TRAINING AND/OR CONTRACTING OPPORTUNITIES ON THIS FEDERALLY FUNDED CONSTRUCTION PROJECT. LOW-INCOME AND VERY LOW-INCOME RESIDENTS WILL RECEIVE HIRING PREFERENCE.

NUMBER OF JOBS AVAILABLE

1

**AVAILABLE JOB TITLE(S)
PIPEFITTER**

**APPRENTICESHIP AND TRAINING OPPORTUNITIES AVAILABLE
NONE**

INTERESTED CITY OF SAINT PAUL & FROGTOWN RESIDENTS SHOULD CONTACT THE DESIGNATED PERSON BELOW TO DETERMINE THEIR ELIGIBILITY FOR CURRENT AVAILABLE POSITIONS, POSSIBLE FUTURE POSITIONS OR OTHER TRAINING OPPORTUNITIES

EMPLOYMENT/TRAINING OPPORTUNITIES	
CONTACT	JOHN DOE
PHONE	651-123-4567
ADDRESS	DOE'S CONSTRUCTION 123 STREET SAINT PAUL, MN 55104
E-MAIL	JOHN@DOE.COM
FAX	651-321-7654

THIS SAMPLE NOTICE COMPLIES WITH THE CITY OF SAINT PAUL SECTION 3 ACTION PLAN TO PROVIDE NOTICE OF EMPLOYMENT & TRAINING OPPORTUNITIES TO ELIGIBLE LOW INCOME RESIDENTS.



CITY OF SAINT PAUL SAMPLE HUD SECTION 3 LETTER TO UNION

Union Contractors must send a similar notice to each labor organization with which it has a collective bargaining agreement or other understanding and carbon copy the City on the correspondence.

Date

Union Contact

Address

City, State, Zip

RE: Project Name & Site

Dear:

(Name of Contractor), is a subcontractor or contractor on the (Name of Project). This construction project is under the United States Department of Housing and Urban Development Section 3 regulations for the City of Saint Paul.

The Section 3 regulation compliance requires that contractors to the greatest extent feasible hire low-income residents of the City of Saint Paul and (enter the neighborhood location or zip codes) for the project. We are asking for your cooperation in using your best efforts to dispatch low-income Section 3 resident workers from your union that reside in the City of Saint Paul and (enter the neighborhood location or zip codes). However, if there are no available workers in the project area please dispatch low-income Section 3 resident workers from your union that reside outside the project area and the City of Saint Paul.

Please keep this correspondence for your records. When we request that workers are dispatched to a job, please make your best effort to assist our company and the City of Saint Paul meet the Section 3 local hiring requirements.

Sincerely,

(Person Name)

cc: HREEO, Section 3 Administrator



**CITY OF SAINT PAUL
WORKER REQUEST FORM FOR UNION CONTRACTORS**

FOR UNION CONTRACTOR USE ONLY

CONTRACTOR

Please send this completed form, or its equivalent, to the applicable union to request workers that fulfill hiring requirements for this project. Send a copy of this form to Department of HREEO, attention Section 3 Administrator at (651) 266-8919 or by e-mail to section3program@ci.saintpaul.mn.us. After sending your request, please call the Local to confirm receipt and substantiate their capacity to furnish workers. **Print and retain your fax transmission verification reports and keep copies for your records.**

UNION

Complete the "Union Use Only" section and fax this form back to the requesting Contractor. **Retain a copy of this form for your records and fax a copy to the City of Saint Paul Department of HREEO at 651-266-8919.**

To: Local # _____ Fax# (____) _____ Date _____

CC: Department of HREEO, Attention: Section 3 Administrator (651) 266-8919

FR: Company Name _____ Name _____

Contact Phone # (____) _____ Fax (____) _____

Project Site Address _____

The City of Saint Paul requires that 30% of the new hires & apprentices be low-income Section 3 eligible residents. The order of providing preference for training and employment opportunities is as follows:

1st PRIORITY	Section 3 eligible Union members, including apprentices, who reside in the following Neighborhood/ZipCodes: _____
2nd PRIORITY	Section 3 eligible Union members that reside in the City of Saint Paul.
3rd PRIORITY	Other Section 3 eligible Union members that reside outside the City.

Union Employees Requested by Contractor

Job Description	Classification Level Ex/Journey or Apprentice	Number Requested	Report Date	Report Time

Union Use Only

Received By: _____ Date: _____ Dispatch Date _____

Total # Dispatched: _____ #1st Priority _____ #2nd Priority _____ #3rd Priority _____ #Other _____

Comments: _____



FOR CONTRACTOR USE



EMPLOYMENT & TRAINING REQUISITION FORM

Contractor: Please complete the following form and e-mail to Ramsey County Workforce Solutions Job Connect Coordinator John O’Phelan at jobconnectmn@co.ramsey.mn.us and section3program@ci.stpaul.mn.us.

The subject line of the e-mail should contain the Project Name and Number. This form will be used to advertise available training and employment opportunities related to Section 3 Projects.

If the job requires a specific application that is available on-line,

If you have questions about Job Connect please contact John O’Phelan at jobconnectmn@co.ramsey.mn.us. You may also review the employment advertisement at www.jobconnectmn.com.



City of Saint Paul HUD Section 3 Program



EMPLOYMENT & TRAINING OPPORTUNITY

Date Submitted: _____

Project Name: _____ Project Location: _____

Company Information

Name of Company: _____

Contact Person: _____ Title: _____

Phone: _____ Fax _____

Email: _____ Web Address: _____

Company Address: _____

Position Information

Position Title: _____ Hours Per Wk: _____ Wage: _____

Application/Resume Deadline: _____

Link to online Application _____

Type of Position Perm () Temp () FT () PT () Seasonal ()

Required/Preferred Skills Qualifications:

How to Apply: Fax () Mail () E-mail () In-Person () Call ()

#

Exhibit R
Declaration of Covenants, Conditions and Restrictions

Not likely to apply. Will attach to final project-specific version of Development Agreement if required.

DRAFT

Exhibit S
Developer Note

DRAFT

#

PROMISSORY NOTE

Project Title: _____, Saint Paul, Minnesota

Name of Borrower: _____,
a Minnesota _____

Total amount of Loan: \$ _____

Date: _____, 20____

FOR VALUE RECEIVED, _____, a Minnesota _____, (the "**Borrower**") hereby promises to pay to the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, a public body corporate and politic organized and existing under the laws of the State of Minnesota (the "**Lender**") or its successors and assigns, the principal amount _____ and _____/One-Hundredths Dollars (\$ _____), together with interest thereon at the rate of zero percent (0.00%) per annum (the "**Loan**"). The Loan represents payment of the acquisition and development costs of the real property commonly known as _____, Saint Paul, MN 55____ (the "**Property**") and legally described in that certain Development Agreement (Inspiring Communities) dated _____, between the Borrower and Lender (the "**Agreement**"), which terms and conditions are incorporated by reference herein. Defined terms as used in this Promissory Note (the "**Note**") are defined in the Agreement or this Note.

1. The maturity date of this Note is _____ ("**Maturity Date**") at which time the entire Loan is due and payable to Lender.
2. No payments of principal and interest shall be due during the year unless Borrower defaults under the Agreement, or any related or required documents therein, and upon default the entire amount of the Loan is due and payable. Failure of Lender to exercise its remedies, legal or equitable, under this Note, the Agreement, or any related or required documents therein, shall not constitute a waiver of such defaults.
3. If the Borrower shall default in the payment of the Note, or the Note is reduced to judgment, such judgment shall bear the lawful interest rate pertaining to judgments. The Borrower agrees to pay all costs of collection incurred by the Lender, including without limitation reasonable attorney fees and costs.
4. Provided that Borrower is not in default under the Agreement or Developer Mortgage, or any related or required documents therein, and the Developer has completed construction of the Minimum Improvements and either i) sold the completed home to a Qualified Homebuyer who has executed an affidavit of homestead or ii) rented the completed home to an income-eligible Renter, then the Lender shall forgive and discharge the Note, otherwise it shall remain in full force and effect.
5. If repayment is required, all payments must be made in lawful money of the United States. Checks must be made out to the "*The Housing and Redevelopment Authority of the City of Saint Paul, Minnesota*" and sent to the following address:

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The Housing and Redevelopment Authority
of the City of Saint Paul, Minnesota
Attn: Accounting Department
1400 City Hall Annex
25 W. Fourth Street
Saint Paul, MN 55102

6. Payment of the Note is secured by the Developer Mortgage of even date herewith referenced in the Agreement and reference herein is made to the Developer Mortgage for additional rights and remedies of the Lender. The principal amount of the Note together with interest thereon shall be due and payable upon the occurrence and continuance of an Event of Default under the Agreement, Developer Mortgage, or any related or required documents therein.
7. Demand, protest and notice of demand and protest are hereby waived, and the Borrower hereby waives, to the extent authorized by law, any and all homestead and other exemption rights which otherwise would apply to the debt evidenced by the Note.
8. The Note may not be modified orally, but only by an agreement in writing and signed by the Borrower and Lender.
9. The remedies of the Lender, as provided herein, by law, and in the Agreement, or any related or required documents therein, are not exclusive and shall be cumulative and concurrent and may be pursued singly, successively or together, at the sole discretion of the Lender, and may be exercised as often as occasion therefore shall occur, and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.
10. The Lender shall not be deemed, by any act, omission, or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Lender and then only to the extent specifically set forth in said writing. A waiver with reference to one event shall not be construed as a bar to or waiver of any right or remedy as to a subsequent event.
11. The Note is made with reference to and is to be construed in accordance with the laws of the State of Minnesota.

(signature page follows)

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IN WITNESS WHEREOF, this Note has been duly executed by the undersigned Borrower, as of the date above first written.

BORROWER

_____,
a Minnesota _____

By _____
Its _____

By _____
Its _____

DRAFT

Exhibit T
Developer Mortgage

DRAFT

(Top 3 inches reserved for recording data)

THIS MORTGAGE IS EXEMPT FROM MORTGAGE REGISTRATION TAX PURSUANT TO MINN STAT SECTION 287.04(f) BECAUSE THIS MORTGAGE WAS MADE UNDER THE MORTGAGEE'S LOW AND MODERATE INCOME OR OTHER AFFORDABLE HOUSING PROGRAM

COMBINATION MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING AND FINANCING STATEMENT

THIS COMBINATION MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING AND FINANCING STATEMENT (the "**Mortgage**") is made as of the ____ day of _____, 20____, by _____, a Minnesota _____, the **Mortgagor**, and the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, a public body corporate and politic organized and existing under the laws of the State of Minnesota ("**HRA**"), and the City of Saint Paul, a Minnesota municipal corporation and home rule charter city ("**City**"), collectively the HRA and City are herein referred to as the **Mortgagee**.

RECITALS:

1. That to secure the payment of principal on the indebtedness according to the terms of that certain promissory note in the principal amount of \$_____, executed concurrently and is of even date with this Mortgage by and between these same parties, which terms are hereby incorporated into this instrument (the "**Note**"), the Mortgagor, hereby mortgages to the Mortgagee the following described property located in the City of Saint Paul, County of Ramsey, State of Minnesota which is commonly known as _____, Saint Paul, MN 55_____ and legally described as:

See attached Exhibit A (the "**Property**")

2. The Mortgagor proposes to construct a new residential dwelling on the Property (the said acquisition of the Property and construction thereon being called the "**Project**" herein).

3. Pursuant to a Development Agreement (Inspiring Communities) dated _____, 20____ between Mortgagee and Mortgagor (the "**Agreement**"), Mortgagee has agreed to loan \$_____ to the Mortgagor to pay for the acquisition and development of the Property, as defined in the Agreement.

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4. Pursuant to the Note, Mortgagor, jointly and severally, has agreed to repay to Mortgagee the total amount loaned by Mortgagee pursuant to the Agreement and pursuant to the terms and conditions set forth in the Note.

5. To secure payment of the Note and the payment and performance of Mortgagor's obligations under the Agreement, Mortgagor has executed and delivered to Mortgagee this Mortgage.

AGREEMENTS:

NOW, THEREFORE, in consideration of _____ (\$_____) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged; and to secure (a) the due and punctual payment of principal on the Note, which has a maturity date of _____, and the obligations of Mortgagor under the Agreement, and all renewals, extensions and modifications thereof and any agreements or obligations issued in substitution therefor (provided the principal amount secured by this Mortgage shall not exceed \$_____) and (b) the performance of all the covenants and agreements of Mortgagor herein, in the Agreement and in any other agreement now or hereafter entered into between the Mortgagor and Mortgagee in connection with the Agreement or the Project contemplated therein (the payment and other obligations evidenced by the Agreement, this Mortgage and all such other agreements are hereinafter collectively referred to as the "**Indebtedness**"), the Mortgagor does hereby mortgage, grant, bargain, sell, assign, transfer and convey unto the Mortgagee forever, with power of sale, the following:

I.

All of Mortgagor's right, title and interest in and to the real property constituting the Property (the "**Land**") and the improvements, fixtures and personal property now standing or at any time hereafter constructed or placed upon the Land (the "**Improvements**"), including but not limited to: (i) all building materials, supplies and equipment now or hereafter located on the Land and suitable or intended to be incorporated in any Improvements located or to be erected on the Land; (ii) all heating, plumbing and lighting apparatus, motors, engines and machinery, electrical equipment, incinerator apparatus, air-conditioning equipment, water and gas apparatus, pipes, faucets, and all other fixtures of every description which are now or may hereafter be placed or used upon the Land or in any of the Improvements now or hereafter located thereon; (iii) all additions, accessions, increases, parts, fittings, accessories, replacements, substitutions, betterments, repairs and proceeds to and of any and all of the foregoing; (iv) all hereditaments, easements, appurtenances, estates, and other rights and interests now or hereafter belonging to or in any way pertaining to the Land or to any of the Improvements now or hereafter located thereof; and (v) all tangible personal property owned by the Mortgagor and now or at any time hereafter located on or relating to the Land.

II.

All rents, issues, profits, condemnation awards, revenues and income arising from the ownership, operation or sale of the Land and the Improvements and all proceeds and products thereof (herein collectively called "**Revenues and Income**").

To Have and To Hold the Land and the Improvements (together the "**Mortgaged Property**"), and the Revenues and Income unto the Mortgagee forever; provided, nevertheless, that this Mortgage is granted upon the express condition that if the Mortgagor shall cause to be paid to the Mortgagee as and when due and payable the Indebtedness, and shall also keep and perform each and every covenant and agreement of Mortgagor herein contained, then, this Mortgage and the estate hereby granted shall cease and be and become void and shall be released of record at the expense of the Mortgagor; otherwise this Mortgage shall be and remain in full force and effect.

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The Mortgagor represents, warrants and covenants to and with the Mortgagee that Mortgagor is lawfully seized of the Land in fee simple and has good right and full power and authority to execute this Mortgage and to mortgage the Mortgaged Property; that the Mortgagor owns the Mortgaged Property free from all liens, security interests and encumbrances except as listed in Exhibit B attached hereto (the “**Permitted Encumbrances**”); that the Mortgagor will warrant and defend the title to the Mortgaged Property and the lien and priority of this Mortgage against all claims and demands of all persons whomsoever, whether now existing or hereafter arising, not listed in Exhibit B to this Mortgage. The covenants and warranties of this paragraph shall survive foreclosure of this Mortgage and shall run with the Land.

III.

The Mortgagor further covenants and agrees as follows:

1. Payment of the Indebtedness and Compliance with Other Agreements.

a. Mortgagor will cause the principal on the Indebtedness to be duly and punctually paid in accordance with the terms of the Note, the Agreement and this Mortgage, when and as due and payable. The provisions of the Note and Agreement are hereby incorporated by reference into this Mortgage as fully as if set forth at length herein; and

b. Mortgagor will duly and punctually perform each and every obligation under the Agreement and any other agreement on or hereafter entered into by the Mortgagor and Mortgagee in connection with the Agreement or the Project contemplated therein.

2. Payment of Taxes, Assessments and Other Charges; Escrow. Subject to Paragraph 6 relating to contests, the Mortgagor shall pay before a penalty might attach for nonpayment thereof, all taxes and assessments and all other charges whatsoever levied upon or assessed or placed against the Mortgaged Property, except that assessments may be paid in installments so long as no fine or penalty is added to any installment for the nonpayment thereof. Mortgagor shall likewise pay all taxes, assessments and other charges, levied upon or assessed, placed or made against, or measured by, this Mortgage, or the recordation hereof, or the Indebtedness secured hereby, provided that the Mortgagor shall not be obliged to pay such tax, assessment or charge if such payment would be contrary to law or would result in the payment of an unlawful rate of interest on the Indebtedness secured hereby; and provided further that nothing herein contained shall be construed as requiring Mortgagor to pay any net income, profits or revenues taxes of the Mortgagee. Mortgagor shall promptly furnish to the Mortgagee all notices received by the Mortgagor of amounts due under this paragraph and shall furnish receipts evidencing such payments within 10 days after such payments are made.

3. Payment of Utility Charges. Subject to Paragraph 6 relating to contests, the Mortgagor shall pay all charges made by utility companies, whether public or private, for electricity, gas, heat, water, or sewer, furnished or used in connection with the Mortgaged Property or any part thereof, and will upon written request of Mortgagee, furnish proper receipts evidencing such payment.

4. Liens. Subject to Paragraph 6 hereof relating to contests, the Mortgagor shall not create, incur or suffer to exist any lien, encumbrance or charge on the Mortgaged Property or Revenues and Income or any part thereof which may have priority over the lien hereof, other than the lien of current real estate taxes and installments of special assessments with respect to which no penalty is yet payable, as defined in the Agreement, and Permitted

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Encumbrances. Subject to Paragraph 6 relating to contests, Mortgagor shall pay, when due, the claims of all persons supplying labor or materials to or in connection with the Mortgaged Property.

5. Compliance with Laws. Subject to Paragraph 6 relating to contests, Mortgagor shall comply with all present and future statutes, laws, rules, orders, regulations and ordinances affecting the Mortgaged Property, any part thereof or the use thereof. Mortgagor shall use the Property in accordance with the uses specified in the City-Wide Redevelopment Plan as adopted and approved by the City of Saint Paul in Council Resolution No. 277600, dated October 28, 1981, and local zoning ordinances as now in effect and as may hereafter be amended.

6. Permitted Contests. The Mortgagor shall not be required to (i) pay any tax, assessment or other charge referred to in Paragraph 2 hereof, (ii) pay any utility charges referred to in Paragraph 3 hereof, (iii) discharge or remove any lien, encumbrance or charge referred to in Paragraph 4 hereof, or (iv) comply with any statute, law, rule, order, regulation or ordinance referred to in Paragraph 5 hereof, so long as Mortgagor shall (a) contest, in good faith, the existence, amount or the validity thereof, the amount of damages caused thereby or the extent of Mortgagor's liability therefor, by appropriate proceedings which shall operate during the pendency thereof to prevent;

- a. the collection of, or other realization upon the tax, assessment, charge or lien, encumbrance or charge so contested; and
- b. the sale, forfeiture or loss of the Mortgaged Property or any part thereof; and
- c. any interference with the use or occupancy of the Mortgaged Property or any part thereof; and
- d. shall give such security to the Mortgagee as may be reasonably demanded by the Mortgagee to ensure compliance with the foregoing provisions of this Paragraph 6. Mortgagor shall give prompt written notice to Mortgagee of the commencement of any contest referred to in this Paragraph 6.

7. Insurance.

a. Risks to be Insured. Mortgagor, at Mortgagor's sole cost and expense, will maintain insurance of the following character

- 1) "All-Risk" Insurance on the Building and other Improvements or hereafter erected on the Land against loss by fire, lightning, extended coverage perils, collapse, water damage, vandalism, malicious mischief and all other risks and contingencies, subject only to such exceptions as the Mortgagee may approve, in an amount equal to the actual replacement cost thereof (exclusive of foundations and excavations), without deduction for physical depreciation, with coverage for demolition and increased costs of construction, and providing coverage in an "agreed amount" or without provision for co-insurance. While any Building or other Improvement is in the course of being constructed or rebuilt on the Land, the Mortgagor shall provide the aforesaid hazard insurance in builder's risk form, including coverage available on the so-called "all-risk" form or policy; the amount of such insurance shall be the then current value; and

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2) Public liability insurance, including personal injury and property damage, applicable to the Mortgaged Property in such amounts as are usually carried by persons operating similar properties in the same general locality but in any event with limits of liability not less than \$2,000,000 combined single limit; and

3) Appropriate worker's compensation insurance with respect to any work on or about the Mortgaged Property; and

4) Mortgagee shall be named as mortgagee on the policy required under item (1) above and co-insured on the policy required under item (2) above.

b. Policy Provisions. All insurance policies and renewals thereof maintained by Mortgagor pursuant to subparagraph (a) above shall be written by an insurance carrier satisfactory to the Mortgagee, contain, except in the case of liability insurance and worker's compensation insurance, a standard mortgagee clause in favor of and in form acceptable to Mortgagee, contain an agreement of the insurer that it will not cancel or materially modify the policy except after 30 days prior written notice to the Mortgagee, include effective waivers by the insurer of all claims for insurance premiums against the Mortgagee, provide, provide that any losses shall be payable notwithstanding (1) any act or negligence of the Mortgagor or Mortgagee, (2) any foreclosure of other proceedings or notice of sale relating to the Mortgaged Property, or (3) any change in the title to or ownership of the Mortgaged Property, and be reasonably satisfactory to Mortgagee in all other respects; and

c. Delivery of Policy. Mortgagor will deliver to Mortgagee certificates of insurance or copies of policies satisfactory to Mortgagee evidencing the insurance which is required under subparagraph (a), and Mortgagor shall promptly furnish to Mortgagee all renewal notices and all receipts of paid premiums received by Mortgagor. At least 30 days prior to the expiration date of a required policy, Mortgagor shall deliver to Mortgagee a renewal policy or certificate of insurance in form satisfactory to Mortgagee; and

d. Assignment of Policy. If the Mortgaged Property is sold at a foreclosure sale or if Mortgagee shall acquire title to the Mortgaged Property, the Mortgagee shall have all of the right, title and interest of Mortgagor in and to any insurance policies required under paragraph 7(a) hereof and the unearned premiums thereon and in and to the proceeds resulting from any damage to the Mortgaged Property prior to such sale or acquisition; and

e. Notice of Damage or Destruction; Adjusting Loss. If any Improvements hereafter erected on the Mortgaged Property shall be damaged or destroyed by fire or other casualty, Mortgagor will promptly give written notice thereof to the insurance carrier and Mortgagee and the Mortgagee shall have the right to join the Mortgagor in adjusting any damage or loss which is estimated by Mortgagee in good faith to exceed \$10,000; but if there has been no adjustment of any such damage or loss within the 30 days from the date of occurrence thereof and if an Event of Default shall exist at the end of such 30 days period or at any time thereafter, Mortgagee may alone make proof of loss, adjust and compromise any claim under the policies and appear in the prosecution of any action arising from such policies. In connection therewith, Mortgagor does hereby irrevocably authorize, empower and appoint Mortgagee as attorney-in-fact for Mortgagor (which appointment is coupled with an interest) to do any and all of the foregoing in the name and on behalf of Mortgagor; and

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- f. Restoration of Damaged or Destroyed Property. In case of any damage to or destruction of the Mortgaged Property or any part thereof, the Mortgagor, whether or not the insurance proceeds, if any, on account of such damage or destruction shall be sufficient for the purpose, at Mortgagor's expense, at its election may either promptly commence and complete the restoration, repair, replacement or rebuilding of the Mortgaged Property that is damaged or destroyed (the "**Restoration**") as nearly as possible to its value, condition and character, immediately prior to such damage or destruction, with such alterations and additions as may be made at the Mortgagor's election, or if Mortgagor does not elect to proceed with Restoration, reduce the Indebtedness by the net amount of insurance proceeds received by Mortgagor with respect to such damage or destruction.
8. Preservation and Maintenance of Mortgaged Property. Mortgagor (i) shall keep the Improvements hereafter erected on the Land in safe and good repair and condition, ordinary wear and tear and damage by insured casualty excepted (ii) shall constantly maintain the parking and landscaped areas of the Mortgaged Property, (iii) shall not commit waste or permit impairment or deterioration of the Mortgaged Property, and (iv) shall not remove from the Land any of the fixtures and personal property included in the Mortgaged Property unless the same is immediately replaced with like property of at least equal value and utility, and this Mortgage becomes a valid first lien on such property.
9. Inspection. The Mortgagee, or its agents, shall have the right at all reasonable times, to enter upon the Mortgaged Property for the purposes of inspecting the Mortgaged Property or any part thereof. The Mortgagee shall, however, have no duty to make such inspection.
10. Protection of Mortgagee's Security. Subject to the rights of the Mortgagor under Paragraph 6 hereof, if the Mortgagor fails to perform any of the covenants and agreement contained in this Mortgage or if any action or proceeding is commenced which affects the Mortgaged Property or the interest of the Mortgagee therein, or the title thereto, after applicable cure period, then the Mortgagee, at Mortgagee's option, upon advance written notice to Mortgagor, may perform such covenants and agreements, defend against and/or investigate such action or proceeding, and take such other action as the Mortgagee deems necessary to protect the Mortgagee's interest. Mortgagee shall be the sole judge of the legality, validity and priority of any claim, lien, encumbrance, tax assessment, charge and premium paid by it and of the amount necessary to be paid in satisfaction thereof. Mortgagee is hereby given the irrevocable power of attorney (which power is coupled with an interest and is irrevocable) effective upon the occurrence of an Event of Default, to enter upon the Mortgaged Property as the Mortgagor's agent in the Mortgagor's name to perform any and all covenants and agreement to be performed by the Mortgagor as herein provided. Any amounts disbursed or incurred by the Mortgagee pursuant to this Paragraph 10, shall become additional Indebtedness of the Mortgagor secured by this Mortgage. Unless Mortgagor and Mortgagee agree in writing to other terms of repayment, such amounts shall be immediately due and payable. Mortgagee shall, at its option, be subrogated to the lien of any mortgage or other lien discharged in whole or in part by the Indebtedness or by the Mortgagee under the provisions hereof, and any such subrogation rights shall be additional and cumulative security for this Mortgage. Nothing contained in this Paragraph 10 shall require the Mortgagee to incur any expense or do any act hereunder, and the Mortgagee shall not be liable to the Mortgagor for any damages or claims arising out of action taken by the Mortgagee pursuant to this Paragraph 10.
11. Condemnation. A "**Taking**" means any taking of the Mortgaged Property, or any part thereof, whether directly or indirectly or temporarily or permanently, in or by condemnation or other eminent domain proceedings or by reason of sale under threat thereof, or in anticipation of the exercise of the right of condemnation or other eminent domain proceedings. Forthwith upon receipt by Mortgagor of notice of the institution of any proceeding

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or negotiations for a Taking, Mortgagor shall give notice thereof to Mortgagee. Mortgagee may appear in addition to Mortgagor, in any such proceedings and participate in any such negotiations and may be represented by counsel. Mortgagor, notwithstanding that Mortgagee may not be a party to any such proceeding, will promptly give to Mortgagee copies of all notices, pleadings, judgments, determinations, and other papers received by Mortgagor therein. Mortgagor will not enter into any agreement permitting or consenting to the Taking of the Mortgaged Property, or any part thereof, or providing for the conveyance thereof in lieu of condemnation, with anyone authorized to acquire the same in condemnation or by eminent domain unless Mortgagee shall first have consented thereto in writing, which consent will not be unreasonably withheld. All Taking awards shall be adjusted jointly by Mortgagor and Mortgagee. All awards payable as a result of a Taking shall be paid to Mortgagor, which may, at its option, apply them after first deducting Mortgagor's reasonable out-of-pocket expenses incurred in the collection thereof, to reduce the Indebtedness, or to the repair or restoration of the Mortgaged Property, in such manner as Mortgagee and Mortgagor may determine. Any application of Taking awards to principal of the Indebtedness shall not extend or postpone the due date of the installments payable under the Indebtedness or change the amount of such installments.

12. Information; Books and Records. Mortgagor will prepare or cause to be prepared at Mortgagor's expense and deliver to Mortgagee immediately upon becoming aware of the existence of any condition or event which constitutes, or which after notice or lapse of time or both would constitute, an Event of Default, written notice specifying the nature and period of existence thereof and what action Mortgagor has taken, is taking or proposes to take with respect thereto. Mortgagor shall keep and maintain at all times at Mortgagor's address stated below or at such other place as Mortgagee may approve in writing, complete and accurate books of accounts and records in sufficient detail to correctly reflect the receipts and expenses in connection with the acquisition, construction, operation and/or sale of the Mortgaged Property and copies of all written contracts, leases and other instruments which affect the Mortgaged Property. Such books, records, contracts, leases and other instruments shall be subject to examination and inspection by the Mortgagee or its representative, with not less than forty-eight (48) hours' notice, during ordinary business hours.

13. Indemnification by the Mortgagor. The Mortgagor shall bear all loss, expense (including reasonable attorneys' fees) and damage in connection with, and agrees to indemnify and hold harmless the Mortgagee, and its agents, servants and employees from, all claims, demands and judgments made or recovered against the Mortgagee, or any of its agents, servants and employees because of bodily injuries, including death at any time resulting therefrom, and/or because of damages to property of the Mortgagee or others (including loss of use) from any cause whatsoever, arising out of, incidental to, or in connection with the construction and/or operation of the Improvements prior to appointment of a receiver or foreclosure of this Mortgage or arising by reason of the presence of hazardous or toxic substances on the Land or in the Improvements or releases thereof from the Mortgaged Property, whether or not due to any act of omission or commission, including negligence of the Mortgagor or Mortgagor's agents, servants or employees, except when such losses, expenses or damages are directly caused by willful misconduct of the Mortgagee or any of its agents, servants and employees. The Mortgagor's liability hereunder shall not be limited to the extent of insurance carried by or provided by the Mortgagor or subject to any exclusion from coverage in any insurance policy. The obligations of the Mortgagor under this paragraph shall survive the payment of the Note.

14. Security Interest. This Mortgage shall constitute a security agreement with respect to (and the Mortgagor hereby grants the Mortgagee a security interest in) the tangible personal property and fixtures included in the Mortgaged Property (as more particularly described in Granting Clause I of this Mortgage) and the Revenues and Income (as more particularly described in Granting Clause II). The Mortgagor will from time to time, at the request of the Mortgagee, execute any and all financing statements covering such personal

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property and fixtures, in a form satisfactory to the Mortgagee, which the Mortgagee may reasonable consider necessary or appropriate to perfect its interest.

15. Events of Default. Each of the following occurrences shall constitute an event of default hereunder (herein called an “**Event of Default**”):

a. Mortgagor shall fail to duly and punctually pay any obligation payable under the Note or Agreement and such failure is not cure within 10 business days or such longer period as allowed under the Agreement; or

b. Mortgagor shall, prior to the issuance of the Certificate of Completion as defined in the Agreement, sell or otherwise transfer the Property or any portion thereof without the prior approval of the Mortgagee, subject to the terms and conditions of the Note and Agreement; or

c. Mortgagor shall fail to duly perform or observe any of the covenants or agreements contained in this Mortgage (other than default in the performance, or breach, of any covenant of the Mortgagor in Paragraph 1(a) hereof) and such failure shall continue for a period of sixty (60) days after the Mortgagee has given written notice to the Mortgagor specifying such default or breach; or

d. Mortgagor shall make assignment for the benefit of Mortgagor’s creditors, or shall admit in writing Mortgagor’s inability to pay Mortgagor’s debts as they become due, or shall file a petition in bankruptcy, or shall become or be adjudicated a bankrupt or insolvent, however defined, or shall file a petition seeking any reorganization, dissolution, liquidation, arrangement, composition, readjustment or similar relief under any present or future bankruptcy or insolvency statute, law or regulation or shall file an answer admitting to or not contesting the material allegations of petition filed against the Mortgagor in such proceedings, or shall not, within 60 days after the filing of such petition against the Mortgagor, have same dismissed or vacated, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of a material part of the Mortgagor’s properties or of the Mortgaged Property or shall not, within 60 days after the appointment (without the Mortgagor’s consent or acquiescence) of a trustee, receiver or liquidator of any material part of the Mortgagor’s properties or of the Mortgaged Property, have such appointment vacated; or

e. An Event of Default under the Agreement (as defined in the Agreement) shall have occurred and be continuing or the Mortgagor shall be in default under any other agreement now or hereafter entered into by the Mortgagor and the Mortgagee in connection with the Agreement or the Project contemplated therein after expiration of any applicable cure periods; or

f. Construction of the Project shall be abandoned or shall be unreasonably delayed or discontinued for a period of ninety (90) consecutive days (for reasons other than Unavoidable Delays).

16. Remedies. Whenever any Event of Default shall have occurred and be subsisting after the applicable cure period, the Mortgagee may, at its option, exercise one or more of the following rights and remedies (and/or any other rights and remedies available to it), each such remedy being cumulative and in addition to the others available at law or by equity:

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a. Mortgagee may, by written notice to the Mortgagor, declare immediately due and payable all Indebtedness secured by this Mortgage, and the same shall thereupon be immediately due and payable, without further notice or demand; and

b. Mortgagee shall have and may exercise with respect to all personal property and fixtures which are part of the Mortgaged Property and with respect to the Revenues and Income, all the rights and remedies accorded upon default to a secured party under the Uniform Commercial Code, as in effect in the State of Minnesota. If notice to the Mortgagor of the intended disposition of such property is required by law in a particular instance, such notice shall be deemed commercially reasonable if given to Mortgagor (in the manner specified in Paragraph 20) at least 10 calendar days prior to the date of intended disposition. Mortgagor shall pay on demand all costs and expenses incurred by Mortgagee in exercising such rights and remedies, including without limitation, reasonable attorneys' fees and legal expenses; and

c. Mortgagee may (and is hereby authorized and empowered to) foreclose this Mortgage by action or advertisement, pursuant to the statutes of the State of Minnesota in such case made and provided, power being expressly granted to sell the Mortgaged Property at public auction and convey the same to the purchaser in fee simple and, out of the proceeds arising from such sale, to pay all Indebtedness secured hereby, and all legal costs and charges of such foreclosure and the maximum attorneys' fees permitted by law, which costs, charges and fees the Mortgagor agrees to pay; and

THE MORTGAGOR HEREBY CONSENTS TO AND ACKNOWLEDGES THE RIGHT OF THE MORTGAGEE, AT MORTGAGEE'S OPTION, TO ACT TO FORECLOSE THIS MORTGAGE BY ACTION OR ADVERTISEMENT PURSUANT MINNESOTA STATUTES CHAPTERS 580 OR 581. A POWER OF SALE BEING HEREIN EXPRESSLY GRANTED WHICH SHALL ALLOW THE MORTGAGEE TO SELL AT PUBLIC AUCTION AFTER SERVICE OF NOTICE THEREOF UPON THE OCCUPANT OF THE MORTGAGED PROPERTY; MORTGAGOR ACKNOWLEDGES THAT SUCH SERVICE NEED NOT BE MADE ON THE MORTGAGOR PERSONALLY UNLESS THE MORTGAGOR IS AN OCCUPANT OF THE MORTGAGED PROPERTY AND THAT NO HEARING IS REQUIRED IN CONNECTION WITH THE SALE. MORTGAGOR EXPRESSLY WAIVES ANY AND ALL RIGHTS TO PRIOR NOTICE OF SALE AND ANY AND ALL RIGHTS TO PRIOR HEARING IN CONNECTION WITH THE SALE. OUT OF THE PROCEEDS OF SUCH SALE THE PRINCIPAL AMOUNT OF THE LOAN SHALL BE PAID TOGETHER WITH ALL LEGAL COSTS AND CHARGES OF FORECLOSURE WITH MAXIMUM ATTORNEY FEES PERMITTED BY LAW.

d. The Mortgagee shall be entitled, without notice and without any showing of waste of the Mortgaged Property, inadequacy of the Mortgaged Property as security for the Indebtedness, or insolvency of the Mortgagor, to the appointment of a receiver of the rents and profits of the Mortgaged Property, including those past due; and

e. Mortgagee may pursue one or more of the remedies provided for in the Agreement or any other agreement now or hereafter entered into between the Mortgagor and Mortgagee in connection with the Agreement or the Project contemplated herein; and

17. Estoppel Certificate. Mortgagor agrees, from time to time, but not more than twice per year, beginning on the date hereof, upon not less than 15 days' prior notice by Mortgagee, to execute, acknowledge and deliver, without charge, to Mortgagee or to any person designated by Mortgagee, a statement in writing certifying that

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this Mortgage is unmodified (or if there have been modifications, identifying the same by the date thereof and specifying the nature thereof), the principal amount then secured hereby, that Mortgagor has not received any notice of default or notice of acceleration or foreclosure of this Mortgage (or if Mortgagor has received such a notice, that it has been revoked, if such be the case), that to the knowledge of Mortgagor no Event of Default exists hereunder (or if any such Event of Default does exist, specifying the same and stating that the same has been cured, if such be the case), the Mortgagor to Mortgagor's knowledge has no claims or offsets against Mortgagee (or if Mortgagor has any such claims, specifying the same), and the dates to which the principal and the other sums and charges payable by Mortgagor pursuant to the Agreement have been paid. In the event Mortgagor fails to execute, acknowledge and deliver such statement within the time above required, Mortgagor hereby appoints and constitutes Mortgagee as Mortgagor's attorney-in-fact to do so (which power of attorney is coupled with an interest and is irrevocable), the Mortgagor shall be fully bound by any such statement executed by Mortgagee on Mortgagor's behalf to the same extent as if Mortgagor had executed, acknowledged and delivered the same. Mortgagee agrees to provide statements of the principal balance payable pursuant to the Note from time to time upon request of Mortgagor.

18. Forbearance Not a Waiver, Rights and Remedies Cumulative. No delay by the Mortgagee in exercising any right shall be deemed a waiver of or preclude the exercise of such right or remedy, and no waiver by the Mortgagee of any particular provision of this Mortgage shall be deemed effective unless in writing signed by the Mortgagee. All such rights and remedies provided for herein or which the Mortgagee may have otherwise, at law or in equity, shall be distinct, separate and cumulative and may be exercised concurrently, independently or successively in any order whatsoever, and as often as the occasion therefor arises. The Mortgagee taking action pursuant to Paragraph 10 or receiving proceeds, awards or damages pursuant to Paragraph 7 or 11 shall not impair any right or remedy available to the Mortgagee under Paragraph 16 hereof. Acceleration of maturity of the Indebtedness, once claimed hereunder by the Mortgagee, may, at the option of Mortgagee, be rescinded by written acknowledgment to that effect by Mortgagee, but the tender and acceptance of partial payments alone shall not in any way affect or rescind such acceleration of maturity of the Indebtedness.

19. Successors and Assigns Bound; Number; Gender; Agents; Captions. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective heirs, legal representatives, successors and assigns of the Mortgagee and the Mortgagor. Wherever used, the singular number shall include the plural, and the plural the singular, and the use of any gender shall apply to all genders. In exercising any rights hereunder or taking any actions provided for herein, Mortgagee may act through its employees, agents or independent contractor as authorized by Mortgagee. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

20. Notice. Any notice from the Mortgagee to the Mortgagor under this Mortgage shall be deemed to have been given by the Mortgagee and received by the Mortgagor three (3) days following deposit into a U.S. mailbox via certified mail, return receipt requested, or on the same day it is personally delivered by the Mortgagee or its agents to the Mortgagor at the address set forth in Paragraph 23(a) below or at such other address as the Mortgagor may designate in writing to the Mortgagee.

21. Governing Law; Severability. This Mortgage shall be governed by the laws of the State of Minnesota. In the event that any provision or clause of this Mortgage conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage which can be given effect without the conflicting provisions, and to this end, the provisions of the Mortgage are declared to be severable.

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22. Waiver of Marshaling. Mortgagor, any party who consents to this Mortgage and any party who now or hereafter acquires a lien on the Mortgaged Property and who has actual or constructive notice of this Mortgage hereby waives any and all right to require the marshaling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein and waives any right to have the Mortgaged Property sold in separate tracts pursuant to Minnesota Statutes, Section 580.08.

23. Fixture Filing. From the date of its recording, this Mortgage shall be effective as a financing statement filed as a fixture filing with respect to all goods constituting part of the Mortgaged Property (as more particularly described in Granting Clause I of this Mortgage) which are or are to become fixtures related to the real estate described herein. For this purpose, the following information is set forth:

a. Name and Address of Debtor and Record Owner of Real Estate:

Developer:

NAME

ADDRESS

CITY, STATE ZIP

Attention: _____

b. Name and Address of Secured Parties:

Housing and Redevelopment Authority
of the City of Saint Paul, Minnesota
1300 City Hall Annex
25 West Fourth Street
Saint Paul, Minnesota 55102
Attention: Executive Director

AND

City of Saint Paul
1300 City Hall Annex
25 West Fourth Street
Saint Paul, Minnesota 55102
Attention: Director of PED

With a copy to:

Assistant City Attorney
400 City Hall
15 West Kellogg Boulevard
St. Paul, MN 55102
Attention: HRA Attorney

c. This document covers goods which are or are to become fixtures.

Nothing in this paragraph shall affect, limit or impair (i) the security provided by the Mortgage or any other document, (ii) the right to seek monetary judgment against the Mortgagor or any owner of the Mortgaged

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Property to the extent necessary to permit foreclosure of the Mortgage by action (except that the Mortgagor shall not be personally liable for payment of any such judgment to the extent that the judgment is for payment of the Indebtedness evidenced by the Note and no deficiency judgment will be sought or obtained against the Mortgagor for payment of the Indebtedness evidenced by the Note), (iii) the enforcement by the Mortgagee of any other legal or equitable rights or remedies or any other provision of any instrument by which the Note is secured, or (iv) the personal liability of the Mortgagor for the failure to observe or perform any of the covenants or obligations of the Mortgage and other instruments securing payment of the Note other than the obligation to pay the Indebtedness evidenced by the Note.

MORTGAGOR ACKNOWLEDGES THAT THIS IS A LEGAL DOCUMENT AND THAT BEFORE SIGNING MORTGAGOR HAS FULLY UNDERSTOOD THE TERMS AND CONDITIONS HEREIN, AND THE RIGHTS WAIVED HEREBY AND THE EFFECT OF SUCH WAIVER OR HAS SOUGHT LEGAL COUNSEL TO EXPLAIN SUCH TERMS AND CONDITIONS, RIGHTS AND THE WAIVER OF SUCH RIGHTS.

IN WITNESS WHEREOF, the Mortgagor has caused this Mortgage to be duly executed as of the date first above written.

