

ATTACHMENT NO. 8

ARPA REGULATORY AGREEMENT

RECORDING REQUESTED BY

AND WHEN RECORDED RETURN TO:)

)

)

City of Riverside)

3900 Main Street)

Riverside, CA 92522)

Attn: Housing Project Manager)

)

Project: Oaktree Apartments)

(Space above for Recorder's Use Only)

This document is exempt from the payment of a recording fee
pursuant to Government Code Section 27383.

[Reviewer's Note: This regulatory agreement is well done. There are some basic
revisions needed to match up the defined terms with the Loan Agreement that I did
not view as being part of the peer review; it is just basic clean-up work.]

**AMERICAN RESCUE PLAN ACT (ARPA)
REGULATORY AGREEMENT**

THIS AMERICAN RESCUE PLAN ACT (ARPA) REGULATORY AGREEMENT
("ARPA Regulatory Agreement") dated for identification purposes only as of September ____,
20225, by and between the CITY OF RIVERSIDE, a California charter city and municipal
corporation ("City") and RIVERSIDE HOUSING DEVELOPMENT CORPORATION, a
California nonprofit public benefit corporation ("Borrower").

RECITALS

Capitalized terms used in these recitals and not otherwise defined shall have the meaning
set forth in Section 1 of this ARPA Regulatory Agreement.

- A. The City is a California charter city and municipal corporation.
- B. The sole member and manager of the general partner of the Borrower is a California
nonprofit public benefit corporation.
- C. In furtherance of the City's affordable housing goals and activities, the City and the
Borrower entered into that certain American Rescue Plan Act (ARPA) Loan Agreement, dated for
identification purposes only as of September , 2025 ("ARPA Loan Agreement"), which is

incorporated herein by this reference and a copy of which is on file as public record of the City at its offices located at 3900 Main Street, Riverside, CA 92522.

D. The Borrower owns the parcel described in the Property Legal Description attached hereto as Exhibit “A.”

E. Pursuant to the ARPA Loan Agreement, the City has agreed to provide financial assistance (“ARPA Loan”) in connection with the development of the Property (“Project”).

F. This ARPA Regulatory Agreement is intended to ensure that the Borrower, its successors, its assigns and every successor in interest to the Property or any part thereof, shall use, maintain and operate the Project in accordance with the terms and conditions of this ARPA Regulatory Agreement, including that the ARPA-Assisted Units shall be available only to Qualified Tenants at Affordable Rent as specified herein for not less than twenty (20) years.

G. The provision of the ARPA Loan to the Borrower and the completion and operation of the Project pursuant to the terms and conditions of the ARPA Loan Agreement and this ARPA Regulatory Agreement are in the vital and best interest of the health, safety and welfare of the residents of the City of Riverside, and are in accord with the public purposes and provisions of applicable state and local laws.

NOW, THEREFORE, the foregoing recitals are a substantive part of this ARPA Regulatory Agreement and in consideration of their mutual covenants and conditions, the Parties hereto agree as follows:

1. DEFINITIONS

The following terms of this ARPA Regulatory Agreement shall have the meanings set forth below. Any capitalized terms not defined below shall have the meaning set forth therefor in the ARPA Loan Agreement and attachments thereto:

“Act” means the Housing Act of 1959, as amended or the Cranston-Gonzales National Affordable Housing Act.

“Affordability Period” means the period commencing upon the recordation of the Release of Construction Covenants and terminating on the twentieth (20th) anniversary thereof.

“Affordable Rent” means, with respect to the ARPA-Assisted Units, the amount of monthly rent, including a reasonable utility allowance, to be charged by the Borrower and paid by a tenant household which does not exceed for a Very Low Income Household, the Low HOME Rent. For purposes of calculating Affordable Rent a “reasonable utility allowance” shall be the allowance established by the Riverside County Housing Authority or such lesser allowance reasonably permitted by the City.

“ARPA Loan” means the grant from the City in an amount not to exceed Six Hundred Thousand Forty-Four Thousand Three Hundred Eighty-Four Dollars and 65 Cents (\$644,384.65) as provided in the ARPA Loan Agreement.

“City” means the City of Riverside, a California charter city and municipal corporation.

“City Manager” means the City Manager of the City or designated representative.

“Effective Date” means the Effective Date of the ARPA Loan Agreement.

“Environmental Laws” means any and all present and future federal, state and local laws (whether under common law, statute, ordinance, rule, regulation or otherwise), court or administrative orders or decrees, requirements of permits issued with respect thereto, and other requirements of governmental authorities relating to the environment or to any Hazardous Substance or Hazardous Substance Activity (including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. § 9601, *et seq.*), as heretofore or hereafter amended from time to time (“CERCLA”), and the applicable provisions of the California Health & Safety Code and the California Water Code, and any and all successor statutes and regulations, orders, decrees, guidelines, or pronouncements promulgated thereunder).

“Event of Default” means the failure of a party to perform any action or covenant required by this Regulatory of Agreement within the time periods provided herein following notice and opportunity to cure, as set forth in Section 8.1 of the ARPA Loan Agreement.

“Governmental Regulations” means any local, state, and federal laws, ordinances, rules, requirements, resolutions, policy statements and regulations (including, without limitation, those relating to land use, subdivision, zoning, environmental, labor relations, prevailing wage, notification of sale to employees, Hazardous Substance, occupational health and safety, water, earthquake hazard reduction and building and fire codes) bearing on the demolition, alteration, replacement, repair, refurbishing, improvement, construction, maintenance, management, use, or operation of the Project.

“Hazardous Substance” means (i) any chemical, compound, material, mixture or substance that is now or hereafter defined or listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101), as amended from time to time, or now or hereafter otherwise classified or regulated pursuant to any Environmental Laws as a “hazardous substance”, “hazardous material”, “hazardous waste”, “extremely hazardous waste”, “infectious waste”, “toxic substance”, “toxic pollutant” or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, or “EP toxicity”, (ii) any asbestos or asbestos containing material, (iii) any polychlorinated biphenyls (PCB’s), (iv) any ureaformaldehyde, and (v) any petroleum, natural gas, natural gas liquid, liquefied natural gas, synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas), ash produced by a resource recovery facility utilizing a municipal solid waste stream, and drilling fluids, produced waters, and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal resources. Notwithstanding the foregoing, “Hazardous Substances” shall not include any chemical, compound, material, mixture or substance used in the normal course of operating an apartment complex, so long as such chemical, compound, material, mixture or substance is used in accordance with Environmental Laws.