(signature page follows)

#

MORTGAGOR

_____,
a Minnesota _____

By _____
Its _____

By _____
Its _____

State of Minnesota)
) ss
County of Ramsey)

This instrument was sworn and subscribed before me on this day of _____, _____,
20____, by _____ the _____, and _____ the _____
_____ of _____, a Minnesota _____, and the said instrument was
signed on behalf of the entity by authority of its _____ and said instrument is the free act and deed
of said entity.

(Seal if any)

(signature of notarial officer)
Title (and Rank): _____
My commission expires: _____
(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:

Saint Paul City Attorney's Office
City Hall, Suite 400
15 W. Kellogg Boulevard
Saint Paul, MN 55102

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EXHIBIT A
(to Mortgage)
LEGAL DESCRIPTION

The following are not a part of the legal description above and are for convenience of reference only

Select One Property

Common Address:

Tax Parcel ID:

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Exhibit U
Homebuyer Assistance Note

DRAFT

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PROMISSORY NOTE
(Inspiring Communities – Homebuyer Assistance)

Project Title: _____, Saint Paul, Minnesota

Name of Borrower:

Amount of Loan: \$ _____

Date: _____, 20____

FOR VALUE RECEIVED, the undersigned _____ (the "Borrower," whether one or more) jointly and severally agree(s) to pay to the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, whose address is 25 W. 4th St., Suite 1100, Saint Paul, MN 55102 (the "Lender"), or its successors or assigns, the principal amount of _____ Dollars (\$_____) (the "Loan Amount") with zero percent (0%) interest upon an Event of Default. Said sum was made available to the Borrower to enable the Borrower to purchase the property located at _____, Saint Paul, Minnesota (the "Improved Property").

Borrower acknowledges having received assistance in the amount of the Loan Amount.

1. **DEFINITIONS.** As used in this Homebuyer Assistance Note, the following terms have the following respective meanings:

Affordability Period. [Five (5) years if loan amount is \$5,000.00 or less / Thirty (30) years if loan amount is more than \$5,000.00] from the date of this Note.

Default. The occurrence of any of the following prior to the end of the Affordability Period:

- a. The adjudication in bankruptcy of any owner of the Improved Property;
- b. Foreclosure sale pursuant to the Private Lender Mortgage;
- c. Deed in lieu of foreclosure to the holder of the Private Lender Mortgage or its designee;
- d. A Transfer; or
- e. Any use of the Improved Property other than as the primary residence of the Borrower. **Event of Default.** A declaration by the Lender pursuant to Section 3 of this Note that the entire unpaid balance of the Note is due and payable.

Fair Market Value. The fair market value of the Improved Property as determined by the most recent assessed value.

Net Proceeds. Any and all consideration of any kind whatsoever, whether direct or indirect, that is received by the Borrower for, or in connection with, a Transfer, including without limitation, the stated purchase price, cash, notes, and any indebtedness assumed and/or to which the Improved Property is then subject, interest on any deferred portion of the purchase price, and noncustomary net prorations in favor of seller; adjusted by deducting outstanding senior debt secured against the Improved Property and customary closing costs. Notwithstanding the foregoing, if the Transfer is other than an arms-length transaction with a third party, then, at the option of the Lender, Net Proceeds shall mean the Fair Market Value of the Improved Property less any outstanding amount of the Private Lender Note and Private

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Lender Mortgage against the Improved Property.

Note. This Homebuyer Assistance Note, as from time to time amended.

Maturity Date. The maturity date of this Note is _____ (“Maturity Date”) at which time the entire Loan is due and payable to Lender, unless otherwise forgiven as provided herein.

Mortgage. The mortgage of even date herewith from the Borrower in favor of the Lender securing payment of the Note, as from time to time amended.

Private Lender Mortgage. Any mortgage of the Improved Property, the lien of which has priority over this Mortgage.

Private Lender Note. The promissory note secured by the Private Lender Mortgage.

Transfer. A sale or transfer of all or any part of the Improved Property, or an interest therein, whether by lease, deed or contract for deed or otherwise, whether for consideration or by gift or in the event of death or otherwise, and whether voluntarily, involuntarily or by operation of law; provided, however, (a) if the Borrower owns the Improved Property as co tenants, a transfer of the Improved Property or any interest therein, from one co tenant to another co tenant whether by reason of death or otherwise, shall not be considered a Transfer, (b) a taking by eminent domain shall not be considered a Transfer unless it is a total taking in the sense that payment is made for the full value of the Improved Property, (c) the creation of a lien or encumbrance subordinate to the Mortgage shall not be considered a Transfer, (d) the creation of a purchase money security interest for household appliances shall not be considered a Transfer, and (e) a lease to a tenant if the Improved Property is a duplex, provided the Borrower occupies the Improved Property, shall not be considered a Transfer.

2. **FORGIVENESS.** If no Event of Default has occurred prior to the end of the Affordability Period, the Borrower will have no obligation to repay the Loan Amount and this Note will be forgiven by the Lender. Provided further, that twenty percent (20%) of the Loan Amount will be forgiven at the end of each year during the Affordability Period that the Borrower has fully complied with the terms of the Note and Mortgage.
3. **EVENT OF DEFAULT.** If a Default occurs prior to the end of the Affordability Period, the Lender will mail notice to the Borrower specifying: (a) the Default; (b) the action required to cure such Default; (c) a date not less than thirty (30) days from the date the notice is mailed to the Borrower by which date such Default must be cured; and (d) that failure to cure such Default on or before the date specified in the notice may result in acceleration of the Loan Amount, at which point, Lender may declare the entire Loan Amount immediately due and payable. Failure by the Lender to make that declaration by reason of an Event of Default will not waive its right to make such a declaration upon the subsequent occurrence of the same or any other Event of Default.
4. **NET PROCEEDS.** Lender agrees that the Loan Amount will be payable solely out of Net Proceeds.
5. **SUBORDINATION.** This Note and the Mortgage is subordinate to the Private Lender Note and Private Lender Mortgage. No further subordinations will be given for refinancing or otherwise.

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6. MISCELLANEOUS.

6.1 This Note is secured by the Mortgage. All of the terms, covenants, conditions, provisions and agreements of the Mortgage are hereby made a part of this instrument to the same extent and with the same force and effect as if fully set forth herein.

6.2 If any payment due under this Note is not paid when due, and this Note is placed in the hands of any attorney or attorneys for collection or foreclosure of the Mortgage or enforcement of any other security instrument securing payment hereof, the Borrower promises to pay, in addition to the amount due hereon, the reasonable costs and expenses of foreclosure and collection (including attorneys' fees), and all such costs and expenses shall be secured by the Mortgage.

6.3 No failure or delay by the Lender to exercise any right or remedy under this Note shall waive such right or remedy.

6.4 This Note is made and delivered in Minnesota, and accordingly, the clauses and provisions of this Note and the rights, payments, charges, indebtedness and other items hereby secured shall be construed and enforced according to the laws of the State of Minnesota.

6.5 Demand, protest and notice of demand and protest are hereby waived and the undersigned waives, to the extent authorized by law, any and all homestead and other exemption rights which otherwise would apply to the debt evidenced by this Note.

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed the day and year first above written.

Borrower

Borrower

Exhibit V
Homebuyer Assistance Mortgage

DRAFT

(Top 3 inches reserved for recording data)

HOMEBUYER ASSISTANCE MORTGAGE
(Inspiring Communities – Homebuyer Assistance)

THIS MORTGAGE, made this ____ day of _____, 20____ by [_____, a single person **OR** _____ and _____ married to each other] ("**Mortgagor**") to the *INSTRUCTION Confirm whether homebuyer assistance will come from City budget or HRA budget and then enter the appropriate authority here:* Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, a public body corporate and politic organized and existing under the laws of the State of Minnesota **AND/OR**, City of Saint Paul, a Minnesota municipal corporation and home rule charter city, whose main office is located at 25 W. 4th St, Suite _____, Saint Paul, Minnesota 55102 ("**Mortgagee**").

WITNESSETH: That Mortgagor hereby mortgages and conveys to Mortgagee the following described premises and improvements located at _____, Saint Paul, Minnesota and legally described as:

See attached Exhibit A (the "**Improved Property**").

This Mortgage is given in consideration of and as security for the payment of _____ and No/100 Dollars (\$_____.00) (the "**Loan Amount**"), receipt of which is hereby acknowledged, and which is made to enable the Mortgagor to acquire the Improved Property. The Loan Amount is evidenced by a homebuyer assistance note (the "**Note**") with the full debt, if not paid earlier, due and payable on the Maturity Date as defined in the Note, but in no event later than five years from the date of the mortgage. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Note.

Mortgagor makes and includes in this Mortgage the statutory covenants and other provisions set forth in Minnesota Statutes, Section 507.15, including the following:

- a. To warrant title to the Improved Property.
- b. To pay all other mortgages, liens, charges or encumbrances against the Improved Property as and when they become due.
- c. To pay the indebtedness of the Note.
- d. To pay all real estate taxes and special assessments on the Improved Property.
- e. To keep the Improved Property in good repair and in compliance with all applicable state and local building, housing and health codes and laws and not commit waste.

- f. To keep the Improved Property insured against loss by fire and other hazards for at least the sum of the full insurable value of the Improved Property for the protection of the Mortgagee and identify the Mortgagee as an additional insured and loss payee.
- b. Mortgagor(s) further covenants:
 - a. To use and occupy the Property solely as a personal place of residence from the date of this Mortgage through the Affordability Period.
 - b. Not to use or permit the use of the Property for any illegal or criminal activity.

If the Loan Amount is forgiven according to the terms of the Note, then this Mortgage shall become null and void. But if an Event of Default occurs under the Note, then the Mortgagee, its successors or assigns, are hereby authorized and empowered to foreclose this Mortgage by action or advertisement, pursuant to the statutes of the State of Minnesota in such case provided, power being expressly granted to sell the Improved Property at public auction and convey the same to the purchaser in fee simple and, out of the proceeds arising from such sale, to pay the Loan Amount of the Note, together with all legal costs and charges of such foreclosure and the maximum attorney's fees permitted by law.

Notwithstanding any other provision of this Mortgage, if the Property is or becomes subject to any mortgage or other lien insured by the United States Department of Housing and Urban Development (an "insured mortgage"), then any "legal restrictions on conveyance" (as that term is defined in 24 CFR 203.41(a)(3)) imposed by this Mortgage shall automatically, permanently, and immediately terminate upon foreclosure of the insured mortgage, transfer of a deed in lieu of foreclosure of the insured mortgage, or assignment of the insured mortgage to the United States Secretary of Housing and Urban Development.

Mortgagee prior to acceleration shall mail notice to Mortgagor specifying: (1) the Event of Default; (2) the action required to cure such default; (3) the date, not less than thirty (30) days from the date the notice is mailed to Mortgagor, by which date such default must be cured; and (4) that failure to cure such default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and sale of the Improved Property. The notice shall further inform Mortgagor of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Mortgagor to acceleration and sale. If the default is not cured on or before the date specified in the notice, Mortgagee, at Mortgagee's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may invoke the power of sale hereby granted and any other remedy permitted by applicable law. Notwithstanding Mortgagee's acceleration of the sums secured by this Mortgage, Mortgagor shall have the right to have any proceedings begun by Mortgagee to enforce this Mortgage discontinued at any time prior to the earlier of (i) sale of the Improved Property pursuant to the power of sale contained in this Mortgage or (ii) a judgment enforcing this Mortgage, if: (a) Mortgagor pays Mortgagee all sums constituting the default actually existing under this Mortgage and the Note at the commencement of foreclosure proceedings under this Mortgage; (b) Mortgagor cures all breaches of any other covenants or agreements of Mortgagor contained in this Mortgage, (c) Mortgagor pays all reasonable expenses incurred by Mortgagee in enforcing the covenants and agreements of Mortgagor contained in this Mortgage and in enforcing Mortgagee's remedies as provided herein, including, but not limited to, reasonable attorney's fees; and (d) Mortgagor takes such action as Mortgagee may reasonably require to assure that the lien of this Mortgage, Mortgagee's interest in the Improved Property and Mortgagor's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Mortgagor, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

MORTGAGOR HEREBY: EXPRESSLY CONSENTS TO THE FORECLOSURE AND SALE OF THE MORTGAGED PROPERTY BY ACTION PURSUANT TO MINNESOTA STATUTES CHAPTER 581 OR, AT THE OPTION OF MORTGAGEE, BY ADVERTISEMENT PURSUANT TO MINNESOTA STATUTES CHAPTER 580, WHICH PROVIDES FOR SALE AFTER SERVICE OF NOTICE THEREOF UPON THE OCCUPANT OF THE MORTGAGED IMPROVED PROPERTY AND PUBLICATION OF SAID NOTICE FOR SIX WEEKS IN THE COUNTY IN MINNESOTA WHERE THE MORTGAGED PROPERTY IS SITUATED AND ACKNOWLEDGES THAT SERVICE NEED NOT BE MADE UPON MORTGAGOR PERSONALLY UNLESS MORTGAGOR IS AN OCCUPANT AND THAT NO HEARING OF ANY TYPE IS REQUIRED IN CONNECTION WITH THE SALE AND EXCEPT AS MAY BE PROVIDED IN SAID STATUTES, EXPRESSLY WAIVES ANY AND ALL RIGHT TO PRIOR NOTICE OF SALE OF THE MORTGAGED PROPERTY AND ANY AND ALL RIGHTS TO A PRIOR HEARING OF ANY TYPE OF CONNECTION WITH THE SALE OF THE MORTGAGED PROPERTY.

MORTGAGOR ACKNOWLEDGES THAT THIS IS A LEGAL DOCUMENT AND THAT BEFORE SIGNING MORTGAGOR HAS FULLY UNDERSTOOD THE TERMS AND CONDITIONS HEREIN, AND THE RIGHTS WAIVED HEREBY AND THE EFFECT OF SUCH WAIVER OR HAS SOUGHT LEGAL COUNSEL TO EXPLAIN SUCH TERMS AND CONDITIONS, RIGHTS AND THE WAIVER OF SUCH RIGHTS.

This Mortgage and the Note shall be construed according to the laws of the State of Minnesota.

(signature page follows)

IN WITNESS WHEREOF, the Mortgagor has caused this Mortgage to be duly executed as of the day and year first above written.

MORTGAGOR

By _____
Name: _____

By _____
Name: _____

State of Minnesota)
) ss
County of Ramsey)

This instrument was acknowledged before me on this day of _____, _____, 202____,
by [_____, a single person OR _____ and _____, married to each
other].

(Seal if any)

(signature of notarial officer)
Title (and Rank): _____
My commission expires: _____
(month/day/year)

This instrument was drafted by:
Saint Paul City Attorney Office
15 W. Kellogg Blvd.
Room 400 City Hall
Saint Paul, MN 55102

EXHIBIT A
(to Homebuyer Assistance Mortgage)
IMPROVED PROPERTY

The following are not a part of the legal description above and are for convenience of reference only

Select One Property

Common Address:

Tax Parcel ID:

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Exhibit W
Homeownership Program Manual

[Link to Homeownership Program Manual](#)

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Exhibit X

Addendum to Inspiring Communities Purchase Agreements

Addendum to Purchase Agreement between the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota ("Seller") and _____ ("Buyer") dated _____, 20____, pertaining to the purchase and sale of the property at _____, Saint Paul, Minnesota.

1. The Buyer acknowledges that the following documents have been made available to Buyer for review and inspection, namely:
 - a. Truth-in-sales disclosure or Code Compliance report dated _____.
 - b. Radon inspection report dated _____.
 - c. Asbestos and lead survey report dated _____.
 - d. Home energy audit report dated _____.
 - e. Buyer Information Packet (which Buyer agrees to deliver to Seller prior to closing).
 - f. Homebuyer Assistance Note and Homebuyer Assistance Mortgage or Declaration of Covenants, as applicable.
 - g. Disclosure report required under Minn. Stat. Sections 513.52 to 513.61 dated _____.
 - h. Other _____
2. The Buyer acknowledges receipt of the Program Guidelines of the Neighborhood Stabilization Program Homebuyer Assistance Incentive Program ("NSP Guidelines"), if applicable, offered by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota.
3. The Buyer acknowledges that its private lender is required under NSP Guidelines to execute a Certification and Agreement from the Buyer's lender that the lender agrees to comply with the bank regulator's guidance for non-traditional mortgages located in FDIC regulations, Chapter 5000-Statements of Policy-Interagency Guidance on Nontraditional Mortgage Product Risks. The Buyer hereby authorizes Seller to request such Certification and Agreement directly from Buyer's lender, and Seller has the right to approve or reject such Certification and Agreement. This Purchase Agreement is subject to Seller's approval of such Certification and Agreement and if such approval is not given, then this Purchase Agreement is terminated and neither party shall have any further rights or obligations hereunder except that any earnest money paid by a Buyer shall be returned.
4. The Buyer agrees to attend and complete the required eight (8) hours of homebuyer training as required by the Inspiring Communities Program and to submit to Seller prior to and as a condition of closing, a certificate evidencing such course completion that will be dated within twelve months of date of closing.
5. The Buyer certifies and represents that the Buyer's income does not exceed the income limit as determined by HUD or Minnesota Housing Finance Agency, as applicable to the above referenced property, and as adjusted for household size, and that this certification will be true and correct as of the date of closing as evidenced by a separate income certification to be delivered to Seller at least ten (10) days before closing. The income limit for the above referenced property is (seller check one):
 60% of area median income
 80% of area median income
 115% of area median income and a maximum of \$95,300 for a household of four, or 120% of

- area median income as adjusted for household size, whichever is less
- 120% of area median income
- Income restrictions not applicable

6. If the Buyer does not satisfy all of the conditions to closing as described in this Addendum and Purchase Agreement, then the Seller has the option to terminate this Purchase Agreement and return the earnest money to Buyer, or waive the conditions and proceed to closing.
7. The Buyer agrees to homestead the Property and execute and deliver to Seller at closing an Affidavit of Agreement to Homestead.
8. The terms and conditions of this Addendum prevail over any inconsistent term or condition in the Purchase Agreement

IN WITNESS WHEREOF, the Buyer and Seller have executed this Addendum on _____, 20__.

Seller

Housing and Redevelopment Authority
of the City of Saint Paul, Minnesota

By _____
Its _____

By _____
Its _____

Buyer

By _____
Name: _____

By _____
Name: _____

Exhibit Y
Inspiring Communities Design Standards

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Inspiring Communities Design Criteria

Updated January 2022

All Inspiring Communities projects must meet the mandatory Enterprise Green Communities Criteria as modified by Minnesota Housing’s Minnesota Overlay to the Enterprise Green Communities Criteria (collectively, the “Green Communities Criteria”).

Relevant Green Communities Criteria are incorporated in these Inspiring Communities Design Criteria.

Projects receiving more than \$200,000 in public funding are subject to these Inspiring Communities Design Criteria and the City of Saint Paul’s Sustainability Ordinance (Chapter 81 of the Code of Ordinances.)

More information about the Green Communities Criteria is available at Minnesota Housing’s Impact Fund webpage:

<https://www.mnhousing.gov/sites/np/impactfund>

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INSPIRING COMMUNITIES DESIGN CRITERIA

DIVISION	#	CRITERION	REHAB	NEW CONSTRUCTION
DIVISION 1 – GENERAL REQUIREMENTS				
		Saint Paul Sustainable Building Ordinance	Covered projects (generally, projects receiving more than \$200,000 in public funding) must adhere to the requirements of Chapter 81 of the Saint Paul Administrative Code, including the Saint Paul Overlay. Current versions of Chapter 81 and the Saint Paul Overlay are attached for reference.	
		Green Communities Certification	<p>Consistent with the City of Saint Paul Sustainability Ordinance (Chapter 81 of the Code of Ordinances), projects receiving more than \$200,000 in public funding must obtain certification of compliance with the Enterprise Green Communities Criteria as modified by the Minnesota Overlay from Enterprise Community Partners. Visit www.enterprisecommunity.org for details.</p> <p>Projects receiving less than \$200,000 in public funding do not need to obtain certification from Enterprise Community Partners but must engage their assigned Project Manager in a review of compliance with the Green Communities Criteria. This includes submittal of a completed Minnesota Housing Single Family Intended Methods Worksheet to their assigned Project Manager.</p>	
		Visitability <i>See 7.12 in Green Communities – Beyond ADA: Universal Design</i>	N/A (NEW CONSTRUCTION ONLY)	<p>Visitability is defined as designs that allow persons with mobility impairments to enter a residence and comfortably stay for a duration. There are three specific design elements that must be incorporated in each Dwelling Unit to satisfy the state Visitability requirement. The Dwelling Unit must include:</p> <ul style="list-style-type: none"> ▪ 32-inch clear opening doorways throughout; ▪ At least one no-step entrance; ▪ Include construction of a half bath or larger bathroom on the main level <p><i>Waiver may be granted for requirement of no-step entrances o main-level half baths if they reduce affordability for the targeted population; or for requirement of no-step entrances if it is impractical due to site conditions. Developers should discuss waiver requests with their assigned project manager prior to start of construction.</i></p>
		Duplex Deconversions	It is preferred to remove entry to second unit to discourage future conversion to duplex	N/A (REHAB ONLY)
		Garage	N/A (NEW CONSTRUCTION ONLY)	<ul style="list-style-type: none"> ▪ Garage is required ▪ Detached, two-car garage is preferred ▪ 1-1/2 car garage is permissible when site constraints are present

				<ul style="list-style-type: none"> Refer to the Saint Paul Department of Safety and Inspection's Garage Building Requirements Install an overhead garage door opener and provide two remotes
	1.2	Integrative Design: Charrettes and Coordination Meetings	Develop an integrative design process that moves the outputs of the Project Priorities Survey into action through a series of collaborative meetings. Prioritize multi-benefit strategies. Assign responsibility within your design and development teams for accountability.	
	1.3	Integrative Design: Documentation	Include Enterprise Green Communities Criteria information in your contract documents and construction specifications (Division 1 Section 01 81 13 Sustainable Design Requirements) as necessary for the construction team to understand the requirements and how they will be verified. Ensure, and indicate, that the drawings and specifications have been generated to be compliant and meet the certification goals.	
	3.2	Minimization of Disturbance During Staging and Construction	<p>Sites > 1 acre: Implement EPA's Best Management Practices for Construction Site Stormwater Runoff Control, or local requirements, whichever is more stringent.</p> <p>Sites =/< 1 acre: Stockpile Topsoil; Runoff Control; Protect Storm line flow; Divert Surface Water; Tree Protection; Slope Stabilization.</p>	
	5.1a	Building Performance Standard (New Construction)	<p style="text-align: center;"><i>N/A</i> <i>(NEW CONSTRUCTION ONLY)</i></p>	<p>Certify all buildings with residential units in the project through the ENERGY STAR Certified program. Comply with one of the following paths:</p> <ol style="list-style-type: none"> Energy Rating Index (ERI) Path ASHRAE Path Prescriptive Path <p>Provide projected operating energy use intensity (EUI) of the project in kBtu/ ft²/ year and kBtu/ bedroom/ year as well as projected operating building emissions intensity for the project in tCO₂e/ ft²/ year and tCO₂e/ bedroom/ year.</p>
	5.1b	Building Performance Standard (Rehab)	<ol style="list-style-type: none"> For all Acquisition/Substantial and Acquisition/Moderate Rehab, create and implement an Energy Efficiency Improvement Plan containing the following: <ol style="list-style-type: none"> Generate a list of prioritized cost-effective improvements for the entire building(s) based upon the sampling data from an energy audit. The Minnesota Weatherization Field Guide SWS-Aligned Edition (Chapter 2.1.1) is a resource for assessing existing buildings and their energy infiltration weaknesses. Implement those improvements into the work scope that provide a cost benefit and good return on investment. Consult Minnesota Housing for guidance, if needed, for an acceptable return on investment pay-back period (10 years or less return on investment recommended); (cost benefit 	<i>N/A</i> <i>(REHAB ONLY)</i>

analysis can be performed by using established software or through a manual assessment).

c. At the end of construction, provide a post-renovation inspection and conduct a blower door test to confirm infiltration improvements.

2. If mechanical equipment is being replaced, it must meet the minimum efficiency levels:

a. Cooling Equipment (where provided)

i. 13 SEER AC

ii. ENERGY STAR for wall sleeve AC units

b. Heating Equipment

i. 95 AFUE ENERGY STAR gas furnace (non-rooftop)

ii. 90 AFUE for gas rooftop equipment

iii. 85 AFUE ENERGY STAR oil furnace

iv. 90 AFUE ENERGY STAR gas boiler

v. 86 AFUE ENERGY STAR oil boiler

vi. 85 AFUE steam boilers and other non-condensing boilers

vii. Heat pump [Zone 6] 9.5 HSPF/ 15 SEER/ 12 SEER air-source w/ electric or dual-fuel backup

c. Water Heater Heater/ Domestic Hot Water (DHW)

i. Gas: ≤ 55 Gal = 0.67 EF (0.64 UEF for medium and 0.68 UEF for high-draw) / > 55 Gal = 0.77 Gal (0.78 UEF for medium and 0.80 UEF for high-draw)

ii. Electric: ≤ 55 Gal = 0.95 EF / > 55 Gal = 2.0 EF or UEF

iii. Oil: 30 Gal = 0.64 EF / 40 Gal = 0.62 EF / 50 Gal = 0.60 EF / 60 Gal = 0.58 EF / 70 Gal = 0.56 EF / 80 Gal = 0.54 EF.

Provide projected operating energy use intensity and projected operating building emissions intensity.

AND

Conduct commissioning for compartmentalization, insulation installation, and HVAC systems as indicated.

AND one of the following options:

- ERI Option: \leq HERS 80 for each dwelling unit. Exception for some Rehabs built before 1980.

- ASHRAE Option: Energy performance of the completed building equivalent to, or better than, ASHRAE 90.1-2013 using an energy model created by a qualified energy services provider according to Appendix G 90.1-2016.

Also DIVISION 9
- FINISHES

6.4

**Healthier
Materials
Selection**

Use products that comply with Criteria specifications. Mandatory requirements per criteria specifications based upon Product Category: All interior paints, coatings, primers and wall paper; all interior adhesives and sealants; flooring; insulation; and composite wood. Optional points not available nor allowed. From Green Communities' Criteria:

Use moisture-resistant backing materials per ASTM # D 6329 or 3273 behind tub/shower enclosures, apart from one-piece fiberglass enclosures which are exempt.

As of September 25, 2019, a selection of the published thresholds are as follows:

ALL INTERIOR PAINTS, COATINGS, PRIMERS: SCAQMD 1113

PRODUCT TYPE	MAXIMUM VOC LIMIT (G/L)
Primers, sealers, and undercoatings	100
Coatings, flats and non-flats, and floor	50
Rust-preventive coatings	100
Wood coatings	275
Stains, interior	250
Tub and tile refinishing coatings	420

ALL INTERIOR ADHESIVES AND SEALANTS: SCAQMD 1168

PRODUCT TYPE	MAXIMUM VOC LIMIT (G/L)
Indoor floor covering adhesives	50
Carpet pad adhesives	50
Outdoor floor covering adhesives	150
Wood flooring adhesives	100
Rubber floor adhesives	60
Subfloor adhesives	50
Vinyl composition tile and asphalt tile adhesives	50
Drywall and panel adhesives	50
Cove base adhesives	50
Multipurpose construction adhesives	70
Structural glazing adhesives	100
Structural wood member adhesive	140
Architectural sealants: clear, paintable, and immediately water-resistant	250
Architectural sealant primers: nonporous	250
Architectural sealant primers: porous	775

	6.10	Construction Waste Management	<p>Develop and implement a waste management plan that reduces non-hazardous construction and demolition waste through recycling, salvaging, or diversion strategies; maintain documentation of diversion rate for each selected strategy.</p> <p>Mandatory: One pathway in Option 1, Two pathways in Option 2, or One pathway in Option 3.</p> <p>Option 1: Measure by %: a. 75%; b. 95%.</p> <p>Option 2: Material Specific: c. Cardboard; d. Wood; e. Drywall f. Metals; g. Concrete, brick, and asphalt; h. Insulation, foam and plastic; i. Carpet; j. Efficient framing plan</p> <p>Option 3: Minimizing Construction Waste – [NC ONLY]: k. <2.5 lbs/SF of building; l. <1.5 lbs/ SF.</p>
	8.3	Resident Manual	Provide a guide for homeowners and renters that explains the intent, benefits, use, and maintenance of their home's green features and practices. The Resident Manual should encourage green and healthy activities, per the list of topics.
	8.4	Walk-Throughs and Orientation to Property Operation	Provide a comprehensive walk-through and orientation for all residents, property manager(s) and buildings operations staff. Orient all property managers and building operations staff within 90 days of initial occupancy of building maintenance and unit turnover procedures. For staff joining after the initial orientation, provide walk-through and orientation to green features within their first 90 days. For all orientations and walk-throughs, share the list of Green Communities Criteria that were implemented in the project and use the appropriate manuals as the base of the curriculum. Review the project's green features, O&M procedures, and emergency protocols.
DIVISION 2 – EXISTING CONDITIONS			
		Overhanging Branches	Remove branches that overhang structures, completely remove if recommended by the Saint Paul Forestry Department
	2.3	Compact Development	<p style="text-align: center;">N/A (NEW CONSTRUCTION ONLY)</p> <p>Each SF project must be built to, at a minimum, the lesser of the residential density (dwelling units/ acre) of the census block group in which the project is located, or the density disclosed in the Impact Fund Administrator's Application for Funds.</p>

				If no density is disclosed in the Impact Fund Administrator's Application for Funds, then each SF project must be built, at a minimum, to the residential density (dwelling units/acre) of the census block group in which the project is located. To find the density of the census block group, type the project address into the Center for Neighborhood Technology "Residential Density of a Location" calculator found at http://apps.cnt.org/residential-density . All Inspiring Communities 2022 RFP sites satisfy this criterion.
	7.2	Reduce Lead Hazards in Pre-1978 Buildings	Refer to the Minnesota Housing Lead Based Paint Guidebook (For Applicable Homes Division Programs) for non-federal funding sources. For federal funds, refer to federal requirements.	N/A (REHAB ONLY)
DIVISION 6 – WOODS, PLASTICS, & COMPOSITES				
<i>Also DIVISION 9 - FINISHINGS</i>		Trim Work	<ul style="list-style-type: none"> Existing wood trim and molding shall be saved and restored whenever possible Painted trim shall be restored to smooth, like new appearance. Significantly gouged, deteriorated, or poor quality trim that cannot be restored to like new appearance should be replaced with paint grade quality trim boards of a like character to existing trim or to match time period of house <p>Include finishing of trim in Division 9</p>	<ul style="list-style-type: none"> Each room in the living area shall include complementary base board, window, and door trim
DIVISION 7 – THERMAL & MOISTURE PROTECTION				
	6.8	Managing Moisture: Foundations	Beneath Concrete Slabs: Install poly vapor barrier over a capillary break of clean aggregate. Beneath Crawl Spaces without Slabs: Install a heavy-duty vapor barrier.	
<i>Also DIVISION 8 - OPENINGS</i>	6.9	Managing Moisture: Roofing and Wall Systems	Provide water drainage away from walls, windows, and roofs by implementing the following water management techniques. Wall Systems: Weather-resistant barrier; flashing; and masonry/ stucco flashing/ weep holes. Roof Systems: Drip edge and wall/ roof intersection flashing.	<i>(New Construction projects are considered compliant per Criterion 5.1)</i>
<i>Also DIVISION 8 - OPENINGS</i>	7.4	Garage Isolation	<ul style="list-style-type: none"> Provide a continuous air barrier between the conditioned space and any garage space to prevent the migration of any contaminants into the living space. Visually inspect common walls and ceilings between attached garages and living spaces to ensure that they are air-sealed before insulation is installed. Do not install ductwork or air handling equipment for the conditioned space in a garage. 	

<p><i>Also DIVISION 23 – HVAC</i></p> <p><i>Also DIVISION 28 - ELECTRONIC SAFETY AND SECURITY</i></p>			<ul style="list-style-type: none"> • Fix all connecting doors between conditioned space and garage with gaskets or make airtight. • Install one hard-wired CO alarm with battery backup function for each sleeping zone of the project, placed per NFPA 72 unless the garage is mechanically ventilated or an open parking structure.
	7.5	Integrated Pest Management	Design for easy inspection of all pest-prone areas (interior and exterior), and engineer slabs and foundations to minimize pest entry. Seal all wall, floor and joint penetrations with low-VOC caulking or other appropriate nontoxic sealing methods to prevent pest entry. Use rodent- and corrosion- proof screens for openings greater than 1/4". Also pay close attention to sealing off entry points under kitchen and bathroom sinks.
		Siding	<ul style="list-style-type: none"> ▪ Replace asbestos siding when damaged or in need of repair ▪ Replace vinyl siding when more than 10% of vinyl is damaged or color matching will be a challenge, cement board siding is preferred replacement material (include cement board corner boards) ▪ Ensure that any treatment meets lead abatement requirements if lead is present ▪ When existing siding cannot be salvaged, replacement siding material shall have expected lifespan that exceeds 20 years ▪ Note special requirements in historic homes/districts when applicable <ul style="list-style-type: none"> ▪ Siding material with an expected lifespan that exceeds 20 years ▪ Cement board siding is preferred ▪ Note special requirements in historic homes/districts when applicable
		Roofing	<ul style="list-style-type: none"> ▪ Replace roof that is 10 years or older (15 years for architectural shingles) or that will have questionable ability to last 15+ years ▪ Ensure installation of water and ice shield and replace all flashing as component of roof replacement ▪ Replacement roof shingles to have a 30-year expected lifespan <p>Note special requirements in historic districts for roofing material, color, etc. if applicable</p> <ul style="list-style-type: none"> ▪ Shingles with a 30 year expected lifespan ▪ Note special requirements in historic districts for roofing material, color, etc. if applicable <p>Ensure installation of water and ice shield</p>
DIVISION 9 - FINISHES			
<p><i>Also DIVISION 11 - EQUIPMENT</i></p>	6.6	Bath, Kitchen, Laundry Surfaces	<p><i>(Mandatory for New Construction and Substantial Rehab. Moderate Rehabs that do not include work in the shower and tub areas are exempt from the shower and tub enclosure requirement.)</i></p> <p>Use materials that have durable, cleanable surfaces throughout bathrooms, kitchens, and laundry rooms.</p> <p>Use moisture-resistant backing materials per ASTM # D 6329 or 3273 behind tub/shower enclosures, apart from one-piece fiberglass enclosures which are exempt.</p>

		Flooring	<p>Finish flooring must be installed in all living areas (e.g., hardwood, engineered hardwood, bamboo, carpet with pad, tile). No subfloor or underlayment may be left exposed in the living space.</p> <p>See the Enterprise Green Communities Criteria as modified by the Minnesota Overlay for further specification. <i>Common flooring product labels that meet or exceed the mandatory CDPH emission requirement include FloorScore, GREENGUARD Gold, SCS Indoor Advantage Gold, Berkeley Analytical ClearChem, and Carpet Rug Institute Green Label Plus (CRI+).</i></p>
DIVISION 11 - EQUIPMENT			
<i>Also DIVISION 22 - PLUMBING</i>	4.1	Water-Conserving Fixtures	<p>Performance Option: 20% Reduction per Criteria.</p> <p>Prescriptive Option: Install water-conserving fixtures in all units and any common facilities with the following specifications.</p> <ul style="list-style-type: none"> - Toilets: WaterSense-labeled and 1.28 gpf; - Urinals: WaterSense-labeled and 0.5 gpf; - Showerheads: WaterSense-labeled and 2.0 gpm; - Kitchen faucets: 2.0 gpm; - Lav faucets: WaterSense-labeled and 1.5 gpm
	5.7	ENERGY STAR Appliances	<p><i>(Projects following 5.1a, 5.2b, and/or 5.4 of the Green Communities Criteria are prequalified and exempt from this Criterion 5.7.)</i></p> <p>Install ENERGY STAR clothes washers, dishwashers, and refrigerators. If appliances will not be installed or replaced at this time, specify that at the time of installation or replacement, ENERGY STAR models must be used via Criterion 8.1 and Criterion 8.4.</p>
<i>Also DIVISION 23 - HVAC</i> <i>Also DIVISION 28 - ELECTRONIC SAFETY & SECURITY</i>	7.3	Combustion Equipment	<p>For New Construction and Rehab projects, specify power-vented or direct-vent equipment when installing any new combustion appliance for space or water heating that will be located within the conditioned space. If there are any combustion appliances in the condition space, install hard-wired carbon monoxide (CO) alarm with battery backup function for each sleeping zone, placed per NFPA 72.</p> <p>In Substantial and Moderate Rehab, if there is any combustion equipment located within the conditioned space for space or water heating that is not power-vented or direct-vent and that is not scheduled for replacement, conduct combustion safety testing prior to and after the retrofit.</p>
		Water Service	<p>Ensure plumbing is in good condition</p> <p>If water meter is located in pit, raise out of pit and fill in hole (see Concrete Division 3)</p> <p>Air test system and ensure proper function per code requirements</p> <p>Water meters must be newer model – check with SPRWS to ensure meter has been replaced.</p>
		Exterior Hose Bibb	<p>Ensure one exterior hose bibb with frost protection, caulked and connected to house</p>
			N/A (REHAB ONLY)

DIVISION 23 - HVAC

	5.6	Sizing of Heating and Cooling Equipment	<i>(Projects following 5.1a, 5.2b, and/or 5.4 are prequalified and exempt from this Criterion)</i> Size and select heating and cooling equipment in accordance with ACCA manuals J and S OR in accordance with the ASHRAE Handbook of Fundamentals.	<i>(New Construction projects are considered compliant per Criterion 5.1.)</i>
<i>Also DIVISION 11 - EQUIPMENT</i>	7.7	Ventilation	install local mechanical exhaust system in each bathroom; local mechanical exhaust in each kitchen; or whole-house ventilation system.	

DIVISION 26 - ELECTRICAL

		Circuit Panel	<ul style="list-style-type: none"> 100 AMP service minimum; 200 AMP preferred Service should allow for expansion of added circuits Include circuit breakers and dedicated circuit for major appliances such as refrigerator, washer, dryer, furnace Service panels must be updated to breakers.	
		Receptacles	<ul style="list-style-type: none"> <u>Grounded, 3-prong receptacles throughout</u> GFCI protection per code in bathrooms and kitchen Ensure one exterior receptacle with cover close to front or rear entry door	
		Doorbell	Ensure operable door bell and chime at front entry	
	5.8	Lighting	<i>(Follow the guidance for high-efficacy permanently installed lighting and other characteristics for recessed light fixtures, lighting controls, lighting power density, and exterior lighting.</i>	

DIVISION 31 - EARTHWORK

		Grading	Ensure drainage away from foundation: Defer to building code and the Green Communities Criteria.	
	7.1	Radon Mitigation	Provide testing and remediation per the Minnesota Overlay.	Provide a sub-slab depressurization system per code.

DIVISION 32 - EXTERIOR IMPROVEMENTS

		Fences and Gates	6' privacy fences are allowable when screening is preferred in rear or side yards; Review fencing requirements in the Saint Paul Building Code Section 33.06	
		Retaining Wall	Avoid when possible	

			It is preferable to leave the yard sloped and install plants/mulch to avoid future maintenance costs for a homeowner If over 2' high, include drawing of proper installation
	3.3	Ecosystem Services/ Landscape	<i>(Mandatory, if providing landscaping)</i> If providing plantings, all must be native or climate-appropriate (adapted) to the region and appropriate to the site's soil and microclimate. Do not introduce any invasive plant species. Plant, seed, or xeriscape all disturbed areas.
		Landscaping and Planting	<ul style="list-style-type: none"> ▪ Defer to the Enterprise Green Communities Criteria as modified by the Minnesota Overlay ▪ Developers are encouraged to engage Capitol Region Watershed District (CRWD), who may provide free or low-cost landscape design and rain garden installation ▪ Refer to the attached Landscaping Design Guidelines for more detailed guidance.
	3.6	Efficient Irrigation and Water Reuse	<i>(Mandatory, if permanent irrigation is utilized)</i> Install an efficient irrigation system with the following: <ul style="list-style-type: none"> - Compliance with local water restrictions. - Design irrigations zones. - Establish irrigation volume and frequency per zone. - Select emission devices that will facilitate long-term reliability and serviceability. - Install time/ controller to minimize evaporative losses. - Install soil moisture sensor controllers.

DIVISION 33 - UTILITIES

	3.4	Surface Stormwater Management	Surface Stormwater Management must be per local/ regional watershed district requirements or other municipality ordinances/ requirements. If there are no such requirements, follow the criteria requirements: <i>(Mandatory for New Construction; Mandatory for Substantial and Moderate Rehab projects if land disturbed is >= 5,000 sq.ft.)</i> Treat or retain on-site precipitation equivalent to the 60th percentile precipitation event. Where not feasible due to geotechnical issues, soil conditions, or the size of the site, treat or retain the maximum volume possible.
	4.3	Water Quality	<i>(Mandatory for Substantial and Gut Rehab of buildings built before 1986)</i> Test water from dwelling unit faucets for water quality and remediate as indicated below. For testing bottles and instructions, contact an EPA approved lab. Find certified labs near you via https://eldo.web.health.state.mn.us/public/accreditedlabs/labsearch.seam www.epa.gov/dwlabcert/contact-information-certification-programs-and-certified-laboratories-drinking-water#state-labs or by calling the Safe Drinking Water Hotline at 1.800.426.4791. <ul style="list-style-type: none"> • Test water from the primary drinking water faucet of each dwelling unit for the presence of lead. If any results are over 0 ppb, install NSF/ANSI 58 or NSF/ANSI 53 filters in all units and replace these over time per

**N/A
(REHAB ONLY)**

			<p>manufacturer's instructions. Results must be submitted and will be reviewed by Minnesota Housing staff.</p> <ul style="list-style-type: none">• If lead faucet testing produces any results above 10 ppb, Minnesota Housing may require additional remediation such as, but not limited to, replacing lead service lines and replacing all fixtures with NSF 61 certified fixtures. If required, provide a remediation plan per applicable state or federal requirements to Minnesota Housing for approval.	
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DRAFT

Improvements that are not typical and require approval from HRA Project Manager:

- Finishing unfinished basements
- Finishing unfinished attics
- Solar panels or solar water heater
- Radiant in floor heat
- Vinyl flooring
- Granite countertops
- Additions to existing houses

Improvements that are not permissible include:

- Hot tubs, saunas, swimming pools, or similar luxury improvements
- New mahogany, walnut, cherry, or similar luxury grade wood cabinets, floors, and doors
- Luxury grade lighting
- Luxury landscaping such as in-ground fireplaces, outdoor kitchens, or extensive landscaping lighting
- Garages or outbuildings that exceed basic code requirements or have building footprints in excess of 660 square feet
- Unfinished flooring in living areas

Waivers

Waivers to these Inspiring Communities Design Criteria, including Green Communities Criteria, may be considered on a case-by-case basis for individual criteria. Blanket waivers will not be considered. Submit requests in writing to the assigned HRA Project Manager.

LANDSCAPING DESIGN GUIDELINES

These design guidelines were cooperatively created with the Capitol Region Watershed District, the Forestry Unit of the Saint Paul Department of Parks and Recreation, and the Saint Paul Department of Planning and Economic Development to achieve stormwater retention, tree canopy, and neighborhood stabilization objectives detailed in the Saint Paul Comprehensive Plan.

Developers are **encouraged** to engage the Capitol Region Watershed District to conduct landscape designs. Benefits include:

- Free landscape design created by landscape architect in consultation with developer
- Rebate of up to \$1,000 for materials needed to achieve rain garden installation on site (at least one rain garden required for rebate to apply)
- CRWD will coordinate with the Saint Paul Forestry Unit to select trees that are best suited for individual site conditions and ensure existing site trees are assessed for health

Design objectives:

- Partial stormwater retention of the first ½” of rain events may be accomplished through rain gardens
- Curb appeal will be enhanced through foundation plantings or rain gardens in the front yard
- Spaces that are challenging to mow (i.e. between sidewalk and foundation, slopes, etc.) will have a garden bed (preferred) or no-mow grass solution
- Plants selected will be low maintenance and high impact, with a showy element of large blooms or seasonal color
- Garden beds should use “cues of care” design principles to indicate garden beds are planned spaces

Existing Conditions/Grading Plan

- Show impervious surfaces: sidewalk, driveways, buildings, porches, decks
- Show existing trees or large shrubs – indicate whether they will remain or be removed
 - o For trees that will remain, indicate tree protection zones to protect roots from damage caused by regrading (cut or fill) or compaction caused by construction equipment or the storage of construction materials and exclude these activities from the tree protection zone.
- Show garden beds that will be removed
- State if any additional items will be removed (i.e. pavers, fences, etc.)

Improvements

- Show impervious surfaces: sidewalk, driveways, buildings, porches, decks
- Show locations of garden beds, include plant locations by type
- Shade or indicate areas that will receive new sod (generally all areas significantly regarded up to a natural “break” in the landscape such as sidewalks, garden beds, or fences will receive new sod).
- Include plant schedule that states the quantity, name, and size of each plant
- Show site grades if any regrading is required
- Show location of downspouts
- Rain garden design should include location, size, source of water, and plant locations by type
- Show edging or retaining walls, if provided
- List instructions for how to achieve planting and include a side section of a typical rain garden
- Include 1-2 trees per site if none are currently present; consider a tree in the rain garden if feasible and visually appealing

Plant selection

- Each site will have at least one, preferably two, healthy trees
- There should be a minimum of 3-6 different types of plants on each site (not including trees)
- Each garden should be defined with mature plants (size #1 or above)
- Plugs are acceptable in rain gardens, side yards, or back yard to fill in a garden space in order to meet budget constraints. Plugs should be used minimally or not at all in front garden beds in order to achieve the curb appeal objective
- Plants shall be selected from the attached approved plant list
- Trees must be spaced to limit future maintenance issues: at least 10’ from houses or garages or more depending on the width of the tree canopy

Preferred Plants

Perennials

- *Butterfly Milkweed
- *Purple Coneflower
- *Coral Bells
- *Blue Flag Iris
- *Copper Iris
- *Peony
- *Smooth Phlox
- *Orange Coneflower 'Goldsturm'
- *Autumn Joy Sedum
- Columbine
- Lady Fern
- Spiderwort
- Purple Dome Aster
- Solomon's Seal
- Hosta

Shrubs

- *Dwarf Bush Honeysuckle
- *Smooth Hydrangea
- Spirea
- American Arborvitae
- Black Chokeberry
- Winterberry

Shrubs for Screening Adjacent Property

Only recommended when screening adjacent property is needed: typically grow up to 12' tall, maintenance should be considered.

- Red osier dogwood
- Viburnum lentago
- Compact American Highbush Cranberry
- Forsythia (nn - but showy)

Grasses

- *Prairie Dropseed
- Pennsylvania Sedge
- Long-beaked Sedge
- Sprengel's Sedge
- Blue grama
- Sideoats grama
- Junegrass
- *Little Bluestem

Preferred Trees

Trees

Small-up to 20'

- Hawthorne, Thornless
- *Pagoda Dogwood
- Snow Mantle Dogwood
- *Viburnum, Nannyberry Tree
- Crabapple- *limit use, widely planted on boulevard*

Small-up to 30'

- *Serviceberry, Autumn Brilliance
- Blue Beech-Carpinus
- Cherry-Spring Wonder (nn)
- Birch-Dakota Pinnacle (nn)
- Japanese Tree Lilac-*limit use, widely planted on boulevard*

Medium to 40'

- Regal Prince oak-tall but narrow
- Alder, Prairie Horizon (nn)
- Honeylocust, Northern Acclaim- *limit use, widely planted on boulevard*

Large

- *Birch, River
- Birch, Prairie Dream paper birch
- Kentucky coffee tree
- Bur oak
- Red oak
- Balsam Poplar
- White pine
- Honey locust, Skyline - *limit use, widely planted on boulevard*
- Basswood, Sentry Linden - *limit use, widely planted on boulevard*

(nn)= non-native

(*) = preferred



Legislation Text

File #: Ord 17-60, **Version:** 2

Establishing sustainable building regulations for buildings owned, operated, or funded by the City.

THE COUNCIL OF THE CITY OF SAINT PAUL DOES HEREBY ORDAIN

Section 1

For the purpose of creating new regulations pertaining to sustainable building, Saint Paul Administrative Code Chapter 81 is hereby created as follows:

Chapter 81. Sustainable Building.

Sec. 81.01. Declaration of Policy.

The purpose of this chapter is to provide for public health and welfare by increasing the environmental and financial sustainability of future development projects within the City of Saint Paul.

Sec. 81.02. Definitions.

For the purposes of this chapter, the following words and phrases shall have the following meanings:

(a) *City Funding* means funds provided for New Construction or Major Renovations provided by agreement from the City of Saint Paul or the Saint Paul Housing and Redevelopment Authority (HRA), including:

- (1) *Community Development Block Grants (CDBG)*
- (2) *Tax Increment Financing (TIF)*
- (3) *HOME Investment Partnership Program (HOME)*
- (4) *Multi-Family Housing Revenue Bonds*
- (5) *Low-Income Housing Tax Credits (LIHTC)*
- (6) *Any other Federal, State, or Metropolitan Council (Met Council) funding source*
- (7) *Any other City of Saint Paul funding source*
- (8) *Any other HRA funding source*

(9) *Notwithstanding the above, City Funding does not include the following:*

- a. *Department of Employment and Economic Development (DEED) Cleanup and Investigation Grants*
- b. *Met Council Tax Base Revitalization Account (TBRA) Contamination Cleanup Grants*
- c. *Met Council TBRA Site Investigation Grants*
- d. *Conduit Bonds issued for the benefit of qualified 501(c)(3) entities*

(b) *Developer* means the entity, whether public or private, that undertakes New Construction or Major Renovation, and to whom the provisions of this chapter apply.

- (c) Director means the Director of the Department of Planning and Economic Development or their designee.
- (d) Major Renovation means renovation work performed on a building or portion thereof consisting of at least 10,000 square feet, and requiring installation of new mechanical, ventilation, or cooling systems, or the replacement of such systems.
- (e) New Construction means the planning, design, construction and commissioning of a new building, or an addition to an existing building if such addition requires installation of new mechanical, ventilation, or cooling systems.
- (f) Saint Paul Overlay means specific measurable standards that New Construction and Major Renovations must meet, and which are to be promulgated by the Director. The Saint Paul Overlay must include requirements for the following:
- (1) Predicted and actual energy use
 - (2) Predicted greenhouse gas emissions
 - (3) Predicted and actual use of potable water
 - (4) Predicted use of water for landscaping
 - (5) Utilization of renewable energy
 - (6) Electric vehicle charging capability
 - (7) Diversion of construction waste from landfills and incinerators
 - (8) Indoor environmental quality
 - (9) Stormwater management
 - (10) Resilient Design
 - (11) Ongoing monitoring of actual energy and water use

(g) Sustainable Building Standard means any of the following:

- (1) For commercial projects:
 - i. LEED for New Construction and Major Renovation; Certified Silver, Gold or Platinum
 - ii. State of Minnesota B3 Guidelines; Certified Compliant
 - iii. Saint Paul Port Authority Green Design Review (if applicable)
- (2) For residential projects:
 - i. LEED for New Construction and Major Renovation; Certified Silver, Gold or Platinum
 - ii. State of Minnesota B3 Guidelines; Certified Compliant
 - iii. GreenStar; Certified Silver, Gold or Platinum
 - iv. Green Communities; Certified
- (3) For parking structures:
 - i. Parksmart; Certified Silver or Gold

In the event that any of the above standards is determined by the Director to be obsolete, equivalent substitute standards may be utilized at the discretion of the Director until such time as this chapter may be updated to include new standards.

Sec. 81.03. Applicability.

This chapter applies to:

- (a) New Construction or the Major Renovation of facilities owned or operated by the City of Saint Paul or

the HRA.

- (b) New Construction or the Major Renovation of any facilities of which the City or HRA are, or will become, the sole tenant.
- (c) New Construction or Major Renovation of any facilities within the City of Saint Paul receiving more than \$200,000 of City Funding.

Sec. 81.04. Requirements.

- (a) New Construction or Major Renovations to which this chapter applies pursuant to Section 81.03 are required to be certified under an eligible Sustainable Building Standard at the listed rating level, and must meet the standards set forth in the Saint Paul Overlay.
- (b) For any projects to which this chapter applies under Sec. 81.03(c), compliance with this chapter must be a condition of receipt of City Funding.

Sec. 81.05 Waiver.

The requirements of this chapter may be waived, in whole or in part, by the Saint Paul City Council, or, in the event that the expenditure of City Funds is approved by the HRA, the HRA Board of Commissioners.

Section 2

This ordinance shall take effect and be in force on July 1, 2018, and apply to all projects for which schematic design is initiated on or after July 1, 2018.

Saint Paul Overlay

In addition to certification with one of the Sustainable Building Standards, projects complying with the Saint Paul Sustainable Building Ordinance (SPSBO) must also meet and document the requirements laid out in this section, referred to as the *Saint Paul Overlay*. The Ordinance states that the Overlay must require specific measurable requirements in the following areas:

- Predicted and actual energy use
- Predicted greenhouse gas emissions
- Predicted and actual use of potable water
- Predicted use of water for landscaping
- Utilization of renewable energy
- Electric vehicle charging capability
- Diversion of construction waste from landfills and incinerators
- Indoor environmental quality
- Stormwater management
- Resilient Design
- Ongoing monitoring of actual energy and water use

While achieving the Overlay requirements may contribute toward compliance with one or more of the identified *Sustainable Building Standards*, some additional documentation of compliance with the *Saint Paul Overlay* must be completed.

The following section lists the requirements of the *Saint Paul Overlay*, the required method(s) of demonstration of compliance, and the time at which this is due to be reported to the *Sustainability Facilitator*. Some of the *Overlay Requirements* have coordinating or overlapping reporting requirements; these are reordered to streamline project teams reporting.

List of Overlay Requirements:

1. Predicted and actual energy use
Predicted greenhouse gas emissions
Ongoing monitoring of actual energy use
2. Predicted and actual use of potable water
Predicted use of water for landscaping
Ongoing monitoring of actual water use
3. Utilization of renewable energy
4. Electric vehicle charging capability
5. Diversion of construction waste from landfills and incinerators
6. Indoor Environmental Quality
7. Stormwater Management
8. Resilient Design



Overlay Requirement 1: Meet SB 2030 Energy Standard

Meeting this requirement during design and construction will document compliance with the following items:

- Predicted and actual energy use
- Predicted greenhouse gas emissions
- Ongoing monitoring of actual energy use

Overlay requirement:

Project teams must demonstrate that projects meet the State of Minnesota's SB 2030 Standard during both design and through 10 years of occupancy. The SB 2030 Standard sets an absolute energy target in Energy Use Intensity (EUI) in annual kBtu/sf based on the building's program and schedule. This standard is based on the following reduction from a 2003 baseline average building: 70% from 2015 through 2019, 80% from 2020 through 2024, and 90% from 2025 through 2030. Achieving this energy target may be done through improvement in energy efficiency and/or on-site renewable energy. Owners of campuses or sites that are greater than, and contiguous with the specific project site are permitted to locate new renewable systems that contribute to meeting SB 2030 anywhere on that campus, not merely on the portion associated with the relevant SPSBO project.

The SB 2030 program documentation is available at <http://www.b3mn.org/2030energystandard/> Multiple paths may be available for projects, including methods for smaller buildings (under 20,000ft²) with more limited energy modeling requirements.



Overlay Requirement 2: Indoor and Outdoor Water Efficiency

Meeting this requirement during design, construction, and operation will document compliance with the following items:

- Predicted and actual use of potable water indoors
- Predicted use of water for landscaping
- Ongoing monitoring of actual water use

Overlay requirement:

The project shall achieve the following:

Indoor water use: Reduce predicted and actual municipal potable water or harvested groundwater use in the building by 30% compared to code (Energy Policy Act of 1992) for any fixture types and water consuming appliances referenced by that standard. The criteria may be met by any combination of: selection of low or no flow fixtures, use of alternatively sourced water, or other strategies.

Outdoor water use: Design and maintain landscape so that after a 2-year establishment period, the landscape uses 50% less municipal potable water or harvested ground water for irrigation than a base case landscape design. (Exception: annuals are exempt.) Any amount of site-harvested rainwater, storm water, or gray or waste water treated on site to tertiary standards may be used. The criteria may be met by any combination of: selection of native or low water use plants, use of alternatively sourced irrigation water as described, use of high efficiency irrigation systems, or other strategies. In order to verify compliance with this guideline during operation of the building it is necessary to sub-meter irrigation separately from indoor water consumption.

Overlay Requirement 3: Renewable Energy

Meeting this requirement during design and construction will document compliance with the following items:

- Utilization of renewable energy

Overlay requirement:

Project teams must implement a renewable energy system designed to meet at least 2% of the annual energy need of the project through on-site solar and/or wind renewable energy systems if determined cost-effective. Cost-effectiveness is achieved when the system-lifetime cost of on-site renewable supplied energy is less than that supplied by available utility. It may be necessary to supply more than 2% of the energy needs to meet Overlay Requirement 1: Meet SB 2030 Energy Standard.

Overlay Item 4: Electric Vehicle Ready

Meeting this item during design and construction will document compliance with the following items:

- Electric vehicle charging capability

Overlay requirement:

Provide Electric Vehicle Supply Equipment (EVSE) infrastructure to permit future electric vehicle charging for at least 20% of the parking provided by the project. If the project is providing 5 or less total parking spaces EVSE Infrastructure must be provided for at least one space. EVSE infrastructure shall consist of:

- Dedicated space for future electrical distribution equipment to support EVSE
- Raceway of at least 1" connecting the future EVSE parking space(s) to dedicated space above

Considerations for locations of EVSE should include the ability for accessible parking to access charging capability.

* Overlay Requirement 5: Construction Waste Diversion

Meeting this requirement during design and construction will document compliance with the following items:

- Diversion of construction waste from landfills and incinerators

Overlay requirement:

Divert at least 75% (by weight) of construction, demolition, and land clearing debris from landfill and incinerator disposal.

* Overlay Requirement 6: Indoor Environmental Quality

Meeting this requirement during design and construction will document compliance with the following items:

- Indoor Environmental Quality

Overlay requirement:

Projects must meet all of the following:

- Projects not regulated under the Minnesota State Residential Code must achieve ventilation rates of not less than that required by the Minnesota State Energy Code or ASHRAE 62.1, whichever is more stringent.
- Projects regulated under the Residential Code must meet the Residential Code Minimums or ASHRAE 62.2, whichever is more stringent.
- Projects must document a Construction IAQ Management Plan, including following the SMACNA IAQ Guidelines for Occupied Buildings Under Construction, 2nd edition, if any portion of the building is occupied during construction.
- Document that the project is designed to meet the design, operating, and performance criteria of the most current version of ASHRAE 55.
- All newly installed interior materials must comply with the California Department of Health (CDPH) Standard Method v1.1-2010 and be certified as low-VOC. Interior materials are considered to be those within the least vapor-permeable most continuously-sealed layer.

* Overlay Requirement 7: Stormwater Management

Meeting this requirement during design and construction will document compliance with the following items:

- Stormwater Management

Overlay requirement:

Sites with 1/4 acre or more of total land disturbance must meet the following three criteria:

- Water Quality Management: For a two-year, 24-hour rainfall event, provide treatment systems designed to remove 80% of the average annual post-development Total Suspended Solids (TSS) and remove 60% of the average annual post-development Total Phosphorus (TP), by implementing Best Management Practices (BMP's) outlined in "Urban Small Sites Best Management Practices" handbook (Metropolitan Council), "Protecting Water Quality in Urban Areas" (Minnesota Pollution Control Agency), or the "Minnesota Storm Water Manual" (Minnesota Pollution Control Agency). All BMP treatments systems for the subject site shall include safety factors, maintenance, and a back-up plan in case of failure. All manufactured devices require independent laboratory testing to confirm product claims.
- Volume Control/Infiltration: Maintain or increase infiltration rates from pre-project site conditions.
- Operation and Maintenance: All practices must have an Operation and Maintenance plan

Overlay Requirement 8: Resilience in Design

Meeting this requirement during design and construction will document compliance with the following items:

- Resilient Design

Overlay requirement:

Urban resilience, as defined by the Rockefeller Foundation, is “the capacity of individuals, communities, institutions, businesses, and systems within a city to survive, adapt, and grow no matter what kinds of chronic stresses and acute shocks they experience.” Building resilience is about making people, communities, and systems better prepared to withstand catastrophic events—both natural and manmade—and able to bounce back more quickly and emerge stronger from these shocks and stressors.

For the purposes of the Saint Paul Overlay, Priority Shocks and Priority Stressors are identified as:

Priority Shocks are:

- Utility interruption: Partial or complete disruption of water, sewer, natural gas, and/or electricity service, evaluated during a period of extreme heat or extreme cold.
- Extreme rainfall: Precipitation equal to or greater than a 50-year, 24-hour (ATLAS 14) storm event.
- Transportation interruption: loss of passenger vehicle access to the building site for a period of 10 days.

Priority Stressors:

- Water quality: Document positive impact to chloride and nitrates levels leaving the site, beyond the level required by other portions of this Ordinance and other regulations.
- Heat island: Document positive impact to building’s heat island effect, beyond the level required by this Ordinance and other regulations.
- Air quality: Document positive impact to air quality or the building’s response to existing and future outdoor air quality issues, beyond the level required by this and other regulations.

The design team must identify from the above list at least one Priority Shock and one Priority Stressor that could reasonably be expected to impact the project in the future. The design team must then develop at least one strategy to address the identified Priority Shock(s) and Priority Stressor(s) and integrate those strategies into the design of the project. Additionally, the design team will provide a *Resilience Plan*, a narrative that identifies the selected Priority Shock(s) and Priority Stressor(s) and a describes the strategy/strategies adopted to address the them.

Exhibit Z
Vicinity Hiring Policy

All City of Saint Paul subrecipients, contractors, and subcontractors will be required to demonstrate efforts to achieve Vicinity Hiring during the contracting, rehabilitation or construction, sale, and rental property management process.

Priority for hire will be based on the following selection criteria:

- First preference: Businesses with an address within the project neighborhood.
- Second preference: Businesses with an address within the same zip code as the project or within zip codes immediately adjacent to the project zip code.

Demonstration of compliance to notify vicinity businesses of contract opportunities will be an element of all contracts awarded. Compliance can be demonstrated through the following:

- Points for demonstrated vicinity hiring practices in the scoring matrix for rating responses to Requests for Qualifications and Requests for Proposals of contracts.
- Marketing contract opportunities through advertisements in locally distributed neighborhood newspapers.
- Notification via e-mail or locally circulated newsletters regarding bidding opportunities.

The Vicinity Hiring Policy is a complement to existing Section 3 and Vendor Outreach hiring policies.

Updated 6/4/2013

Exhibit AA
Disbursement Agreement

Not applicable.

DRAFT

#

Exhibit BB
CHIF Homebuyer Assistance Note

DRAFT

Maturity Date means the earliest to occur of one or more of the following dates. The date on which the Property ceases to be Maker's principal place of residence.

- (i) The date on which a Transfer occurs.
- (ii) The date of repayment of the first mortgage, if co-terminus with this Impact Fund (Balloon) Loan Note.
- (iii) The date of occurrence of an Event of Default.
- (iv) The date that is 30 years from the date of this Impact Fund (Balloon) Loan Note.

Property means the real estate that is referred to in the Impact Fund (Balloon) Loan Mortgage and located at the property address specified above in the State of Minnesota, and all improvements situated thereon.

Transfer means a sale or transfer of all or any part of Maker's ownership interest in the Property, whether by lease, deed, contract for deed, or otherwise, whether for consideration or by gift, or in the event of death or otherwise, and whether voluntarily, involuntarily or by operation of law. Provided, however, the following events shall not be considered to be such a sale or transfer:

- (i) If the Maker owns the Property as co-tenants, tenants in common, or joint tenants, then a transfer of the Property, or any interest therein, from one co-tenant to another co-tenant, from one tenant in common to another tenant in common, or from one joint tenant to another joint tenant, whether by reason of death or otherwise;
- (ii) A taking by eminent domain of a portion of the Property, unless it is a total taking in the sense that payment is made for the full value of the Property;
- (iii) The creation of a sale or transfer to which Impact Fund Lender has consented to in writing;
- (iv) The creation of a purchase money security interest for household appliances; or
- (v) Any transfer that is required by law.

2. PAYMENT AND PREPAYMENT.

2.1 The total and outstanding unpaid principal balance of this Impact Fund (Balloon) Loan Note shall become due and payable in a single lump sum balloon payment on the Maturity Date. All of the payments required hereunder shall be made to Impact Fund Lender at its address shown above, or at such other place as Impact Fund Lender may direct in writing. If Borrower does not repay the full lump sum balloon payment on the Maturity Date, the Borrower will be in default.

2.2 This Impact Fund (Balloon) Loan Note may be prepaid in full or in part at any time without penalty.

3. MAKER'S REPRESENTATIONS AND WARRANTIES. To induce Impact Fund Lender to make the mortgage loan evidenced by this Impact Fund (Balloon) Loan Note, Maker hereby makes the following representation and provides the following warranties to Impact Fund Lender.

3.1 Maker will be the record owner of the Property.

3.2 Maker will occupy the Property as their primary and permanent residence.

- 3.3 The facts provided by Maker to Impact Fund Lender in connection with its application for the Impact Fund (Balloon) Loan are all true and correct as of the date hereof.
- 3.4 Maker will cooperate fully with Impact Fund Lender in obtaining and furnishing all information with respect to Maker's qualification for the Impact Fund (Balloon) Loan as Impact Fund Lender may reasonably request, and will further enter into and execute any and all documents needed to further document and secure the repayment of the Impact Fund (Balloon) Loan as Impact Fund Lender may reasonably request.
4. **EVENTS OF DEFAULT.** The occurrence of any one or more of the following events shall be an Event of Default under this Impact Fund (Balloon) Loan Note that will allow Impact Fund Lender to accelerate the repayment of the Impact Fund (Balloon) Loan.
- 4.1 Any information or data that Maker provided to Impact Fund Lender in order to qualify for the Impact Fund (Balloon) Loan is false or misleading in any material respect.
- 4.2 Any representation made by Maker hereunder or in the Impact Fund (Balloon) Loan Mortgage is incorrect, or is misleading in any material respect.
- 4.3 Maker fails to comply with any term, condition, requirement, provision, warranty or covenant contained herein or in the Impact Fund (Balloon) Loan Mortgage.
5. **MISCELLANEOUS.**
- 5.1 The repayment of the obligation evidenced by this Impact Fund (Balloon) Loan Note is secured by the Impact Fund (Balloon) Loan Mortgage and is the Impact Fund (Balloon) Loan Note referred to therein. All of the terms and conditions of the Impact Fund (Balloon) Loan Mortgage are incorporated herein by reference and are hereby made a part of this instrument to the same extent as if fully set forth herein.
- 5.2 Maker and all others who may become liable under this Impact Fund (Balloon) Loan Note agree hereby to be jointly and severally bound and jointly and severally waive demand, protest, notice of nonpayment and any and all lack of diligence or delays in collection or enforcement hereof, and specifically consent to any extension of time, or release of any party liable hereunder, including any maker, or acceptance of other security therefore. Any such extension or release may be made without notice to said party and without in any way affecting the liability of such party.
- 5.3 If any payment due under this Impact Fund (Balloon) Loan Note is not paid when due, and this Impact Fund (Balloon) Loan Note is placed in the hands of any attorney or attorneys for collection or foreclosure of the Impact Fund (Balloon) Loan Mortgage or enforcement of any other security instrument securing payment hereof, Maker promises to pay, in addition to the amount due hereon, the reasonable costs and expenses of collection of the amounts due hereunder and the foreclosure of the Impact Fund (Balloon) Loan Mortgage (including attorneys' fees), and all such costs and expenses shall be secured by the Impact Fund (Balloon) Loan Mortgage.
- 5.4 This Impact Fund (Balloon) Loan Note is not assumable.

- 5.5 No failure or delay by Impact Fund Lender to exercise any right or remedy under this Impact Fund (Balloon) Loan Note shall waive such right or remedy.
- 5.6 Any notice that must be given under this Impact Fund (Balloon) Loan Note shall be given by delivering or mailing, by certified mail, such notice to the address shown above for Impact Fund Lender and to the Property Address shown above for Maker, or such other address as Impact Fund Lender or Maker may designate in writing.
- 5.7 This Impact Fund (Balloon) Loan Note shall be construed and enforced according to the laws of the State of Minnesota.
- 5.8 This Impact Fund (Balloon) Loan Note shall be binding upon and shall extend to the parties hereto and their respective successors and assigns.
- 5.9 Maker acknowledges receipt of a copy of this Impact Fund (Balloon) Loan Note.
- 5.10 Notwithstanding anything to the contrary contained herein, if the Maker's default results solely from the Maker's violation of a restriction on conveyance, then Maker is not contractually liable for Impact Fund Lenders' expenses or any other amounts except for the repayment of the original indebtedness.
- 5.11 Any legal restriction on conveyance, as defined in 24 C.F.R. § 203.41, such as the owner-occupancy restriction or restrictions on resale, terminates upon foreclosure, deed-in-lieu of foreclosure, or assignment of the first mortgage to the U.S. Department of Housing and Urban Development.

IN WITNESS WHEREOF, Maker has caused this Impact Fund (Balloon) Loan Note to be executed as of the day and year first above written.

MAKER(S)

Name of Maker

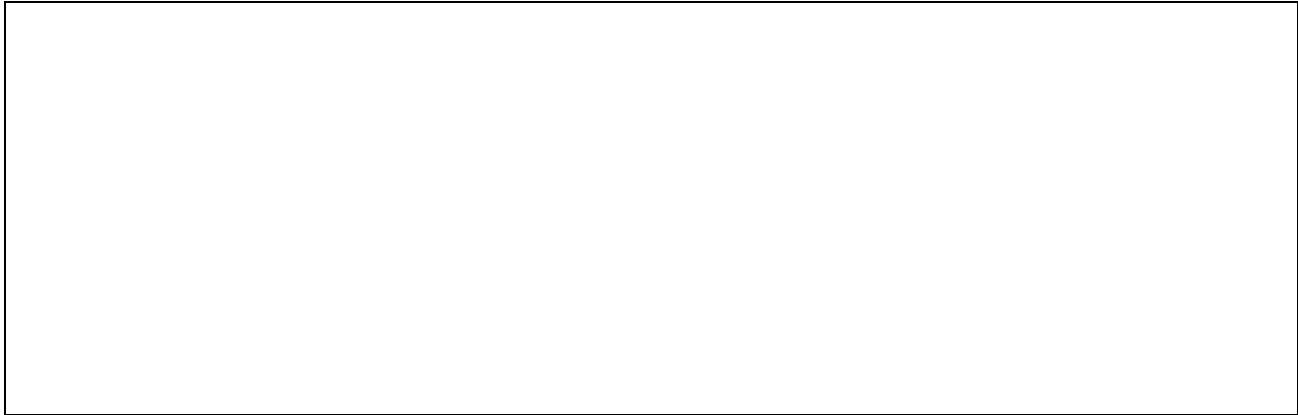
BORROWER(S)

Signature

Type Name of Borrower

Signature

Type Name of Borrower



Pay to the order of
Minnesota Housing Finance Agency
without recourse

Impact Fund Lender

Authorized Signature

Title

TIL and NMLSR ID

Loan Originator Company Name

Loan Originator Individual Name
(as name appears on NMLSR)

Loan Originator Company NMLSR ID

Loan Originator Individual NMLSR ID
(if applicable)

#

Exhibit CC
CHIF Homebuyer Assistance Mortgage

DRAFT

Impact Fund Agreement #: _____

**Community Homeownership Impact Fund (Impact Fund)
Impact Fund (Balloon) Loan Mortgage**

THE LOAN SECURED BY THIS MORTGAGE HAS A BALLOON PAYMENT. AT THE END OF THE LOAN TERM, YOU MUST REPAY THE ENTIRE BALANCE OF THE LOAN.

TIL and NMLSR ID

Loan Originator Company Name

Loan Originator Individual Name
(as name appears on NMLSR)

Loan Originator Company NMLSR ID

Loan Originator Individual NMLSR ID
(if applicable)

THIS MORTGAGE ("Impact Fund (Balloon) Loan Mortgage") is made and executed this

by

(collectively, the "Borrower"), and

whose address is

(the preceding named lender and its successors and assigns are defined as the "Impact Fund Lender").

RECITALS

- A. Impact Fund Lender has made a loan pursuant to the Impact Fund to Borrower and supplied funds to Borrower, in an amount of \$ _____ (the "Impact Fund (Balloon) Loan").
- B. Borrower is obligated to repay the Impact Fund Lender the full outstanding and unpaid balance of the Impact Fund (Balloon) Loan in one lump sum payment (balloon payment) on _____
- C. Borrower must, upon the occurrence of certain events, repay to Impact Fund Lender the Impact Fund (Balloon) Loan earlier, in accordance with the provisions set forth in that certain Impact Fund (Balloon) Loan Note (the "Impact Fund (Balloon) Loan Note").
- D. **NOW, THEREFORE**, in consideration of the foregoing premises and to secure (i) the repayment of indebtedness evidenced by the Impact Fund (Balloon) Loan Note, (ii) the payment of all other sums, advanced in accordance with this Impact Fund (Balloon) Loan Mortgage to protect the security of this Impact Fund (Balloon) Loan Mortgage, and (iii) the performance of the covenants and agreements of Borrower under this Impact Fund (Balloon) Loan Mortgage and the Impact Fund (Balloon) Loan Note, Borrower does grant, bargain, sell and convey to Impact Fund Lender and its successors and assigns, forever and with a power of sale, all of their interests in the following described real property located in the County of _____, State of Minnesota (the "Real Property"):

which has the address of _____ (the "Property Address");

Together with all improvements now or hereafter erected on the Real Property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter a part of the Real Property. All of Borrower's interest in any and all replacements and additions shall also be covered by this Impact Fund (Balloon) Loan Mortgage. All of the foregoing, together with the Real Property are referred to in this Impact Fund (Balloon) Loan Mortgage as the "Mortgaged Property".

If Borrower shall (i) pay to Impact Fund Lender the outstanding balance due and payable under the Impact Fund (Balloon) Loan Note, (ii) pay all other sums, with interest thereon, as may be payable by Borrower to Impact Fund Lender in accordance with the Impact Fund (Balloon) Loan Note or this Impact Fund (Balloon) Loan Mortgage, or the payment of which may now or hereafter be secured by this Impact Fund (Balloon) Loan Mortgage, including, but not limited to, all amounts disbursed or incurred by Impact Fund Lender in exercising any rights and remedies under this Impact Fund (Balloon) Loan Mortgage, including without limitation, all reasonable attorneys' fees, and (iii) keep and perform all the covenants and warranties herein contained on the part of Borrower to be performed, then this Impact Fund (Balloon) Loan Mortgage shall be null and void; otherwise this Impact Fund (Balloon) Loan Mortgage shall be and remain in full force and effect.

The Mortgaged Property may be subject to liens and encumbrances that currently exist thereon and have been filed of record (the "Existing Liens and Encumbrances"), which are prior and superior to the lien created by this Impact Fund (Balloon) Loan Mortgage.

Borrower warrants and covenants that; (i) it is lawfully seized in fee simple of that portion of the Mortgaged Property that is real property and is the absolute owner of that portion of the Mortgaged Property that is personal property, (ii) it has the right and power to mortgage and convey the Mortgaged Property, (iii) the Mortgaged Property is free from all liens, security interests, and encumbrances, except for the Existing Liens and Encumbrances, (iv) it will warrant and defend the title to the Mortgaged Property against all claims, whether now existing or hereafter arising, other than the Existing Liens and Encumbrances, (v) all buildings, improvements, and fixtures now or hereafter located on the Real Property are, or will be, located entirely within the boundaries of the Real Property, and (vi) Borrower shall quietly enjoy and possess the Mortgaged Property. The foregoing warranties shall survive foreclosure of this Impact Fund (Balloon) Loan Mortgage and shall run with the Real Property.

UNIFORM COVENANTS. Borrower and Impact Fund Lender further agree as follows:

1. **Payment of Principal.** Borrower shall promptly pay to Impact Fund Lender, or its successor and assigns, when due the principal of and interest on the indebtedness evidenced by the Impact Fund (Balloon) Loan Note.
2. **Application of Payments.** Unless applicable law provides otherwise, any payment(s) received by Impact Fund Lender under Section 1 hereof shall be applied first to any payments which Impact Fund Lender has paid on behalf of Borrower under the Impact Fund (Balloon) Loan Note or this Impact Fund (Balloon) Loan Mortgage, second to interest due to Impact Fund Lender under the Impact Fund (Balloon) Loan Note or this Impact Fund (Balloon) Loan Mortgage, and last to principal due to Impact Fund Lender under the Impact Fund (Balloon) Loan Note.

3. **Prior Liens; Charges; Other Liens.** Borrower shall comply with all of the terms and conditions contained in all mortgages, deeds of trust, contract for deeds, leases, or other security agreements that have a priority over this Impact Fund (Balloon) Loan Mortgage, including but not limited to the Existing Liens and Encumbrances and any mortgage in a first lien position ("First Mortgage"), and shall pay all taxes, assessments, charges, fines and impositions attributable to the Mortgaged Property that may attain a priority over this Impact Fund (Balloon) Loan Mortgage, and leasehold payments or ground rents, if any. Borrower shall promptly furnish to Impact Fund Lender upon request all notices of amounts due under this Section 3, and receipts evidencing such payments.

Borrower shall, except for the Existing Liens and Encumbrances, promptly discharge any lien which has priority over this Impact Fund (Balloon) Loan Mortgage unless Borrower; (i) agrees in writing to the payment of the obligation secured by such lien in a manner acceptable to Impact Fund Lender; (ii) contests in good faith such lien by, or defends against enforcement of such lien in, legal proceedings which in Impact Fund Lender's opinion operates to prevent the enforcement of the lien or forfeiture of any part of the Mortgaged Property; or (iii) secures from the holder of the lien an agreement satisfactory to Impact Fund Lender subordinating the lien to this Impact Fund (Balloon) Loan Mortgage. If Impact Fund Lender determines that any part of the Mortgaged Property is subject to a lien which may attain priority over this Impact Fund (Balloon) Loan Mortgage, except for the Existing Liens and Encumbrances, Impact Fund Lender may give Borrower a notice identifying the lien and Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of such notice.

Borrower shall not enter into any agreement that alters any of the provisions of the Existing Liens and Encumbrances without first obtaining the written approval of the Impact Fund Lender.

4. **Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Mortgaged Property insured against loss by fire, hazards included within the term "extended coverage," and such other hazards for which Impact Fund Lender requires insurance. This insurance shall be maintained in the amounts and for the periods Impact Fund Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Impact Fund Lender's approval, which such approval shall not be unreasonably withheld.

All insurance policies and renewals must be in a form that is acceptable to Impact Fund Lender, and shall include a standard mortgage clause in favor of Impact Fund Lender. Impact Fund Lender shall have the right to hold the policies and renewals thereof. If Impact Fund Lender requires, Borrower shall promptly give to Impact Fund Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Impact Fund Lender. Impact Fund Lender may make proof of loss if not made promptly by Borrower.

Insurance proceeds shall, unless Impact Fund Lender and Borrower otherwise agree in writing, be applied to restoration or repair of the damaged Mortgaged Property if such restoration or repair is economically feasible and Impact Fund Lender's security is not lessened. If such restoration or repair is not economically feasible or Impact Fund Lender's security would be lessened, then the insurance proceeds shall be applied to the sums secured by this Impact

Fund (Balloon) Loan Mortgage, whether due or not, with any excess paid to Borrower. If Borrower abandons the Mortgaged Property or does not answer within 30 days a notice from Impact Fund Lender that the insurance carrier has offered to settle a claim, then Impact Fund Lender may collect the insurance proceeds. Impact Fund Lender may use the proceeds to repair or restore the Mortgaged Property or to pay sums secured by this Impact Fund (Balloon) Loan Mortgage, whether or not then due. The 30-day period will begin when the notice is given.

Unless Impact Fund Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date referred to in the Impact Fund (Balloon) Loan Note. If under Section 17 the Mortgaged Property is acquired by Impact Fund Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Mortgaged Property prior to the acquisition shall pass to Impact Fund Lender to the extent of the sums secured by this Impact Fund (Balloon) Loan Mortgage immediately prior to such acquisition.

The provisions contained in this Section 4 are subject to any contrary provisions contained in the Existing Liens and Encumbrances or any other mortgage, deed of trust, contract for deed, or other security agreement that Impact Fund Lender has consented to in writing and to which this Impact Fund (Balloon) Loan Mortgage is subordinate.

5. **Preservation and Maintenance of Property; Leaseholds; Condominiums; and Planned Unit Developments.** Borrower shall keep the Mortgaged Property in good repair, and shall not destroy, damage or substantially change the Mortgaged Property, allow the Mortgaged Property to deteriorate, commit waste, or permit impairment or deterioration of the Mortgaged Property. Borrower shall further comply with the provisions of any lease if this Impact Fund (Balloon) Loan Mortgage is on a leasehold. If this Impact Fund (Balloon) Loan Mortgage is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and the constituent documents.
6. **Protection of Impact Fund Lender's Security.** If Borrower defaults under this Impact Fund (Balloon) Loan Mortgage, or if there is any proceeding that may significantly affect Impact Fund Lender's interest in the Mortgaged Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Impact Fund Lender may, in its sole discretion, do and pay for whatever is necessary to protect the value of the Mortgaged Property and Impact Fund Lender's rights in the Mortgaged Property. Impact Fund Lender's actions may include paying any sums secured by a lien that has priority over this Impact Fund (Balloon) Loan Mortgage, appearing in court, paying reasonable attorneys' fees and entering on the Mortgaged Property to make repairs.

Any amounts disbursed by Impact Fund Lender under this Section 6 shall become additional debt of Borrower secured by this Impact Fund (Balloon) Loan Mortgage. These amounts shall bear interest from the date of disbursement at the lesser of 10% per annum or the highest interest rate permissible under applicable law, and shall be payable, with interest, upon notice from Impact Fund Lender to Borrower requesting payment.

Any action taken or expense incurred by Impact Fund Lender hereunder shall be in its sole

discretion, and nothing contained in this Section 6 shall require Impact Fund Lender to take any action or to incur any expense hereunder.

7. **Inspections.** Impact Fund Lender may make or cause to be made reasonable entries upon and inspections of the Mortgaged Property. Provided, however, Impact Fund Lender shall give Borrower notice at the time of or prior to any inspection specifying reasonable cause for the inspection.

8. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Mortgaged Property or for conveyance in lieu of condemnation are hereby assigned and shall be paid to Impact Fund Lender. In the event of a total taking of the Mortgaged Property, the proceeds shall be applied to the sums secured by this Impact Fund (Balloon) Loan Mortgage, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Mortgaged Property, unless Borrower and Impact Fund Lender otherwise agree in writing, a portion of such proceeds shall be applied against the indebtedness secured by this Impact Fund (Balloon) Loan Mortgage, with such portion being equal to the amount of the proceeds multiplied by a fraction the numerator of which is the total amount of the sums secured by this Impact Fund (Balloon) Loan Mortgage immediately before the taking, and the denominator of which is the fair market value of the Mortgaged Property immediately before the taking. Any balance shall be paid to Borrower.

If the Mortgaged Property is abandoned by Borrower, or if Borrower, after notice by Impact Fund Lender that the condemner offers to make an award or settle a claim for damages, fails to respond to Impact Fund Lender within 30 days after the date the notice is given, then Impact Fund Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Mortgaged Property or to the sums secured by this Impact Fund (Balloon) Loan Mortgage, whether or not then due.

Unless Impact Fund Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date referred to in the Impact Fund (Balloon) Loan Note.

The provisions contained in this Section 8 are subject to any contrary provisions contained in the Existing Liens and Encumbrances or any other mortgage, deed of trust, contract for deed, or other security agreement that Impact Fund Lender has consented to in writing and to which this Impact Fund (Balloon) Loan Mortgage is subordinate.

9. **Borrower Not Released; Forbearance by Impact Fund Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Impact Fund (Balloon) Loan Mortgage granted by Impact Fund Lender to Borrower or any successor in interest of Borrower shall not operate to release any liability of the Borrower or Borrower's successors in interest. Impact Fund Lender shall not be required to commence proceedings against any successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Impact Fund (Balloon) Loan Mortgage by reason of any demand made by Borrower or Borrower's successors in interest. Any forbearance by Impact Fund Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any such right or remedy.