“Hazardous Substance Activity” means any actual, proposed or threatened storage, holding, existence or suspected existence, release or suspected release, emission, discharge, generation, processing, abatement, removal, disposition, treatment, handling or transportation of any Hazardous Substance from, under, into, on, above, around or across the Property or

surrounding property or any other use of or operation on the Property or the surrounding property that creates a risk of Hazardous Substance contamination of the Property.

“ARPA-Assisted Units” means the twenty-five (25) units to be constructed on the Site to be restricted to Very Low Income Households for which all HOME Regulations apply, including without limitation, Affordable Rent, and HOME occupancy and monitoring requirements. Pursuant to Section 92.252(j) of the HOME Regulations, the ARPA-Assisted Units shall be a “floating” designation such that the requirements of this Agreement will be satisfied so long as the total number of ARPA-Assisted Units remains the same throughout the Affordability Period and each substituted ARPA-Assisted Unit is comparable in terms of size, features, and number of bedrooms to the originally designated ARPA-Assisted Units.

“ARPA Loan Agreement” is defined in Recital C.

“HOME Program” means the HOME Investment Partnerships Act, 42 U.S.C. Section 12701, *et seq.* and the implementing HOME Regulations as such now exist and as may hereafter be amended.

“HOME Regulations” means the implementing regulations of the HOME Program set forth at 24 CFR 92.1, *et seq.* as such now exist and as may hereafter be amended.

“ARPA Regulatory Agreement” means this ARPA Regulatory Agreement, including all of the Attachments hereto, by and between the Parties.

“Housing Project Manager” means that person designated by the City Manager to manage affordable housing projects within the City of Riverside.

“HUD” means the United States Department of Housing and Urban Development.

“Low HOME Rent” means tenant paid rent that is in accordance with Section 92.252(b) of the HOME regulations.

“Management Plan” means the plan for the management of the Project and marketing of the ARPA-Assisted Units to be submitted by the Borrower, as set forth in Section 3.C. of this ARPA Regulatory Agreement.

“Notice” means a notice in the form prescribed by Section 10.

“Operating Reserve” is defined in Section 3.E. of this ARPA Regulatory Agreement.

“Parties” means the City and Borrower; “Party” means the City or the Borrower.

“Permitted Health Care Resident” is defined in California Civil Code Section 51.11, as may be amended.

“Project” means the predevelopment activities and development activities related to rehabilitation of a multi-family, affordable housing project, consisting of approximately fifty (50) units plus one manager unit together with any improvements appurtenant thereto, in accordance with Governmental Regulations and all applicable permits and entitlements.

“Property” means that certain real property described in the Property Legal Description.

“Property Legal Description” means the legal description of the fee interest in the Property which is attached hereto as Exhibit “A”.

“Property Manager” means the resident Project manager selected and retained by the Borrower.

“Qualified Household” means a Very Low Income Household.

“Qualified Tenant” means those individuals in a Qualified Household who meet all of the following requirements:

a. Upon execution of a lease with the Borrower each member of the household will occupy the ARPA-Assisted Unit as his or her principal residence, and each member intends thereafter continuously to occupy such ARPA-Assisted Unit as his or her principal residence.

b. The household is qualified under the HOME Regulations and is a Very Low Income Household.

c. The household has been selected in accordance with the Management Plan.

“Qualifying Resident” is defined in California Civil Code Section 51.11, as may be amended.

“Section 3 Clause” means and refers to Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u, as amended. For purposes of this Section 3 Clause and compliance thereto, whenever the word “contractor” is used it shall mean and include, as applicable, the Borrower, contractor(s), and subcontractor(s). The particular text to be utilized in (a) any and all contracts of any contractor doing work covered by Section 3 entered into on or after the Effective Date and (b) notices to contractors doing work covered by Section 3 pursuant to contracts entered into prior to the Effective Date shall be in substantially the form of the following, as reasonably determined by the City, or as directed by HUD or its representative:

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 [inclusive of Very Low-Income Persons, Very Low Income Households, and Very Low Income Tenants served by the Project], 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 notices 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 of job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of 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 (a) after the contractor is selected but before the contract is executed, and (b) 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, (a) preference and opportunities for training and employment shall be given to Indians, and (b) 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)."

"Site Plan" means the map of the Property which is attached as Attachment No. 1 to the ARPA Loan Agreement.

"Unit" or "Units" means the fifty (50) units plus one manager unit to be constructed and operated by the Borrower on the Site.

"Very Low Income" means a household with total annual household incomes certified to be at or below 50% of the Area Median Income for Riverside County, according to data published by HUD annually. Annual household income is defined in regulations at 24 CFR 5.609 and shall be calculated using source documents or third party certifications of all income and assets held or generated by all members of the applicant or tenant household, in accordance

with regulations published at 24 CFR 5.203(a)(1)(i) and 24CFR 92.203(a)(1)(i), or 24 CFR 5.617 when calculating the income of persons with disabilities.

2. USE RESTRICTIONS

A. Permitted Uses. The Borrower covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof, that the Borrower, and such successors and assigns, shall (i) rehabilitate the Property; and (ii) make available, restrict occupancy to, and rent the ARPA-Assisted Unit at an Affordable Rent to Qualified Tenants.

During the Affordability Period, all uses undertaken by the Borrower on the Property shall conform to this ARPA Regulatory Agreement and to all applicable provisions of the Riverside Municipal Code and Governmental Regulations. None of the ARPA-Assisted Units on the Property shall at any time be utilized on a transient basis (unless consistent with the HOME Regulations), nor shall the Property or any portion thereof ever be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium or rest home. The Borrower shall not convert the Property to condominium Ownership during the Affordability Period without the prior written approval of the City, which approval the City may grant, withhold or deny in its sole and absolute discretion.

B. Affordable Housing. Commencing upon and throughout the Affordability Period, the Borrower covenants and agrees that all of the ARPA-Assisted Units in the Project shall be operated and maintained for affordable housing purposes available for occupancy exclusively to Qualified Tenants at an Affordable Rent in accordance with the provisions of this ARPA Regulatory Agreement.