10. **Successors and Assigns Bound; Joint and Several Liability; Co-Signers.** The covenants and agreements herein contained shall, subject to the provisions contained in Section 16 below, bind and benefit the successors and assigns of Impact Fund Lender and Borrower. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Impact Fund (Balloon) Loan Mortgage but does not execute the Impact Fund (Balloon) Loan Note; (i) is co-signing this Impact Fund (Balloon) Loan Mortgage only to mortgage, grant and convey that Borrower's interest in the Mortgaged Property under the terms of this Impact Fund (Balloon) Loan Mortgage, (ii) is not personally obligated to pay the sums secured by this Impact Fund (Balloon) Loan Mortgage, and (iii) agrees that Impact Fund Lender and any other Borrower may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Impact Fund (Balloon) Loan Mortgage or the Impact Fund (Balloon) Loan Note without that Borrower's consent and without releasing that Borrower or modifying this Impact Fund (Balloon) Loan Mortgage as to that Borrower's interest in the Mortgaged Property.
11. **Loan Charges.** If the indebtedness secured by this Impact Fund (Balloon) Loan Mortgage is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other charges collected or to be collected in connection with such indebtedness exceed the permitted limits, then; (i) any such charges shall be reduced by the amount necessary to reduce the charge to the permitted limit, and (ii) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Impact Fund Lender may choose to make this refund by reducing the principal owed under the Impact Fund (Balloon) Loan Note or by making direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Impact Fund (Balloon) Loan Note.
12. **Legislation Affecting Impact Fund Lender's Rights.** If enactment or expiration of applicable laws has the effect of rendering any provision of the Impact Fund (Balloon) Loan Note or this Impact Fund (Balloon) Loan Mortgage unenforceable according to its terms, then Impact Fund Lender, in its sole discretion, may require immediate payment in full of all sums secured by this Impact Fund (Balloon) Loan Mortgage and may invoke any remedies permitted under Section 17 below. If Impact Fund Lender exercises this option, then Impact Fund Lender shall give Borrower notice of such acceleration, and the notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower may pay all sums secured by this Impact Fund (Balloon) Loan Mortgage. If Borrower fails to pay such sums prior to the expiration of such time period, then Impact Fund Lender may invoke any remedies permitted by this Impact Fund (Balloon) Loan Mortgage without further notice or demand on Borrower.
13. **Notice.** Except for any notice required under applicable law to be given in another manner any notice to Borrower provided for in this Impact Fund (Balloon) Loan Mortgage shall be given by delivering it or by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Impact Fund Lender as provided herein, and any notice to Impact Fund Lender shall be given by certified mail to Impact Fund Lender's address stated herein or to such other address as Impact Fund Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Impact Fund (Balloon) Loan Mortgage shall be deemed to have been given to Borrower or Impact Fund Lender when given in the manner provided in this Section 13.

Borrower shall promptly notify Impact Fund Lender of the occurrence of any act or action referred to under the definition for "Maturity Date" in the Impact Fund (Balloon) Loan Note.

14. **Governing Law and Venue; Severability.** This Impact Fund (Balloon) Loan Mortgage shall be governed by the laws of the State of Minnesota and any action brought under this Impact Fund (Balloon) Loan Mortgage or the Impact Fund (Balloon) Loan Note shall be brought in the Minnesota District Court for the County of Ramsey, State of Minnesota. If any provision or clause of this Impact Fund (Balloon) Loan Mortgage or the Impact Fund (Balloon) Loan Note conflicts with applicable law, such conflict shall not affect other provisions of this Impact Fund (Balloon) Loan Mortgage or the Impact Fund (Balloon) Loan Note that can be given effect without that conflicting provision, and to this end the provisions of this Impact Fund (Balloon) Loan Mortgage and the Impact Fund (Balloon) Loan Note are declared severable.
15. **Borrower's Copy.** Borrower shall be given a conformed copy of the Impact Fund (Balloon) Loan Note and of this Impact Fund (Balloon) Loan Mortgage at the time of execution or within a reasonable time after recordation hereof.
16. **Transfer of the Mortgaged Property.** If all or any part of the Mortgaged Property, or an interest therein, is sold or transferred, whether by lease, deed, contract for deed, or otherwise, whether for consideration or by gift or in the event of death or otherwise, and whether voluntarily, involuntarily or by operation of law, then all sums secured by this Impact Fund (Balloon) Loan Mortgage shall be immediately due and payable. Notwithstanding the foregoing; (i) if the Borrower owns the Mortgaged Property as co-tenants, tenants in common, or joint tenants, then a transfer of the Mortgaged Property, or any interest therein, from one co-tenant to another co-tenant, from one tenant in common to another tenant in common, or from one joint tenant to another joint tenant, whether by reason of death or otherwise, shall not be considered a transfer; (ii) a taking by eminent domain of a portion of the Mortgaged Property shall not be considered a transfer, unless it is a total taking in the sense that payment is made for the full value of the Mortgaged Property, (iii) the creation of a sale or transfer which has been consented to in writing by Impact Fund Lender shall not be considered a transfer, (iv) the creation of a purchase money security interest for household appliances shall not be considered a transfer, and (v) any transfer that is required by law shall not be considered a transfer.

Impact Fund Lender shall give Borrower notice of such acceleration, and the notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower may pay all sums secured by this Impact Fund (Balloon) Loan Mortgage. If Borrower fails to pay such sums prior to the expiration of such time period, then Impact Fund Lender may invoke any remedies permitted by this Impact Fund (Balloon) Loan Mortgage without further notice or demand on Borrower.

NONUNIFORM COVENANTS. Borrower and Impact Fund Lender further agree as follows:

17. **Acceleration; Remedies.** Impact Fund Lender shall, prior to its acceleration of the indebtedness secured by this Impact Fund (Balloon) Loan Mortgage, give written notice to Borrower by certified mail of any breach or default by Borrower of any covenant or agreement in the Impact Fund (Balloon) Loan Note or this Impact Fund (Balloon) Loan

Mortgage. The notice shall specify; (i) the breach or default, (ii) the action required to cure such breach or default, (iii) a date, not less than 30 days from the date the notice is given to Borrower, by which such breach or default must be cured, (iv) that failure to cure the breach or default on or before the date specified in the notice may result in acceleration of the sums secured by this Impact Fund (Balloon) Loan Mortgage and the sale of the Mortgaged Property, and (v) that failure to cure such breach or default shall result in interest accruing on the sums secured by this Impact Fund (Balloon) Loan Mortgage from and after the date of Borrower's breach or default at the lesser of 10% per annum or the highest lawful interest rate. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a breach or default or any other defense of Borrower to acceleration and sale. If the breach or default is not cured on or before the date specified in the notice, or if the "Maturity Date" as such term is used and defined in the Impact Fund (Balloon) Loan Note, has occurred, then Impact Fund Lender, at its sole option and discretion, may require immediate payment in full of all of sums secured by this Impact Fund (Balloon) Loan Mortgage without further demand, and may invoke the power of sale and any other remedies permitted by applicable law. Impact Fund Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this Section 17, including, but not limited to, reasonable attorneys' fees.

If Impact Fund Lender invokes the power of sale, then the Mortgaged Property shall be sold at public auction in the manner prescribed by applicable law. Impact Fund Lender or its designee may purchase the Mortgaged Property at any sale. The proceeds of the sale shall be applied in the following order; (i) to all sums secured by this Impact Fund (Balloon) Loan Mortgage; (ii) to all costs and expenses of the sale, including, but not limited to, reasonable attorneys' fees; and (iii) the excess, if any, to the person or persons legally entitled thereto.

18. **Borrower's Right to Reinstate.** Notwithstanding Impact Fund Lender's acceleration of the sums secured by this Impact Fund (Balloon) Loan Mortgage due to Borrower's breach or default, Borrower shall have the right to have any proceedings begun by Impact Fund Lender to enforce this Impact Fund (Balloon) Loan Mortgage discontinued at any time prior to the earlier to occur of the sale of the Mortgaged Property pursuant to the power of sale contained herein or the entry of a judgment enforcing this Impact Fund (Balloon) Loan Mortgage, if (i) Borrower pays Impact Fund Lender all sums constituting the default actually existing under this Impact Fund (Balloon) Loan Mortgage and the Impact Fund (Balloon) Loan Note at the commencement of foreclosure proceeding under this Impact Fund (Balloon) Loan Mortgage, (ii) Borrower cures all breaches or defaults of any other covenants or agreements of Borrower contained in this Impact Fund (Balloon) Loan Mortgage, (iii) Borrower pays all reasonable expenses incurred by Impact Fund Lender in enforcing the covenants and agreements of Borrower contained in this Impact Fund (Balloon) Loan Mortgage, and in enforcing Impact Fund Lender's remedies as provided in Section 17, including, but not limited to, reasonable attorneys' fees; and (iv) Borrower takes such action as Impact Fund Lender may reasonably require to assure that the lien of this Impact Fund (Balloon) Loan Mortgage, Impact Fund Lender's interest in the Mortgaged Property, and Borrower's obligation to pay the sums secured by this Impact Fund (Balloon) Loan Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Impact Fund (Balloon) Loan Mortgage and the obligation secured hereby shall remain in full force and effect as if no acceleration had occurred.

19. **Release.** Upon payment of all sums secured by this Impact Fund (Balloon) Loan Mortgage, Impact Fund Lender shall discharge this Impact Fund (Balloon) Loan Mortgage without charge to Borrower. Borrower shall pay all costs of recordation.
20. **Waiver of Homestead.** Borrower hereby waives all right of homestead exemption in the Mortgaged Property.
21. **Subject to Existing Liens and Encumbrances.** This Impact Fund (Balloon) Loan Mortgage is subject and subordinate to the Existing Liens and Encumbrances, but not to any modification, extension, replacement, or renewal thereof, and only to the extent of the amounts from time to time remaining unpaid thereon, and no further or additional documents shall be needed or required to effectuate such subordination.
22. **Principal Residence.** Borrower shall, for all time periods that any amount is due and owing under the Impact Fund (Balloon) Loan Note and this Impact Fund (Balloon) Loan Mortgage is outstanding, occupy the Mortgaged Property as its principal residence.
23. **Validity of Information.** All of the facts and information Borrower supplied regarding the loan evidenced by and relating to the Impact Fund (Balloon) Loan Note and this Impact Fund (Balloon) Loan Mortgage, and the loans secured by the Existing Liens and Encumbrances were true at the time they were made.
24. **U.S. Department of Housing and Urban Development/Federal Housing Administration.** In the event of foreclosure or deed in lieu of foreclosure of the First Mortgage by the Federal Housing Administration or assignment of the First Mortgage to the Secretary of Housing and Urban Development, any provisions herein or any provisions in any other collateral agreement restricting the use of the Mortgaged Property or otherwise restricting the Borrower's ability to sell the Mortgaged Property shall have no further force or effect. Any person, including their successors or assigns (other than the Borrower or a related entity of the Borrower), receiving title to the Mortgaged Property through a foreclosure or deed in lieu of foreclosure of the First Mortgage by the Federal Housing Administration or assignment of the First Mortgage to the Secretary of Housing and Urban Development shall receive title to the Mortgaged Property free and clear from such restrictions and Impact Fund Lender will release such restrictions after foreclosure or acceptance of deed in lieu of foreclosure by the Federal Housing Administration or after assignment of the First Mortgage to the Secretary of Housing and Urban Development.
25. **Contractual Liability.** Notwithstanding anything to the contrary contained herein, if the Borrower's default results solely from the Borrower's violation of a restriction on conveyance, then Borrower is not contractually liable for Impact Fund Lender's expenses or any other amounts except for repayment of the original indebtedness.

IN WITNESS WHEREOF, Borrower has executed this Impact Fund (Balloon) Loan Mortgage on the day and date first above written.

BORROWER(S)

Signature

Type Name of Borrower

Signature

Type Name of Borrower

State of Minnesota }
County of _____ } ss.

This instrument was acknowledged before me this _____ day of _____,
_____ , by _____.

Notary Public

Space Below This Line Reserved for Impact Fund Lender and Recorder.

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Exhibit DD
CDBG and General Fund Records and Reporting Requirements

Applicable only to projects with CDBG funds.

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Exhibit DD
Records and Reporting Requirements



City of Saint Paul, Minnesota
Community Development Block Grant and General Fund Records and Reporting Requirements

The following records shall be maintained by the Borrower, copies of which shall be submitted to the City in such form as prescribed:

1. All receipts and invoices relating to expenditures of Community Development Block Grant (CDBG) and/or City provided funds.
2. Accounting records that are supported by source documentation. Borrower will establish a separate, identifiable accounting record for the activity(ies) contained in this Agreement. Records shall be sufficient to reflect all costs incurred in performance of this Agreement. The books, records, documents, and accounting procedures, relevant to the grant shall be subject to examination by the City, appropriate federal agency(ies), and the legislative auditor at any time during the performance of this Agreement, and for up to five years following the completion of this Agreement.
3. Payroll records, personal activity reports including hours worked, of all employees reimbursed with funds provided through this Agreement.
4. Mileage records, detailing the mileage reimbursement system, person(s) participating in the program, number of miles driven, and amount reimbursed with City provided funds.
5. Records of Liability Insurance, Automobile Insurance, including proof of insurance in effect, and proof of payment of insurance premiums.
6. Progress reports submitted at such time and in such form as required by the City.
7. Records of Board or Committee meetings relating to decisions governing the use of funds provided under this Agreement.
8. Some activities may require additional CDBG eligibility determinations, including: (1) public service activities - documentation that the service provided is either a new or extended service; (2) housing and economic development assistance - verification that the assistance is appropriate, and the costs are reasonable; and (3) special housing, rehabilitation, or economic development activities carried out by neighborhood non-profit development corporations.
9. If the Borrower is providing grants or loans, it shall keep records documenting the use of such funds, including; records documenting recipient eligibility, payments made, and documentation on completion of work for which the grant or loan was initiated.
10. Records providing evidence that all expenditures authorized under this Agreement are appropriate, and that the associated costs are reasonable. This includes records indicating a minimum of two bids itemizing costs for comparable labor and/or materials were received, and that the lowest responsible bid

was selected. If the lowest bid is not selected, records should indicate how it was determined that the cost of alternate selection was reasonable.

11. When issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects or programs funded in whole or in part with funds from this Agreement, the Borrower shall clearly state the source of funds to be used, and the approximate percentage of the project which will be funded by this Agreement.
12. Records of the amount of private/other matching funds received, as identified in the Project Budget.
13. Record keeping requirements as detailed below:
 - A. For housing activities, records indicating the number of housing units rehabilitated, the number of housing units removed, the number of housing units created, the number of housing units lost, the number of housing units replaced, the number of housing units relocated, and a summary of the total affected units. In addition, according to 24 CFR § 570.506(b), records shall be kept indicating the income levels of those persons assisted, and for rental housing, the current level of rent.
 - B. For economic development activities, records indicating the number of establishments: removed, created, assisted, rehabilitated. In addition, according to 24 CFR § 570.506(b)(5), records indicating the number of jobs created, new jobs created by category, delineation of full or part time, salary levels.
 - C. For activities determined to benefit low and moderate-income persons based on the area served; records as defined in 24 CFR § 570.506(b)(2): service area boundaries and income information on persons residing in service area.
 - D. For limited clientele activities, records indicating the number of persons assisted, the income level of those persons, and the type of assistance provided.
14. Fair Housing and Equal Opportunity Records as described in 24 CFR § 570.506(f) and other records as listed in 24 CFR § 570.506(g).

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Exhibit EE
CDBG Federal, State and Local Requirements

Applicable only to projects with CDBG funds.

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Exhibit EE
Other CDBG Laws



City of Saint Paul, Minnesota
Federal Requirements for the Community Development Block Grant (CDBG) Program

The following list contains the public laws, executive orders and other federal requirements which may be applicable to activities funded in whole or in part with Community Development Block Grant (CDBG). If you have any questions, please contact Loan Management Staff at 1300 City Hall Annex, 25 West 4th Street, Saint Paul, MN 55102, Phone: 612-266-6693.

1) DAVIS BACON ACT/CONTRACT WORK HOURS AND SAFETY STANDARDS ACT
40 USC 3141 – 3148.

Provides that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with CDBG or UDAG funds shall be paid prevailing wages. This includes all commercial activity and housing activity of eight or more units.

B2GNOW/LCPtracker. If this contract/agreement is subject to contract compliance tracking, and the Borrower/Subgrantee, general/prime contractor and any subcontractors are required to provide any noted and/or requested contract compliance-related data electronically using the B2GNOW/LCPtracker system. The Borrower/Subgrantee, general/prime contractor and all subcontractors are responsible for responding by any noted response date or due date to any instructions or request for information, and for checking the B2GNOW/LCPtracker system on a regular basis to manage contact information and contract records. The Borrower/Subgrantee is responsible for ensuring all general/prime contractors, and subcontractors have completed all requested items and that their contact information is accurate and up-to-date. The City of Saint Paul/Housing and Redevelopment Authority of the City of Saint Paul, Minnesota may require additional information related to the contract to be provided electronically through the B2GNOW/LCPtracker system at any time before, during, or after execution of this contract/agreement. Information related to contractor access of the B2GNOW/LCPtracker system will be provided to a designated point of contact with each Borrower/Subgrantee, general/prime contractor and any subcontractors upon execution of the contract/agreement. The B2GNOW/LCPtracker system is web-based and can be accessed at the City's Internet address.

2) COPELAND ANTI-KICKBACK ACT
18 USC 874 and USC 3145, as supplemented by Department of Labor Regulations (29 CFR Part 3)

Prohibits kickbacks to public employees, and any person involved in the administration of federal funds.

3) **EXECUTIVE ORDER 11246, AS AMENDED**

41 CFR chapter 60

Relates to equal employment opportunities under HUD contracts and HUD assisted construction contracts.

4) **SECTIONS OF 24 CFR PART 85 SPECIFIED IN 24 CFR 570.502**

Uniform administrative requirements for all Loan-In-Aid Programs. These regulations apply to **state and local governments**. 24 CFR 570.609 regulates the use of debarred, suspended contractors on federally funded projects.

6) **24 CFR PART 84**

Contains uniform administrative requirements applicable to federally funded Loans and contracts with **non-profit organizations**. Includes requirement for the City and/or HUD to monitor/review/report on sub-borrower activities.

7) **LEAD BASED PAINT POISONING PREVENTION ACT AND THE RESIDENTIAL LEAD-BASED PAINT HAZARD REDUCTION ACT OF 1992**

42 USC 4821-4846; 42 USC 4851-4856; 24 CFR 570.608; 24 CFR Part 35, subparts A, B, J, K and R

Prohibits the use of lead-based paint in any federally funded project. Also requires notification for removal of lead-based paint in rehabilitation projects.

8) **CLEAN AIR ACT, WATER POLLUTION CONTROL ACT**

42 USC 7401 et seq.; 33 USC 1251 et seq., as amended

Clean air and water acts that pertain to all projects and programs.

9) **TITLE VI, CIVIL RIGHTS ACT OF 1964**

42 USC 2000d et seq.; Public Law 88-352; 24 CFR Part 1; 24 CFR 570.601

Act states that no person shall be denied participation in, or benefits from federal assistance on the basis of race, color or national origin.

10) **TITLE VIII OF THE CIVIL RIGHTS ACT OF 1968, FAIR HOUSING ACT**

42 USC 3601 et seq.; Public Law 90-284; 24 CFR 570.601

No person shall be denied housing opportunities on the basis of race, color, religion or national origin.

11) **EXECUTIVE ORDER 11063, AS AMENDED BY EXECUTIVE ORDER 12259**

24 CFR part 107; 24 CFR 570.601

Prohibits discrimination in housing and related facilities owned or operated by the Federal Government, and in lending practices.

12) **EXECUTIVE ORDER 11625**

Relates to the national program for Minority Business Enterprise.

- 13) **SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974**
42 USC 5309; 24 CFR 570.602; 24 CFR Part 6
Prohibits discrimination on the basis of race, color, religion or national origin in any activity or program funded in whole or in part with CDBG or UDAG funds.
- 14) **AGE DISCRIMINATION ACT OF 1975**
42 USC 6101 et seq.; Public Law 94-135; 24 CFR Part 146
No persons shall, on the basis of age, be excluded from participation or be denied benefits, or be subject to any discrimination from any program receiving federal assistance.
- 15) **SECTION 504 OF THE REHABILITATION ACT OF 1973**
29 USC 794; 24 CFR part 8
Provides that physically impaired persons may not be excluded from participation or be denied benefits from any program receiving federal assistance.
- 16) **ARCHITECTURAL BARRIERS ACT OF 1968**
42 USC 4151 et seq.; 24 CFR 570.614
Provides that government agencies shall prescribe standards for the design, construction and alteration of buildings to ensure that whenever possible physically impaired persons will have ready access to, and use of such buildings. This rule in and of itself does not apply to the CDBG program, except as it impacts on Section 504.
- 17) **UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT OF 1970**
42 USC 4601 et seq.; 24 CFR part 42; 24 CFR 570.606
Provides relocation benefits and land acquisition procedures when property is acquired by federal or state agencies. For the purpose of this act, the City is an agency of the State.
- 18) **NATIONAL ENVIRONMENTAL POLICY ACT OF 1969**
42 USC 4321 et seq.; 24 CFR part 58
The recipient of federal funds assumes the responsibility for ensuring that environmental reviews are completed prior to the start of any activity funded in whole or in part with federal funds.
- 19) **NATIONAL HISTORIC PRESERVATION ACT**
16 USC 470 et seq.; Public Law 89-665
Relates to the process for designating structures on the National Historic Preservation List, and the kinds of activities which may be done as a result of this designation.
- 20) **ARCHEOLOGICAL AND HISTORIC PRESERVATION ACT OF 1974**
54 USC 312501-312508
Provides for the preservation of significant scientific, prehistorical, historical, or archeological data that may otherwise be lost in the course of work on federally funded projects.
- 21) **EXECUTIVE ORDER 11593**
Provides for the protection and enhancement of the cultural environment.

22) FLOOD DISASTER PROTECTION ACT OF 1973

42 USC 4001 et seq.; Executive Order 11988; Executive Order 11288; Public Law 93-234; 24 CFR 570.605

No activity funded in whole or in part with federal assistance may be undertaken in a designated flood plain without National Flood Insurance. 11988 relates to evaluation of flood hazards. 11288 relates to the prevention, control and abatement of water pollution.

23) HATCH ACT

5 USC 1501 et seq.

Prohibits the financing of any type of political activities with federal funds.

24) CODE OF CONDUCT AND CONFLICT OF INTEREST

24 CFR 200.317-318, 24 CFR 570.611

States that no person(s) administering federally funded programs may, as a result of their position, receive personal gain.

25) INTERGOVERNMENTAL REVIEW OF WATER & SEWER PROJECTS

Executive Order 12372; 24 CFR 570.612

Allows for the State and Metro Council to review and comment when the Borrower/Sub-Borrower proposes to finance the planning or construction of water or sewer facilities.

26) REQUIREMENTS GOVERNING LOBBYING OF HUD PERSONNEL

24 CFR part 87

Reporting requirements and fee limits for the hiring of persons to influence a HUD officer or employee.

27) AMERICAN WITH DISABILITIES ACT

42 USC 12101 et seq.; 28 CFR parts 35-36

Prohibits discrimination against persons with disabilities.

28) IMMIGRATION AND NATIONALITY ACT, AS AMENDED BY IMMIGRATION REFORM AND CONTROL ACT

8 USC 1324a et seq. and 8 CFR 245a.5; 24 CFR 570.613

Prohibits employers from hiring and employing an individual for employment in the U.S. knowing that the individual is not authorized with respect to such employment. The requirements of this Act apply to Borrower/Subgrantee and any and all contracts that Borrower/Subgrantee enters into with any contractor or subcontractor. Also prohibits certain newly legalized aliens from being eligible to apply for benefits under covered activities funded by the programs listed in 24 CFR 570.613.

29) BYRD ANTI-LOBBYING AMENDMENT

31 USC 1352, as amended

Each person who requests or receives a federal grant exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient (i.e. the City) who will in turn forward the disclosure(s) to HUD. If the required certification is applicable, Borrower/Subgrantee must sign the certification attached hereto as **Exhibit GG**, and complete a disclosure form if required, and submit it to the City.

30) DEBARMENT AND SUSPENSION

24 CFR Part 24; 24 CFR 5.105; Executive Orders 12549 and 12689

A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. SAM exclusions can be accessed as www.sam.gov. See 2 CFR 180.530.

31) HOUSING COUNSELING

24 CFR 5.111; 24 CFR 570.615

Provides that housing counseling funded with or provided in connection with CDBG funds must be carried out in accordance with 24 CFR 5.111.

32) OTHER FEDERAL REQUIREMENTS

24 CFR 5.105

Relates to other federal requirements that apply to HUD programs, except as may be otherwise noted in 24 CFR Part 570, or unless inconsistent with statutes authorizing certain HUD programs.



City of Saint Paul, Minnesota
STATE AND LOCAL Government
Requirements

Project activities shall be carried out in compliance with all State and local applicable laws, orders, and regulations, including:

- 1) The Minnesota Human Rights Act (Minnesota Statutes Chapter 363A) and implementing regulations issued at Minnesota Rules chapter 5000.
- 2) The Human Rights Ordinance (Saint Paul Legislative Code Chapter 183), Chapter 86.05 of the Saint Paul Administrative Code and Rules Governing Affirmative Action Requirements in Employment issued by the Saint Paul Human Rights Commission October 4, 1977, as amended.
- 3) Borrower/Subgrantee agrees to comply with and cause its contractors and subcontractors to comply with the City's Vendor Outreach Program as required by Chapter 84 of the St. Paul Administrative Code. In entering into contracts and subcontracts for the project and this includes all soft costs, professional services, hard construction costs and other project costs, Borrower/Subgrantee and its contractors and subcontractors shall meet the requirements set forth in **Exhibit O** hereto and incorporated herein.
- 4) The Minimum Wages on Public Contracts Ordinance (Saint Paul Administrative Code Section 82.07) and rules issued at Chapter A-9 City Contracts-Wage Rates, Appendix to the Saint Paul Administrative Code.
- 5) The Minnesota residential Mortgage Originator and Servicing Licensing Act (Minnesota Statute Ch. 58).

Prior to undertaking the performance of any activity authorized under this Agreement, the Borrower/Subgrantee agrees to participate in a City Contract Compliance informational meeting. If deemed necessary by the City, specific contract compliance requirements will be incorporated into a written document, to be submitted and followed during the completion of the activities authorized as part of this Agreement.

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Exhibit FF
CDBG Borrower Administrative Policies

Applicable only to projects with CDBG funds.

DRAFT

Exhibit FF
Borrower Administrative Policies



City of Saint Paul, Minnesota
CITY/BORROWER AGREEMENT
Administrative Policies

Eligible funding activities and procedures:

1. The City will provide funds to Borrowers on a reimbursement basis, and in accordance with the budgets contained the City/Borrower Agreements. All requests for reimbursements shall be accompanied by verification of expenditures, including statements, bills, paid invoices, check copies, payroll records, verification of completion of work, and/or other such documentation as may be required by city staff.
2. Any changes or modifications to the budgets must be transmitted in writing to the City's Loan Management Staff for review and approval.
3. Borrower budgets must be structured to provide a separate and identifiable audit/budget trail which details all expenditures related to the City/Borrower Agreement.
4. Each Borrower is solely responsible for budgeting adequate funds to cover its employment agreement obligations. This may include: FICA, workmen's compensation, unemployment taxes, travel allowance, parking fees, health insurance, etc.
5. Borrower employees are not employees of the City of Saint Paul, and do not qualify for benefits granted to City Civil Service employees. Borrowers determine any and all benefits they wish to grant their employees, and these benefits may be included in the Borrower's budgets.
6. Borrowers may appropriate funds for short-term consultant activities upon written approval from the City's Loan Management Staff.
7. Borrowers may allocate money for legal consultation, providing: the amount of money does not exceed the approved budget total; funding is approved by the Borrowers' Executive Board and/or Board of Directors; is clearly identified in the Borrower budget; and has prior written approval of the City's Loan Management Staff. Such funding will be determined on a case-by-case basis. Borrowers are not clients of the Office of the City Attorney.
8. Borrowers are required to institute generally accepted accounting principles which include procedures which preclude overdrafts. Borrowers are expected to pay employees and other debts in a timely manner. Payment of penalties or interest charges are not allowed with City funds.

9. Borrowers' budgets are funded on a contract-by-contract basis. Unused funds remain with the City.
10. Borrowers are required to keep an inventory of all furnishings and property, and should update it on a yearly basis. All furniture and equipment either purchased with City funds, or borrowed from City agencies, remains the property of the City. In the event of termination of this Agreement, or if the Borrower chooses to go out of business, all of the above-mentioned property shall be returned to the city in a timely manner.
11. In the event of termination of this Agreement, or if the Borrower chooses to go out of business, the contents of the Borrower's records and business files relating to this Agreement shall be either turned over to the City of Saint Paul or remain accessible to the City of Saint Paul for a period of five (5) years following the termination of this Agreement.

Ineligible funding items:

1. Undefined line items such as "miscellaneous" and "special projects" are not eligible for funding without written approval from the Loan Management staff.
2. Borrower funds provided through this Agreement may not be used to purchase food and/or beverages. Exception to this policy may be requested if the food and/or beverages are included in an individual's registration fee for an educational meeting relating to activities included in **Exhibit C, Statemen of Work/Scope of Service**.
3. Costs of legal action against the City, including fees to appeal.
4. Penalties and interest charges.

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Exhibit GG
CDBG Year End Report/Project Evaluation

Applicable only to projects with CDBG funds.

DRAFT



**Community Development Block Grant Program (CDBG)
Single Family New Const./Vacant Rehab
IDIS Update Form**

Date:

This form is to be completed when requesting reimbursement for activities financed with Community Development Block Grant funds. The information is required by the HUD IDIS Reimbursement system. Please call Beth Ulrich at 651-266-6689 with questions.

Program/Project Title: Activity #:

Project Manager: Phone #:

Address of Property: Zip Code:

Name of CBDO:

Environmental/Historic Review completed: Yes No

HEROS - HUD Environmental Review Online System number:

Please check all that apply:

- Property is being acquired
- Home will be demolished
- Home will be rehabilitated
- A new home will be constructed

CDBG Funds

CDBG Budget: \$
 Minus Funds Requested this Draw: \$
 Minus Funds Previously Reimbursed: \$
 CDBG Project Balance: \$

Other Source of Funds

Other Federal Funds: \$
 State/Local Funds: \$
 Private Funds: \$
 Other Funds:
 Other Source of Funds Total: \$
 Total CDBG Project Balance + Other Sources of Funds: \$

COMPLETE THE FOLLOWING SECTIONS WITH END-BUYER INFORMATION		
HOUSEHOLD RACE/ETHNICITY:	Total	Hispanic/Latino
# White Households:		
# Black/African American Households:		
# Asian Households:		
# American Indian/Alaskan Native Households:		
# Native Hawaiian or Other Pacific Islander Households:		
# American Indian/Alaskan Native & White Households:		
# Asian & White Households:		
# Black/African American & White Households:		
# Amer. Indian/Alaskan Nat. & Black/African Amer. Households:		
# Other Multi-Racial Households:		

Female Headed Household: Yes No

Does anyone in the household have a disability? Yes No
 If yes, how many?

Please note: Under the Americans with Disabilities Act (ADA), an individual with a disability is a person who: has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment. A physical impairment is defined by the ADA as "Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological, musculoskeletal, special sense organs, respiratory (including speech organs), cardiovascular, reproductive, digestive, genitourinary, hemic and lymphatic, skin, and endocrine." A mental impairment is defined by the ADA as: "any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities."

HOUSEHOLD INCOME LEVEL:

30% or less of median 31-50% of median 51-80% of median

Date of HUD Income Limit used: Max. income allowed:

Unit is Affordable:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Years of Affordability Guaranteed:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Unit is Section 504 accessible:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Unit Qualified as Energy Star:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Household Previously Living in Subsidized Housing:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Unit Occupied by Elderly:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Unit Specifically Designated for Persons with HIV/AIDS:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Unit Specifically Designated for Homeless:	Yes <input type="checkbox"/>	No <input type="checkbox"/>

LEAD PAINT REPORTING: Calculating Federal rehabilitation assistance

Applicable Lead Paint Requirement: (check one)

- Housing constructed before 1978
- Exempt: housing constructed 1978 or later
- Otherwise exempt

Lead Hazard Remediation Actions: (check one)

- Lead Safe Work Practices (hard costs <=\$5,000)
- Visual Assessment/Paint Stabilization (acquisition only)
- Interim Controls or Standard Practices (hard costs \$5,001-\$25,000)
- Abatement (hard costs > \$25,000)

#

Exhibit HH
CDBG Program Guidelines

Not applicable.

DRAFT

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Exhibit II
Lobbying Certification

DRAFT

Exhibit II
Lobbying Certification

The undersigned certifies, to the best of the undersigned's knowledge and belief, that:

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

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.¹

The undersigned hereby represents and warrants that the undersigned has the authority to sign on behalf of Borrower/Subgrantee. The undersigned certifies or affirms the truthfulness and accuracy of each statement of each certification made herein and disclosure, if any. In addition, the undersigned understands and agrees that the provisions of 31 U.S.C. Chap. 38, Administrative Remedies for False Claims and Statements, apply to this certification and disclosure, if any.

IN WITNESS WHEREOF, the undersigned has caused this Certification to be executed the day and year first above written.

Borrower/Subgrantee:

By: _____
Print Name: _____
Its _____

¹ These civil penalty amounts are subject to adjustments for inflation pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

Inspiring Communities
Homeownership Development Program Manual
Housing and Redevelopment Authority of the City of Saint Paul and
the City of Saint Paul

I. Purpose

This Program Manual guides certain new construction and rehabilitation of single-family homes being carried out under agreements with the Housing and Redevelopment Authority of the City of Saint Paul (the “HRA”) or the City of Saint Paul (the “City”), or both. This Program Manual includes policies and procedures to be followed regarding eligible uses of HRA funds, City funds, and state and federal funds administered by the City or HRA. It addresses rehabilitation, construction, marketing and sale, homebuyer counseling and education, and homebuyer assistance.

Provisions of this Program Manual may be modified by the Director on the recommendation of Staff provided such modifications are not in conflict with Project Funding requirements and relevant actions of the Authority, including but not limited to HRA Board approval of key terms of this Program Manual by Resolution 22-XXX.

If any provision in this Program Manual, including any provision as modified by the Director, is inconsistent with the Agreement, the Agreement controls. If any provision of either the Agreement or this Program Manual is less restrictive than an applicable Project Funding requirement, the Project Funding requirement controls.

II. Definitions

Affordability Period: The period during which the project must remain affordable as required by the source or sources of financing.

Agreement: The Development, Loan and Grant Agreement, Grant Agreement, or Development Agreement entered into by Authority and Developer for the purpose of carrying out a Project or Projects.

Area Median Income (AMI): The median income for the Minneapolis-Saint Paul-Bloomington Metropolitan Statistical Area as published and updated annually by HUD and adjusted for household size.

Authority: The HRA, the City, or both, depending on which is or are named as parties to the Agreement.

Buyer: The buyer of a rehabilitated or newly constructed property.

City: The City of Saint Paul, a Minnesota municipal corporation and home rule charter city.

Community Development Block Grant (CDBG) Funds: Federal funds the City receives as recipient from HUD under the Community Development Block Grant program.

Community Homeownership Impact Fund (CHIF) Funds: State funds administered by the HRA pursuant to the Minnesota Housing Finance Agency's Community Homeownership Impact Fund program.

Developer: The developer named in an Agreement with the City or HRA. May also be referred to as a Grantee, Subrecipient, Contractor, or Borrower.

Development Subsidy: Funds awarded by the City or HRA to the Developer for purposes of covering all or a portion of the Value Gap. In no case may the amount of Development Subsidy exceed the Value Gap.

Director: The person acting in their capacity as either the City's Director of Planning and Economic Development or Executive Director of the HRA.

Homebuyer Assistance: Funds provided by the Authority directly or indirectly to a Buyer to cover all or a portion of the gap between the Buyer's other sources (such as a first mortgage loan and including the Buyer's minimum contribution) and the costs to purchase the Property, inclusive of the purchase price and the Buyer's settlement costs.

HRA: The Housing and Redevelopment Authority of the City of Saint Paul, a Minnesota public body corporate and politic, with an address of 25 West Fourth Street, Suite 1100, Saint Paul, MN 55102.

HUD: The U.S. Department of Housing and Urban Development.

Local Funds: Public funds received by the City or the HRA through bond, tax, and fee revenue and non-federal program income.

NSP: HUD's Neighborhood Stabilization Program established by the Housing and Economic Recovery Act of 2008, the American Recovery and Reinvestment Act of 2009 and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

The Inspiring Communities Program (Program): The activity authorized by the Housing and Redevelopment Authority of the City of Saint Paul through the approval of the Disposition Work Plan and Budget (Resolution 13-1097) and through the approval of the Inspiring Communities Homeowner Program Manual and Rental Program Manual (Resolution 13-1592), and subsequent related resolutions.

Project: The rehabilitation and resale, or new construction and resale, of a Property.

Project Budget: A development and operating budget submitted by the Developer and approved by the HRA, the City, or both, that sets forth the anticipated total development costs, maximum Development Subsidy, and the anticipated sales price for a particular Project (see Appendix A).

Project Funding: Any and all governmental and private funds, including Developer's cash, used to pay Project costs.

Project Manager: The employee of the City so designated by the City's Director of Housing.

Property: A one-to-four unit structure, along with the land and other real estate of which it is part, that is or will be occupied by a Buyer.

Staff: Employees of the City's Department of Planning and Economic Development, including the Director of Housing and/or their reports.

Value Gap: The difference between the total development costs of a Project and the sales price of the Property to an end buyer.

III. General Terms of Authority Financing

Developer's expenditures for program delivery will be limited as follows:

A. Approval and Funding of Demolition Costs

Primary structures on properties acquired may not be demolished unless they are: 1) declared as blighted in a written notice provided by Authority or 2) determined and agreed to by Authority not to be economically feasible to rehabilitate to a condition in which the property is marketable.

B. Maximum Development Subsidy Per Unit

The maximum Development Subsidy per Property set forth in the Agreement must not exceed \$175,000 per unit, unless the HRA board approves a request from Staff to exceed \$175,000 per unit.

Requests to Increase the maximum Development Subsidy

Requests to increase the maximum Development Subsidy must be submitted in writing and include supporting documentation. Such request may be granted without specific approval from the HRA Board if:

1. The HRA Board has approved the subsidy request proposed in the Developer's original proposal; and
2. Any proposed increase to the subsidy request is less than \$20,000 and 25% of the subsidy approved by the HRA Board; and
3. The Director approves the proposed increase in writing on the recommendation of Staff.

Requests to increase the Development Subsidy by an amount greater than 25% or \$20,000, whichever is less, require specific approval from the HRA Board.

C. Developer Fee

Developer fee per Project is not to exceed 10% of total development costs less the acquisition purchase price.

D. General Contractor Fee

If Developer is acting as general contractor and thus hiring and managing subcontractors, Developer may charge an additional fee in the form of a 6% general contractor fee of net

construction costs and 2% mark up for overhead based on net construction costs. However, such markup may not be applied to non-construction costs such as taxes, insurance, security, general requirements, or working capital costs. No such fees will be paid to Developer for any property that is rehabilitated or built by a third-party general contractor.

E. Design and Construction Management Fee

Developer may pay no more than 6% of hard costs for architectural services and construction management services payable to a third party.

F. Contingency

Developer may designate a construction contingency not to exceed 10% of hard costs for rehabilitation projects and 5% of hard costs for new construction projects.

G. Marketing Costs

Developer may pay no more than 6% of the sale price as a commission to a licensed third-party real estate broker. If Developer sells the home without a broker's assistance, Developer may earn a fee in the same amount as a broker with written approval of fair marketing program from the Authority. Additionally, Developer may expend up to \$500 per property for marketing costs such as advertisements and flyers. If marketing is funded for multiple properties, the costs of such marketing must be allocated to each property.

H. Project Completion and Funds Reconciliation

All Projects must achieve Project Completion and undergo Funds Reconciliation.

Project Completion occurs when all rehabilitation and construction, including punch list items, has been completed and certified by the Developer and Project Manager via the Certificate of Completion of Construction and Rehabilitation, the Property has been conveyed to an eligible Buyer, all documents to be recorded pertinent to the transaction, including Homebuyer Assistance mortgages, have been recorded,

Prior to the Authority's final disbursement of Development Subsidy and within 90 days of Project Completion, the Authority and Developer must conduct Funds Reconciliation. Funds Reconciliation is the Authority's verification of the Project's total development costs and final sales price. The Developer must provide the Authority with all documents that the Authority reasonably requests to conduct Funds Reconciliation, including but not limited to real estate closing statements, lien waivers, invoices, receipts, construction and services contracts, sworn construction statements, and Developer's and developer's affiliates' accounting books and records pertinent to the Project.

I. Net Proceeds of Sale

When there are Net Proceeds of Sale, Developer will transmit the Net Proceeds of Sale to the Authority.

The determination as to whether there are Net Proceeds of Sale is as follows:

1. Start with the lesser of a) the maximum total development costs approved by the Authority as part of the Project Budget or b) the Developer's actual total development costs upon Project completion, subject to verification by Staff.
2. Subtract the actual sale price to the end buyer.
3. Equals Final Value Gap.
4. If the Final Value Gap is less than the Value Gap in the Project Budget approved by the Authority (the "Estimated Value Gap"), there are Net Proceeds of Sale. If it is more, there are no Net Proceeds of Sale.

If there are Net Proceeds of Sale, next determine the amount of Net Proceeds of Sale:

1. Subtract the Final Value Gap from the Estimated Value Gap.
2. Equals Net Proceeds of Sale.

If the Developer has pledged additional sources to cover a Project's Value Gap, such as in kind donation of land, volunteer labor, or other sources of value gap financing, those amounts must not be reduced in the final Project accounting in order to demonstrate a higher need for Development Subsidy from the Authority. Any development costs in excess of the total development costs as stated in the Project Budget approved by the Authority are the sole responsibility of the Developer except as otherwise indicated in this Manual.

Net Proceeds of Sale, if any, shall be divided equally by the Authority and the Developer, up to a cap of \$10,000 payable to the Developer. Once the cap is reached all remaining Net Proceeds of Sale will be returned to the Authority and reallocated at the sole discretion of the Authority, subject to funders' requirements.

I. Form of Development Subsidy

Development Subsidy provided by the Authority shall be secured with a note and mortgage. Development Subsidy funds shall be at 0% interest and forgivable upon sale to a Buyer.

The market value of HRA- or City-owned real estate that is part of a Project is generally included in the Development Subsidy. The Authority is solely responsible for assigning market value to HRA- or City-owned real estate in accordance with all applicable laws, rules, and policies.

IV. Rehabilitation and New Construction

A. General Responsibilities

The Developer is responsible for preparing plans and specifications that conform to Project Funding requirements, including the Inspiring Communities Design Standards (see Appendix C), estimating rehabilitation and construction costs, managing contracts, and managing the construction process. Developer assumes all risks of cost overruns in excess of the construction and contingency budget line item in the approved Project Budget, unless the Authority approves a revised Project Budget.

The Authority is responsible for approval of the Project, providing and interpreting the Inspiring Communities Design Standards; approving Plans and Specifications and Project Budgets; monitoring the work; and approving draw requests.

B. Plans and Specifications

Plans and Specifications must be submitted by the Developer to the Authority, must be approved by the Authority or its Project Manager prior to the start of the Project, and must include the following:

1. General requirements for which the builder is responsible (permits, fees, mobilization, site utilities, site security, builder's risk insurance, etc.);
2. Site plans showing fencing, landscaping, on-site parking and other site improvements to be made;
3. Working drawings and materials specifications, including selection of appliances and finishes, for any new construction or substantial rehabilitation;
4. Rehab specifications that show quantity, size, and materials specification, including selection of appliances and finishes, for all items;
5. Remediation of any lead paint and other environmental hazards;
6. Compliance with the Enterprise Green Communities Criteria as modified by the Minnesota Housing Finance Agency's Minnesota Overlay to the Enterprise Green Communities Criteria, including a) completion of the [Single Family – Intended Methods Worksheet](#) available on Minnesota Housing's Community Homeownership Impact Fund webpage or b) prebuild submittal to Enterprise Community Partners.
7. Compliance with the CHIF Visitability requirement, if using CHIF Funds.

Changes to the Plans and Specifications must be made only if approved by the Project Manager.

C. Cost Estimates

Developer is responsible for producing cost estimates in a form approved by Staff, as follows:

1. Rehab cost estimates will be completed in a line-item, sworn construction statement with one work item per line unless an alternative form of estimate is approved in writing by the Project Manager;
2. Cost estimates for construction of new structures and substantial rehabilitation will be based on take-offs from the working drawings of the quantities of materials and labor required or compilations of costs for similar and recently-built or renovated structures;
3. Site improvement cost estimates will be completed for each improvement and based on take-offs of quantities of materials and labor required;
4. Construction work must be competitively bid. The cost estimate may be used to inform a determination as to whether bids are reasonable;
5. Work to be completed by Developer acting as general contractor. The cost estimate for each project must be reviewed by the Project Manager to determine cost-reasonableness and approved by the Project Manager. When approved, the cost estimate becomes a schedule of values which is used by the Project Manager to determine the value of work completed for the purpose of approving draw requests.
6. Likewise, if a contractor has been simply designated and not selected through a competitive bidding process, the price proposal of such contractor must be reviewed by Authority to determine cost-reasonableness and approved by Authority. When approved (and possibly amended by Authority), the price proposal becomes a schedule of values which is used by the Project Manager to determine the value of work completed for the purpose of approving draw requests.

D. Bid Packages

Developer will prepare bid packages with the following components for all work being performed by third-party firms, distribute such bid packages to at least three third-party firms, and ensure compliance with the Authority's Two Bid Policy. Bid packages must include:

1. A narrative that includes a general description of the processes for bidding, awards, construction monitoring, lien waivers, and construction draws. The narrative will include the method of submitting proposals, a due date, and criteria for selection;

2. Plans and specifications including general requirements, site plans and materials specifications;
3. A form for describing the bidder's experience and licenses;
4. Evidence of required insurance;
5. A price proposal form;
6. Notices regarding compliance with certain laws, rules, regulations and policies of the HRA, the City, and the state or federal government must be included in bidding packages when required by the Agreement or by law. Such notices may need to address one or more of the following:
 - HUD Section 3
 - City of Saint Paul's [Affirmative Action Program](#)
 - [Prevailing Wage Standards](#) (federal, state, or local)
 - City of Saint Paul's [Vendor Outreach Program](#)
 - City of Saint Paul's Vicinity Hiring policy (for NSP Projects only)
 - City of Saint Paul's [Project Labor Agreement Resolution](#)
 - [Saint Paul Sustainable Building Ordinance or Sustainability Initiative](#) (Contained in Appendix C, Design Standards)
 - [Two Bid Policy](#)

See the Agreement for more information regarding compliance requirements.

E. Third Party Contracts Related to the Project

The Developer must submit prior to closing copies of all proposals related to the Project it has received and all associated contracts executed between the Developer and third parties, unless Staff waives or modifies this requirement.

F. Construction Monitoring Inspections

Authority's and Developer's roles and responsibilities are as follows:

1. Developer is responsible for monitoring the quality, completeness and conformity to the Plans and Specifications of all work performed by third-party contractors, and-if Developer is also the general contractor-all work performed by Developer's personnel or subcontractors;
2. The Authority shall assign a project manager ("Project Manager") to accompany Developer or their designated representative in construction meetings, construction draw inspections, and the punch list inspection as needed. Authority may approve draw requests or deny all or a portion of a draw request for cause.

G. Developer's Requests for Funds

Requests for funds disbursement from the Authority, which may also be referred to as draw requests or disbursement requests, during construction must be presented by the Developer to the Project Manager, along with lien waivers, photographs verifying the completion of pertinent construction activity, and any other required attachments described on the disbursement request form approved by the Authority, in the Agreement, and in this Program Manual. Photographs of the Project may be provided either by Developer, by Staff,, or both. Construction draw requests may include requests for reimbursement of soft costs in the approved Project Budget, up to the aggregate total amount of the line item budget amounts for construction and soft costs. See Section VI for additional requirements for draws of Authority funds. Authority is responsible for reviewing, approving or denying with cause, and processing approved draw requests in a timely manner.

The Developer may submit a final draw request only upon Funds Reconciliation, as Funds Reconciliation is defined in this Program Manual.

H. Change Orders to Developer's Third-Party Contracts Related to the Project

Developer may approve change orders in its contracts with third parties up to a combined amount equal to the contingency budget line item, except that such change orders also resulting in changes to the Plans and Specifications must be approved by the Project Manager. Developer is responsible for all costs exceeding the contingency budget amount, unless the maximum Development Subsidy is increased according to Section III.B. of this Program Manual.

The Authority and Developer may accept change orders and approve revisions to the Project Budget in accordance with the preceding paragraph at any time prior to the completion of the closeout accounting for the Project.

I. Substantial Completion of Construction and Rehabilitation; Final Inspection Upon completion of all construction or rehabilitation, excluding any minimal punch list items such as those delayed due to weather, Developer will issue a notice of substantial completion or final completion of construction or rehabilitation to the Project Manager
—see the form in Appendix D.

V. Eligible Uses of Funds

Authority funds are available for funding total development costs indicated in the Project Budget, up to the funding amounts stated in the Project Budget. Developer is responsible for obtaining other funding indicated in the Project Budget and any additional funding required in the event that costs exceed the total amount of the Project Budget. Developer will follow these procedures with draws of funds awarded through the Agreement:

Disbursement (also referred to as draws) of Authority funds will generally be on a reimbursement basis. Eligible costs can be reimbursed on a per-Project basis according to the following schedule:

- **First disbursement:** at the time the property is sold to the Developer, Developer may finance up to the full amount of the purchase price, and be reimbursed for eligible expenses, including up to 1/3 of the Developer Fee.
- **Interim disbursement(s)** (during construction): up to 2/3 of remaining Value Gap financing, if any, may be drawn upon sufficient expenditures to justify reimbursement. A portion of the Developer Fee may be drawn so long as 1/3 or more of the Developer Fee remains undisbursed until the final disbursement.
- **Final disbursement:** remaining Development Subsidy, including remainder of the Developer Fee, may be drawn following Funds Reconciliation.

Requests for funding of soft costs must be accompanied by invoices or other documents from subcontractors or other third parties indicating payment of eligible rehab/construction and soft costs as indicated by the line items in the Project Budget.

Investment of funds awarded through the Agreement may be secured with a note and mortgage, to be forgiven upon sale to an eligible Buyer.

VI. Marketing and Sale of Property

A. Responsibility for Marketing and Sale

Developer is responsible for marketing the Property and selling to qualified buyers. If a property does not sell in accordance with the anticipated sales timeline, resulting in cost overruns that cannot be paid out of the Project Budget, Developer will be responsible for the additional costs.

B. Advertised Sale Price; “Subject-to” Appraisal Required

In developing the Project Budget, Developer must obtain an appraisal “subject to” the rehabilitation scope of work or construction plans and specifications. This value must be used to establish the advertised sale price of the housing unit(s). If dated more than six (6) months prior to making the Property available for sale, the appraisal must be updated.

Homebuyer Assistance amounts, and any other down payment or closing cost assistance secured for the Property, may be accounted for provided the anticipated amount of Homebuyer Assistance is consistent with this Program Manual and clearly identified as an “up to” amount and is further subject to verification of the buyer’s eligibility.

C. Possible Adjustments in Price at Time of Sale to Eligible Buyer

If the value of the unit as determined by an appraisal completed in connection with the Eligible Buyer’s first mortgage financing is less than the contract sales price, the contract sales price must be reduced to equal the first mortgage lender’s appraised value.

D. Final Sale Price

Property sale price must be 1., 2., or 3. below, whichever is least:

1. The value obtained in Part B of this Section.
2. The value obtained in Part C of this Section.
3. Only for Properties subject to NSP regulations, the amount equal to the total development cost. For the purposes of this requirement, total development cost is the sum of the following:
 - Acquisition cost
 - Construction cost
 - Soft costs including the developer fee
 - Costs of providing Buyer financial assistance

These costs must be accounted for regardless of the source or sources of funds used to pay the costs.

NSP regulations do not allow the following to be considered as total development cost when determining sale price:

- Boarding up of vacant homes
- Lawn mowing
- Maintaining the property in a static condition
- The cost of completing a sales transaction or other disposition if the redevelopment or rehabilitation costs were not NSP funded

For purposes of compliance with NSP regulations, any such reduced prices shall be considered to be the current market value of the home, regardless of the value determined by an appraisal or any other means.

E. Marketing Plan and Budget

Properties must be marketed according to a marketing plan. The marketing plan must include the following elements:

1. Methods of affirmative outreach to residents within the immediate area and to potential Under-Resourced Buyers. An Under-Resourced Buyer is an individuals or individuals who, but for Homebuyer Assistance available through the Program, would not qualify for the property while paying less than 30 percent of their household income for housing. This outreach must include, but need not be limited to, notification of the Project Manager, other Staff and HUD-approved pre-purchase counseling providers based in Saint Paul so that they may pass along marketing materials and notify potential Under-Resourced Buyers with which they are engaged of the potential opportunity to purchase the Property. As of October 2021, these are:

- Project Manager: as assigned
- Other Staff: Zong Vang, or her successor:
zong.t.vang@ci.stpaul.mn.us, 651-266-6564
- Neighborhood Development Alliance (NeDA):
www.nedahome.org/contact, 651-292-0131
- NeighborWorks Home Partners:
hello@nwhomepartners.org, 651-292-8710
- LSS Financial Counseling:
lssfinancialcounseling@lssmn.org, 888-577-2227
- Comunidades Latinas Unidas en Servicio (CLUES):
info@clues.org, 651-379-4200
- Model Cities, Inc.:
info@modelcities.org, 651-632-8350

2. Other means of advertising homes for sale, including flyers, mailings/postcards, advertisements at local or strategic venues, etc. Printed materials and advertisements must include equal opportunity language;

3. Language for use in flyers, advertising and listings regarding income qualifications of buyers and any assistance being offered to buyers;

4. Method for managing a list of potential buyers or interested parties;

5. Sample disclosure statements to be given and explained to Buyer prior to signing purchase agreements and at closing (see Section VII.H, below)

F. Multiple Listing Service (MLS) Exposure Required

In the interest of promoting a process where a large number of buyers and agents have adequate time to react to new listings, all homes sold through the Program will be required to be publicly listed for sale on the Multiple Listing Service (MLS) for a period of no less than seven (7) days before an offer is accepted.

The listing must state that sale is restricted to buyers of a certain income level at the time of sale who agree to own and occupy the home and that Homebuyer Assistance for qualifying purchasers is available from the Saint Paul HRA.

G. No Discrimination on Basis of Buyers' Financing Contingency

Developers must not discriminate against potential Buyers whose offers are contingent on mortgage financing of any type, Homebuyer Assistance, other forms of down-payment assistance, or a combination of these sources.

H. Disclosures to Potential Buyers

Developer must make certain information available to potential buyers. This information must include:

1. A lead hazard risk assessment completed by a certified lead hazard risk assessor for any home built prior to 1978;
2. A lead clean to clearance report indicating that the property has “passed” the post-rehab lead testing for any home built prior to 1978, if a clearance report is otherwise required;
3. Radon test reports either indicating acceptable levels of radon or that no radon is present or that a radon mitigation system has been installed;
4. A Certificate of Occupancy, Code Compliance or Truth in Sale of Housing report, or each such report as otherwise required;
5. The final Home Performance with ENERGY STAR certificate or final Home Energy Rating System (HERS) report from the third party energy auditor;
6. Any remaining work to be completed on the property (outstanding items must be minor and/or be due to weather);
7. A Buyer Information Packet (see Appendix E), including: Authorization to Release Information, Income and Asset Worksheet, Demographic Affidavit, Privacy Notice, Household Demographic/Project Consent Forms and Tennessee Warning;
8. Homebuyer Assistance Guidelines (see Appendix H);
9. Copies of the Homebuyer Assistance Mortgage(s) and Note(s) (see Appendix G);
10. Inspiring Communities Addendum to Purchase Agreement (see Appendix I);
11. Any declarations of restrictive covenants or deed restrictions to which the Property is or will be subject;
12. A copy of the deed with all encumbrances listed.

VII. Homebuyer Requirements

A. Income Eligibility

Developer must sell to a household whose gross annual income meets the respective funding program requirements for the property as defined in the Agreement. The Developer must provide prospective buyers with the Buyer Information Packet (see Appendix E) and request a completed packet along with a purchase offer. Income will be verified by Staff according to the Income Verification and Documentation Policy.

B. Housing Ratio Eligibility

In no case may a Buyer’s Household Housing Ratio exceed 30% after accounting for Homebuyer Assistance (see Section IX).

The Household Housing Ratio is the total monthly payments of principal and interest on the first mortgage and any subordinate mortgages on the subject property, homeowners’ and mortgage insurance, property taxes, homeowners’ association dues and community land trust

ground lease fees, divided by the gross monthly income of the household as determined by dividing the gross annual income (determined according to Section VII.A. above) by 12.

C. Primary Mortgage Eligibility

The Buyer's first-position mortgage loan must be a fully amortized, fixed-rate mortgage loan, with a term of no less than 30 years.

D. Homebuyer Education Requirement

Buyers must attend Neighborhood Stabilization Program-approved homebuyer education prior to purchase and provide Staff with proof of completion. All borrowers listed on the purchase agreement and mortgage must attend. Proof of completion must not be more than 12 months old at the time of closing.

E. Principal Residency Requirement

The Property must remain the Buyer's principal residence during the term of any Homebuyer Assistance loan and must be kept in compliance with any declaration of covenants or deed restriction.

F. Minimum Investment Requirement

The minimum homebuyer investment is 1% of the purchase price unless otherwise noted in Section IX below. These funds must come from the Buyer and may not otherwise be gifted or loaned. This is a Program requirement, it is not intended to alter or replace any requirements that exist as a result of the Buyer's primary mortgage loan or other funding requirements.

E. Protection of Client Data

Developer and the Authority will observe all Privacy Act requirements and keep client data in locked file cabinets or password-protected electronic files.

VIII. Executing Sales Agreements with Buyers

A. Approved Sales Agreement Required

Developer will use only a standard State of Minnesota residential purchase agreement or another form of sales agreement approved by Staff. The sale of the home will be conditional upon the Buyer obtaining a first mortgage loan from a conventional or government-insured fixed-rate home purchase loan from a third party lender.

B. Closing Responsibilities

Developer will retain a closing agent and, at its option, an attorney for Developer's own legal review of closing documents.

IX. Homebuyer Assistance

A. Amount of Homebuyer Assistance Available; Minimum Homebuyer Contribution

The Authority will provide Buyers with assistance directly or through its written funding Agreement with the Developer to cover the gap between the Buyer's purchase financing and the purchase price and/or contribute to the Buyer's settlement costs, subject to availability, the household's need and type of housing, up to the maximums stated in Table 1 below. Homebuyer Assistance will be subject to either the "recapture" or "resale" method, or both (see *Subsections C. and D.*, below). The assistance should generally be displayed on the settlement statement as "Homebuyer Assistance" as a lump sum. It can be combined with other assistance programs (e.g. MHFA) subject to funders' requirements.

Most Buyers will receive Homebuyer Assistance directly from the HRA. The Authority may at any time make changes to the amounts of assistance and may in some cases be unable to provide Homebuyer Assistance, or may need to reduce the amount of Homebuyer Assistance available to a Buyer, if underlying funding sources are insufficient

TABLE 1

If the homebuyer's household income is	And the Property is a	Then the minimum homebuyer contribution is	And the minimum amount of Homebuyer Assistance is	And the homebuyer may qualify for additional homebuyer assistance of up to
At or below 70% AMI	Townhome	\$1,500	\$ 5,000 from the HRA	\$25,000 from the HRA or CHIF
	Single-family home	\$1,500	\$ 5,000 from the HRA	\$35,000, including up to \$10,000 from the HRA and up to \$25,000 from CHIF
	Duplex, or single-family home with an ADU	1.5% of the purchase price	\$ 5,000 from the HRA	\$85,000, including up to \$25,000 from the HRA and up to \$60,000 from CHIF
Over 70% and at or below 80% AMI	Townhome	1% of the purchase price	\$ 5,000 from the HRA	\$10,000 from the HRA or CHIF
	Single-family home	1% of the purchase price	\$ 5,000 from the HRA	\$20,000 from CHIF
	Duplex, or single-family home with an ADU	2% of the purchase price	\$ 5,000 from the HRA	\$85,000, including up to \$25,000 from the HRA and up to \$60,000 from CHIF

Over 80% AMI	Any type	Buyers with household income over 80% AMI are ineligible unless the Agreement provides otherwise. If eligible, minimum homebuyer contributions will be the same as for household incomes between 70% and 80% AMI, and the amount of Homebuyer Assistance will be \$5,000 from the HRA.
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B. Eligibility for Homebuyer Assistance; Determination of Amounts

All eligible Buyers are eligible for and may be required as a condition of purchase to accept Homebuyer Assistance of \$5,000.00 or more. In all cases provision of Homebuyer Assistance by the Authority depends on availability of funds.

All Buyers qualify for Homebuyer Assistance of \$5,000.00.

In order to qualify for an amount greater than \$5,000.00, the Buyer’s Household Housing Ratio, calculated prior to application of Homebuyer Assistance (that is, as though the Buyer were borrowing the amount necessary to complete the purchase transaction at terms equivalent to those of its first-mortgage loan), must exceed 30%. The amount of assistance will be the amount necessary to achieve a Household Housing Ratio of 30%, then rounded up to the nearest \$500. This amount cannot exceed the limits outlined in Table 1 nor the gap between the Buyer’s other purchase financing and the Buyer’s costs to purchase the home and is further subject to the Agreement and requirements of the underlying funding source or sources.

If the amount of Homebuyer Assistance exceeds \$5,000.00, the Buyer’s Household Housing Ratio must be 30% at the time of purchase (as determined prior to rounding the amount of Homebuyer Assistance up to the nearest \$500).

In order to better affirmatively market to Under-Resourced Buyers, the Authority may advertise to the public the availability of Homebuyer Assistance, the location of Inspiring Communities Properties, and a process by which interested potential Buyers can pre-apply to the Authority for a determination as to their prospective eligibility as Under-Resourced Buyers and join a notification list for Staff to share with Developers in accordance with Developers’ marketing plans. To avoid oversubscription and excessive administrative burden, the level of Homebuyer Assistance for which all Under-Resourced Buyers may pre-qualify, in total, will be capped at three times the amount of Homebuyer Assistance available to the Authority, or another number determined by the City’s Director of Housing.

Once a purchase agreement is executed, the buyer’s gross annual household income has been verified, and all required documents have been received and verified, Staff will issue a commitment for the amount of Homebuyer Assistance that the Eligible Buyer will be provided at the time the sale is completed. The commitment is valid for up to six (6) months and will be conditional upon no substantial changes occurring in the buyer’s eligibility status prior to closing.

C. Terms of Homebuyer Assistance: Recapture Method

Unless prohibited by funding source requirements or offered under the resale method in a community land trust Project, Homebuyer Assistance will be subject to recapture. When Homebuyer Assistance is subject to recapture, the subsidy will be structured as a 0% interest, deferred loan secured with a note and mortgage (or notes and mortgages) subordinate to first mortgage financing. If required by funders, affordability and principal residency requirements will be further enforced with a land use restriction/declaration of covenants which runs with the land and is recorded with Ramsey County.

Homebuyer Assistance provided by local Authority funds in an amount of \$5,000 and subject to the recapture method will be structured as a five-year deferred loan, forgiven at a rate of 1/5 of the original principal balance annually. Homebuyer Assistance provided by local Authority funds in an amount greater than \$5,000 and subject to the recapture method will be structured as a 30-year deferred loan, forgiven at a rate of 1/30 of the original principal balance annually. In either case the loan is repayable when the homeowner ceases to occupy the home as their primary residence, or upon transfer of title, whichever occurs first.

All direct Homebuyer Assistance liens made under the recapture method with Authority funds will be in the name of the HRA or City. The HRA or City is solely responsible for managing liens in its name, including but not limited to managing receivables, accounting for payments, approving subordinations (if allowed), and issuing lien releases.

Homebuyer Assistance loans funded by CHIF must be structured according to the requirements of the Minnesota Housing Finance Agency's (MHFA's) CHIF program. Generally, CHIF-funded Homebuyer Assistance loans will be 30-year, deferred, 0% interest loans repayable when the homeowner ceases to occupy the home as their primary residence, upon transfer of title, or upon expiration of the 30-year loan term, whichever occurs first.

The HRA, or a processing entity designated by the HRA or City and approved by the MHFA, will originate CHIF-funded Homebuyer Assistance loans. After origination, the HRA, the City, or the processing entity will transfer the loan and responsibility for servicing to the MHFA or MHFA's designee.

D. Terms of Homebuyer Assistance: Resale Method

The resale method will be used in connection with Homebuyer Assistance only when approved by the Authority. As stated in *Subsection C.*, above, the Authority may approve use of the resale method when the recapture method is prohibited by funding source requirements, use of the resale method is required by funding source requirements, the Property is part of a community land trust, or a combination of these factors exists. Certain amounts of Homebuyer Assistance may, alternatively or additionally, be subject to the recapture method, depending on funding source requirements, including those of the Authority.

The resale method is typically enforced by a declaration of restrictive covenants or a deed restriction, and, in the case of a Property that is part of a community land trust, a ground lease. Buyers must adhere to the terms and conditions of the declaration of covenants or deed restriction, or both if present, which generally require that the Buyer occupy the Property as their principal residence during a specified affordability period, and if unable to maintain the Property as their principal residence, to convey the Property only to an eligible household.

X. Reporting and Recordkeeping Requirements

Developer shall establish and maintain accurate and complete books, accounts and records pertaining to each Property. Specific recordkeeping and reporting requirements may vary by Project Funding source and will be described in the Agreement. The Authority and their representatives will have the right, but not the obligation, at all reasonable times to inspect, examine and copy all books and records of Developer relating to each Property. Developer shall establish and maintain a method for obtaining and tracking Buyer data related to household income and demographics if required by the Agreement.

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Appendices

- A. Project Budget/Sources and Uses for Homeownership Projects
- B. 2022 Inspiring Communities Income Restrictions
- C. Inspiring Communities Design Standards

- D. Certificate of Completion of Construction and Rehabilitation
- E. Buyer Information Packet
- F. Inspiring Communities Program Income Verification and Documentation Procedures and Worksheet
- G. Homebuyer Assistance Notes and Mortgages
- H. Homebuyer Assistance Guidelines
- I. Inspiring Communities Addendum to Purchase Agreement

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ESTIMATED PROJECT BUDGET (Sources and Uses)

Project Address:

Project Description:

Sq. ft.

Beds:

Baths:

USES

ACQUISITION COSTS	
Purchase Price	\$ -
Closing Costs - Acquisition	\$ -
Total Acquisition Costs	\$ -

Use price from HRA property listing

CONSTRUCTION COSTS (HARD COSTS)	
Hard Construction Costs	\$ -
Contingency	\$ -
Total Construction Costs	\$ -

Estimated Contract Amount

Maximum 10%

\$/Sq. ft. #DIV/0!

SOFT COSTS	
Design and Construction Management	\$ -
Legal Work	\$ -
Radon/Abestos/Lead Tests	\$ -
Real Estate Commission Fee	\$ -
Soil Tests	\$ -
Survey	\$ -
Marketing/Staging	\$ -
Seller's Closing Costs	\$ -
After Rehab Appraisal Fee	\$ -
Holding Costs (maintenance, utilities)	\$ -
Property Insurance	\$ -
Permits	\$ -
Construction Financing Fees and Interest	\$ -
Other	\$ -
Total Soft Costs	\$ -
Developer's Fee	\$ -
Total Soft Costs plus Developer Fee	\$ -

Cap 6% of estimated hard costs

Note: if HRA has provided tests, it is expected this estimate will be minimal

Cap 6% of estimated sales price

Note: if HRA has provided tests, it is expected this estimate will be minimal

Note: if HRA has provided surveys, it is expected this estimate will be minimal

Cap \$500 marketing materials expense (staging excluded)

Homes with NSP financing cannot include these in TDC calculation for sale price

Specify:

#DIV/0! Percentage of soft costs relative to TDC

Cap 10% of Total Construction + Soft Costs, (Acquisition Costs not included)

TOTAL DEVELOPMENT COSTS	\$ -
NSP eligible TDC	\$ -
Estimated Appraised Value	\$ -

Total of Acquisition, Construction Costs, Soft Costs, and Developer Fee

TDC less holding costs (only on homes with NSP financing)

Estimated value of home. Homes must be sold for their value.

PROJECTED VALUE GAP	\$ -
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Total Development Costs less Estimated Appraised Value

SOURCES DURING CONSTRUCTION

Costs Deferred to Completion	\$ -
Developer Equity	\$ -
Construction Loan	\$ -
Business Loan	\$ -
Other Source:	\$ -
Other Source:	\$ -
HRA Purchase Price	\$ -
Portion of the HRA Net Subsidy Request available to draw during Construction	\$ -
Total Construction Sources	\$ -

E.g., real estate commission, retainage

Terms:

Terms:

Terms:

Terms:

Terms: Land Value included in Forgivable Loan Amount

Terms: Loan Forgiven at Completion, only partially disbursed during construction ar

Source total must equal TDC

2021 Inspiring Communities Income Restrictions

All funding sources consider gross annual household income. Some sources make adjustments for household size, while others do not. If multiple funding sources are used to provide subsidy gap funding on the same property, the most restrictive requirement will apply.

THE 2021 MINNEAPOLIS-ST. PAUL STATISTICAL METROPOLITAN AREA MEDIAN INCOME (AMI) IS \$104,900.

Income limits are updated on an annual basis and are subject to change at any time prior to occupancy.

The Developer and the HRA establish through the Development Agreement, for each Project, whether the maximum income limit is 80% of AMI, 70% of AMI, or 60% of AMI.

Limits effective as of May 1, 2021 are provided in the tables below. These are effective until further notice.

Limits will be updated as necessary and stated in the Development Agreement. In accordance with the Inspiring Communities Program Income Verification and Documentation Policy (included in the Program Manual), the HRA will make a final determination of household income eligibility prior to sale.

The limits in Table 1 apply to all projects except those where Metropolitan Council LHIA funds are used.

Table 1

Inspiring Communities 2021-2022 Income Limits								
Household Size	1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8 persons
60% AMI	\$44,100	\$50,400	\$56,700	\$62,940	\$67,950	\$73,020	\$78,060	\$83,100
70% AMI	\$50,050	\$57,200	\$64,350	\$71,450	\$77,150	\$82,900	\$88,600	\$94,300
80% AMI	\$55,950	\$63,950	\$71,950	\$79,900	\$86,300	\$92,700	\$99,100	\$105,500

70% AMI figures are determined by rounding the midpoint between 80% and 60% up to the nearest \$50. There is no maximum household size; when necessary, income limits for households with more than eight persons will be determined by the HRA.

Metropolitan Council LHIA Overlay

When using Metropolitan Council LHIA funds, the following income limits, in Table 2, apply:

Table 2

Inspiring Communities 2021-2022 Income Limits for Metropolitan Council LHIA-Funded Projects								
Household Size	1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8+ persons
60% AMI	\$44,100	\$50,400	\$56,700	\$62,940	\$67,950	\$73,020	\$78,060	\$79,900
70% AMI	\$50,050	\$57,200	\$64,350	\$71,450	\$77,150	\$79,900	\$79,900	\$79,900
80% AMI	\$55,950	\$63,950	\$71,950	\$79,900	\$79,900	\$79,900	\$79,900	\$79,900

Sources: [Metropolitan Council \(via HUD\)](#) (effective June 1, 2021); [Minnesota Housing Finance Agency](#) (effective May 1, 2021); [US Department of Housing and Urban Development](#) (CBSA# 33460) (effective June 1, 2021).

Inspiring Communities Design Criteria

Updated January 2022

All Inspiring Communities projects must meet the mandatory Enterprise Green Communities Criteria as modified by Minnesota Housing’s Minnesota Overlay to the Enterprise Green Communities Criteria (collectively, the “Green Communities Criteria”).

Relevant Green Communities Criteria are incorporated in these Inspiring Communities Design Criteria.

Projects receiving more than \$200,000 in public funding are subject to these Inspiring Communities Design Criteria and the City of Saint Paul’s Sustainability Ordinance (Chapter 81 of the Code of Ordinances.)

More information about the Green Communities Criteria is available at Minnesota Housing’s Impact Fund webpage:

<https://www.mnhousing.gov/sites/np/impactfund>

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INSPIRING COMMUNITIES DESIGN CRITERIA

DIVISION	#	CRITERION	REHAB	NEW CONSTRUCTION
DIVISION 1 – GENERAL REQUIREMENTS				
		Saint Paul Sustainable Building Ordinance	Covered projects (generally, projects receiving more than \$200,000 in public funding) must adhere to the requirements of Chapter 81 of the Saint Paul Administrative Code, including the Saint Paul Overlay. Current versions of Chapter 81 and the Saint Paul Overlay are attached for reference.	
		Green Communities Certification	<p>Consistent with the City of Saint Paul Sustainability Ordinance (Chapter 81 of the Code of Ordinances), projects receiving more than \$200,000 in public funding must obtain certification of compliance with the Enterprise Green Communities Criteria as modified by the Minnesota Overlay from Enterprise Community Partners. Visit www.enterprisecommunity.org for details.</p> <p>Projects receiving less than \$200,000 in public funding do not need to obtain certification from Enterprise Community Partners but must engage their assigned Project Manager in a review of compliance with the Green Communities Criteria. This includes submittal of a completed Minnesota Housing Single Family Intended Methods Worksheet to their assigned Project Manager.</p>	
		Visitability <i>See 7.12 in Green Communities – Beyond ADA: Universal Design</i>	N/A (NEW CONSTRUCTION ONLY)	<p>Visitability is defined as designs that allow persons with mobility impairments to enter a residence and comfortably stay for a duration. There are three specific design elements that must be incorporated in each Dwelling Unit to satisfy the state Visitability requirement. The Dwelling Unit must include:</p> <ul style="list-style-type: none"> ▪ 32-inch clear opening doorways throughout; ▪ At least one no-step entrance; ▪ Include construction of a half bath or larger bathroom on the main level <p><i>Waiver may be granted for requirement of no-step entrances o main-level half baths if they reduce affordability for the targeted population; or for requirement of no-step entrances if it is impractical due to site conditions. Developers should discuss waiver requests with their assigned project manager prior to start of construction.</i></p>
		Duplex Deconversions	It is preferred to remove entry to second unit to discourage future conversion to duplex	N/A (REHAB ONLY)
		Garage	N/A (NEW CONSTRUCTION ONLY)	<ul style="list-style-type: none"> ▪ Garage is required ▪ Detached, two-car garage is preferred ▪ 1-1/2 car garage is permissible when site constraints are present

				<ul style="list-style-type: none"> Refer to the Saint Paul Department of Safety and Inspection's Garage Building Requirements Install an overhead garage door opener and provide two remotes
	1.2	Integrative Design: Charrettes and Coordination Meetings	Develop an integrative design process that moves the outputs of the Project Priorities Survey into action through a series of collaborative meetings. Prioritize multi-benefit strategies. Assign responsibility within your design and development teams for accountability.	
	1.3	Integrative Design: Documentation	Include Enterprise Green Communities Criteria information in your contract documents and construction specifications (Division 1 Section 01 81 13 Sustainable Design Requirements) as necessary for the construction team to understand the requirements and how they will be verified. Ensure, and indicate, that the drawings and specifications have been generated to be compliant and meet the certification goals.	
	3.2	Minimization of Disturbance During Staging and Construction	<p>Sites > 1 acre: Implement EPA's Best Management Practices for Construction Site Stormwater Runoff Control, or local requirements, whichever is more stringent.</p> <p>Sites =/< 1 acre: Stockpile Topsoil; Runoff Control; Protect Storm line flow; Divert Surface Water; Tree Protection; Slope Stabilization.</p>	
	5.1a	Building Performance Standard (New Construction)	<p>N/A (NEW CONSTRUCTION ONLY)</p>	<p>Certify all buildings with residential units in the project through the ENERGY STAR Certified program. Comply with one of the following paths:</p> <ol style="list-style-type: none"> Energy Rating Index (ERI) Path ASHRAE Path Prescriptive Path <p>Provide projected operating energy use intensity (EUI) of the project in kBtu/ ft2/ year and kBtu/ bedroom/ year as well as projected operating building emissions intensity for the project in tCO2e/ ft2/ year and tCO2e/ bedroom/ year.</p>
	5.1b	Building Performance Standard (Rehab)	<ol style="list-style-type: none"> For all Acquisition/Substantial and Acquisition/Moderate Rehab, create and implement an Energy Efficiency Improvement Plan containing the following: <ol style="list-style-type: none"> Generate a list of prioritized cost-effective improvements for the entire building(s) based upon the sampling data from an energy audit. The Minnesota Weatherization Field Guide SWS-Aligned Edition (Chapter 2.1.1) is a resource for assessing existing buildings and their energy infiltration weaknesses. Implement those improvements into the work scope that provide a cost benefit and good return on investment. Consult Minnesota Housing for guidance, if needed, for an acceptable return on investment pay-back period (10 years or less return on investment recommended); (cost benefit 	<p>N/A (REHAB ONLY)</p>

analysis can be performed by using established software or through a manual assessment).

c. At the end of construction, provide a post-renovation inspection and conduct a blower door test to confirm infiltration improvements.

2. If mechanical equipment is being replaced, it must meet the minimum efficiency levels:

a. Cooling Equipment (where provided)

i. 13 SEER AC

ii. ENERGY STAR for wall sleeve AC units

b. Heating Equipment

i. 95 AFUE ENERGY STAR gas furnace (non-rooftop)

ii. 90 AFUE for gas rooftop equipment

iii. 85 AFUE ENERGY STAR oil furnace

iv. 90 AFUE ENERGY STAR gas boiler

v. 86 AFUE ENERGY STAR oil boiler

vi. 85 AFUE steam boilers and other non-condensing boilers

vii. Heat pump [Zone 6] 9.5 HSPF/ 15 SEER/ 12 SEER air-source w/ electric or dual-fuel backup

c. Water Heater Heater/ Domestic Hot Water (DHW)

i. Gas: ≤ 55 Gal = 0.67 EF (0.64 UEF for medium and 0.68 UEF for high-draw) / > 55 Gal = 0.77 Gal (0.78 UEF for medium and 0.80 UEF for high-draw)

ii. Electric: ≤ 55 Gal = 0.95 EF / > 55 Gal = 2.0 EF or UEF

iii. Oil: 30 Gal = 0.64 EF / 40 Gal = 0.62 EF / 50 Gal = 0.60 EF / 60 Gal = 0.58 EF / 70 Gal = 0.56 EF / 80 Gal = 0.54 EF.

Provide projected operating energy use intensity and projected operating building emissions intensity.

AND

Conduct commissioning for compartmentalization, insulation installation, and HVAC systems as indicated.

AND one of the following options:

- ERI Option: \leq HERS 80 for each dwelling unit. Exception for some Rehabs built before 1980.

- ASHRAE Option: Energy performance of the completed building equivalent to, or better than, ASHRAE 90.1-2013 using an energy model created by a qualified energy services provider according to Appendix G 90.1-2016.

Also DIVISION 9
- FINISHES

6.4

**Healthier
Materials
Selection**

Use products that comply with Criteria specifications. Mandatory requirements per criteria specifications based upon Product Category: All interior paints, coatings, primers and wall paper; all interior adhesives and sealants; flooring; insulation; and composite wood. Optional points not available nor allowed. From Green Communities' Criteria:

Use moisture-resistant backing materials per ASTM # D 6329 or 3273 behind tub/shower enclosures, apart from one-piece fiberglass enclosures which are exempt.

As of September 25, 2019, a selection of the published thresholds are as follows:

ALL INTERIOR PAINTS, COATINGS, PRIMERS: SCAQMD 1113

PRODUCT TYPE	MAXIMUM VOC LIMIT (G/L)
Primers, sealers, and undercoatings	100
Coatings, flats and non-flats, and floor	50
Rust-preventive coatings	100
Wood coatings	275
Stains, interior	250
Tub and tile refinishing coatings	420

ALL INTERIOR ADHESIVES AND SEALANTS: SCAQMD 1168

PRODUCT TYPE	MAXIMUM VOC LIMIT (G/L)
Indoor floor covering adhesives	50
Carpet pad adhesives	50
Outdoor floor covering adhesives	150
Wood flooring adhesives	100
Rubber floor adhesives	60
Subfloor adhesives	50
Vinyl composition tile and asphalt tile adhesives	50
Drywall and panel adhesives	50
Cove base adhesives	50
Multipurpose construction adhesives	70
Structural glazing adhesives	100
Structural wood member adhesive	140
Architectural sealants: clear, paintable, and immediately water-resistant	250
Architectural sealant primers: nonporous	250
Architectural sealant primers: porous	775

	6.10	Construction Waste Management	<p>Develop and implement a waste management plan that reduces non-hazardous construction and demolition waste through recycling, salvaging, or diversion strategies; maintain documentation of diversion rate for each selected strategy.</p> <p>Mandatory: One pathway in Option 1, Two pathways in Option 2, or One pathway in Option 3.</p> <p>Option 1: Measure by %: a. 75%; b. 95%.</p> <p>Option 2: Material Specific: c. Cardboard; d. Wood; e. Drywall f. Metals; g. Concrete, brick, and asphalt; h. Insulation, foam and plastic; i. Carpet; j. Efficient framing plan</p> <p>Option 3: Minimizing Construction Waste – [NC ONLY]: k. <2.5 lbs/SF of building; l. <1.5 lbs/ SF.</p>
	8.3	Resident Manual	Provide a guide for homeowners and renters that explains the intent, benefits, use, and maintenance of their home's green features and practices. The Resident Manual should encourage green and healthy activities, per the list of topics.
	8.4	Walk-Throughs and Orientation to Property Operation	Provide a comprehensive walk-through and orientation for all residents, property manager(s) and buildings operations staff. Orient all property managers and building operations staff within 90 days of initial occupancy of building maintenance and unit turnover procedures. For staff joining after the initial orientation, provide walk-through and orientation to green features within their first 90 days. For all orientations and walk-throughs, share the list of Green Communities Criteria that were implemented in the project and use the appropriate manuals as the base of the curriculum. Review the project's green features, O&M procedures, and emergency protocols.
DIVISION 2 – EXISTING CONDITIONS			
		Overhanging Branches	Remove branches that overhang structures, completely remove if recommended by the Saint Paul Forestry Department
	2.3	Compact Development	<p style="text-align: center;">N/A (NEW CONSTRUCTION ONLY)</p> <p>Each SF project must be built to, at a minimum, the lesser of the residential density (dwelling units/ acre) of the census block group in which the project is located, or the density disclosed in the Impact Fund Administrator's Application for Funds.</p>

				If no density is disclosed in the Impact Fund Administrator's Application for Funds, then each SF project must be built, at a minimum, to the residential density (dwelling units/acre) of the census block group in which the project is located. To find the density of the census block group, type the project address into the Center for Neighborhood Technology "Residential Density of a Location" calculator found at http://apps.cnt.org/residential-density . All Inspiring Communities 2022 RFP sites satisfy this criterion.
	7.2	Reduce Lead Hazards in Pre-1978 Buildings	Refer to the Minnesota Housing Lead Based Paint Guidebook (For Applicable Homes Division Programs) for non-federal funding sources. For federal funds, refer to federal requirements.	N/A (REHAB ONLY)
DIVISION 6 – WOODS, PLASTICS, & COMPOSITES				
<i>Also DIVISION 9 - FINISHINGS</i>		Trim Work	<ul style="list-style-type: none"> Existing wood trim and molding shall be saved and restored whenever possible Painted trim shall be restored to smooth, like new appearance. Significantly gouged, deteriorated, or poor quality trim that cannot be restored to like new appearance should be replaced with paint grade quality trim boards of a like character to existing trim or to match time period of house <p>Include finishing of trim in Division 9</p>	<ul style="list-style-type: none"> Each room in the living area shall include complementary base board, window, and door trim
DIVISION 7 – THERMAL & MOISTURE PROTECTION				
	6.8	Managing Moisture: Foundations	Beneath Concrete Slabs: Install poly vapor barrier over a capillary break of clean aggregate. Beneath Crawl Spaces without Slabs: Install a heavy-duty vapor barrier.	
<i>Also DIVISION 8 - OPENINGS</i>	6.9	Managing Moisture: Roofing and Wall Systems	Provide water drainage away from walls, windows, and roofs by implementing the following water management techniques. Wall Systems: Weather-resistant barrier; flashing; and masonry/ stucco flashing/ weep holes. Roof Systems: Drip edge and wall/ roof intersection flashing.	<i>(New Construction projects are considered compliant per Criterion 5.1)</i>
<i>Also DIVISION 8 - OPENINGS</i>	7.4	Garage Isolation	<ul style="list-style-type: none"> Provide a continuous air barrier between the conditioned space and any garage space to prevent the migration of any contaminants into the living space. Visually inspect common walls and ceilings between attached garages and living spaces to ensure that they are air-sealed before insulation is installed. Do not install ductwork or air handling equipment for the conditioned space in a garage. 	