The ARPA-Assisted Units shall be a “floating” designation as defined in Section 92.252(j) of the HOME Regulations. Each substituted ARPA-Assisted Unit shall be comparable in terms of size, features, and number of bedrooms to the originally designated ARPA-Assisted Units. In the event the Borrower desires to change the affordable housing, maintenance, or operation requirements for the Project from the specific requirements set forth in this ARPA Regulatory Agreement in order to comply with a subsequently enacted amendment to the HOME Program, the Borrower shall notify the City in writing of such proposed change and the amendment related thereto at least thirty (30) calendar days prior to implementing such change. In the event the City disapproves of such change and the Borrower’s interpretation of the amendment related thereto, the City shall notify the Borrower of its disapproval in writing and the parties shall seek clarification from the appropriate HUD Field Office. Only if HUD concurs with the Borrower’s interpretation of the HOME Program shall the Borrower be permitted to implement the proposed change.

C. Income Requirements. Prior to leasing a ARPA-Assisted Unit and annually thereafter, the Borrower shall certify the eligibility of each tenant applicant as a Qualified Tenant. The Borrower shall, upon request by the City, complete such certification on forms provided by the City. The Borrower shall submit such income certification and such additional information as may be required prospectively by the City, the State of California or HUD. Such supporting documentation shall include true copies of income tax returns from the tenant applicant for the most recent tax year in which a return was filed and at least one of the following:

(1) two (2) paycheck stubs from the tenant's two (2) most recent pay periods;

(2) an income verification certification from the tenant's employer;

(3) an income verification certification from the Social Security Administration and/or the California Department of Social Services if the tenant receives assistance from such agencies, or

(4) an alternate form of income verification reasonably requested by the City if none of the above forms of verification is available to the Borrower.

D. Determination of Affordable Rent. All ARPA-Assisted Units shall be rented at Affordable Rent.

(1) Rent Schedule and Utility Allowance. The Borrower will use the Riverside County Housing Authority Utility Allowance Calculator to establish maximum monthly allowances for utilities and services to be used by the Borrower in calculating Affordable Rent. The Borrower shall submit to the Housing Project Manager for review and approval the Affordable Rent proposed by the Borrower for all of the ARPA-Assisted Unit[s]. The maximum monthly rent must be recalculated by the Borrower and reviewed and approved by the City annually.

(2) Increases in Tenant Income. A Unit shall still qualify as a ARPA-Assisted Unit, as required by this ARPA Regulatory Agreement, despite a temporary noncompliance with this Section D, if the noncompliance is caused by increases in the incomes of existing tenants and if actions satisfactory to HUD are being taken to ensure that all vacancies are filled in accordance with this Section until the noncompliance is corrected.

A household occupying a ARPA-Assisted Unit whose income increases to an amount that exceeds the maximum qualifying income of a Qualified Tenant may continue to occupy his or her Unit subject to the requirements of Section 92.252(i) of the HOME Regulations.

(3) Adjustment of Affordable Rent. Affordable Rent may change as changes in the applicable gross rent amounts, the income adjustments, or the monthly allowance for utilities and services warrant. Any increase in rents is subject to the provisions of outstanding leases. The Borrower must provide households occupying the ARPA-Assisted Units not less than thirty (30) calendar days prior written notice before implementing any rent increase.

E. Tenant Protections.

(1) Rental Agreement/Lease. Prior to rental of any of the ARPA-Assisted Unit, the Borrower shall submit a standard lease form to the Housing Project Manager for approval, which approval shall not unreasonably be withheld or delayed, and must be for not less than six (6) months, unless otherwise mutually agreed by the tenant and the Borrower. The Borrower shall enter into a lease, in the form approved by the Housing Project Manager, with each Qualified Tenant of a ARPA-Assisted Unit.

(2) Prohibited Rental Agreement/Lease Terms. The Borrower shall not permit the lease to contain any provision that is prohibited by Section 92.253(b) of the HOME Regulations.

F. Termination of Tenancy. The Borrower may not terminate the tenancy of a tenant of the Project except for an uncured violation(s) of the terms and conditions of the lease; for violation of applicable federal, state, or local law; or for other good cause. Any termination or refusal to renew must be preceded by not less than thirty (30) calendar days' notice, or as permitted by state law, by the Borrower's service upon the tenant of a written notice specifying the grounds for the action.

G. Tenant Selection. No later than six (6) months prior to the date construction of the Project is anticipated to be completed, the Borrower shall submit to the City, for its review and approval, the Borrower's written tenant selection plan ("Tenant Selection Plan"). The Tenant Selection Plan must, at a minimum, meet the requirements of tenant selection set out in Section 92.252(h) of the HOME Regulations. In addition, and to the extent legally allowable, preference shall be given to tenant applicants residing in the City.

H. Compliance with Use and Occupancy Laws. The Borrower agrees that for each lease, the Borrower shall comply with all applicable state and local laws, statutes, ordinances, rules and regulations, which in any way restrict the use and occupancy and resale of the Property.

I. Loss of Subsidy or Senior Loan Foreclosure. In the event of a loss of subsidy to the Project, through no fault of Borrower, (a) Borrower shall notify the City of such loss, (b) rents and income levels of the Affordable Units in the Project shall be increased to the extent allowed by HOME Regulations, and (c) the Borrower will develop and implement a plan reasonably acceptable to the City that will help minimize disruption to and support residents in any of the permanent supportive housing units transition to higher rents or reduced services that may result from such loss of subsidy.

Additionally, following the foreclosure (or deed-in-lieu) of the Construction Loan or Permanent Loan, the rents and income levels of the Affordable Units in the Project shall be automatically increased to the extent allowed by HOME Regulations.

3. OPERATION AND MANAGEMENT OF THE PROJECT

A. General Maintenance. The Borrower shall maintain the Property and all improvements thereon, including lighting and signage, in good condition, free of debris, waste and graffiti, and in compliance with the Riverside Municipal Code and HUD's Uniform Physical Conditions Standards ("UPCS", 24 CFR, Part 5 and 200). The Borrower shall maintain the improvements and landscaping on the Property in accordance with the Maintenance Standards (as hereinafter defined). Such Maintenance Standards shall apply to all buildings, signage, lighting, landscaping, irrigation of landscaping, architectural elements identifying the Property and any and all other improvements on the Property. To accomplish the maintenance, the Borrower shall either staff or contract with and hire licensed and qualified personnel to perform the maintenance work, including the provision of labor, equipment, materials, support facilities, and any and all other items necessary to comply with the requirements of this ARPA Regulatory Agreement. The Borrower and its maintenance staff, contractors or subcontractors shall comply with the following standards (collectively, "Maintenance Standards"):

(1) The Property shall be maintained in conformance and in compliance with the approved Development Plans, as finalized, and reasonable maintenance standards for comparable first quality affordable housing projects, including but not limited to painting and cleaning of all exterior surfaces and other exterior facades comprising all private improvements and public improvements to the curblane. The Property shall be maintained in good condition and in accordance with the custom and practice generally applicable to comparable first quality affordable apartment complexes in the City.

(2) Landscape maintenance shall include, but not be limited to: watering/irrigation; fertilization; mowing; edging; trimming of grass; tree and shrub pruning; trimming and shaping of trees and shrubs to maintain a healthy, natural appearance and safe road conditions and visibility, and irrigation coverage; replacement, as needed, of all plant materials; control of weeds in all planters, shrubs, lawns, ground covers, or other planted areas; and staking for support of trees.

(3) Clean-up maintenance shall include, but not be limited to: maintenance of all sidewalks, paths and other paved areas in clean and weed-free condition; maintenance of all such areas clear of dirt, mud, trash, debris or other matter which is unsafe or unsightly; removal of all trash, litter and other debris from improvements and landscaping prior to mowing; clearance and cleaning of all areas maintained prior to the end of the day on which the maintenance operations are performed to ensure that all cuttings, weeds, leaves and other debris are properly disposed of by maintenance workers.

The City agrees to notify the Borrower in writing if the condition of the Property does not meet with the Maintenance Standards and to specify the deficiencies and the actions required to be taken by Borrower to cure the deficiencies. Upon Borrower's written receipt of notification of any maintenance deficiency, the Borrower shall have thirty (30) calendar days within which to correct, remedy or cure the deficiency, or if the maintenance deficiency cannot be corrected, remedied, or cured within a thirty (30) day period, Borrower will have a longer period of time, provided, however, that Borrower commences to correct, remedy or cure the maintenance deficiency within the thirty (30) day period and diligently pursues it to completion. If the written notification states the problem is urgent relating to the public health and safety of the City, then the Borrower shall have forty-eight (48) hours to rectify the problem. In the event the Borrower does not maintain the Property in the manner set forth herein and in accordance with the Maintenance Standards, the City shall have, in addition to any other rights and remedies hereunder, the right to maintain the Property, or to contract for the correction of such deficiencies, after written notice to the Borrower, and the Borrower shall be responsible for the payment of all such costs incurred by the City.

B. Management of the Project.

(1) Property Manager. The Borrower shall cause the Project to be managed in a prudent and business-like manner, consistent with property management standards for other comparable first quality, well-managed rental housing projects in Riverside County, California. If the Borrower contracts with a property management company or property manager to operate and maintain the Project ("Property Manager"), the selection and hiring of the Property Manager shall be subject to prior written approval of the City Manager, which approval shall not

be unreasonably withheld provided that the Property Manager has prior experience with rental housing projects and properties comparable to the Project.

(2) Management Plan. Prior to the initial or any subsequent disbursement of the ARPA Loan Proceeds (as defined in the ARPA Loan Agreement), the Borrower shall prepare and submit to the City for review and approval an updated and supplemented management plan which includes a detailed plan and strategy for long term operation, maintenance, repair, security, social/supportive services for, and marketing of the Project, method of selection of tenants, rules and regulations for tenants, and other rental and operational policies for the Project ("Management Plan"). The approval of the Management Plan shall not be unreasonably withheld, conditioned or delayed. Subsequent to approval of the Management Plan by the City, the ongoing management and operation of the Project shall be in compliance with the approved Management Plan. The Borrower may from time to time submit to the City proposed amendments to the Management Plan, which are also subject to the prior written approval of the City, which approval shall not be unreasonably withheld, conditioned or delayed.

C. Capital Replacement Reserve Requirements. The Borrower shall, or shall cause the Property Manager to, set aside an amount equal to Two Hundred Fifty Dollars (\$250) per Unit per year ("Capital Replacement Reserve"). Funds in the Capital Replacement Reserve shall be used for capital replacements to the Project fixtures and equipment which are normally capitalized under generally accepted accounting principles. Interest on funds in the Capital Replacement Reserve shall remain in the Capital Replacement Reserve. The non-availability of funds in the Capital Replacement Reserve does not in any manner relieve the Borrower of the obligation to undertake necessary capital repairs and improvements and to continue to maintain the Project in the manner prescribed herein. The Borrower, at its expense, shall submit to the Housing Project Manager annually an accounting for the Capital Replacement Reserve. The City approval is not required for withdrawals from the Capital Replacement Reserve in accordance with this ARPA Regulatory Agreement or any senior lender's requirements. Not less than once per year, the Borrower, at its expense, shall submit to the City an accounting for the Capital Replacement Reserve, preferably set forth in an annual financial statement, demonstrating compliance with this Section 3.C.

D. Operating Reserve Requirements. The Borrower shall not be required to maintain an Operating Reserve for this Project

E. Operating Budget. The Borrower shall submit to the City on not less than an annual basis the Operating Budget for the Project that sets forth the projected Operating Expenses for the upcoming year. The City shall not unreasonably withhold, condition, or delay the City's approval of the annual Operating Budget, or any amendments thereto.

F. Monitoring and Recordkeeping. The Borrower shall comply with all applicable recordkeeping and monitoring requirements set forth in the HOME Program, including Section 92.508 of the HOME Regulations, and shall annually complete and submit to the City the Annual Tenant Certification Form/Home Program Annual Owner Certification Report in such form as provided by the City. Representatives of the City shall be entitled to enter the Property, upon at least forty-eight (48) hours' notice, to monitor compliance with this ARPA Regulatory Agreement, to inspect the records of the Project, and to conduct an independent audit or inspection of such records. The Borrower agrees to cooperate with the City in making the Property and all

ARPA-Assisted Units thereon available for such inspection or audit. The Borrower agrees to maintain records in a businesslike manner, to make such records available to the City upon seventy-two (72) hours' notice, and to maintain such records for the entire Affordability Period.