<p><i>Also DIVISION 23 – HVAC</i></p> <p><i>Also DIVISION 28 - ELECTRONIC SAFETY AND SECURITY</i></p>			<ul style="list-style-type: none"> • Fix all connecting doors between conditioned space and garage with gaskets or make airtight. • Install one hard-wired CO alarm with battery backup function for each sleeping zone of the project, placed per NFPA 72 unless the garage is mechanically ventilated or an open parking structure.
	7.5	Integrated Pest Management	<p>Design for easy inspection of all pest-prone areas (interior and exterior), and engineer slabs and foundations to minimize pest entry. Seal all wall, floor and joint penetrations with low-VOC caulking or other appropriate nontoxic sealing methods to prevent pest entry. Use rodent- and corrosion- proof screens for openings greater than 1/4". Also pay close attention to sealing off entry points under kitchen and bathroom sinks.</p>
		Siding	<ul style="list-style-type: none"> ▪ Replace asbestos siding when damaged or in need of repair ▪ Replace vinyl siding when more than 10% of vinyl is damaged or color matching will be a challenge, cement board siding is preferred replacement material (include cement board corner boards) ▪ Ensure that any treatment meets lead abatement requirements if lead is present ▪ When existing siding cannot be salvaged, replacement siding material shall have expected lifespan that exceeds 20 years ▪ Note special requirements in historic homes/districts when applicable <ul style="list-style-type: none"> ▪ Siding material with an expected lifespan that exceeds 20 years ▪ Cement board siding is preferred ▪ Note special requirements in historic homes/districts when applicable
		Roofing	<ul style="list-style-type: none"> ▪ Replace roof that is 10 years or older (15 years for architectural shingles) or that will have questionable ability to last 15+ years ▪ Ensure installation of water and ice shield and replace all flashing as component of roof replacement ▪ Replacement roof shingles to have a 30-year expected lifespan <p>Note special requirements in historic districts for roofing material, color, etc. if applicable</p> <ul style="list-style-type: none"> ▪ Shingles with a 30 year expected lifespan ▪ Note special requirements in historic districts for roofing material, color, etc. if applicable <p>Ensure installation of water and ice shield</p>
DIVISION 9 - FINISHES			
<p><i>Also DIVISION 11 - EQUIPMENT</i></p>	6.6	Bath, Kitchen, Laundry Surfaces	<p><i>(Mandatory for New Construction and Substantial Rehab. Moderate Rehabs that do not include work in the shower and tub areas are exempt from the shower and tub enclosure requirement.)</i></p> <p>Use materials that have durable, cleanable surfaces throughout bathrooms, kitchens, and laundry rooms.</p> <p>Use moisture-resistant backing materials per ASTM # D 6329 or 3273 behind tub/shower enclosures, apart from one-piece fiberglass enclosures which are exempt.</p>

		Flooring	<p>Finish flooring must be installed in all living areas (e.g., hardwood, engineered hardwood, bamboo, carpet with pad, tile). No subfloor or underlayment may be left exposed in the living space.</p> <p>See the Enterprise Green Communities Criteria as modified by the Minnesota Overlay for further specification. <i>Common flooring product labels that meet or exceed the mandatory CDPH emission requirement include FloorScore, GREENGUARD Gold, SCS Indoor Advantage Gold, Berkeley Analytical ClearChem, and Carpet Rug Institute Green Label Plus (CRI+).</i></p>
DIVISION 11 - EQUIPMENT			
<i>Also DIVISION 22 - PLUMBING</i>	4.1	Water-Conserving Fixtures	<p>Performance Option: 20% Reduction per Criteria.</p> <p>Prescriptive Option: Install water-conserving fixtures in all units and any common facilities with the following specifications.</p> <ul style="list-style-type: none"> - Toilets: WaterSense-labeled and 1.28 gpf; - Urinals: WaterSense-labeled and 0.5 gpf; - Showerheads: WaterSense-labeled and 2.0 gpm; - Kitchen faucets: 2.0 gpm; - Lav faucets: WaterSense-labeled and 1.5 gpm
	5.7	ENERGY STAR Appliances	<p><i>(Projects following 5.1a, 5.2b, and/or 5.4 are prequalified and exempt from this Criterion)</i></p> <p>Install ENERGY STAR clothes washers, dishwashers, and refrigerators. If appliances will not be installed or replaced at this time, specify that at the time of installation or replacement, ENERGY STAR models must be used via Criterion 8.1 and Criterion 8.4.</p>
<i>Also DIVISION 23 - HVAC</i> <i>Also DIVISION 28 - ELECTRONIC SAFETY & SECURITY</i>	7.3	Combustion Equipment	<p>For New Construction and Rehab projects, specify power-vented or direct-vent equipment when installing any new combustion appliance for space or water heating that will be located within the conditioned space. If there are any combustion appliances in the condition space, install hard-wired carbon monoxide (CO) alarm with battery backup function for each sleeping zone, placed per NFPA 72.</p> <p>In Substantial and Moderate Rehab, if there is any combustion equipment located within the conditioned space for space or water heating that is not power-vented or direct-vent and that is not scheduled for replacement, conduct combustion safety testing prior to and after the retrofit.</p>
		Water Service	<p>Ensure plumbing is in good condition</p> <p>If water meter is located in pit, raise out of pit and fill in hole (see Concrete Division 3)</p> <p>Air test system and ensure proper function per code requirements</p> <p>Water meters must be newer model – check with SPRWS to ensure meter has been replaced.</p>
		Exterior Hose Bibb	<p>Ensure one exterior hose bibb with frost protection, caulked and connected to house</p>

**N/A
(REHAB ONLY)**

Air test system and ensure proper function per code requirements

DIVISION 23 - HVAC

	5.6	Sizing of Heating and Cooling Equipment	<i>(Projects following 5.1a, 5.2b, and/or 5.4 are prequalified and exempt from this Criterion)</i> Size and select heating and cooling equipment in accordance with ACCA manuals J and S OR in accordance with the ASHRAE Handbook of Fundamentals.	<i>(New Construction projects are considered compliant per Criterion 5.1.)</i>
<i>Also DIVISION 11 - EQUIPMENT</i>	7.7	Ventilation	install local mechanical exhaust system in each bathroom; local mechanical exhaust in each kitchen; or whole-house ventilation system.	

DIVISION 26 - ELECTRICAL

		Circuit Panel	<ul style="list-style-type: none"> ▪ 100 AMP service minimum; 200 AMP preferred ▪ Service should allow for expansion of added circuits ▪ Include circuit breakers and dedicated circuit for major appliances such as refrigerator, washer, dryer, furnace <p>Service panels must be updated to breakers.</p>	
		Receptacles	<ul style="list-style-type: none"> ▪ <u>Grounded, 3-prong receptacles throughout</u> ▪ GFCI protection per code in bathrooms and kitchen <p>Ensure one exterior receptacle with cover close to front or rear entry door</p>	
		Doorbell	Ensure operable door bell and chime at front entry	
	5.8	Lighting	<i>(Follow the guidance for high-efficacy permanently installed lighting and other characteristics for recessed light fixtures, lighting controls, lighting power density, and exterior lighting.</i>	

DIVISION 31 - EARTHWORK

		Grading	Ensure drainage away from foundation: Defer to building code and the Green Communities Criteria.	
	7.1	Radon Mitigation	Provide testing and remediation per the MN Overlay for acquisition rehabs.	Provide a sub-slab depressurization system per code.

DIVISION 32 - EXTERIOR IMPROVEMENTS

		Fences and Gates	6' privacy fences are allowable when screening is preferred in rear or side yards; Review fencing requirements in the Saint Paul Building Code Section 33.06	
		Retaining Wall	Avoid when possible	

			It is preferable to leave the yard sloped and install plants/mulch to avoid future maintenance costs for a homeowner If over 2' high, include drawing of proper installation
	3.3	Ecosystem Services/ Landscape	<i>(Mandatory, if providing landscaping)</i> If providing plantings, all must be native or climate-appropriate (adapted) to the region and appropriate to the site's soil and microclimate. Do not introduce any invasive plant species. Plant, seed, or xeriscape all disturbed areas.
		Landscaping and Planting	<ul style="list-style-type: none"> ▪ Defer to the Enterprise Green Communities Criteria as modified by the Minnesota Overlay ▪ Developers are encouraged to engage Capitol Region Watershed District (CRWD), who may provide free or low-cost landscape design and rain garden installation ▪ Refer to the attached Landscaping Design Guidelines for more detailed guidance.
	3.6	Efficient Irrigation and Water Reuse	<i>(Mandatory, if permanent irrigation is utilized)</i> Install an efficient irrigation system with the following: <ul style="list-style-type: none"> - Compliance with local water restrictions. - Design irrigations zones. - Establish irrigation volume and frequency per zone. - Select emission devices that will facilitate long-term reliability and serviceability. - Install time/ controller to minimize evaporative losses. - Install soil moisture sensor controllers.
DIVISION 33 - UTILITIES			
	3.4	Surface Stormwater Management	Surface Stormwater Management must be per local/ regional watershed district requirements or other municipality ordinances/ requirements. If there are no such requirements, follow the criteria requirements: <i>(Mandatory for New Construction; Mandatory for Substantial and Moderate Rehab projects if land disturbed is >= 5,000 sq.ft.)</i> Treat or retain on-site precipitation equivalent to the 60th percentile precipitation event. Where not feasible due to geotechnical issues, soil conditions, or the size of the site, treat or retain the maximum volume possible.
	4.3	Water Quality	<i>(Mandatory for Substantial and Gut Rehab of buildings built before 1986)</i> Test water from dwelling unit faucets for water quality and remediate as indicated below. For testing bottles and instructions, contact an EPA approved lab. Find certified labs near you via https://eldo.web.health.state.mn.us/public/accreditedlabs/labsearch.seam www.epa.gov/dwlabcert/contact-information-certification-programs-and-certified-laboratories-drinking-water#state-labs or by calling the Safe Drinking Water Hotline at 1.800.426.4791. <ul style="list-style-type: none"> • Test water from the primary drinking water faucet of each dwelling unit for the presence of lead. If any results are over 0 ppb, install NSF/ANSI 58 or NSF/ANSI 53 filters in all units and replace these over time per
			N/A (REHAB ONLY)

			<p>manufacturer's instructions. Results must be submitted and will be reviewed by Minnesota Housing staff.</p> <ul style="list-style-type: none">• If lead faucet testing produces any results above 10 ppb, Minnesota Housing may require additional remediation such as, but not limited to, replacing lead service lines and replacing all fixtures with NSF 61 certified fixtures. If required, provide a remediation plan per applicable state or federal requirements to Minnesota Housing for approval.	
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DRAFT NOT FOR OFFICIAL USE

Improvements that are not typical and require approval from HRA Project Manager:

- Finishing unfinished basements
- Finishing unfinished attics
- Solar panels or solar water heater
- Radiant in floor heat
- Vinyl flooring
- Granite countertops
- Additions to existing houses

Improvements that are not permissible include:

- Hot tubs, saunas, swimming pools, or similar luxury improvements
- New mahogany, walnut, cherry, or similar luxury grade wood cabinets, floors, and doors
- Luxury grade lighting
- Luxury landscaping such as in-ground fireplaces, outdoor kitchens, or extensive landscaping lighting
- Garages or outbuildings that exceed basic code requirements or have building footprints in excess of 660 square feet
- Unfinished flooring in living areas

Waivers

Waivers to these Inspiring Communities Design Criteria, including Green Communities Criteria, may be considered on a case-by-case basis for individual criteria. Blanket waivers will not be considered. Submit requests in writing to the assigned HRA Project Manager.

LANDSCAPING DESIGN GUIDELINES

These design guidelines were cooperatively created with the Capitol Region Watershed District, the Forestry Unit of the Saint Paul Department of Parks and Recreation, and the Saint Paul Department of Planning and Economic Development to achieve stormwater retention, tree canopy, and neighborhood stabilization objectives detailed in the Saint Paul Comprehensive Plan.

Developers are **encouraged** to engage the Capitol Region Watershed District to conduct landscape designs. Benefits include:

- Free landscape design created by landscape architect in consultation with developer
- Rebate of up to \$1,000 for materials needed to achieve rain garden installation on site (at least one rain garden required for rebate to apply)
- CRWD will coordinate with the Saint Paul Forestry Unit to select trees that are best suited for individual site conditions and ensure existing site trees are assessed for health

Design objectives:

- Partial stormwater retention of the first ½” of rain events may be accomplished through rain gardens
- Curb appeal will be enhanced through foundation plantings or rain gardens in the front yard
- Spaces that are challenging to mow (i.e. between sidewalk and foundation, slopes, etc.) will have a garden bed (preferred) or no-mow grass solution
- Plants selected will be low maintenance and high impact, with a showy element of large blooms or seasonal color
- Garden beds should use “cues of care” design principles to indicate garden beds are planned spaces

Existing Conditions/Grading Plan

- Show impervious surfaces: sidewalk, driveways, buildings, porches, decks
- Show existing trees or large shrubs – indicate whether they will remain or be removed
 - o For trees that will remain, indicate tree protection zones to protect roots from damage caused by regrading (cut or fill) or compaction caused by construction equipment or the storage of construction materials and exclude these activities from the tree protection zone.
- Show garden beds that will be removed
- State if any additional items will be removed (i.e. pavers, fences, etc.)

Improvements

- Show impervious surfaces: sidewalk, driveways, buildings, porches, decks
- Show locations of garden beds, include plant locations by type
- Shade or indicate areas that will receive new sod (generally all areas significantly regarded up to a natural “break” in the landscape such as sidewalks, garden beds, or fences will receive new sod).
- Include plant schedule that states the quantity, name, and size of each plant
- Show site grades if any regrading is required
- Show location of downspouts
- Rain garden design should include location, size, source of water, and plant locations by type
- Show edging or retaining walls, if provided
- List instructions for how to achieve planting and include a side section of a typical rain garden
- Include 1-2 trees per site if none are currently present; consider a tree in the rain garden if feasible and visually appealing

Plant selection

- Each site will have at least one, preferably two, healthy trees
- There should be a minimum of 3-6 different types of plants on each site (not including trees)
- Each garden should be defined with mature plants (size #1 or above)
- Plugs are acceptable in rain gardens, side yards, or back yard to fill in a garden space in order to meet budget constraints. Plugs should be used minimally or not at all in front garden beds in order to achieve the curb appeal objective
- Plants shall be selected from the attached approved plant list
- Trees must be spaced to limit future maintenance issues: at least 10’ from houses or garages or more depending on the width of the tree canopy

Preferred Plants

Perennials

- *Butterfly Milkweed
- *Purple Coneflower
- *Coral Bells
- *Blue Flag Iris
- *Copper Iris
- *Peony
- *Smooth Phlox
- *Orange Coneflower 'Goldsturm'
- *Autumn Joy Sedum
- Columbine
- Lady Fern
- Spiderwort
- Purple Dome Aster
- Solomon's Seal
- Hosta

Shrubs

- *Dwarf Bush Honeysuckle
- *Smooth Hydrangea
- Spirea
- American Arborvitae
- Black Chokeberry
- Winterberry

Shrubs for Screening Adjacent Property

Only recommended when screening adjacent property is needed: typically grow up to 12' tall, maintenance should be considered.

- Red osier dogwood
- Viburnum lentago
- Compact American Highbush Cranberry
- Forsythia (nn - but showy)

Grasses

- *Prairie Dropseed
- Pennsylvania Sedge
- Long-beaked Sedge
- Sprengel's Sedge
- Blue grama
- Sideoats grama
- Junegrass
- *Little Bluestem

Preferred Trees

Trees

Small-up to 20'

- Hawthorne, Thornless
- *Pagoda Dogwood
- Snow Mantle Dogwood
- *Viburnum, Nannyberry Tree
- Crabapple- *limit use, widely planted on boulevard*

Small-up to 30'

- *Serviceberry, Autumn Brilliance
- Blue Beech-Carpinus
- Cherry-Spring Wonder (nn)
- Birch-Dakota Pinnacle (nn)
- Japanese Tree Lilac-*limit use, widely planted on boulevard*

Medium to 40'

- Regal Prince oak-tall but narrow
- Alder, Prairie Horizon (nn)
- Honeylocust, Northern Acclaim- *limit use, widely planted on boulevard*

Large

- *Birch, River
- Birch, Prairie Dream paper birch
- Kentucky coffee tree
- Bur oak
- Red oak
- Balsam Poplar
- White pine
- Honey locust, Skyline - *limit use, widely planted on boulevard*
- Basswood, Sentry Linden - *limit use, widely planted on boulevard*

(nn)= non-native

(*) = preferred



Legislation Text

File #: Ord 17-60, **Version:** 2

Establishing sustainable building regulations for buildings owned, operated, or funded by the City.

THE COUNCIL OF THE CITY OF SAINT PAUL DOES HEREBY ORDAIN

Section 1

For the purpose of creating new regulations pertaining to sustainable building, Saint Paul Administrative Code Chapter 81 is hereby created as follows:

Chapter 81. Sustainable Building.

Sec. 81.01. Declaration of Policy.

The purpose of this chapter is to provide for public health and welfare by increasing the environmental and financial sustainability of future development projects within the City of Saint Paul.

Sec. 81.02. Definitions.

For the purposes of this chapter, the following words and phrases shall have the following meanings:

(a) City Funding means funds provided for New Construction or Major Renovations provided by agreement from the City of Saint Paul or the Saint Paul Housing and Redevelopment Authority (HRA), including:

- (1) Community Development Block Grants (CDBG)
- (2) Tax Increment Financing (TIF)
- (3) HOME Investment Partnership Program (HOME)
- (4) Multi-Family Housing Revenue Bonds
- (5) Low-Income Housing Tax Credits (LIHTC)
- (6) Any other Federal, State, or Metropolitan Council (Met Council) funding source
- (7) Any other City of Saint Paul funding source
- (8) Any other HRA funding source

(9) Notwithstanding the above, City Funding does not include the following:

- a. Department of Employment and Economic Development (DEED) Cleanup and Investigation Grants
- b. Met Council Tax Base Revitalization Account (TBRA) Contamination Cleanup Grants
- c. Met Council TBRA Site Investigation Grants
- d. Conduit Bonds issued for the benefit of qualified 501(c)(3) entities

(b) Developer means the entity, whether public or private, that undertakes New Construction or Major Renovation, and to whom the provisions of this chapter apply.

- (c) Director means the Director of the Department of Planning and Economic Development or their designee.
- (d) Major Renovation means renovation work performed on a building or portion thereof consisting of at least 10,000 square feet, and requiring installation of new mechanical, ventilation, or cooling systems, or the replacement of such systems.
- (e) New Construction means the planning, design, construction and commissioning of a new building, or an addition to an existing building if such addition requires installation of new mechanical, ventilation, or cooling systems.
- (f) Saint Paul Overlay means specific measurable standards that New Construction and Major Renovations must meet, and which are to be promulgated by the Director. The Saint Paul Overlay must include requirements for the following:
- (1) Predicted and actual energy use
 - (2) Predicted greenhouse gas emissions
 - (3) Predicted and actual use of potable water
 - (4) Predicted use of water for landscaping
 - (5) Utilization of renewable energy
 - (6) Electric vehicle charging capability
 - (7) Diversion of construction waste from landfills and incinerators
 - (8) Indoor environmental quality
 - (9) Stormwater management
 - (10) Resilient Design
 - (11) Ongoing monitoring of actual energy and water use

(g) Sustainable Building Standard means any of the following:

- (1) For commercial projects:
 - i. LEED for New Construction and Major Renovation; Certified Silver, Gold or Platinum
 - ii. State of Minnesota B3 Guidelines; Certified Compliant
 - iii. Saint Paul Port Authority Green Design Review (if applicable)
- (2) For residential projects:
 - i. LEED for New Construction and Major Renovation; Certified Silver, Gold or Platinum
 - ii. State of Minnesota B3 Guidelines; Certified Compliant
 - iii. GreenStar; Certified Silver, Gold or Platinum
 - iv. Green Communities; Certified
- (3) For parking structures:
 - i. Parksmart; Certified Silver or Gold

In the event that any of the above standards is determined by the Director to be obsolete, equivalent substitute standards may be utilized at the discretion of the Director until such time as this chapter may be updated to include new standards.

Sec. 81.03. Applicability.

This chapter applies to:

- (a) New Construction or the Major Renovation of facilities owned or operated by the City of Saint Paul or

the HRA.

- (b) New Construction or the Major Renovation of any facilities of which the City or HRA are, or will become, the sole tenant.
- (c) New Construction or Major Renovation of any facilities within the City of Saint Paul receiving more than \$200,000 of City Funding.

Sec. 81.04. Requirements.

- (a) New Construction or Major Renovations to which this chapter applies pursuant to Section 81.03 are required to be certified under an eligible Sustainable Building Standard at the listed rating level, and must meet the standards set forth in the Saint Paul Overlay.
- (b) For any projects to which this chapter applies under Sec. 81.03(c), compliance with this chapter must be a condition of receipt of City Funding.

Sec. 81.05 Waiver.

The requirements of this chapter may be waived, in whole or in part, by the Saint Paul City Council, or, in the event that the expenditure of City Funds is approved by the HRA, the HRA Board of Commissioners.

Section 2

This ordinance shall take effect and be in force on July 1, 2018, and apply to all projects for which schematic design is initiated on or after July 1, 2018.

Saint Paul Overlay

In addition to certification with one of the Sustainable Building Standards, projects complying with the Saint Paul Sustainable Building Ordinance (SPSBO) must also meet and document the requirements laid out in this section, referred to as the *Saint Paul Overlay*. The Ordinance states that the Overlay must require specific measurable requirements in the following areas:

- Predicted and actual energy use
- Predicted greenhouse gas emissions
- Predicted and actual use of potable water
- Predicted use of water for landscaping
- Utilization of renewable energy
- Electric vehicle charging capability
- Diversion of construction waste from landfills and incinerators
- Indoor environmental quality
- Stormwater management
- Resilient Design
- Ongoing monitoring of actual energy and water use

While achieving the Overlay requirements may contribute toward compliance with one or more of the identified *Sustainable Building Standards*, some additional documentation of compliance with the *Saint Paul Overlay* must be completed.

The following section lists the requirements of the *Saint Paul Overlay*, the required method(s) of demonstration of compliance, and the time at which this is due to be reported to the *Sustainability Facilitator*. Some of the *Overlay Requirements* have coordinating or overlapping reporting requirements; these are reordered to streamline project teams reporting.

List of Overlay Requirements:

1. Predicted and actual energy use
Predicted greenhouse gas emissions
Ongoing monitoring of actual energy use
2. Predicted and actual use of potable water
Predicted use of water for landscaping
Ongoing monitoring of actual water use
3. Utilization of renewable energy
4. Electric vehicle charging capability
5. Diversion of construction waste from landfills and incinerators
6. Indoor Environmental Quality
7. Stormwater Management
8. Resilient Design



Overlay Requirement 1: Meet SB 2030 Energy Standard

Meeting this requirement during design and construction will document compliance with the following items:

- Predicted and actual energy use
- Predicted greenhouse gas emissions
- Ongoing monitoring of actual energy use

Overlay requirement:

Project teams must demonstrate that projects meet the State of Minnesota's SB 2030 Standard during both design and through 10 years of occupancy. The SB 2030 Standard sets an absolute energy target in Energy Use Intensity (EUI) in annual kBtu/sf based on the building's program and schedule. This standard is based on the following reduction from a 2003 baseline average building: 70% from 2015 through 2019, 80% from 2020 through 2024, and 90% from 2025 through 2030. Achieving this energy target may be done through improvement in energy efficiency and/or on-site renewable energy. Owners of campuses or sites that are greater than, and contiguous with the specific project site are permitted to locate new renewable systems that contribute to meeting SB 2030 anywhere on that campus, not merely on the portion associated with the relevant SPSBO project.

The SB 2030 program documentation is available at <http://www.b3mn.org/2030energystandard/> Multiple paths may be available for projects, including methods for smaller buildings (under 20,000ft²) with more limited energy modeling requirements.



Overlay Requirement 2: Indoor and Outdoor Water Efficiency

Meeting this requirement during design, construction, and operation will document compliance with the following items:

- Predicted and actual use of potable water indoors
- Predicted use of water for landscaping
- Ongoing monitoring of actual water use

Overlay requirement:

The project shall achieve the following:

Indoor water use: Reduce predicted and actual municipal potable water or harvested groundwater use in the building by 30% compared to code (Energy Policy Act of 1992) for any fixture types and water consuming appliances referenced by that standard. The criteria may be met by any combination of: selection of low or no flow fixtures, use of alternatively sourced water, or other strategies.

Outdoor water use: Design and maintain landscape so that after a 2-year establishment period, the landscape uses 50% less municipal potable water or harvested ground water for irrigation than a base case landscape design. (Exception: annuals are exempt.) Any amount of site-harvested rainwater, storm water, or gray or waste water treated on site to tertiary standards may be used. The criteria may be met by any combination of: selection of native or low water use plants, use of alternatively sourced irrigation water as described, use of high efficiency irrigation systems, or other strategies. In order to verify compliance with this guideline during operation of the building it is necessary to sub-meter irrigation separately from indoor water consumption.

Overlay Requirement 3: Renewable Energy

Meeting this requirement during design and construction will document compliance with the following items:

- Utilization of renewable energy

Overlay requirement:

Project teams must implement a renewable energy system designed to meet at least 2% of the annual energy need of the project through on-site solar and/or wind renewable energy systems if determined cost-effective. Cost-effectiveness is achieved when the system-lifetime cost of on-site renewable supplied energy is less than that supplied by available utility. It may be necessary to supply more than 2% of the energy needs to meet Overlay Requirement 1: Meet SB 2030 Energy Standard.

Overlay Item 4: Electric Vehicle Ready

Meeting this item during design and construction will document compliance with the following items:

- Electric vehicle charging capability

Overlay requirement:

Provide Electric Vehicle Supply Equipment (EVSE) infrastructure to permit future electric vehicle charging for at least 20% of the parking provided by the project. If the project is providing 5 or less total parking spaces EVSE Infrastructure must be provided for at least one space. EVSE infrastructure shall consist of:

- Dedicated space for future electrical distribution equipment to support EVSE
- Raceway of at least 1" connecting the future EVSE parking space(s) to dedicated space above

Considerations for locations of EVSE should include the ability for accessible parking to access charging capability.

* Overlay Requirement 5: Construction Waste Diversion

Meeting this requirement during design and construction will document compliance with the following items:

- Diversion of construction waste from landfills and incinerators

Overlay requirement:

Divert at least 75% (by weight) of construction, demolition, and land clearing debris from landfill and incinerator disposal.

* Overlay Requirement 6: Indoor Environmental Quality

Meeting this requirement during design and construction will document compliance with the following items:

- Indoor Environmental Quality

Overlay requirement:

Projects must meet all of the following:

- Projects not regulated under the Minnesota State Residential Code must achieve ventilation rates of not less than that required by the Minnesota State Energy Code or ASHRAE 62.1, whichever is more stringent.
- Projects regulated under the Residential Code must meet the Residential Code Minimums or ASHRAE 62.2, whichever is more stringent.
- Projects must document a Construction IAQ Management Plan, including following the SMACNA IAQ Guidelines for Occupied Buildings Under Construction, 2nd edition, if any portion of the building is occupied during construction.
- Document that the project is designed to meet the design, operating, and performance criteria of the most current version of ASHRAE 55.
- All newly installed interior materials must comply with the California Department of Health (CDPH) Standard Method v1.1-2010 and be certified as low-VOC. Interior materials are considered to be those within the least vapor-permeable most continuously-sealed layer.

* Overlay Requirement 7: Stormwater Management

Meeting this requirement during design and construction will document compliance with the following items:

- Stormwater Management

Overlay requirement:

Sites with 1/4 acre or more of total land disturbance must meet the following three criteria:

- Water Quality Management: For a two-year, 24-hour rainfall event, provide treatment systems designed to remove 80% of the average annual post-development Total Suspended Solids (TSS) and remove 60% of the average annual post-development Total Phosphorus (TP), by implementing Best Management Practices (BMP's) outlined in "Urban Small Sites Best Management Practices" handbook (Metropolitan Council), "Protecting Water Quality in Urban Areas" (Minnesota Pollution Control Agency), or the "Minnesota Storm Water Manual" (Minnesota Pollution Control Agency). All BMP treatments systems for the subject site shall include safety factors, maintenance, and a back-up plan in case of failure. All manufactured devices require independent laboratory testing to confirm product claims.
- Volume Control/Infiltration: Maintain or increase infiltration rates from pre-project site conditions.
- Operation and Maintenance: All practices must have an Operation and Maintenance plan

Overlay Requirement 8: Resilience in Design

Meeting this requirement during design and construction will document compliance with the following items:

- Resilient Design

Overlay requirement:

Urban resilience, as defined by the Rockefeller Foundation, is “the capacity of individuals, communities, institutions, businesses, and systems within a city to survive, adapt, and grow no matter what kinds of chronic stresses and acute shocks they experience.” Building resilience is about making people, communities, and systems better prepared to withstand catastrophic events—both natural and manmade—and able to bounce back more quickly and emerge stronger from these shocks and stressors.

For the purposes of the Saint Paul Overlay, Priority Shocks and Priority Stressors are identified as:

Priority Shocks are:

- Utility interruption: Partial or complete disruption of water, sewer, natural gas, and/or electricity service, evaluated during a period of extreme heat or extreme cold.
- Extreme rainfall: Precipitation equal to or greater than a 50-year, 24-hour (ATLAS 14) storm event.
- Transportation interruption: loss of passenger vehicle access to the building site for a period of 10 days.

Priority Stressors:

- Water quality: Document positive impact to chloride and nitrates levels leaving the site, beyond the level required by other portions of this Ordinance and other regulations.
- Heat island: Document positive impact to building’s heat island effect, beyond the level required by this Ordinance and other regulations.
- Air quality: Document positive impact to air quality or the building’s response to existing and future outdoor air quality issues, beyond the level required by this and other regulations.

The design team must identify from the above list at least one Priority Shock and one Priority Stressor that could reasonably be expected to impact the project in the future. The design team must then develop at least one strategy to address the identified Priority Shock(s) and Priority Stressor(s) and integrate those strategies into the design of the project. Additionally, the design team will provide a *Resilience Plan*, a narrative that identifies the selected Priority Shock(s) and Priority Stressor(s) and describes the strategy/strategies adopted to address the them.

**INSPIRING COMMUNITIES
CERTIFICATE OF COMPLETION OF CONSTRUCTION AND REHABILITATION**

Project Address: _____
Developer: _____
PED/HRA ("Authority") Project Manager: _____

Instructions to Developer:

1. Please attach the following:
 - a. A Certificate of Occupancy, Code Compliance report, Truth in Sale of Housing report, or each such report as otherwise required;
 - b. Single Family - Intended Methods Worksheet from the Minnesota Overlay to the Enterprise Green Communities Criteria, including the signed Compliance Certification, or evidence of post-build submittal to Enterprise Community Partners;
 - c. The final Home Performance with ENERGY STAR certificate or final Home Energy Rating System (HERS) report from an energy auditor.
 - d. Radon test reports either indicating acceptable levels of radon or that no radon is present, or documentation that a radon mitigation system has been installed;
 - e. A lead hazard risk assessment completed by a certified lead hazard risk assessor for any home built prior to 1978;
 - f. A lead clean to clearance report, if a clearance report is otherwise required;

and

2. Complete the "Developer's Certification" below or on the following page.

Developer's Certification of Substantial Completion of Construction and Rehabilitation

The Developer hereby certifies as of the date hereof that all construction and rehabilitation identified in the Plans and Specifications previously approved by the Authority or its Project Manager have been completed, except for the following minor and weather-related items:

(If none, skip to "Developer's Certification of Final Completion.") Attach additional pages if necessary and if attaching, state "see attached.")

Developer:

_____ (Name)

_____ (Signature)

_____ (Title)

_____ (Date)

Project Manager’s Certification of Receipt and Inspection

The Authority’s Project Manager certifies that they have received the Developer’s Certification of Substantial Completion of Construction and Rehabilitation, third-party reports, and has made inspection of the Project Address.

Authority Project Manager:

_____ (Name)

_____ (Signature)

_____ (Title)

_____ (Date)

Developer’s Certification of Final Completion of Construction and Rehabilitation

The Developer hereby certifies as of the date hereof that all construction and rehabilitation identified in the Plans and Specifications previously approved by the Authority or its Project Manager, including any and all minor and weather-related items identified at the time of substantial completion, have been completed.

Developer:

_____ (Name)

_____ (Signature)

_____ (Title)

_____ (Date)

Project Manager’s Certification of Receipt and Inspection

The Authority’s Project Manager certifies that they have received the Developer’s Certification of Final Completion of Construction and Rehabilitation, third-party reports, and has made inspection of the Project Address.

Authority Project Manager:

_____ (Name)

_____ (Signature)

_____ (Title)

_____ (Date)



CONGRATULATIONS!

You have entered negotiations to buy a home built or rehabilitated under the City of Saint Paul's Inspiring Communities Program. In order to determine your eligibility to benefit directly from this Program and purchase this home, we ask that you provide certain information.

Below is a list of the documents that are attached and must be completed and returned to us as soon as possible. We request at least 30 days to review prior to your closing date. Please call us at 651-266-6565 for details on where and how to send the requested documents.

Your submission of this information does not guarantee approval. We will issue a commitment letter upon determination of your eligibility and compliance with requirements of the Program.

1. Privacy Notice, Household Demographic/Project Information Consent Forms, and Tennesen Warning: Must be signed.
2. Authorization to Release Information: Must be signed.
3. Income and Asset Worksheet: Provide names of everyone who will live in the property, including minors. Disclose all sources of income and all financial assets of everyone named.
4. Demographic Questionnaire: Must be completed, although you may opt out of providing demographic information.

NEED HELP?

If you'd like help in preparing and providing the requested information, we encourage you to speak with your real estate agent, mortgage lender, or one of these nonprofit homeownership advisors:

- Neighborhood Development Alliance (NeDA):
www.nedahome.org/contact, 651-292-0131
- NeighborWorks Home Partners:
hello@nwhomepartners.org, 651-292-8710
- LSS Financial Counseling:
lssfinancialcounseling@lssmn.org, 888-577-2227





SAINT PAUL
PLANNING & ECONOMIC
DEVELOPMENT

DEPARTMENT OF PLANNING & ECONOMIC DEVELOPMENT
NICOLLE GOODMAN, DIRECTOR

HOUSING AND REDEVELOPMENT AUTHORITY
NICOLLE GOODMAN, EXECUTIVE DIRECTOR

City Hall Annex, 25 West 4th Street, Suite 1300
Saint Paul, MN 55102
Tel: 651-266-6565

- Comunidades Latinas Unidas en Servicio (CLUES):
info@clues.org, 651-379-4200
- Model Cities, Inc.:
info@modelcities.org, 651-632-8350

You can also call us at 651-266-6565.

Sincerely,

City of Saint Paul Department of Planning & Economic Development and
The Housing and Redevelopment Authority of the City of Saint Paul

DRAFT NOT FOR OFFICIAL USE



**PRIVACY NOTICE, HOUSEHOLD DEMOGRAPHIC/PROJECT INFORMATION CONSENT FORM
AND TENNESSEN WARNING**

Address of Subject Property: _____, Saint Paul, MN.

Portions of the funding used to assist you in your purchase and/or in the development of the property you may purchase (the "Subject Property" identified above) may have been provided by the Minnesota Housing Finance Agency ("MHFA"), the City of Saint Paul (the "City"), the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota ("HRA"), the Metropolitan Council ("Met Council"), United States Department of Housing and Urban Development ("HUD") and/or the Family Housing Fund ("FHF"). The information attached hereto is being requested for the purposes of evaluating your application, determining compliance with the Minnesota Human Rights law and to monitor compliance with federal equal credit opportunity, fair housing and home mortgage disclosure laws for certain types of loans related to a dwelling, as well as monitoring the general performance of the various funding programs provided by the HUD, MHFA, the City, HRA, Met Council and/or FHF. You are not required to furnish the information requested regarding race, ethnicity and gender, but are encouraged to do so. Federal and State laws provide that a lender may not discriminate on the basis of this information, nor on whether you choose to furnish it.

The disclosure of your Social Security number or Minnesota Tax Identification number is mandatory for participation, by virtue of the Minnesota Revenue Recapture Act of 1980 (Minnesota Statutes, Section 270A.01 to 270A.12) as well as Federal regulations/requirements which are required within the funding programs. Supplying such information could result in the application of state tax refunds to the payment of any tax delinquent indebtedness resulting from this or any other special financing Programs. Such information may also be made available to state or federal tax authorities and state and federal personnel involved in the collection of such obligations.

Use of the data requested in the attached form is limited to that necessary for the administration and management of the funding programs by HUD, MHFA, City, HRA, Met Council and/or FHF personnel, or those under contract with HUD, MHFA, City, HRA, Met Council and/or FHF, or in instances where access to this data is authorized by federal and/or state law, it may be made available to other governmental entities.

By signing below, you authorize and consent to the above-described use of the attached information. With regard to the sharing of such information, the authorizations provided under this document will expire one (1) year from the below listed date without any further action or notice by you. At any time prior to the natural expiration of the authorizations provided in this document, you may revoke such authorizations provided in this document, by giving written notice to HRA at the following address: Department of



Planning and Economic of the City of Saint Paul, 1100 City Hall Annex, 25 West Fourth Street, Saint Paul, Minnesota 55102, Attn: Executive Director.

The data you are being asked to provide is subject to and defined in the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13. Under the Data Practices Act, some of this data is classified as public data, the remaining information classified as private or confidential. Private and confidential data is available only to you and the entities listed above with a bona fide need to know such information to process and make a decision on the approval of your application. Public data is available to anyone requesting it and consists of all data furnished in the application process that is not designated private or confidential.

APPLICANT SIGNATURE

I have read and understand the above information regarding my rights as a subject of government data.

(Applicant Name)

(Applicant Signature)

Date: _____

DEVELOPER ATTESTATION

The Developer may attest to having provided a copy of this notice to the Applicant.

I/we provided the Applicant with the content of this Privacy Notice, Household Demographic/Project Information Consent Form and Tennessee Warning prior to collecting data from the Applicant.

(Name of Developer and Developer's Representative)

(Developer Representative's Signature)

Date: _____



AUTHORIZATION TO RELEASE INFORMATION

I/We have applied for a loan or other assistance from the City of Saint Paul and the Housing and Redevelopment Authority of the City of Saint Paul. As part of the application process, the City of Saint Paul and the Housing and Redevelopment Authority of the City of Saint Paul may verify information contained in my/our loan application and in other documents required in connection with the loan or other assistance. This verification may be performed by employees of the City of Saint Paul or by authorized third parties, as a part of the origination, processing, underwriting, closing or quality control programs of the City of Saint Paul and the Housing and Redevelopment Authority of the City of Saint Paul.

I/We authorize you to provide the City of Saint Paul, the Housing and Redevelopment Authority of the City of Saint Paul, and to any third party authorized by the City of Saint Paul or the Housing and Redevelopment Authority of the City of Saint Paul, and their successors and/or assigns, any and all information and documentation that they request. Such information includes, but is not limited to: employment history and income; bank, money market and similar account balances; credit history; and copies of income tax returns. The City of Saint Paul, the Housing and Redevelopment Authority of the City of Saint Paul, and their agents and assigns, may address this authorization to any party named in my/our application for assistance.

A copy of this authorization may be accepted as an original.

Your prompt reply is appreciated.

Thank you.

Applicant (print name)

Co-Applicant (print name)

Applicant Signature

Co-Applicant Signature

Social Security Number – Last Four Digits

Social Security Number – Last Four Digits

Date

Date



Inspiring Communities Income Calculation Worksheet

1. Name:		2. Address of Property to be Purchased:	
3. Number of people in your household:			
ASSETS (see page 2)			
Household Member	Asset Description/ Account Type	Current Cash Value of Asset	Actual Income from Assets
3. Net Cash Value of Assets.....		\$0	
4. Total Actual Income from Assets.....			\$0
5. If line 3 is greater than \$5,000, enter Passbook Rate %*; otherwise, leave blank		Passbook Rate:	0.00% \$0

ANTICIPATED ANNUAL GROSS INCOME										
Household Member	M/F	Age	Relationship to Head of Household	a. Gross Wages/Salaries**	b. Social Security	c. Economic Assistance	d. Disability income, unemployment, etc.	e. Child support, alimony	f. Other income	g. Asset Income
			Head							
6. Totals				\$0	\$0	\$0	\$0	\$0	\$0	\$0
7. Total of items from 6a. through 6g is Annual Income.....										\$0

*Passbook rate is 2%
 **Gross income is defined as annual income (salary, wages, tips) before taxes and deductions.

I/We certify that all of the information given is true, complete and accurate.

X _____ Date _____
 Applicant Signature

X _____ Date _____
 Applicant Signature

Section 1001 of Title 18 of the United States Code makes it a criminal offense to make willful false statements or misrepresentation of any material fact involving the use of or obtaining of Federal funds.

For Office Use Only

Gross Household Income: _____

Applicable Household Income Limit per Development Agreement and Funding Sources _____

 Signature of Certifying Staff

Description of Assests

Household has: (if yes, enter values on Page 1)

	Yes	No
1. Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For checking accounts, use the average 6-month balance. Assets held in foreign countries are considered assets.	<input type="text"/>	<input type="text"/>
2. Cash value of revocable trusts available.	<input type="text"/>	<input type="text"/>
3. Equity in or ownership of real estate for the purposes of occupancy, rental or under a contract for deed, or other capital investments.	<input type="text"/>	<input type="text"/>
4. Cash value of stocks, bonds, Treasury bills, certificates of deposit, mutual funds, and money market accounts.	<input type="text"/>	<input type="text"/>
5. Individual retirement, 401(K), and Keogh accounts (even through withdrawal would result in a penalty).	<input type="text"/>	<input type="text"/>
6. Retirement and/or pension funds.	<input type="text"/>	<input type="text"/>
7. Cash value of life insurance policies available to the individual before death (e.g. surrender value of a whole life or universal life policy).	<input type="text"/>	<input type="text"/>
8. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.	<input type="text"/>	<input type="text"/>
9. Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's resolution, insurance settlements and other amounts not intended as periodic payments.	<input type="text"/>	<input type="text"/>
10. Mortgages or deeds of trust held by an applicant.	<input type="text"/>	<input type="text"/>

Applicant Initials

Applicant Initials

For City Use Only

Funding Sources

_____ NSP _____ CDBG _____ MHFA Impact Fund _____ Met Council LHIA

Income Limits are subject to change

Note the Development Agreement may specify a more restrictive limit.