G. Units Available to the Disabled. The Borrower shall construct the Project in compliance with all applicable federal and state disabled persons accessibility requirements including but not limited to the Federal Fair Housing Act; Section 504 of the Rehabilitation Act of 1973; Title II and/or Title III of the Americans with Disabilities Act; and Title 24 of the California Code of Regulations.

H. Right To Enter To Cure. If at any time the Borrower fails to maintain the Property in accordance with this Section 3 and such condition is not corrected within seventy-two (72) hours after written notice from the City to the Borrower with respect to graffiti, debris, waste material, and general maintenance, or sixty (60) calendar days after written notice from the City with respect to landscaping and building improvements with such additional time as may be reasonably necessary to diligently prosecute the cure to completion, then the City, in addition to whatever remedies it may have at law or at equity, shall have the right, after written notice to Borrower, to enter upon the Property and perform all acts and work necessary to protect, maintain, and preserve the improvements and landscaped areas on the Property, and to attach a lien upon the Property, or to assess the Property, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the City and/or costs of such cure, including a fifteen percent (15%) administrative charge, which amount shall be promptly paid by the Borrower upon demand.

I. Damage and Destruction; Borrower's Duty to Rebuild. If all or any portion of the Property and the improvements thereon is damaged or destroyed by fire or other casualty, it shall be the duty of the Borrower to rebuild, repair or construct said portion of the Property and/or the improvements in a timely manner which will restore it to Riverside Municipal Code or Building Code compliance condition as approved by the City, but only to the extent of available insurance proceeds.

In furtherance of the requirements of this Section 3.I., the Borrower shall keep the improvements on the Property insured by carriers at all times satisfactory to the City against loss by fire, rent loss and such other hazards, casualties, liabilities and contingencies as included within an all risk extended coverage hazard insurance policy as required by the ARPA Loan Agreement. In the event of loss, the Borrower shall give prompt notice to the insurance carrier and the City.

If the Property is abandoned by the Borrower, or if the Borrower fails to respond to the City within thirty (30) calendar days from the date notice is mailed by the City to the Borrower that the insurance carrier offers to settle a claim for insurance benefits, subject to the rights of any senior lienholder, the City is authorized to collect and apply the insurance proceeds at its option either to restoration or repair of the Property.

J. Time Limitation. Subject to the terms of any senior loan and the rights of the senior lender, upon damage to the Property or the improvements thereon, the Borrower shall be obligated to proceed with all due diligence hereunder and commence reconstruction within six (6) months after the receipt of insurance proceeds and complete reconstruction within a term

deemed acceptable by the parties after damage occurs, or if appropriate, demolition and vacation of the Property within six (6) months, unless prevented by causes beyond its reasonable control.

4. MISCELLANEOUS PROJECT REQUIREMENTS

A. Equal Opportunity. As set forth in Section 92.350 of the HOME Regulations as currently exists or as may be amended from time to time, no person shall be excluded from participation in, be denied the benefits of or be subjected to discrimination under any program or activity funded in whole or in part with ARPA funds.

B. Affirmative Marketing. The Borrower shall comply with affirmative marketing policies and procedures in accordance with Section 92.351 of the HOME Regulations.

C. Displacement, Relocation and Acquisition. The Borrower shall take all reasonable steps to minimize the displacement of persons from the Property as a result of implementation of this ARPA Regulatory Agreement and shall comply with all applicable relocation laws.

D. Compliance with Law. The Borrower shall comply with all applicable Federal, State and Local Law and such other rules and regulations designated in Exhibit "C" attached hereto.

E. Conflict of Interest. The Borrower will hereby comply with all requirements set forth regarding conflict of interest provisions as they apply in Section 92.356 of the HOME Regulations as currently exists or as may be amended from time to time.

5. COVENANTS

A. Affordability Period. The provisions of this ARPA Regulatory Agreement shall apply to the Property throughout the Affordability Period. This ARPA Regulatory Agreement shall bind any successor or assign of the Borrower whether a change in interest occurs voluntarily or involuntarily, by operation of law or otherwise, with or without the approval of the City, except as expressly released by the City. The City makes the ARPA Loan on the condition, and in consideration of, this provision, and would not do so otherwise.

B. Covenants to Run with the Land. The City and the Borrower hereby declare their express intent that the covenants and restrictions set forth in this ARPA Regulatory Agreement shall run with the land, and shall bind all successors to the Borrower. Each and every contract, deed or other instrument hereafter executed covering or conveying an interest in the Property or any portion thereof shall be held conclusively to have been executed, delivered and accepted subject to such covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument, unless the City expressly releases such conveyed portion of the Property from the requirements of this ARPA Regulatory Agreement.

6. ENFORCEMENT AND REMEDIES

A. Remedies. Subject to the notice and cure rights of the Borrower set forth in Section 8.1 of the ARPA Loan Agreement, in the Event of Default of any of the terms or conditions of this ARPA Regulatory Agreement by the Borrower, its administrators or assigns, the City may

pursue the remedy thereof by any and all means of enforcement, both in equity and at law, as provided by the laws of the State of California, including, but not limited to, injunctive relief and/or specific performance.

B. Rights of the City. The City has the right to enforce all of the provisions of this ARPA Regulatory Agreement. This ARPA Regulatory Agreement does not in any way infringe on the right or duties of the City to enforce any of the provisions of the Riverside Municipal Code including, but not limited to, the abatement of dangerous buildings. In addition to the general rights of enforcement, the City shall have the right, through its agents and employees, to enter upon any part of the Property for the purpose of enforcing the Riverside Municipal Code, and the ordinances and other regulations of the City, and for maintenance and/or repair of any or all publicly owned utilities.

C. Jurisdiction and Venue. Legal actions must be instituted and maintained in the Superior Court of the County of Riverside, State of California. The Borrower specifically waives any rights provided to it pursuant to California Code of Civil Procedure Section 394 or state statutes or judicial decisions of like effect.

D. Right of Entry. The City has the right of entry at reasonable hours and upon and after reasonable attempts to contact the Borrower, to effect emergency repairs or maintenance which the Borrower has failed to perform. Subsequent to sixty (60) calendar days written notice to the Borrower specifically outlining the noncompliance, the City shall have the right of entry at reasonable hours to enforce compliance with this ARPA Regulatory Agreement which the Borrower has failed to perform.