Inspiring Communities 2021-2022 Consolidated Income Limits (all sources except Met Council LHIA)

effective February 2022

Household Size	1	2	3	4	5	6	7	8
60% Limit	\$44,100	\$50,400	\$56,700	\$62,940	\$67,950	\$73,020	\$78,060	\$83,100
70% Limit	\$50,050	\$57,200	\$64,350	\$71,450	\$77,150	\$82,900	\$88,600	\$94,300
80% Limit	\$55,950	\$63,950	\$71,950	\$79,900	\$86,300	\$92,700	\$99,100	\$105,500

CDBG Income Limits (80% AMI)

effective 6.1.2021

Household Size	1	2	3	4	5	6	7	8
Income Limit	\$55,950	\$63,950	\$71,950	\$79,900	\$86,300	\$92,700	\$99,100	\$105,500

Met Council LHIA Income Limit (80% AMI)

effective 6.1.2021

Household Size	Any							
Income Limit	\$79,900							

MHFA Impact Fund Income Limit (115% AMI)

effective 6.1.2021

Household Size	Any							
Income Limit	\$120,700							

NSP Income Limits (120% AMI)

effective 6.1.2021

Household Size	1	2	3	4	5	6	7	8
Income Limit	\$88,100	\$100,700	\$113,300	\$125,900	\$135,950	\$146,000	\$156,100	\$166,150

DEMOGRAPHIC QUESTIONNAIRE

The Inspiring Communities program receives funding from state and federal sources that request periodic reports on the race, ethnicity, and disability status of program applicants. ***SUBMISSION OF THIS INFORMATION IS VOLUNTARY. Please DO NOT indicate the type of disability, or provide us with any information regarding the nature or severity of the disability.*** This information will not be disclosed or released by this office without your consent, except as required or permitted by law. Information is gathered for statistical purposes.

1. Please provide the information below.

Is your household headed by a single person? (Select only one) Yes No

Does anyone in your household have a disability? Yes No

How many persons in your household have a disability?

Enter number, if any: _____

Please check the race and ethnicity information appropriate for your household.

Select all that apply:

- American Indian/Alaskan Native
- Asian
- Black/African American
- Hispanic or Latino
- Native Hawaiian or Other Pacific Islander
- White Non-Hispanic
- Other Multi-racial

2. Or, opt out:

I do not wish to provide this information:

Printed name: _____

Current Address: _____

Inspiring Communities Program Income Verification and Documentation Policy

The purpose of this policy is to ensure potential buyers of Inspiring Communities homes and persons seeking Homebuyer Assistance Incentive Program funds are at or below the program-required income limit. This policy is not intended to qualify a buyer or assess the buyer's ability to repay a debt. For the purposes of expending dollars associated with the Neighborhood Stabilization Program (NSP) grants, Minnesota Housing's Community Housing Impact Fund, and other program-related sources, the City of Saint Paul will employ the processes and procedures described herein.

Rules for Income Verification

In accordance with HUD guidance provided in the [Guide to Completing NSP Income Certifications](#), Saint Paul will determine income of potential households using the [24 CFR Part 5](#) annual income (Section 8) method. This approach is one of three permitted methods that grantees may use. The other two are a verifiable self-certification by the applicant and an adjusted gross income determination using the most recent IRS 1040. The same three methods are also used to determine income under the HOME program. It is the opinion of staff that the selected method will result in the most accurate determination of household income.

Guidance regarding how to use the 24 CFR Part 5 method is contained in the [Technical Guide for Determining Income and Allowances for the HOME Program](#), Third Edition, dated January 2005. The guide directs Participating Jurisdictions (PJs) to select one of the three aforementioned methods and use it for all like activity (e.g. for all rehabilitation or new construction for home ownership property sales). Household income will be calculated using the Income Calculation Worksheet provided in the Guide to Completing NSP Income Certifications and adapted by staff to capture additional required information regarding household members and alternative earned income sources such as dividends, alimony, welfare, unemployment, etc. 24 CFR Part 5 and NSP require that income is projected and considered for a 12 month period.

Steps to Document Income in Compliance with the Verification Rules

HOME guidance suggests that documentation provided by the applicant, such as pay stubs and tax returns, may be the most appropriate second only to third-party verification. In addition, the Technical Guide for Determining Income and Allowances for the HOME program states the following:

PJs may develop their own verification procedures provided that they collect source documentation and that this documentation is sufficient for HUD to monitor program compliance. (Chapter 2, p.5)

There are no specific requirements, or even guidance, regarding the exact type of income documentation or the duration for which the documentation shall cover in any NSP, HOME or 24 CFR Part 5 references.

Accordingly, Saint Paul has determined that its policy relative to income documentation will be as stated in the Income and Asset Verification table below. The City will consider the documentation submitted to the lender for its use in qualifying and underwriting the primary loan. If additional documentation is required to substantiate the buyer's income, it will be

requested by city staff. Saint Paul will document the project file with any and all income verification documents obtained by the applicant's lender.

Additional Income (other than wages/salaries) and Asset Documentation

If sources of income, including income from assets, are identified on the Income Calculation Worksheet and the associated documentation has not been supplied, city staff will request appropriate documentation to substantiate the claimed income/asset. In addition, **income and asset information and documentation will be required for any non-borrowing household member.**

Annual income and income from assets will be calculated in accordance with 24 CFR Part 5. The passbook rate for calculating imputed asset income (when assets total more than \$5,000) is 2%.

Documentation required for verification purposes for Saint Paul Homebuyer Assistance

Incentive Program

Income and asset information will need to be verified to determine eligibility for the Saint Paul Homebuyer Assistance Incentive Program. The following table sets forth acceptable verifications. The verification provided must be exactly as listed in order to prevent delays in the determination of eligibility. *This information can be furnished by either the applicant or lender.*

INCOME AND ASSET VERIFICATION	
Item needed for each source of	Acceptable form(s) of Verification
INCOME	
Employment (wages/salaries)	Most recent check stubs (six consecutive), or letter from employer (can be written to you), or termination letter (if you are no longer employed), and copy of the verification(s) of employment from the mortgage lender (where available). Copy of one year of signed federal tax returns with all required schedules.
Self-Employment (wages/salaries)	Copy of three years, signed federal tax returns with all required schedules. If it has been more than six months since the filing of the last return you must also include year-to-date information for the self-employment. If less than three years, turn in as many as available.
Social Security, SSI, RSDI, SSDI	Annual Statement (letter) from the Social Security Administration (SSA) or a printout (request to have it sent to you) from the appropriate Social Security Administration office.
Economic Assistance (MFIP, MSA, GA, other)	Printout (request to have it sent to you) or monthly statement from the county economic assistance department.
Item needed for each source of	Acceptable form(s) of Verification
INCOME (continued)	
Child support and alimony	Copy of the current support decree and copies of at least four payments or an original signed letter from the payor (we can provide a form or be sure the letter includes the payor's current address and phone number) or a printout (request to have it sent to you) of child support or alimony from the collecting agency.

Zero income	If any household member age 18 or older has zero income, contact staff for the required documentation.
ASSETS	
Checking Accounts, Savings Accounts, Stocks, Bonds, 401(k), Certificates of Deposits, etc.	Complete copy (all pages) of the most recent account statement or a printout from your financial institution for each account that indicates: the institution, type of account, current balance (value of asset) and interest rate. For CHECKING ACCOUNTS provide complete copies (all pages) of the last two monthly statements or the printout showing the balance for the last two months and/or a copy of the verification of deposit(s) received by the mortgage lender.
Savings Bonds	Copy of all the Savings Bonds held by any household member.
Property owned	Copy of the most recent county tax statement (showing at least the value and taxes paid) and a copy of the most recent mortgage statement(s) (if any) that show the outstanding balances owed on the property. In addition , if the property is being sold under a contract for deed or rented, provide a copy of the contact or the current lease.
OTHER	
Social Security number verification	All household members over the age of 18 will be required to sign a W-9 form at the time of closing certifying that the social security number presented is valid and belongs to them.

Supplement to the Inspiring Communities Program Income Verification and Documentation Policy for Homeownership Projects Involving Duplexes and Accessory Dwelling Units (ADU)

I. Introduction

Relative to development of one-unit properties for homeownership, development of two-unit properties for homeownership introduces complexities as to household composition and income. This supplement seeks to resolve these complexities and guide consistent determinations of income eligibility for buyers of two-unit properties.

II. Guidance for Developers and PED Staff Conducting Income Determinations

In all instances, at least one unit on the Property must be occupied by a low-mod household with at least one household member having an ownership interest in the Property.

All owner-occupants of the Property must join the application for assistance and sign the homeowner assistance mortgage(s) and note(s). If an occupant of the primary unit and an occupant of the ADU/second unit will have an ownership interest in the Property, then both owner-occupants must join the application for assistance and sign the homeowner assistance mortgage(s) and note(s).

A person who is an adult household member at the time of the household’s application for assistance and will reside in the Property must have their income included in the calculation of that household’s income, regardless of the unit in with they will reside. If no additional persons will reside in the Property besides those persons that are members of the applicant’s household at the time of application, then projected rental income need not be included in the owner household’s income.

The chart below further describes scenarios and provides guidance for income determination.

III. Chart

“Current Household Members” refers to all persons living together as of the date of the application for assistance.

“Property” refers to the assisted property and is inclusive of all housing units thereon.

Primary Unit Occupancy	ADU/Second Unit Occupancy	Primary Unit Household: Whose Income is Considered?	ADU/Second Unit Household: Whose Income is Considered?
Current Household Member(s) only, will have ownership interest	Current Household Member(s) only, no ownership interest	All Current Household Member(s) who will occupy either unit of the Property, no projected rental income; must be low-mod	N/A; included in income of the household occupying the primary unit
Current Household Member(s) only, will have ownership interest	Current Household Member(s) AND/OR other person(s) who are not Current Household Members	All Current Household Member(s) who will occupy either unit of the Property PLUS any other occupant of	All occupants of the ADU/second unit who are not Current Household Members and will not have an

		either unit of the Property who will also have an ownership interest in the Property (including a marital interest) or co-sign a mortgage note PLUS projected rental income; must be low-mod	ownership interest or sign the mortgage note; <u>need not</u> be low-mod
Current Household Member(s) + additional person(s) who are not Current Household Members, will have ownership interest	Current Household Member(s) only, no ownership interest	All Current Household Member(s) who will occupy either unit of the Property PLUS income of additional occupants of the primary unit, no projected rental income; must be low-mod	N/A; included in income of the household occupying the primary unit
Current Household Member(s) + additional person(s) who are not Current Household Members, will have ownership interest	Current Household Member(s) AND/OR other person(s) who are not Current Household Members	All Current Household Member(s) who will occupy either unit of the Property PLUS income of additional occupants of the primary unit PLUS any other occupant of either unit of the Property who will have an ownership interest in the Property (including a marital interest) or co-sign a mortgage note PLUS projected rental income; must be low-mod	All occupants of the ADU/second unit who are not Current Household Members; <u>need not</u> be low-mod
Current Household Member(s) only, no ownership interest	Current Household Member(s) only, will have ownership interest	N/A; included in income of the household occupying the ADU/second unit	All Current Household Member(s) who will occupy either unit of the Property, no projected rental income; must be low-mod
Current Household Member(s) AND/OR	Current Household Member(s) only, will	All occupants of the primary unit who are	All Current Household Member(s) who will

other person(s) who are not Current Household Members	have ownership interest	not Current Household Members; <u>need not</u> be low-mod	occupy either unit of the Property PLUS any other occupant of either unit of the Property who will have an ownership interest in the Property (including a marital interest) or co-sign a mortgage note PLUS projected rental income; must be low-mod
Current Household Member(s) only, no ownership interest	Current Household Member(s) + additional person(s) who are not Current Household Members, will have ownership interest	N/A; included in income of the household occupying the ADU/second unit	All Current Household Member(s) who will occupy either unit of the Property PLUS income of additional occupants of the primary unit, no projected rental income; must be low-mod
Current Household Member(s) AND/OR other person(s) who are not Current Household Members	Current Household Member(s) + additional person(s) who are not Current Household Members, will have ownership interest	All occupants of the primary unit who are not Current Household Members; <u>need not</u> be low-mod	All Current Household Member(s) who will occupy either unit of the Property PLUS income of additional occupants of the primary unit PLUS any other occupant of either unit of the Property who will have an ownership interest (including a marital interest) in the Property or co-signs a mortgage note PLUS projected rental income; must be low-mod

IV. Projecting Rental Income According to CDBG Regulations

If the first mortgage lender is relying on projected net rental income in its calculation of the borrower’s income, the first mortgage lender’s determination of projected net rental income will be used.

In all other instances:

If a lease has been signed, 75% of gross rent will be used. If no lease has been signed, 75% of the applicable HUD fair market rent will be used, unless it is entirely known who will occupy the Property, a lesser amount of rent or no rent will be charged, and all adult occupants attest in writing as to the amounts of rent to be exchanged during the initial 12 months of occupancy.

No further deductions for lease-up, vacancy loss, or other expenses will be taken.

V. Projecting Rental Income According to Impact Fund Procedures

In all cases the projected rental income from any part of the Property is \$0 (zero dollars) (*Ref.: Impact Fund Procedural Manual dated May 1, 2020, p. 13*).

VI. Supplemental Questions for Homebuyers of Two-Unit Properties, Including Duplexes and Single-Family Homes with Accessory Dwelling Units (ADU)

Gather the information in this section to assist in determining household income.

1. List Current Household Members. “Current Household Members” refers to all persons living together as of the date of the application for assistance.

Name	DOB	Income, etc.

2. Will each of these Household members occupy the new Property – either the ADU/second unit or the primary unit?

Household Member Name (from table above)	Indicate with an “X” the unit the Household Member will primarily occupy		
	Primary Unit	ADU/second unit	Neither

3. Will anyone else occupy the new Property – either the ADU/second unit, or the primary unit?

No

Undecided or unknown

Yes – But we don't yet know who will.

Yes – we know who will, and they are named below.

Name	Indicate with an "X" the unit the named person will primarily occupy	
	Primary Unit	ADU/second unit

4. The City of Saint Paul has made a significant investment to build the primary unit for owner-occupancy, and the ADU/second unit on the Property, with the intent that both will be occupied by separate individuals or households, or by the home-based business(es) of the occupant(s). Please acknowledge that you understand that you must take reasonable efforts to ensure both units on the Property are occupied.

I understand and acknowledge that both the primary unit and the ADU/second unit must be occupied, and will make reasonable efforts to ensure that both units are occupied.

5. Who will have an ownership interest in the new Property?

<p>Name(s) of all people who will have an ownership interest in the new Property – typically, these people are named on the deed, or are married to those named on the deed, and are generally required by your mortgage lender(s) to sign the mortgage deed(s).</p>

6. Will anyone without an ownership interest co-sign on the mortgage note AND live in the Property (either in the primary unit or the ADU/second unit)? If yes, who?

Name(s) of all people without an ownership interest in the Property who will co-sign the mortgage note AND live in the Property.

7. Will any occupants of the Property pay rent to any other occupants of the Property?
 ___ Yes. (Describe in the table below.)

Name of Occupant paying rent	Name of Occupant receiving rent

___ No.

8. Do you intend to offer any portion of the Property for rent and to charge rent?

___ Yes. We intend to charge rent of \$ _____ per (month/week/year) to rent out the ___ Primary unit ___ ADU/second unit or ___ some other portion of the Property (please describe: _____)

___ Yes. We intend to rent out the ___ Primary unit ___ ADU/second unit or ___ some other portion of the Property (please describe or indicate "unknown": _____), but haven't decided how much to charge.

___ No. We intend not rent out any portion of the Property and do not intend to charge rent.

VII. Q & A

Q: Applicant indicates an owner will pay rent to a non-owner, or one non-owner will pay rent to another non-owner.

A: This is allowed. Households may have different ways of handling finances. The developer should collect a letter of attestation from the occupants involved explaining the arrangement.

PROMISSORY NOTE

(Inspiring Communities – Homebuyer Assistance)

Project Title: _____, Saint Paul, Minnesota

Name of Borrower: _____

Amount of Loan: **\$5,000.00**

Date: _____, 20____

FOR VALUE RECEIVED, the undersigned _____ (the "Borrower," whether one or more) jointly and severally agree(s) to pay to the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, whose address is 25 W. 4th St., Suite 1100, Saint Paul, MN 55102 (the "Lender"), or its successors or assigns, the principal amount of **Five Thousand and No/One-Hundredths Dollars (\$5,000.00)** (the "Loan Amount") with zero percent (0%) interest upon an Event of Default. Said sum was made available to the Borrower to enable the Borrower to purchase the property located at _____, Saint Paul, Minnesota (the "Improved Property").

Borrower acknowledges having received assistance in the amount of the Loan Amount.

- 1. DEFINITIONS. As used in this Homebuyer Assistance Note, the following terms have the following respective meanings:

Affordability Period. Five (5) years from the date of this Note.

Default. The occurrence of any of the following prior to the end of the Affordability Period:

- a. The adjudication in bankruptcy of any owner of the Improved Property;
- b. Foreclosure sale pursuant to the Private Lender Mortgage;
- c. Deed in lieu of foreclosure to the holder of the Private Lender Mortgage or its designee;
- d. A Transfer; or
- e. Any use of the Improved Property other than as the primary residence of the Borrower.

Event of Default. A declaration by the Lender pursuant to Section 3 of this Note that the entire unpaid balance of the Note is due and payable.

Fair Market Value. The fair market value of the Improved Property as determined by the most recent assessed value.

Net Proceeds. Any and all consideration of any kind whatsoever, whether direct or indirect, that is received by the Borrower for, or in connection with, a Transfer, including without limitation, the stated purchase price, cash, notes, and any indebtedness assumed and/or to which the Improved Property is then subject, interest on any deferred portion of the purchase price, and noncustomary net prorations in favor of seller; adjusted by deducting outstanding senior debt secured against the Improved Property and customary closing costs. Notwithstanding the foregoing, if the Transfer is other than an arms-length transaction with a third party, then, at the option of the Lender, Net

Proceeds shall mean the Fair Market Value of the Improved Property less any outstanding amount of the Private Lender Note and Private Lender Mortgage against the Improved Property.

Note. This Homebuyer Assistance Note, as from time to time amended.

Maturity Date. The maturity date of this Note is _____ (“Maturity Date”) at which time the entire Loan is due and payable to Lender, unless otherwise forgiven as provided herein.

Mortgage. The mortgage of even date herewith from the Borrower in favor of the Lender securing payment of the Note, as from time to time amended.

Private Lender Mortgage. Any mortgage of the Improved Property, the lien of which has priority over this Mortgage.

Private Lender Note. The promissory note secured by the Private Lender Mortgage.

Transfer. A sale or transfer of all or any part of the Improved Property, or an interest therein, whether by lease, deed or contract for deed or otherwise, whether for consideration or by gift or in the event of death or otherwise, and whether voluntarily, involuntarily or by operation of law; provided, however, (a) if the Borrower owns the Improved Property as co tenants, a transfer of the Improved Property or any interest therein, from one co tenant to another co tenant whether by reason of death or otherwise, shall not be considered a Transfer, (b) a taking by eminent domain shall not be considered a Transfer unless it is a total taking in the sense that payment is made for the full value of the Improved Property, (c) the creation of a lien or encumbrance subordinate to the Mortgage shall not be considered a Transfer, (d) the creation of a purchase money security interest for household appliances shall not be considered a Transfer, and (e) a lease to a tenant if the Improved Property is a duplex, provided the Borrower occupies the Improved Property, shall not be considered a Transfer.

2. FORGIVENESS. If no Event of Default has occurred prior to the end of the Affordability Period, the Borrower will have no obligation to repay the Loan Amount and this Note will be forgiven by the Lender. Provided further, that twenty percent (20%) of the Loan Amount will be forgiven at the end of each year during the Affordability Period that the Borrower has fully complied with the terms of the Note and Mortgage.
3. EVENT OF DEFAULT. If a Default occurs prior to the end of the Affordability Period, the Lender will mail notice to the Borrower specifying: (a) the Default; (b) the action required to cure such Default; (c) a date not less than thirty (30) days from the date the notice is mailed to the Borrower by which date such Default must be cured; and (d) that failure to cure such Default on or before the date specified in the notice may result in acceleration of the Loan Amount, at which point, Lender may declare the entire Loan Amount immediately due and payable. Failure by the Lender to make that declaration by reason of an Event of Default will not waive its right to make such a declaration upon the subsequent occurrence of the same or any other Event of Default.
4. NET PROCEEDS. Lender agrees that the Loan Amount will be payable solely out of Net Proceeds.

5. SUBORDINATION. This Note and the Mortgage is subordinate to the Private Lender Note and Private Lender Mortgage. No further subordinations will be given for refinancing or otherwise.

6. MISCELLANEOUS.

6.1 This Note is secured by the Mortgage. All of the terms, covenants, conditions, provisions and agreements of the Mortgage are hereby made a part of this instrument to the same extent and with the same force and effect as if fully set forth herein.

6.2 If any payment due under this Note is not paid when due, and this Note is placed in the hands of any attorney or attorneys for collection or foreclosure of the Mortgage or enforcement of any other security instrument securing payment hereof, the Borrower promises to pay, in addition to the amount due hereon, the reasonable costs and expenses of foreclosure and collection (including attorneys' fees), and all such costs and expenses shall be secured by the Mortgage.

6.3 No failure or delay by the Lender to exercise any right or remedy under this Note shall waive such right or remedy.

6.4 This Note is made and delivered in Minnesota, and accordingly, the clauses and provisions of this Note and the rights, payments, charges, indebtedness and other items hereby secured shall be construed and enforced according to the laws of the State of Minnesota.

6.5 Demand, protest and notice of demand and protest are hereby waived and the undersigned waives, to the extent authorized by law, any and all homestead and other exemption rights which otherwise would apply to the debt evidenced by this Note.

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed the day and year first above written.

Borrower

Borrower

PROMISSORY NOTE

(Inspiring Communities – Homebuyer Assistance)

Project Title: _____, Saint Paul, Minnesota

Name of Borrower: _____

Amount of Loan: **[\$More than 5,000.00]**

Date: _____, 20____

FOR VALUE RECEIVED, the undersigned _____ (the "Borrower," whether one or more) jointly and severally agree(s) to pay to the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, whose address is 25 W. 4th St., Suite 1100, Saint Paul, MN 55102 (the "Lender"), or its successors or assigns, the principal amount of **[GREATER THAN Five Thousand and No/One-Hundredths Dollars (>\$5,000.00)]** (the "Loan Amount") with zero percent (0%) interest upon an Event of Default. Said sum was made available to the Borrower to enable the Borrower to purchase the property located at _____, Saint Paul, Minnesota (the "Improved Property").

Borrower acknowledges having received assistance in the amount of the Loan Amount.

1. DEFINITIONS. As used in this Homebuyer Assistance Note, the following terms have the following respective meanings:

Affordability Period. **Thirty (30) years from the date of this Note.**

Default. The occurrence of any of the following prior to the end of the Affordability Period:

- a. The adjudication in bankruptcy of any owner of the Improved Property;
- b. Foreclosure sale pursuant to the Private Lender Mortgage;
- c. Deed in lieu of foreclosure to the holder of the Private Lender Mortgage or its designee;
- d. A Transfer; or
- e. Any use of the Improved Property other than as the primary residence of the Borrower.

Event of Default. A declaration by the Lender pursuant to Section 3 of this Note that the entire unpaid balance of the Note is due and payable.

Fair Market Value. The fair market value of the Improved Property as determined by the most recent assessed value.

Net Proceeds. Any and all consideration of any kind whatsoever, whether direct or indirect, that is received by the Borrower for, or in connection with, a Transfer, including without limitation, the stated purchase price, cash, notes, and any indebtedness assumed and/or to which the Improved Property is then subject, interest on any deferred portion of the purchase price, and noncustomary net prorations in favor of seller; adjusted by deducting outstanding senior debt secured against the Improved Property and customary closing costs. Notwithstanding the foregoing, if the Transfer is other than an arms-length transaction with a third party, then, at the option of the Lender, Net

Proceeds shall mean the Fair Market Value of the Improved Property less any outstanding amount of the Private Lender Note and Private Lender Mortgage against the Improved Property.

Note. This Homebuyer Assistance Note, as from time to time amended.

Maturity Date. The maturity date of this Note is _____ (“Maturity Date”) at which time the entire Loan is due and payable to Lender, unless otherwise forgiven as provided herein.

Mortgage. The mortgage of even date herewith from the Borrower in favor of the Lender securing payment of the Note, as from time to time amended.

Private Lender Mortgage. Any mortgage of the Improved Property, the lien of which has priority over this Mortgage.

Private Lender Note. The promissory note secured by the Private Lender Mortgage.

Transfer. A sale or transfer of all or any part of the Improved Property, or an interest therein, whether by lease, deed or contract for deed or otherwise, whether for consideration or by gift or in the event of death or otherwise, and whether voluntarily, involuntarily or by operation of law; provided, however, (a) if the Borrower owns the Improved Property as co tenants, a transfer of the Improved Property or any interest therein, from one co tenant to another co tenant whether by reason of death or otherwise, shall not be considered a Transfer, (b) a taking by eminent domain shall not be considered a Transfer unless it is a total taking in the sense that payment is made for the full value of the Improved Property, (c) the creation of a lien or encumbrance subordinate to the Mortgage shall not be considered a Transfer, (d) the creation of a purchase money security interest for household appliances shall not be considered a Transfer, and (e) a lease to a tenant if the Improved Property is a duplex, provided the Borrower occupies the Improved Property, shall not be considered a Transfer.

2. FORGIVENESS. If no Event of Default has occurred prior to the end of the Affordability Period, the Borrower will have no obligation to repay the Loan Amount and this Note will be forgiven by the Lender. Provided further, that twenty percent (20%) of the Loan Amount will be forgiven at the end of each year during the Affordability Period that the Borrower has fully complied with the terms of the Note and Mortgage.
3. EVENT OF DEFAULT. If a Default occurs prior to the end of the Affordability Period, the Lender will mail notice to the Borrower specifying: (a) the Default; (b) the action required to cure such Default; (c) a date not less than thirty (30) days from the date the notice is mailed to the Borrower by which date such Default must be cured; and (d) that failure to cure such Default on or before the date specified in the notice may result in acceleration of the Loan Amount, at which point, Lender may declare the entire Loan Amount immediately due and payable. Failure by the Lender to make that declaration by reason of an Event of Default will not waive its right to make such a declaration upon the subsequent occurrence of the same or any other Event of Default.
4. NET PROCEEDS. Lender agrees that the Loan Amount will be payable solely out of Net Proceeds.

5. SUBORDINATION. This Note and the Mortgage is subordinate to the Private Lender Note and Private Lender Mortgage. No further subordinations will be given for refinancing or otherwise.

6. MISCELLANEOUS.

6.1 This Note is secured by the Mortgage. All of the terms, covenants, conditions, provisions and agreements of the Mortgage are hereby made a part of this instrument to the same extent and with the same force and effect as if fully set forth herein.

6.2 If any payment due under this Note is not paid when due, and this Note is placed in the hands of any attorney or attorneys for collection or foreclosure of the Mortgage or enforcement of any other security instrument securing payment hereof, the Borrower promises to pay, in addition to the amount due hereon, the reasonable costs and expenses of foreclosure and collection (including attorneys' fees), and all such costs and expenses shall be secured by the Mortgage.

6.3 No failure or delay by the Lender to exercise any right or remedy under this Note shall waive such right or remedy.

6.4 This Note is made and delivered in Minnesota, and accordingly, the clauses and provisions of this Note and the rights, payments, charges, indebtedness and other items hereby secured shall be construed and enforced according to the laws of the State of Minnesota.

6.5 Demand, protest and notice of demand and protest are hereby waived and the undersigned waives, to the extent authorized by law, any and all homestead and other exemption rights which otherwise would apply to the debt evidenced by this Note.

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed the day and year first above written.

Borrower

Borrower

HOMEBUYER ASSISTANCE MORTGAGE
(Inspiring Communities – Homebuyer Assistance)

THIS MORTGAGE, made this ____ day of _____, 20__ by [_____, a single person OR _____ and _____ married to each other] ("**Mortgagor**") to the *INSTRUCTION Confirm whether homebuyer assistance will come from City budget or HRA budget and then enter the appropriate authority here*: Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, a public body corporate and politic organized and existing under the laws of the State of Minnesota *AND/OR*, City of Saint Paul, a Minnesota municipal corporation and home rule charter city, whose main office is located at 25 W. 4th St, Suite _____, Saint Paul, Minnesota 55102 ("**Mortgagee**").

WITNESSETH: That Mortgagor hereby mortgages and conveys to Mortgagee the following described premises and improvements located at _____, Saint Paul, Minnesota and legally described as:

See attached Exhibit A (the "**Improved Property**").

This Mortgage is given in consideration of and as security for the payment of _____ and No/100 Dollars (\$_____.00) (the "**Loan Amount**"), receipt of which is hereby acknowledged, and which is made to enable the Mortgagor to acquire the Improved Property. The Loan Amount is evidenced by a homebuyer assistance note (the "**Note**") with the full debt, if not paid earlier, due and payable on the Maturity Date as defined in the Note, but in no event later than five years from the date of the mortgage. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Note.

Mortgagor makes and includes in this Mortgage the statutory covenants and other provisions set forth in Minnesota Statutes, Section 507.15, including the following:

- a. To warrant title to the Improved Property.
- b. To pay all other mortgages, liens, charges or encumbrances against the Improved Property as and when they become due.
- c. To pay the indebtedness of the Note.
- d. To pay all real estate taxes and special assessments on the Improved Property.
- e. To keep the Improved Property in good repair and in compliance with all applicable state and local building, housing and health codes and laws and not commit waste.
- f. To keep the Improved Property insured against loss by fire and other hazards for at least the sum of the full insurable value of the Improved Property for the protection of the Mortgagee and identify the Mortgagee as an additional insured and loss payee.
- b. Mortgagor(s) further covenants:

- a. To use and occupy the Property solely as a personal place of residence from the date of this Mortgage through the Affordability Period.
- b. Not to use or permit the use of the Property for any illegal or criminal activity.

If the Loan Amount is forgiven according to the terms of the Note, then this Mortgage shall become null and void. But if an Event of Default occurs under the Note, then the Mortgagee, its successors or assigns, are hereby authorized and empowered to foreclose this Mortgage by action or advertisement, pursuant to the statutes of the State of Minnesota in such case provided, power being expressly granted to sell the Improved Property at public auction and convey the same to the purchaser in fee simple and, out of the proceeds arising from such sale, to pay the Loan Amount of the Note, together with all legal costs and charges of such foreclosure and the maximum attorney's fees permitted by law.

Notwithstanding any other provision of this Mortgage, if the Property is or becomes subject to any mortgage or other lien insured by the United States Department of Housing and Urban Development (an "insured mortgage"), then any "legal restrictions on conveyance" (as that term is defined in 24 CFR 203.41(a)(3)) imposed by this Mortgage shall automatically, permanently, and immediately terminate upon foreclosure of the insured mortgage, transfer of a deed in lieu of foreclosure of the insured mortgage, or assignment of the insured mortgage to the United States Secretary of Housing and Urban Development.

Mortgagee prior to acceleration shall mail notice to Mortgagor specifying: (1) the Event of Default; (2) the action required to cure such default; (3) the date, not less than thirty (30) days from the date the notice is mailed to Mortgagor, by which date such default must be cured; and (4) that failure to cure such default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and sale of the Improved Property. The notice shall further inform Mortgagor of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Mortgagor to acceleration and sale. If the default is not cured on or before the date specified in the notice, Mortgagee, at Mortgagee's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may invoke the power of sale hereby granted and any other remedy permitted by applicable law. Notwithstanding Mortgagee's acceleration of the sums secured by this Mortgage, Mortgagor shall have the right to have any proceedings begun by Mortgagee to enforce this Mortgage discontinued at any time prior to the earlier of (i) sale of the Improved Property pursuant to the power of sale contained in this Mortgage or (ii) a judgment enforcing this Mortgage, if: (a) Mortgagor pays Mortgagee all sums constituting the default actually existing under this Mortgage and the Note at the commencement of foreclosure proceedings under this Mortgage; (b) Mortgagor cures all breaches of any other covenants or agreements of Mortgagor contained in this Mortgage, (c) Mortgagor pays all reasonable expenses incurred by Mortgagee in enforcing the covenants and agreements of Mortgagor contained in this Mortgage and in enforcing Mortgagee's remedies as provided herein, including, but not limited to, reasonable attorney's fees; and (d) Mortgagor takes such action as Mortgagee may reasonably require to assure that the lien of this Mortgage, Mortgagee's interest in the Improved Property and Mortgagor's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Mortgagor, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

MORTGAGOR HEREBY: EXPRESSLY CONSENTS TO THE FORECLOSURE AND SALE OF THE MORTGAGED PROPERTY BY ACTION PURSUANT TO MINNESOTA STATUTES CHAPTER 581 OR, AT THE OPTION OF MORTGAGEE, BY ADVERTISEMENT PURSUANT TO MINNESOTA

STATUTES CHAPTER 580, WHICH PROVIDES FOR SALE AFTER SERVICE OF NOTICE THEREOF UPON THE OCCUPANT OF THE MORTGAGED IMPROVED PROPERTY AND PUBLICATION OF SAID NOTICE FOR SIX WEEKS IN THE COUNTY IN MINNESOTA WHERE THE MORTGAGED PROPERTY IS SITUATED AND ACKNOWLEDGES THAT SERVICE NEED NOT BE MADE UPON MORTGAGOR PERSONALLY UNLESS MORTGAGOR IS AN OCCUPANT AND THAT NO HEARING OF ANY TYPE IS REQUIRED IN CONNECTION WITH THE SALE AND EXCEPT AS MAY BE PROVIDED IN SAID STATUTES, EXPRESSLY WAIVES ANY AND ALL RIGHT TO PRIOR NOTICE OF SALE OF THE MORTGAGED PROPERTY AND ANY AND ALL RIGHTS TO A PRIOR HEARING OF ANY TYPE OF CONNECTION WITH THE SALE OF THE MORTGAGED PROPERTY.

MORTGAGOR ACKNOWLEDGES THAT THIS IS A LEGAL DOCUMENT AND THAT BEFORE SIGNING MORTGAGOR HAS FULLY UNDERSTOOD THE TERMS AND CONDITIONS HEREIN, AND THE RIGHTS WAIVED HEREBY AND THE EFFECT OF SUCH WAIVER OR HAS SOUGHT LEGAL COUNSEL TO EXPLAIN SUCH TERMS AND CONDITIONS, RIGHTS AND THE WAIVER OF SUCH RIGHTS.

This Mortgage and the Note shall be construed according to the laws of the State of Minnesota.

(signature page follows)

IN WITNESS WHEREOF, the Mortgagor has caused this Mortgage to be duly executed as of the day and year first above written.

MORTGAGOR

By _____
Name: _____

By _____
Name: _____

State of Minnesota)
) ss
County of Ramsey)

This instrument was acknowledged before me on this day of _____, _____, 202__, by [_____, a single person OR _____ and _____, married to each other].
(Seal if any)

(signature of notarial officer)
Title (and Rank): _____
My commission expires: _____
(month/day/year)

This instrument was drafted by:
Saint Paul City Attorney Office
15 W. Kellogg Blvd.
Room 400 City Hall
Saint

Paul, MN 55102

EXHIBIT A
(to Homebuyer Assistance Mortgage)
IMPROVED PROPERTY

The following are not a part of the legal description above and are for convenience of reference only

Select One Property
Common Address:
Tax Parcel ID:

Maturity Date means the earliest to occur of one or more of the following dates. The date on which the Property ceases to be Maker's principal place of residence.

- (i) The date on which a Transfer occurs.
- (ii) The date of repayment of the first mortgage, if co-terminus with this Impact Fund (Balloon) Loan Note.
- (iii) The date of occurrence of an Event of Default.
- (iv) The date that is 30 years from the date of this Impact Fund (Balloon) Loan Note.

Property means the real estate that is referred to in the Impact Fund (Balloon) Loan Mortgage and located at the property address specified above in the State of Minnesota, and all improvements situated thereon.

Transfer means a sale or transfer of all or any part of Maker's ownership interest in the Property, whether by lease, deed, contract for deed, or otherwise, whether for consideration or by gift, or in the event of death or otherwise, and whether voluntarily, involuntarily or by operation of law. Provided, however, the following events shall not be considered to be such a sale or transfer:

- (i) If the Maker owns the Property as co-tenants, tenants in common, or joint tenants, then a transfer of the Property, or any interest therein, from one co-tenant to another co-tenant, from one tenant in common to another tenant in common, or from one joint tenant to another joint tenant, whether by reason of death or otherwise;
- (ii) A taking by eminent domain of a portion of the Property, unless it is a total taking in the sense that payment is made for the full value of the Property;
- (iii) The creation of a sale or transfer to which Impact Fund Lender has consented to in writing;
- (iv) The creation of a purchase money security interest for household appliances; or
- (v) Any transfer that is required by law.

2. PAYMENT AND PREPAYMENT.

2.1 The total and outstanding unpaid principal balance of this Impact Fund (Balloon) Loan Note shall become due and payable in a single lump sum balloon payment on the Maturity Date. All of the payments required hereunder shall be made to Impact Fund Lender at its address shown above, or at such other place as Impact Fund Lender may direct in writing. If Borrower does not repay the full lump sum balloon payment on the Maturity Date, the Borrower will be in default.

2.2 This Impact Fund (Balloon) Loan Note may be prepaid in full or in part at any time without penalty.

3. MAKER'S REPRESENTATIONS AND WARRANTIES. To induce Impact Fund Lender to make the mortgage loan evidenced by this Impact Fund (Balloon) Loan Note, Maker hereby makes the following representation and provides the following warranties to Impact Fund Lender.

3.1 Maker will be the record owner of the Property.

3.2 Maker will occupy the Property as their primary and permanent residence.

- 3.3 The facts provided by Maker to Impact Fund Lender in connection with its application for the Impact Fund (Balloon) Loan are all true and correct as of the date hereof.
- 3.4 Maker will cooperate fully with Impact Fund Lender in obtaining and furnishing all information with respect to Maker's qualification for the Impact Fund (Balloon) Loan as Impact Fund Lender may reasonably request, and will further enter into and execute any and all documents needed to further document and secure the repayment of the Impact Fund (Balloon) Loan as Impact Fund Lender may reasonably request.
4. **EVENTS OF DEFAULT.** The occurrence of any one or more of the following events shall be an Event of Default under this Impact Fund (Balloon) Loan Note that will allow Impact Fund Lender to accelerate the repayment of the Impact Fund (Balloon) Loan.
- 4.1 Any information or data that Maker provided to Impact Fund Lender in order to qualify for the Impact Fund (Balloon) Loan is false or misleading in any material respect.
- 4.2 Any representation made by Maker hereunder or in the Impact Fund (Balloon) Loan Mortgage is incorrect, or is misleading in any material respect.
- 4.3 Maker fails to comply with any term, condition, requirement, provision, warranty or covenant contained herein or in the Impact Fund (Balloon) Loan Mortgage.
5. **MISCELLANEOUS.**
- 5.1 The repayment of the obligation evidenced by this Impact Fund (Balloon) Loan Note is secured by the Impact Fund (Balloon) Loan Mortgage and is the Impact Fund (Balloon) Loan Note referred to therein. All of the terms and conditions of the Impact Fund (Balloon) Loan Mortgage are incorporated herein by reference and are hereby made a part of this instrument to the same extent as if fully set forth herein.
- 5.2 Maker and all others who may become liable under this Impact Fund (Balloon) Loan Note agree hereby to be jointly and severally bound and jointly and severally waive demand, protest, notice of nonpayment and any and all lack of diligence or delays in collection or enforcement hereof, and specifically consent to any extension of time, or release of any party liable hereunder, including any maker, or acceptance of other security therefore. Any such extension or release may be made without notice to said party and without in any way affecting the liability of such party.
- 5.3 If any payment due under this Impact Fund (Balloon) Loan Note is not paid when due, and this Impact Fund (Balloon) Loan Note is placed in the hands of any attorney or attorneys for collection or foreclosure of the Impact Fund (Balloon) Loan Mortgage or enforcement of any other security instrument securing payment hereof, Maker promises to pay, in addition to the amount due hereon, the reasonable costs and expenses of collection of the amounts due hereunder and the foreclosure of the Impact Fund (Balloon) Loan Mortgage (including attorneys' fees), and all such costs and expenses shall be secured by the Impact Fund (Balloon) Loan Mortgage.
- 5.4 This Impact Fund (Balloon) Loan Note is not assumable.

- 5.5 No failure or delay by Impact Fund Lender to exercise any right or remedy under this Impact Fund (Balloon) Loan Note shall waive such right or remedy.
- 5.6 Any notice that must be given under this Impact Fund (Balloon) Loan Note shall be given by delivering or mailing, by certified mail, such notice to the address shown above for Impact Fund Lender and to the Property Address shown above for Maker, or such other address as Impact Fund Lender or Maker may designate in writing.
- 5.7 This Impact Fund (Balloon) Loan Note shall be construed and enforced according to the laws of the State of Minnesota.
- 5.8 This Impact Fund (Balloon) Loan Note shall be binding upon and shall extend to the parties hereto and their respective successors and assigns.
- 5.9 Maker acknowledges receipt of a copy of this Impact Fund (Balloon) Loan Note.
- 5.10 Notwithstanding anything to the contrary contained herein, if the Maker's default results solely from the Maker's violation of a restriction on conveyance, then Maker is not contractually liable for Impact Fund Lenders' expenses or any other amounts except for the repayment of the original indebtedness.
- 5.11 Any legal restriction on conveyance, as defined in 24 C.F.R. § 203.41, such as the owner-occupancy restriction or restrictions on resale, terminates upon foreclosure, deed-in-lieu of foreclosure, or assignment of the first mortgage to the U.S. Department of Housing and Urban Development.

IN WITNESS WHEREOF, Maker has caused this Impact Fund (Balloon) Loan Note to be executed as of the day and year first above written.

MAKER(S)

Name of Maker

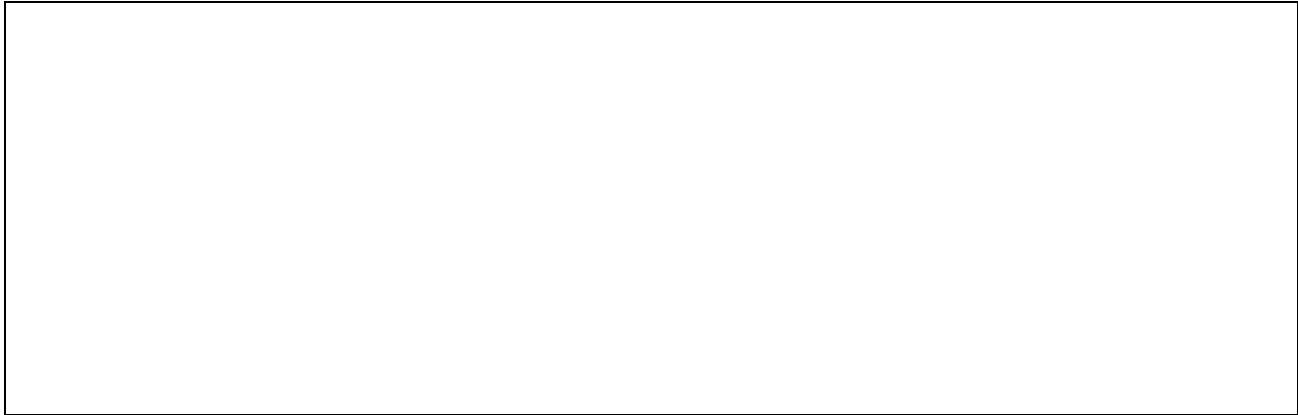
BORROWER(S)

Signature

Type Name of Borrower

Signature

Type Name of Borrower



Pay to the order of
Minnesota Housing Finance Agency
without recourse

Impact Fund Lender

Authorized Signature

Title

TIL and NMLSR ID

Loan Originator Company Name

Loan Originator Individual Name
(as name appears on NMLSR)

Loan Originator Company NMLSR ID

Loan Originator Individual NMLSR ID
(if applicable)

Impact Fund Agreement #: _____

**Community Homeownership Impact Fund (Impact Fund)
Impact Fund (Balloon) Loan Mortgage**

THE LOAN SECURED BY THIS MORTGAGE HAS A BALLOON PAYMENT. AT THE END OF THE LOAN TERM, YOU MUST REPAY THE ENTIRE BALANCE OF THE LOAN.

TIL and NMLSR ID

Loan Originator Company Name

Loan Originator Individual Name
(as name appears on NMLSR)

Loan Originator Company NMLSR ID

Loan Originator Individual NMLSR ID
(if applicable)

THIS MORTGAGE ("Impact Fund (Balloon) Loan Mortgage") is made and executed this

by

(collectively, the "Borrower"), and

whose address is

(the preceding named lender and its successors and assigns are defined as the "Impact Fund Lender").

RECITALS

- A. Impact Fund Lender has made a loan pursuant to the Impact Fund to Borrower and supplied funds to Borrower, in an amount of \$ _____ (the "Impact Fund (Balloon) Loan").
- B. Borrower is obligated to repay the Impact Fund Lender the full outstanding and unpaid balance of the Impact Fund (Balloon) Loan in one lump sum payment (balloon payment) on _____
- C. Borrower must, upon the occurrence of certain events, repay to Impact Fund Lender the Impact Fund (Balloon) Loan earlier, in accordance with the provisions set forth in that certain Impact Fund (Balloon) Loan Note (the "Impact Fund (Balloon) Loan Note").
- D. **NOW, THEREFORE**, in consideration of the foregoing premises and to secure (i) the repayment of indebtedness evidenced by the Impact Fund (Balloon) Loan Note, (ii) the payment of all other sums, advanced in accordance with this Impact Fund (Balloon) Loan Mortgage to protect the security of this Impact Fund (Balloon) Loan Mortgage, and (iii) the performance of the covenants and agreements of Borrower under this Impact Fund (Balloon) Loan Mortgage and the Impact Fund (Balloon) Loan Note, Borrower does grant, bargain, sell and convey to Impact Fund Lender and its successors and assigns, forever and with a power of sale, all of their interests in the following described real property located in the County of _____, State of Minnesota (the "Real Property"):

which has the address of _____ (the "Property Address");

Together with all improvements now or hereafter erected on the Real Property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter a part of the Real Property. All of Borrower's interest in any and all replacements and additions shall also be covered by this Impact Fund (Balloon) Loan Mortgage. All of the foregoing, together with the Real Property are referred to in this Impact Fund (Balloon) Loan Mortgage as the "Mortgaged Property".

If Borrower shall (i) pay to Impact Fund Lender the outstanding balance due and payable under the Impact Fund (Balloon) Loan Note, (ii) pay all other sums, with interest thereon, as may be payable by Borrower to Impact Fund Lender in accordance with the Impact Fund (Balloon) Loan Note or this Impact Fund (Balloon) Loan Mortgage, or the payment of which may now or hereafter be secured by this Impact Fund (Balloon) Loan Mortgage, including, but not limited to, all amounts disbursed or incurred by Impact Fund Lender in exercising any rights and remedies under this Impact Fund (Balloon) Loan Mortgage, including without limitation, all reasonable attorneys' fees, and (iii) keep and perform all the covenants and warranties herein contained on the part of Borrower to be performed, then this Impact Fund (Balloon) Loan Mortgage shall be null and void; otherwise this Impact Fund (Balloon) Loan Mortgage shall be and remain in full force and effect.

The Mortgaged Property may be subject to liens and encumbrances that currently exist thereon and have been filed of record (the "Existing Liens and Encumbrances"), which are prior and superior to the lien created by this Impact Fund (Balloon) Loan Mortgage.

Borrower warrants and covenants that; (i) it is lawfully seized in fee simple of that portion of the Mortgaged Property that is real property and is the absolute owner of that portion of the Mortgaged Property that is personal property, (ii) it has the right and power to mortgage and convey the Mortgaged Property, (iii) the Mortgaged Property is free from all liens, security interests, and encumbrances, except for the Existing Liens and Encumbrances, (iv) it will warrant and defend the title to the Mortgaged Property against all claims, whether now existing or hereafter arising, other than the Existing Liens and Encumbrances, (v) all buildings, improvements, and fixtures now or hereafter located on the Real Property are, or will be, located entirely within the boundaries of the Real Property, and (vi) Borrower shall quietly enjoy and possess the Mortgaged Property. The foregoing warranties shall survive foreclosure of this Impact Fund (Balloon) Loan Mortgage and shall run with the Real Property.

UNIFORM COVENANTS. Borrower and Impact Fund Lender further agree as follows:

1. **Payment of Principal.** Borrower shall promptly pay to Impact Fund Lender, or its successor and assigns, when due the principal of and interest on the indebtedness evidenced by the Impact Fund (Balloon) Loan Note.
2. **Application of Payments.** Unless applicable law provides otherwise, any payment(s) received by Impact Fund Lender under Section 1 hereof shall be applied first to any payments which Impact Fund Lender has paid on behalf of Borrower under the Impact Fund (Balloon) Loan Note or this Impact Fund (Balloon) Loan Mortgage, second to interest due to Impact Fund Lender under the Impact Fund (Balloon) Loan Note or this Impact Fund (Balloon) Loan Mortgage, and last to principal due to Impact Fund Lender under the Impact Fund (Balloon) Loan Note.

3. **Prior Liens; Charges; Other Liens.** Borrower shall comply with all of the terms and conditions contained in all mortgages, deeds of trust, contract for deeds, leases, or other security agreements that have a priority over this Impact Fund (Balloon) Loan Mortgage, including but not limited to the Existing Liens and Encumbrances and any mortgage in a first lien position ("First Mortgage"), and shall pay all taxes, assessments, charges, fines and impositions attributable to the Mortgaged Property that may attain a priority over this Impact Fund (Balloon) Loan Mortgage, and leasehold payments or ground rents, if any. Borrower shall promptly furnish to Impact Fund Lender upon request all notices of amounts due under this Section 3, and receipts evidencing such payments.

Borrower shall, except for the Existing Liens and Encumbrances, promptly discharge any lien which has priority over this Impact Fund (Balloon) Loan Mortgage unless Borrower; (i) agrees in writing to the payment of the obligation secured by such lien in a manner acceptable to Impact Fund Lender; (ii) contests in good faith such lien by, or defends against enforcement of such lien in, legal proceedings which in Impact Fund Lender's opinion operates to prevent the enforcement of the lien or forfeiture of any part of the Mortgaged Property; or (iii) secures from the holder of the lien an agreement satisfactory to Impact Fund Lender subordinating the lien to this Impact Fund (Balloon) Loan Mortgage. If Impact Fund Lender determines that any part of the Mortgaged Property is subject to a lien which may attain priority over this Impact Fund (Balloon) Loan Mortgage, except for the Existing Liens and Encumbrances, Impact Fund Lender may give Borrower a notice identifying the lien and Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of such notice.

Borrower shall not enter into any agreement that alters any of the provisions of the Existing Liens and Encumbrances without first obtaining the written approval of the Impact Fund Lender.

4. **Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Mortgaged Property insured against loss by fire, hazards included within the term "extended coverage," and such other hazards for which Impact Fund Lender requires insurance. This insurance shall be maintained in the amounts and for the periods Impact Fund Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Impact Fund Lender's approval, which such approval shall not be unreasonably withheld.

All insurance policies and renewals must be in a form that is acceptable to Impact Fund Lender, and shall include a standard mortgage clause in favor of Impact Fund Lender. Impact Fund Lender shall have the right to hold the policies and renewals thereof. If Impact Fund Lender requires, Borrower shall promptly give to Impact Fund Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Impact Fund Lender. Impact Fund Lender may make proof of loss if not made promptly by Borrower.

Insurance proceeds shall, unless Impact Fund Lender and Borrower otherwise agree in writing, be applied to restoration or repair of the damaged Mortgaged Property if such restoration or repair is economically feasible and Impact Fund Lender's security is not lessened. If such restoration or repair is not economically feasible or Impact Fund Lender's security would be lessened, then the insurance proceeds shall be applied to the sums secured by this Impact

Fund (Balloon) Loan Mortgage, whether due or not, with any excess paid to Borrower. If Borrower abandons the Mortgaged Property or does not answer within 30 days a notice from Impact Fund Lender that the insurance carrier has offered to settle a claim, then Impact Fund Lender may collect the insurance proceeds. Impact Fund Lender may use the proceeds to repair or restore the Mortgaged Property or to pay sums secured by this Impact Fund (Balloon) Loan Mortgage, whether or not then due. The 30-day period will begin when the notice is given.

Unless Impact Fund Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date referred to in the Impact Fund (Balloon) Loan Note. If under Section 17 the Mortgaged Property is acquired by Impact Fund Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Mortgaged Property prior to the acquisition shall pass to Impact Fund Lender to the extent of the sums secured by this Impact Fund (Balloon) Loan Mortgage immediately prior to such acquisition.

The provisions contained in this Section 4 are subject to any contrary provisions contained in the Existing Liens and Encumbrances or any other mortgage, deed of trust, contract for deed, or other security agreement that Impact Fund Lender has consented to in writing and to which this Impact Fund (Balloon) Loan Mortgage is subordinate.

5. **Preservation and Maintenance of Property; Leaseholds; Condominiums; and Planned Unit Developments.** Borrower shall keep the Mortgaged Property in good repair, and shall not destroy, damage or substantially change the Mortgaged Property, allow the Mortgaged Property to deteriorate, commit waste, or permit impairment or deterioration of the Mortgaged Property. Borrower shall further comply with the provisions of any lease if this Impact Fund (Balloon) Loan Mortgage is on a leasehold. If this Impact Fund (Balloon) Loan Mortgage is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and the constituent documents.

6. **Protection of Impact Fund Lender's Security.** If Borrower defaults under this Impact Fund (Balloon) Loan Mortgage, or if there is any proceeding that may significantly affect Impact Fund Lender's interest in the Mortgaged Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Impact Fund Lender may, in its sole discretion, do and pay for whatever is necessary to protect the value of the Mortgaged Property and Impact Fund Lender's rights in the Mortgaged Property. Impact Fund Lender's actions may include paying any sums secured by a lien that has priority over this Impact Fund (Balloon) Loan Mortgage, appearing in court, paying reasonable attorneys' fees and entering on the Mortgaged Property to make repairs.

Any amounts disbursed by Impact Fund Lender under this Section 6 shall become additional debt of Borrower secured by this Impact Fund (Balloon) Loan Mortgage. These amounts shall bear interest from the date of disbursement at the lesser of 10% per annum or the highest interest rate permissible under applicable law, and shall be payable, with interest, upon notice from Impact Fund Lender to Borrower requesting payment.

Any action taken or expense incurred by Impact Fund Lender hereunder shall be in its sole

discretion, and nothing contained in this Section 6 shall require Impact Fund Lender to take any action or to incur any expense hereunder.

7. **Inspections.** Impact Fund Lender may make or cause to be made reasonable entries upon and inspections of the Mortgaged Property. Provided, however, Impact Fund Lender shall give Borrower notice at the time of or prior to any inspection specifying reasonable cause for the inspection.

8. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Mortgaged Property or for conveyance in lieu of condemnation are hereby assigned and shall be paid to Impact Fund Lender. In the event of a total taking of the Mortgaged Property, the proceeds shall be applied to the sums secured by this Impact Fund (Balloon) Loan Mortgage, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Mortgaged Property, unless Borrower and Impact Fund Lender otherwise agree in writing, a portion of such proceeds shall be applied against the indebtedness secured by this Impact Fund (Balloon) Loan Mortgage, with such portion being equal to the amount of the proceeds multiplied by a fraction the numerator of which is the total amount of the sums secured by this Impact Fund (Balloon) Loan Mortgage immediately before the taking, and the denominator of which is the fair market value of the Mortgaged Property immediately before the taking. Any balance shall be paid to Borrower.

If the Mortgaged Property is abandoned by Borrower, or if Borrower, after notice by Impact Fund Lender that the condemner offers to make an award or settle a claim for damages, fails to respond to Impact Fund Lender within 30 days after the date the notice is given, then Impact Fund Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Mortgaged Property or to the sums secured by this Impact Fund (Balloon) Loan Mortgage, whether or not then due.

Unless Impact Fund Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date referred to in the Impact Fund (Balloon) Loan Note.

The provisions contained in this Section 8 are subject to any contrary provisions contained in the Existing Liens and Encumbrances or any other mortgage, deed of trust, contract for deed, or other security agreement that Impact Fund Lender has consented to in writing and to which this Impact Fund (Balloon) Loan Mortgage is subordinate.

9. **Borrower Not Released; Forbearance by Impact Fund Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Impact Fund (Balloon) Loan Mortgage granted by Impact Fund Lender to Borrower or any successor in interest of Borrower shall not operate to release any liability of the Borrower or Borrower's successors in interest. Impact Fund Lender shall not be required to commence proceedings against any successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Impact Fund (Balloon) Loan Mortgage by reason of any demand made by Borrower or Borrower's successors in interest. Any forbearance by Impact Fund Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any such right or remedy.

10. **Successors and Assigns Bound; Joint and Several Liability; Co-Signers.** The covenants and agreements herein contained shall, subject to the provisions contained in Section 16 below, bind and benefit the successors and assigns of Impact Fund Lender and Borrower. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Impact Fund (Balloon) Loan Mortgage but does not execute the Impact Fund (Balloon) Loan Note; (i) is co-signing this Impact Fund (Balloon) Loan Mortgage only to mortgage, grant and convey that Borrower's interest in the Mortgaged Property under the terms of this Impact Fund (Balloon) Loan Mortgage, (ii) is not personally obligated to pay the sums secured by this Impact Fund (Balloon) Loan Mortgage, and (iii) agrees that Impact Fund Lender and any other Borrower may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Impact Fund (Balloon) Loan Mortgage or the Impact Fund (Balloon) Loan Note without that Borrower's consent and without releasing that Borrower or modifying this Impact Fund (Balloon) Loan Mortgage as to that Borrower's interest in the Mortgaged Property.
11. **Loan Charges.** If the indebtedness secured by this Impact Fund (Balloon) Loan Mortgage is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other charges collected or to be collected in connection with such indebtedness exceed the permitted limits, then; (i) any such charges shall be reduced by the amount necessary to reduce the charge to the permitted limit, and (ii) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Impact Fund Lender may choose to make this refund by reducing the principal owed under the Impact Fund (Balloon) Loan Note or by making direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Impact Fund (Balloon) Loan Note.
12. **Legislation Affecting Impact Fund Lender's Rights.** If enactment or expiration of applicable laws has the effect of rendering any provision of the Impact Fund (Balloon) Loan Note or this Impact Fund (Balloon) Loan Mortgage unenforceable according to its terms, then Impact Fund Lender, in its sole discretion, may require immediate payment in full of all sums secured by this Impact Fund (Balloon) Loan Mortgage and may invoke any remedies permitted under Section 17 below. If Impact Fund Lender exercises this option, then Impact Fund Lender shall give Borrower notice of such acceleration, and the notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower may pay all sums secured by this Impact Fund (Balloon) Loan Mortgage. If Borrower fails to pay such sums prior to the expiration of such time period, then Impact Fund Lender may invoke any remedies permitted by this Impact Fund (Balloon) Loan Mortgage without further notice or demand on Borrower.
13. **Notice.** Except for any notice required under applicable law to be given in another manner any notice to Borrower provided for in this Impact Fund (Balloon) Loan Mortgage shall be given by delivering it or by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Impact Fund Lender as provided herein, and any notice to Impact Fund Lender shall be given by certified mail to Impact Fund Lender's address stated herein or to such other address as Impact Fund Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Impact Fund (Balloon) Loan Mortgage shall be deemed to have been given to Borrower or Impact Fund Lender when given in the manner provided in this Section 13.

Borrower shall promptly notify Impact Fund Lender of the occurrence of any act or action referred to under the definition for "Maturity Date" in the Impact Fund (Balloon) Loan Note.

14. **Governing Law and Venue; Severability.** This Impact Fund (Balloon) Loan Mortgage shall be governed by the laws of the State of Minnesota and any action brought under this Impact Fund (Balloon) Loan Mortgage or the Impact Fund (Balloon) Loan Note shall be brought in the Minnesota District Court for the County of Ramsey, State of Minnesota. If any provision or clause of this Impact Fund (Balloon) Loan Mortgage or the Impact Fund (Balloon) Loan Note conflicts with applicable law, such conflict shall not affect other provisions of this Impact Fund (Balloon) Loan Mortgage or the Impact Fund (Balloon) Loan Note that can be given effect without that conflicting provision, and to this end the provisions of this Impact Fund (Balloon) Loan Mortgage and the Impact Fund (Balloon) Loan Note are declared severable.
15. **Borrower's Copy.** Borrower shall be given a conformed copy of the Impact Fund (Balloon) Loan Note and of this Impact Fund (Balloon) Loan Mortgage at the time of execution or within a reasonable time after recordation hereof.
16. **Transfer of the Mortgaged Property.** If all or any part of the Mortgaged Property, or an interest therein, is sold or transferred, whether by lease, deed, contract for deed, or otherwise, whether for consideration or by gift or in the event of death or otherwise, and whether voluntarily, involuntarily or by operation of law, then all sums secured by this Impact Fund (Balloon) Loan Mortgage shall be immediately due and payable. Notwithstanding the foregoing; (i) if the Borrower owns the Mortgaged Property as co-tenants, tenants in common, or joint tenants, then a transfer of the Mortgaged Property, or any interest therein, from one co-tenant to another co-tenant, from one tenant in common to another tenant in common, or from one joint tenant to another joint tenant, whether by reason of death or otherwise, shall not be considered a transfer; (ii) a taking by eminent domain of a portion of the Mortgaged Property shall not be considered a transfer, unless it is a total taking in the sense that payment is made for the full value of the Mortgaged Property, (iii) the creation of a sale or transfer which has been consented to in writing by Impact Fund Lender shall not be considered a transfer, (iv) the creation of a purchase money security interest for household appliances shall not be considered a transfer, and (v) any transfer that is required by law shall not be considered a transfer.

Impact Fund Lender shall give Borrower notice of such acceleration, and the notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower may pay all sums secured by this Impact Fund (Balloon) Loan Mortgage. If Borrower fails to pay such sums prior to the expiration of such time period, then Impact Fund Lender may invoke any remedies permitted by this Impact Fund (Balloon) Loan Mortgage without further notice or demand on Borrower.

NONUNIFORM COVENANTS. Borrower and Impact Fund Lender further agree as follows:

17. **Acceleration; Remedies.** Impact Fund Lender shall, prior to its acceleration of the indebtedness secured by this Impact Fund (Balloon) Loan Mortgage, give written notice to Borrower by certified mail of any breach or default by Borrower of any covenant or agreement in the Impact Fund (Balloon) Loan Note or this Impact Fund (Balloon) Loan

Mortgage. The notice shall specify; (i) the breach or default, (ii) the action required to cure such breach or default, (iii) a date, not less than 30 days from the date the notice is given to Borrower, by which such breach or default must be cured, (iv) that failure to cure the breach or default on or before the date specified in the notice may result in acceleration of the sums secured by this Impact Fund (Balloon) Loan Mortgage and the sale of the Mortgaged Property, and (v) that failure to cure such breach or default shall result in interest accruing on the sums secured by this Impact Fund (Balloon) Loan Mortgage from and after the date of Borrower's breach or default at the lesser of 10% per annum or the highest lawful interest rate. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a breach or default or any other defense of Borrower to acceleration and sale. If the breach or default is not cured on or before the date specified in the notice, or if the "Maturity Date" as such term is used and defined in the Impact Fund (Balloon) Loan Note, has occurred, then Impact Fund Lender, at its sole option and discretion, may require immediate payment in full of all of sums secured by this Impact Fund (Balloon) Loan Mortgage without further demand, and may invoke the power of sale and any other remedies permitted by applicable law. Impact Fund Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this Section 17, including, but not limited to, reasonable attorneys' fees.

If Impact Fund Lender invokes the power of sale, then the Mortgaged Property shall be sold at public auction in the manner prescribed by applicable law. Impact Fund Lender or its designee may purchase the Mortgaged Property at any sale. The proceeds of the sale shall be applied in the following order; (i) to all sums secured by this Impact Fund (Balloon) Loan Mortgage; (ii) to all costs and expenses of the sale, including, but not limited to, reasonable attorneys' fees; and (iii) the excess, if any, to the person or persons legally entitled thereto.

18. **Borrower's Right to Reinstate.** Notwithstanding Impact Fund Lender's acceleration of the sums secured by this Impact Fund (Balloon) Loan Mortgage due to Borrower's breach or default, Borrower shall have the right to have any proceedings begun by Impact Fund Lender to enforce this Impact Fund (Balloon) Loan Mortgage discontinued at any time prior to the earlier to occur of the sale of the Mortgaged Property pursuant to the power of sale contained herein or the entry of a judgment enforcing this Impact Fund (Balloon) Loan Mortgage, if (i) Borrower pays Impact Fund Lender all sums constituting the default actually existing under this Impact Fund (Balloon) Loan Mortgage and the Impact Fund (Balloon) Loan Note at the commencement of foreclosure proceeding under this Impact Fund (Balloon) Loan Mortgage, (ii) Borrower cures all breaches or defaults of any other covenants or agreements of Borrower contained in this Impact Fund (Balloon) Loan Mortgage, (iii) Borrower pays all reasonable expenses incurred by Impact Fund Lender in enforcing the covenants and agreements of Borrower contained in this Impact Fund (Balloon) Loan Mortgage, and in enforcing Impact Fund Lender's remedies as provided in Section 17, including, but not limited to, reasonable attorneys' fees; and (iv) Borrower takes such action as Impact Fund Lender may reasonably require to assure that the lien of this Impact Fund (Balloon) Loan Mortgage, Impact Fund Lender's interest in the Mortgaged Property, and Borrower's obligation to pay the sums secured by this Impact Fund (Balloon) Loan Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Impact Fund (Balloon) Loan Mortgage and the obligation secured hereby shall remain in full force and effect as if no acceleration had occurred.

19. **Release.** Upon payment of all sums secured by this Impact Fund (Balloon) Loan Mortgage, Impact Fund Lender shall discharge this Impact Fund (Balloon) Loan Mortgage without charge to Borrower. Borrower shall pay all costs of recordation.
20. **Waiver of Homestead.** Borrower hereby waives all right of homestead exemption in the Mortgaged Property.
21. **Subject to Existing Liens and Encumbrances.** This Impact Fund (Balloon) Loan Mortgage is subject and subordinate to the Existing Liens and Encumbrances, but not to any modification, extension, replacement, or renewal thereof, and only to the extent of the amounts from time to time remaining unpaid thereon, and no further or additional documents shall be needed or required to effectuate such subordination.
22. **Principal Residence.** Borrower shall, for all time periods that any amount is due and owing under the Impact Fund (Balloon) Loan Note and this Impact Fund (Balloon) Loan Mortgage is outstanding, occupy the Mortgaged Property as its principal residence.
23. **Validity of Information.** All of the facts and information Borrower supplied regarding the loan evidenced by and relating to the Impact Fund (Balloon) Loan Note and this Impact Fund (Balloon) Loan Mortgage, and the loans secured by the Existing Liens and Encumbrances were true at the time they were made.
24. **U.S. Department of Housing and Urban Development/Federal Housing Administration.** In the event of foreclosure or deed in lieu of foreclosure of the First Mortgage by the Federal Housing Administration or assignment of the First Mortgage to the Secretary of Housing and Urban Development, any provisions herein or any provisions in any other collateral agreement restricting the use of the Mortgaged Property or otherwise restricting the Borrower's ability to sell the Mortgaged Property shall have no further force or effect. Any person, including their successors or assigns (other than the Borrower or a related entity of the Borrower), receiving title to the Mortgaged Property through a foreclosure or deed in lieu of foreclosure of the First Mortgage by the Federal Housing Administration or assignment of the First Mortgage to the Secretary of Housing and Urban Development shall receive title to the Mortgaged Property free and clear from such restrictions and Impact Fund Lender will release such restrictions after foreclosure or acceptance of deed in lieu of foreclosure by the Federal Housing Administration or after assignment of the First Mortgage to the Secretary of Housing and Urban Development.
25. **Contractual Liability.** Notwithstanding anything to the contrary contained herein, if the Borrower's default results solely from the Borrower's violation of a restriction on conveyance, then Borrower is not contractually liable for Impact Fund Lender's expenses or any other amounts except for repayment of the original indebtedness.

IN WITNESS WHEREOF, Borrower has executed this Impact Fund (Balloon) Loan Mortgage on the day and date first above written.

BORROWER(S)

Signature

Type Name of Borrower

Signature

Type Name of Borrower

State of Minnesota }
County of _____ } ss.

This instrument was acknowledged before me this _____ day of _____,
_____ , by _____.

Notary Public

Space Below This Line Reserved for Impact Fund Lender and Recorder.

Inspiring Communities Homebuyer Assistance

LOAN GUIDELINES

March 31, 2022

Program Overview

Homebuyer Assistance loans, also referred to as down payment or entry cost assistance loans, are available to owner-occupant buyers of properties redeveloped under the Inspiring Communities program.

Borrower Eligibility

Owner Occupancy: Borrowers must occupy the property as their principal residence for at the term of their Homebuyer Assistance loan.

Household Income Limit: Generally, Borrowers must have an annual gross household income of 80% of the Area Median Income or less. Other income limits may apply to sales of certain properties.

Education Requirement: Prospective buyers must attend Neighborhood Stabilization Program-approved homebuyer counseling or education within the 12 months prior to purchase. All Borrowers and people taking title to the property must attend and provide certificates of completion to the HRA. For more information, and a link to approved agencies visit: <http://www.hocmn.org>.

Minimum Borrower Contribution: Borrower must contribute their own funds to the cost to purchase. The amount varies depending on the Borrower's household income and the housing type of the property. See the table below.

Borrower's Household Income:	Property Type	Minimum Borrower Contribution:
At or below 70% AMI	Townhome or Single-Family Home (SFH)	\$1,500
	Duplex, or SFH with ADU	1.5% of the purchase price
Over 70% AMI	Townhome or Single-Family Home (SFH)	1% of the purchase price
	Duplex, or SFH with ADU	2% of the purchase price

First Time Home Buyer: Not required. Borrower may have previously owned a home.

Timing: Closing must be on or after June 1, 2022 and on or before December 31, 2025.

Loan Details

Loan Amounts: All eligible Borrowers qualify for Homebuyer Assistance of \$5,000.00.

Amounts greater than \$5,000.00 may be provided to Borrowers whose projected household housing ratio must exceed 30% prior to accounting for Homebuyer Assistance. The amount of Homebuyer Assistance will be the amount necessary to achieve a household housing ratio of 30%, then rounded up to the nearest \$500, not to exceed the amounts shown in the table below.

Household Income	And the Property is a	Amount of Homebuyer Assistance
At or below 70% AMI	Townhome	Between \$5,000 and \$30,000
	Single-family home	Between \$5,000 and \$40,000
	Duplex, or single-family home with an ADU	Between \$5,000 and \$90,000
Over 70% AMI	Townhome	Between \$5,000 and \$15,000
	Single-family home	Between \$5,000 and \$25,000
	Duplex, or single-family home with an ADU	Between \$5,000 and \$90,000

Funding Sources: Loans will be funded by local HRA or City of Saint Paul dollars, or by funds awarded to the HRA from the Minnesota Housing Finance Agency's Community Homeownership Impact Fund ("Impact Fund").

Interest Rate: 0%

Term: **Locally-funded loans of \$5,000** will be forgiven at a rate of 1/5 annually, so that they are completely forgiven after five (5) years.*

Locally-funded loans of over \$5,000 will be forgiven at a rate of 1/30 annually, so that they are completely forgiven after 30 years.*

Loans funded by Impact Fund dollars are balloon loans, deferred until and payable upon expiration of the 30-year loan term.*

*In any case, if the buyer sells or no longer occupies the property during the term of the loan, the remaining balance becomes due and payable.

Loan Security: Loans will be evidenced by a promissory note and secured in the name of the HRA or Minnesota Housing Finance Agency by a mortgage recorded against the property.

Loan Servicing: Locally funded loans will be serviced by the HRA. Impact Fund loans will be serviced by the Minnesota Housing Finance Agency's designated servicer.

How to Apply

[INFORMATION PENDING]

These program guidelines may be amended, modified or terminated from time to time and without notice by the HRA.

Inspiring Communities Addendum to Purchase Agreement

Addendum to Purchase Agreement between _____
("Seller") and _____ ("Buyer")
dated _____, 20____, pertaining to the purchase and sale of real property at
_____, Saint Paul, Minnesota.

1. The Buyer acknowledges that the following documents have been made available to Buyer for review and inspection, namely:
 - a. Lead hazard risk assessment completed by a certified lead hazard risk assessor, dated _____. (Not required for homes built after 1978.)
 - b. Lead clean to clearance report indicating that the property has "passed" post-rehab lead testing, dated _____. (Not required for homes built after 1978, nor for all rehabilitation of pre-1978-built homes.)
 - c. Radon test reports either indicating acceptable levels of radon or that no radon is present or that a radon mitigation system has been installed, dated _____.
 - d. The final Home Performance with ENERGY STAR certificate or final Home Energy Rating System (HERS) report from the third-party energy auditor, dated _____.
 - f. Homebuyer Information Packet (which Buyer agrees to deliver to Seller prior to closing), including the Privacy Notice, Household Demographic/Project Information Consent Form and Tennessee Warning.
 - g. Homebuyer Assistance Note(s) and Homebuyer Assistance Mortgage(s), or Declaration(s) of Covenants, as applicable.
 - h. Disclosure report required under Minn Stat 513.52 to 513.60 dated _____.
 - i. Other _____.
2. The Buyer acknowledges receipt of the inspiring Communities Homebuyer Assistance Incentive Program Guidelines offered by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota.
3. The Buyer acknowledges that its private lender is required under Neighborhood Stabilization Program (NSP) Guidelines to execute a Certification and Agreement from the Buyer's lender that the lender agrees to comply with the bank regulator's guidance for non-traditional mortgages located in FDIC regulations, Chapter 5000-Statements of Policy-Interagency Guidance on Nontraditional Mortgage Product Risks. The Buyer hereby authorizes Seller to request such Certification and Agreement directly from Buyer's lender, and Seller has the right to approve or reject such Certification and Agreement. This Purchase Agreement is subject to Seller's approval of such Certification and Agreement and if such approval is not given, then this Purchase Agreement is terminated and neither party shall have any further rights or obligations hereunder except that any earnest money paid by a Buyer shall be returned.

4. The Buyer agrees to attend and complete, or has already attended and completed, the required 8 hours of homebuyer training as required by the Inspiring Communities Program and to submit to Seller prior to and as a condition of closing, a certificate evidencing such course completion that will be dated within twelve months of date of closing.

5. The Buyer certifies and represents that the Buyer's projected gross annual household income does not exceed the income limit applicable to the above referenced property, and that this certification will be true and correct as of the date of closing. The income limit for the above referenced property is (Seller check one):

- 60% of area median income
- 70% of area median income
- 80% of area median income
- 115% of area median income
- 120% of area median income
- Income restrictions not applicable

6. If the Buyer does not satisfy all of the conditions to closing as described in this Addendum and Purchase Agreement, then the Seller has the option to terminate this Purchase Agreement and return the earnest money to Buyer, or waive the conditions and proceed to closing.

7. The Buyer agrees to occupy the Property as Buyer's principal residence for no less than five (5) years from the date of closing and for the duration required by any Homebuyer Assistance Note(s), Homebuyer Assistance Mortgage(s), and declaration(s) of covenants executed by the Buyer.

8. The terms and conditions of this Addendum prevail over any inconsistent term or condition in the Purchase Agreement

IN WITNESS WHEREOF, the Buyer and Seller have executed this Addendum on _____, 202__.

Seller: _____

By _____

Its _____

Buyer:



SAINT PAUL
PLANNING & ECONOMIC
DEVELOPMENT

*****This Draft Request for Proposals is provided for informational purposes only and is not an official document. Do not respond.*****

Inspiring Communities: Homeownership Development Program

DEVELOPER APPLICATION

RESPONSES DUE: Approximately six to eight weeks after the Release Date

Application Submittal Requirements and Checklist

Respondents must adhere to the submission requirements. Failure to comply with the instructions of this RFP will be cause for rejection of the proposal. The HRA reserves the right to seek additional information to clarify responses to this RFP and to reject any or all submittals it deems nonresponsive or incomplete.

Each response must include the following:

- Proposal Summary. Provide one Proposal Summary per Applicant/Respondent (not per address). See attached.
- Business Application. Provide one Business Application per Applicant/Respondent (not per address). See attached.
 - Resumes or description of qualifications of each development team member
 - Evidence of financing consistent with sources and uses statements
 - Disclosure Affidavit and Statement of Non-Collusion
- Project Application. Provide one Project Application per address. See attached.
 - Conceptual drawings (draft form is acceptable)
 - Site plan indicating any proposed changes and siting of structures, as applicable
 - Typical floor plans showing floor area totals, room purpose and layout
 - Elevations identifying building materials (notations may be made on an existing image so long as the end result is clear)
 - Sources and uses statement. See attached.
 - Assumption of Risk, Waiver, Covenant Not to Sue, Indemnity and Release of Liability
 - Community Land Trust (CLT) Ground Lease if the project will be part of a CLT

PROPOSAL SUMMARY

Inspiring Communities Request for Proposals
Housing and Redevelopment Authority of the City of Saint Paul Homeownership and Rental
Housing Development Programs
For each property, indicate the required information.

Business/Developer Name: _____

	Property Address	Purchase Price	Value Gap Request
1.		\$	\$
2.		\$	\$
3.		\$	\$
4.		\$	\$
5.		\$	\$
6.		\$	\$
7.		\$	\$
8.		\$	\$
9.		\$	\$
10.		\$	\$

For each address included on this Project Summary, attach a sources and uses document.
Refer to the [Inspiring Communities webpage](#) to download the sources and uses document template.

BUSINESS APPLICATION

Complete and submit one Business Application.

1. Business/Developer Name: _____
 Address: _____
 Telephone: _____
 Contact: _____
 E-Mail Address: _____
 Federal Tax ID number: _____

2. List individuals having an interest of ten percent (10%) or more in the business.

Name	Title	Description of Interest	Percentage of Interest

3. The business was established on _____, _____, organized or operating under the laws of the state of _____, as:

- _____ A corporation
 _____ A limited liability company
 _____ A non-profit or charitable institution or corporation
 _____ A partnership known as _____

_____ A business association or a joint venture known as _____

4. Number of years in business: _____

5. List the members of the development team and consultants. Insert additional pages as necessary (attach resumes or qualifications of all members of the development team)

Name	Title	Firm	Role

6. The Respondent is certified as a:
- a. Community Housing Development Organization (CHDO) _____
 - b. Community-Based Development Organization (CBDO) _____
 - c. Section 3 organization _____
 - d. CERT Certified business (check all that apply) ___ MBE ___ WBE ___ SBE ___ ESBE
7. Is the Respondent a community land trust (CLT), or a nonprofit organization with a community land trust program?
- _____ Yes _____ No
8. On a separate page please provide the following information (limit to 4 pages or less):
- a. Description of the Respondent's real estate development and other relevant experience.
 - b. List of similar projects, if any, completed by the Respondent within the past five years.
 - c. A narrative overview of the financial structure of the projects proposed. Identify the sources of equity investment and the sources and terms of lender or other financing. Address both construction and permanent gap financing. Additional material may be requested if necessary. Attach evidence of financing consistent with sources and uses statements. If in process of obtaining financing, please describe your plan for obtaining financing and past successes and challenges with accessing credit and capital.
 - d. Description of marketing strategy or plan.
 - e. Description of strategy for achieving the Equity Scoring Criteria; give details about how interest will be solicited from local residents or contractors. Creativity to this approach is encouraged.
 - f. Additional comments.

The information contained herein is true and correct to the best of my/our knowledge and belief.

Signature	Title	Date
Signature	Title	Date

DISCLOSURE AFFIDAVIT AND STATEMENT OF NON-COLLUSION

Complete and submit one Disclosure Affidavit and Statement of Non-Collusion.

1. PRINCIPAL INFORMATION

This affidavit must be completed by an authorized person or persons on behalf of the business or non-profit entity (“Business”) submitting the proposal.

If the Business is a for-profit, investors, officers, and principal members having an interest of ten (10%) or more of the corporation must submit individual copies of this affidavit. If the Business is a non-profit, the executive director must provide an individual submission.

Business Name	
Business Address	
Individual Name	
Phone Number	
Email Address	

2. PRINCIPAL DISCLOSURES

Check the boxes below regarding each individual and/or business listed above. For each item listed below answered in the affirmative, please provide a full explanation including, as appropriate, (1) date, (2) charge or claim, (3) place, (4) court and case number, (5) current status of case, and (6) outcome of case. Attach documentation as necessary.

- a. Business/Individual is a party in a pending lawsuit.
 YES NO
- b. Business /Individual is the subject of a judgment or has a conviction or pending case for criminal or civil fraud or bribery.
 YES NO
- c. Business /Individual has a conviction or pending case for arson.
 YES NO
- d. Business /Individual has been indicted for or convicted of any felony within the past 10 years.
 YES NO
- e. Business /Individual has been a debtor in a bankruptcy proceeding, either voluntary or involuntary, within the past 10 years.
 YES NO
- f. Business /Individual has unpaid delinquent taxes, municipal liens, and/or outstanding civil money judgments.
 YES NO

- g. Business /Individual has been declared in default of a loan or failed to complete a development project.
__YES __NO
- h. Is the Business in good standing with the Minnesota Office of the Secretary of State?
__YES __NO
- i. Is the Business /Individual subject to any defaults, liens, or judgments?
__YES __NO
- j. Has the Business /Individual failed to complete or currently in violation of a development agreement or other agreement involving the City of Saint Paul or the Housing and Redevelopment Authority of the City of Saint Paul?
__YES __NO
- k. Has the Business /Individual previously been involved in a lawsuit with the City of Saint Paul or the Housing and Redevelopment Authority of the City of Saint Paul?
__YES __NO
- l. Does the Business /Individual own property that is currently subject to multiple housing code violations or prompted three or more police calls within the last year?
__YES __NO
- m. Has the Business /Individual failed to obtain a required permit for work performed in the City of Saint Paul?
__YES __NO

Statement of Non-Collusion

The Individual signing this affidavit, on his/her own behalf or on the Business's behalf, as applicable, swears or affirms that:

1. He or she is fully informed respecting the preparation and contents of the subject proposal.
2. The proposal is genuine and is not a collusive or sham offer, nor does the Business/Individual, as applicable, intend to hold said property as a "speculative" investment.
3. The price or prices quoted in this offer are fair and proper and this Business/Individual or any of its officers, partners, agents, representatives, owners, or employees, as applicable, has not in any manner sought to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against the City, or any person interested in the proposed contract and/or redevelopment.

I swear or affirm, on my own behalf or on the Business's behalf, as applicable, that the information contained in this Disclosure Affidavit is true and correct to the best of my/our knowledge and belief. I further acknowledge that the statements made in this Disclosure Affidavit are material and will be relied upon by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, in determining what action to take on this proposal.

I understand that I may be required to acknowledge before a notary public that my signature below is genuine.

Signature	Title	Date

PROJECT APPLICATION

Complete one form for each address.

Property Address: _____

Developer: _____

1. Proposed project description: Building square footage, size of property, description of buildings-materials, scope of work description, etc. To the extent available, attach conceptual drawings including site plan, elevations and floor plans if new construction or major redesign of the floor plan.

2. Which maximum income limit will apply to this project? Select one.

The Qualified Homebuyer must have a household income that at the time of initial occupancy does not exceed:

80% AMI.

70% AMI.

60% AMI.

9. Is the Respondent partnering with a community land trust (CLT) on this project? If yes, identify the CLT partner. If no, skip to the next question.

Partner CLT Name: _____

Address: _____

Telephone: _____

Contact: _____

E-Mail Address: _____

Federal Tax ID number: _____

The CLT partner is certified as a (check all that apply):

a. Community Housing Development Organization (CHDO) _____

b. Community-Based Development Organization (CBDO) _____

c. Section 3 organization _____

d. CERT Certified business (check all that apply) MBE WBE SBE ESBE

3. State specific reasons why the use of HRA assistance is necessary for the project

4. Provide the justification for expected sales prices to end buyers. Attach supporting material.

5. Submit a sources and uses statement for the subject address. (See form attached.)

6. Project completion schedule:

- 12 Months or less
- More than 12 months
 - Time required: _____

7. Additional Comments:

The information contained herein is true and correct to the best of my/our knowledge and belief.

Signature	Title	Date
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