E. Costs of Repair. The costs borne by the City of any such repairs or maintenance emergency and/or non-emergency, shall become a charge for which the Borrower shall be responsible; and may, if unpaid, be assessed as a lien against the Property.

F. Cumulative Remedies. The remedies herein provided for breach of the covenants contained in this ARPA Regulatory Agreement shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

G. Failure to Enforce. The failure to enforce any of the covenants contained in this ARPA Regulatory Agreement shall not constitute a waiver of the right to enforce the same thereafter.

7. HOLD HARMLESS

Except to the extent of the City's gross negligence or willful misconduct, the Borrower agrees to defend and to hold the City and its respective officers, agents, employees, representatives, elected and appointed boards and officials harmless from liability for damage or claims for any type of damage including, but not limited to, personal injury and claims for property damage, which may arise from the activities of the Borrower or those of the Borrower's contractors, subcontractors, agents, employees or other persons acting on the Borrower's behalf and which relate to the Project. The Borrower agrees to and shall defend the City and its respective officers, agents, employees, representatives, elected and appointed boards and officials from any action for damages caused or alleged to have been caused by reason of the Borrower's activities in connection with the Project.

8. THIRD PARTY BENEFICIARIES

This ARPA Regulatory Agreement is made and entered into for the sole protection and benefit of the City, its successors and assigns, and the Borrower, its permitted successors and assigns, and no other person or persons shall have any right of action hereon.

9. RECORDATION

The Borrower agrees that this ARPA Regulatory Agreement and any amendment or cancellation hereof shall be recorded in the official records of Riverside County by the Borrower within ten (10) calendar days of the date of this ARPA Regulatory Agreement and within ten (10) calendar days after any amendment or cancellation hereof.

10. NOTICE

Written notice, demands and communications between the City and the Borrower shall be sent by first-class registered or certified mail, postage prepaid, return receipt requested, or by private courier service which provides evidence of delivery. Unless a different address is given by any party as provided in this Section, all such communications will be addressed as follows:

To Borrower: RIVERSIDE HOUSING DEVELOPMENT
CORPORATION

4250 Brockton Avenue
Riverside, CA 92501
Attn: President
Email: bkulpa@rhdcca.org

To City: City of Riverside
Attn: City Manager
3900 Main Street
Riverside, California 92522

Copies to: City of Riverside
Attn: City Attorney
3900 Main Street
Riverside, California 92522

Any Notice shall be deemed received immediately if delivered by hand and shall be deemed received on the third (3rd) calendar day from the date it is postmarked if delivered by registered or certified mail. Each party shall promptly notify the other party of any change(s) of address to which notice shall be sent. Any address for service of notice on any party may be changed by that party serving a notice upon the other of the new address, except that any change of address to a post office box shall not be effective unless a street address is also specified for use in effectuating personal service.

11. WAIVER

Failure by a party to insist upon the strict performance of any of the provisions of this ARPA Regulatory Agreement by the other party or the failure by the party to exercise its rights

under or upon a default by the other party herein shall not constitute a waiver of such party's right to demand strict compliance from such other party in the future.

12. SEVERABILITY

If any one or more of the provisions contained in this ARPA Regulatory Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this ARPA Regulatory Agreement, and this ARPA Regulatory Agreement shall be construed as if such invalid, illegal or unenforceable provision(s) had never been contained herein.

13. CAPTION AND PRONOUNS

The captions and headings of the various sections of this ARPA Regulatory Agreement are for convenience only, and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular, and masculine, feminine and neuter shall be freely interchangeable.

14. MODIFICATION OF AGREEMENT

This ARPA Regulatory Agreement may be modified or amended by mutual consent of the Borrower and the City provided that all amendments are in writing and signed by all of the parties hereto.

15. SOLE AND ONLY AGREEMENT

This ARPA Regulatory Agreement, the ARPA Loan Agreement and all of the attachments thereto and incorporated therein integrate all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the Property. In the event of a conflict between this ARPA Regulatory Agreement and ARPA Loan Agreement, the provisions of this ARPA Regulatory Agreement shall control.

The City and the Borrower acknowledge and agree that neither of them has made any representation with respect to the subject matter of this ARPA Regulatory Agreement or any representations inducing the execution and delivery, except representations set forth herein, and each party acknowledges that it has relied on its own judgment in entering this ARPA Regulatory Agreement. The City and the Borrower further acknowledge that all statements or representations that heretofore may have been made by either of them to the other are void and of no effect, and that neither of them has relied thereon in its dealings with the other.

(Signatures on following pages.)

IN WITNESS WHEREOF, the parties hereto have executed this ARPA Regulatory Agreement as of the date and year set forth below.

“BORROWER”

RIVERSIDE HOUSINGDEVELOPMENT
CORPORATION,
a California nonprofit public benefit corporation,

By: _____ Bruce
Kulpa,
President

“CITY”

CITY OF RIVERSIDE, a California charter city
and municipal corporation

Dated: _____

By: _____
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
Deputy City Attorney

EXHIBIT “A”

LEGAL DESCRIPTION

[Attached]

EXHIBIT “C”

HOME PROGRAM RELATED FEDERAL LAWS AND REGULATIONS

1.1 HOME Laws and Regulations

The Borrower shall comply with all applicable laws and regulations governing the HOME Program and the use of the ARPA Loan, including but not limited to, the requirements set forth in this ARPA Regulatory Agreement. In the event of any conflict between the ARPA Regulatory Agreement and applicable laws and regulations governing the HOME Program and the use of the ARPA Loan Proceeds, the applicable HOME Program laws and regulations shall govern. The Borrower agrees to enter into any modification of this ARPA Regulatory Agreement reasonably required by the City to attain compliance with the requirements of the HOME Program. The Borrower acknowledges and agrees that it has received and reviewed a copy of the regulations regarding the HOME Program in effect as of the date of execution of this Regulatory

1.2 Specific Requirements

The laws and regulations governing the HOME Program and the use of the ARPA Loan include (but are not limited to) the following, as may be amended from time to time:

Miscellaneous Federal Mandates

- i. Title VIII of the Civil Rights Act of 1968, 42 U.S.C. 3601-20 (Public Law 90-284) and implementing regulations at 24 CFR Part 107;
- ii. Executive Order 11063 and regulations at 24 CFR Part 107;
- iii. Title VI of the Civil Rights Act of 1964 (Public Law 88-352) and regulations at 24 CFR Part 107;
- iv. The Age Discrimination Act of 1975, 42 U.S.C. 6101-07, and regulations at 24 CFR Part 146;
- v. Executive Order 12372 and implementing regulations at 24 CFR Part 52, regarding intergovernmental review of federal programs;
- vi. Flood Disaster Act of 1973, 42 U.S.C. 4001, *et seq.*;
- vii. Drug Free Workplace Act of 1988, P.L. 100-690, Title V, Subtitle D.
- viii. The Fair Housing Act (42 U.S.C. 3601-3620)(Pub. L. 90-284) as it ensures fair housing practices and prohibits housing discrimination based on race, color, religion, sex, national origin, disability, or familial status;
- ix. Section 109 of the Housing and Community Development Act of 1974, as amended; and the regulations issued pursuant thereto at 24 CFR Section 470.601 as it relates to prohibiting discriminatory actions in activities funded by Community Development Funds;

x. Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086 and 12107 (Equal Employment Opportunity) and implementing regulations issued at 41 CFR Chapter 60 and Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), as amended and implementing regulations at 24 CFR Part 135 as they relate to equal employment opportunities;

xi. Executive Orders 11625 and 12432 (concerning minority business enterprise) and 12138 (concerning women's business enterprise) to encourage the use of women and minority owned businesses to the maximum extent possible.

xii. The applicable policies, guidelines, and requirements of OMB Circulars Nos. A-87, A-102 (Revised), A-110, A-122, and A-128, or successor regulations.

1.2.1.1 Environment and Historic Preservation

Section 104(f) of the Housing and Community Residence Act of 1974 and 24 CFR Part 58, which prescribe procedures for compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321-4361), and the additional laws and authorities listed at 24 C.F.R. 58.5.

1.2.2 Architectural Barriers

The requirements of the Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157).

1.2.3 Americans With Disabilities Act

The requirements of the Americans with Disabilities Act (42 U.S.C 12131; 47 U.S.C. 155, 201, 218 and 255) which protects the comprehensive civil rights of individuals with disabilities.

1.2.4 Relocation

The requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601-4655), and similar state laws. If and to the extent that development of the Project results in the permanent or temporary displacement of residential tenants, homeowners, or businesses, then the Borrower shall comply with all applicable local, state and federal statutes and regulations with respect to relocation planning, advisory assistance and payment of monetary benefits. The Borrower shall be solely responsible for payment of any relocation benefits to any displaced persons and any other obligations associated with complying with such relocation laws.

1.2.5 Disabled Discrimination

The requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 706), and federal regulations issued pursuant thereto (24 CFR Part 8), which prohibit discrimination against the disabled in any federally assisted program.

1.2.6 Future HOME Regulations

Any other Department of Housing and Urban Development regulations currently in effect or as may be amended or added in the future pertaining to the HOME Program.

1.2.7 Ineligible Contractors

Use of debarred, suspended, or ineligible contractors or subrecipients is prohibited directly or indirectly as part of this award as set forth in 24 CFR Part 5.

1.2.8 Conflict of Interest

No member, officer or employee of the organization, or its designees or agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the program during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the loan, and the Borrower shall incorporate, or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purposes of the certification.

1.2.9 Affirmative Marketing

The requirements of the City of Riverside's affirmative marketing policies and procedures as set forth in Exhibit B to the ARPA Regulatory Agreement, and as may be amended, in accordance with Section 92.351 of the HOME Regulations.

1.2.10 Property Standards

The ARPA-Assisted Units must meet all applicable federal, state and local housing quality standards and code requirements, including the Uniform Physical Conditions Standards ("UPCS", 24 CFR, Part 5 and 200) established by HUD for housing that is decent, safe, sanitary, and in good repair.

1.2.11 HUD Regulations

Any other HUD regulations present or as may be amended, added, or waived in the future pertaining to the use of ARPA funds, including but not limited to HUD regulations as may be promulgated regarding subrecipients.

1.2.12 Successor Rules

In the event HUD ceases to provide definitions, determinations and calculations under the HOME Program related to Income Eligible Households or Annual Income, or both, the provisions of this Section shall be performed in accordance with definitions, determinations and calculations related to such matters as established by the City with a view toward establishing such definitions, determinations and calculations in a manner consistent, as nearly as possible, with those formerly promulgated by HUD under the HOME Program.

1.3 Certification Regarding Lobbying

The undersigned certifies, to the best of his or her knowledge and belief, that:

i. 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; and

ii. If any funds other than federally appropriated funds have been 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.

1.4 Religious Activity

In addition to, and not in substitution for, other provisions of this ARPA Regulatory Agreement regarding the provision of services with funds, pursuant to Title II of the Housing and Community Development Act of 1990, as amended, the Borrower:

i. Represents that it is not, or may not be deemed to be, a religious or denominational institution or organization or an organization operated for religious purposes which is supervised or controlled by or in connection with a religious or denominational institution or organization; and,

ii. Agrees that, in connection with such services:

(a) It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion;

(b) It will not discriminate against any person applying for housing on the basis of religion and will not limit such services or give preference to persons on the basis of religion;

(c) It will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence on or in the Project; and,

(d) The common portion of the Property shall contain no sectarian or religious symbols or decorations.

1.5 Disclosure of Confidential Tenant Information.

To the extent allowed by law, the Borrower and the City agree to maintain the confidentiality of any information regarding Tenants or applicants for residency under this Project, or their immediate families, pursuant to this ARPA Regulatory Agreement, which may be obtained through application forms, interviews, tests, reports, from public agencies or counselors, or any other source. Without the written permission of the applicant, such information shall be divulged

only as necessary for purposes related to the performance or evaluation of the services and work to be provided pursuant to this ARPA Regulatory Agreement, and then only to persons having responsibilities under the Agreement, including those furnishing services under the Project through subcontracts.

1.6 Compliance with Federal, State and Local Laws

The Borrower shall comply with all applicable federal, state and local statutes, ordinances, regulations and laws, (including the Governmental Requirements) with respect the development and the operation and management of the Property by the Borrower (all of which comprises the Project hereunder). The Borrower shall carry out the design, construction, rehabilitation and completion of improvements, and operation and management of the Project, in conformity with all applicable laws, including all applicable federal, state, and local labor standards, the City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the Riverside Municipal Code.

1.7 Prevailing Wage Laws

The Borrower shall carry out the development through completion of the Project and the overall rehabilitation of the Property in conformity with all applicable federal, state and local labor laws and regulations, including without limitation, if and to the extent applicable, the requirements to pay prevailing wages under federal law (the Davis Bacon Act, 40 U.S.C. Section 3141, *et seq.*, and the regulations promulgated thereunder set forth at 29 CFR Part 1 (collectively, “Davis Bacon”)) and, if and to the extent applicable, California law (Labor Code Section 1720, *et seq.*).

The Borrower shall be solely responsible, expressly or impliedly, for determining and effectuating compliance with all applicable federal, state and local public works requirements, prevailing wage laws, labor laws and standards, and the City makes no representations, either legally or financially, as to the applicability or non-applicability of any federal, state or local laws to the Project or any part thereof, either onsite or offsite. The Borrower expressly, knowingly and voluntarily acknowledges and agrees that the City has not previously represented to the Borrower or to any representative, agent or affiliate of the Borrower, or its General Contractor or any subcontractor(s) for the construction or development of the Project, in writing or otherwise, in a call for bids or otherwise, that the work and construction undertaken pursuant to this ARPA Regulatory Agreement is (or is not) a “public work,” as defined in Section 1720 of the Labor Code or under Davis Bacon.

1.8 Section 3 Compliance

The Borrower agrees to comply with and to cause the general contractor, each subcontractor, and any other contractors and/or subcontractors or agents of the Borrower to comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. Section 1701u, and the implementing regulations, in connection with the rehabilitation of the Property. The Borrower shall submit to the City each Construction Contract with appropriate provisions providing for the development of the Property in conformance with the terms of this ARPA Regulatory Agreement, including the Section 3 Clause, in accordance with Section 206(d). The General Contractor, each subcontractor, and any other contractors or subcontractors or agents of the Borrower (subject to compliance with 24 CFR Part 135) shall have

provided to the City the certification in appendix B of 24 CFR Part 24 that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation from this Project, and the City shall be responsible for determining whether each contractor has been debarred.

The City has prepared a Section 3 “checklist” and other forms related to Section 3 compliance; and as provided by the City to the Borrower, and its contractor(s) or subcontractor(s), if any, and as applicable, such forms shall be utilized in all contracts and subcontracts to which Section 3 applies. The Borrower hereby acknowledges and agrees to take all responsibility for compliance with all Section 3 Clause federal requirements as to the Borrower, general contractor, subcontractors, or other contractor(s), subcontractor(s), and other agents. The Borrower shall provide or cause to be provided to the General Contractor and each subcontractor, and each of its other contractor(s), subcontractor(s) and agents the checklist for compliance with the Section 3 Clause federal requirements provided by the City, to obtain from the General Contractor, each subcontractor, and other contractor(s), subcontractor(s), and agents all applicable items, documents, and other evidence of compliance with the items, actions, and other provisions within the checklist, and to submit all such completed Section 3 Clause documentation and proof of compliance to the City. To the extent applicable, the Borrower shall comply and/or cause compliance with all Section 3 Clause requirements for the Project. For example, when and if the Borrower or its contractor(s) hire(s) full time employees, rather than volunteer labor or materials, Section 3 is applicable and all disclosure and reporting requirements apply.

1.9 Labor Standards

In addition to compliance with Section 1304.1, the Construction Contract for the Project, as well as any other contract for the development work, shall be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. § 3701, *et seq.*). Participating contractors, subcontractors, and other participants must comply with regulations issued under these Acts and with other federal laws and regulations pertaining to labor standards and HUD Handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs), as applicable. The Borrower shall supply to the City certification, in form and substance satisfactory to HUD and the City, as to compliance with the provisions of this Section before receiving any disbursement of federal funds for the development work.

1.10 Lead-Based Paint

The City and the Authority, as recipient(s) of federal funds, has modified and conformed all of its federally funded housing programs to the Lead-Based Paint Poisoning Prevention Act, Title X of the 1992 Housing and Community Development Act, 42 U.S.C. Section 4800, *et seq.*, specifically Sections 4821–4846, and the implementing regulations thereto, which are aimed to take advantage of rehabilitation events as a cost-effective opportunity to reduce lead based paint and lead based paint hazards (LBP) in existing housing.

The implementing regulations to Title X, set forth in 24 CFR Part 35 (LBP Regs), were adopted by HUD on September 15, 1999 and are now effective for compliance by all recipients and subrecipients of federal funds. Subpart J of the LBP Regs focuses on the requirements for programs that provide assistance for housing rehabilitation, such as this Project.

In this regard, the Borrower shall comply with the requirements, as and to the extent applicable, of Title X and the implementing LBP Regs for the Project.

The Development of the Property comprising the Project shall be undertaken and completed by qualified contractor(s) selected by the Borrower and, if applicable, meeting the requirements of the LBP Regs. All work relating to LBP and LBP hazards and the reduction and clearance thereof shall be undertaken using safe work practices and shall be conducted by qualified contractor(s) and inspectors(s) meeting the requirements of the LBP Regs. Under the LBP Regs, treatment and clearance shall be conducted by separate contractors. All treatment and clearance using safe work practices of LBP and LBP hazards at the Property shall be completed first and prior to any other part of the development work.

Prior to commencing any part of the development, if applicable, the Borrower shall cause each household in occupancy at the Property to receive (and shall obtain proof of receipt through signature) (1) a complete copy of the HUD issued informational pamphlet/brochure about LBP and LBP hazards, (2) any necessary disclosure forms relating to information about LBP and LBP Hazards, and (3) the results of any evaluation for LBP or LBP hazards at the applicable Unit within the Property.

1.12 Duty to Prevent Release of Hazardous Substances

During the development of the Property, the Borrower shall take all necessary precautions to prevent the release of any Hazardous Substances (with particular regard to any asbestos, or asbestos-containing materials, or lead-based paint or other lead containing products which are regulated by the HOME Program) into the environment or onto or under the Property. Such precautions shall include compliance with all Environmental Laws with respect to Hazardous Substances. In addition, the Borrower shall install and utilize such equipment and implement and adhere to such procedures as are consistent with applicable Environmental Laws and then-prevailing industry standards as respects the disclosure, storage, use, abatement, removal and disposal of Hazardous Substances.