

CHARLOTTESVILLE AFFORDABLE HOUSING FUND
GRANT AGREEMENT

THIS CHARLOTTESVILLE AFFORDABLE HOUSING FUND GRANT AGREEMENT (“Agreement”) is by and between **THE CITY OF CHARLOTTESVILLE, VIRGINIA** (“City”), and the **CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY** (“Recipient”); (collectively, “Parties;” individually, “Party”), and provides the terms and conditions upon which the City will provide funding to the Recipient from the Charlottesville Affordable Housing Fund (“CAHF”) for the purpose of developing a new, 113-unit multi-family rental development at South First Phase Two (“Project”). Funding approval for this Project was provided by the Council of the City of Charlottesville, Virginia (“City Council”), on April 18, 2022, via Resolution #R-22-048.

This Agreement is effective as of the date of the last signatory’s signature below.

WITNESSETH

Section 1. Period of Performance: July 1, 2026 to June 30, 2027

Section 2. City Funding Amount: \$425,000

Section 3. Conditions of City Funding:

(A) **Project:** To construct a new, 113-unit multi-family rental development on the site of South First Street Phase 2, at the following income tiers:

- i. Twelve (12) at up to thirty percent (30%) AMI;
- ii. Forty-five (45) at between forty percent (40%) and fifty percent (50%) AMI; and
- iii. Fifty-six (56) at between fifty percent (50%) and sixty percent (60%) AMI.

(B) **Beneficiaries Who Receive City Funding (Eligibility):**

- The Project will be targeted to those households as identified in the Recipient’s application dated February 17, 2022, and any additional representations to City Council on April 18, 2022.
- Qualifying households will have incomes up to thirty percent (30%), fifty percent (50%), and sixty percent (60%) AMI, as adjusted by the U.S. Department of Housing and Urban Development (“HUD”) annually by family/household size, as noted above in Section 3(A).
- Recipient shall make a good faith effort to solicit applicants for the Project who live in targeted neighborhoods, as identified by Recipient, who are residents of

public or subsidized housing, the elderly, residents with disabilities recognized by the Americans with Disabilities Act, or other households that have low/moderate income.

(C) Obligations of Recipient:

- Recipient will apply City funds to support the development, rehabilitation, and/or preservation of 113 affordable housing units within City.
- Recipient will use City funding only in accordance with the terms and conditions set forth within this Agreement and any subsequent amendments and provide receipts and/or invoices to the City detailing how City funds have been expended (*see* Section 5).
- Recipient shall be accessible and responsible to communication and feedback from City, including but not limited to, inquiries regarding program compliance, monitoring, site visits, and general inquiries related to the Project.
- Recipient shall inform the Neighborhood Development Services (“NDS”) Housing Division, in writing, of potential changes or updates to the Project and shall not implement any significant proposed changes to the Project programming until after receiving written agreement from City.
- Recipient shall inform City in writing of any staff changes related to the Project, including leadership changes, financial staff changes, or project management staff changes within forty-eight (48) hours of the change.
- Recipient shall return the full amount of CAHF funds, if any of the following occurs:
 1. Upon resale of any property acquisition or resale of any site without having constructed any affordable housing;
 2. Upon non-completion of the Project within the Period of Performance; or
 3. In City’s sole discretion, Recipient fails to comply with any requirements laid forth in this Agreement.
 4. If a for-sale unit is conveyed before the initial affordability period ends to a new owner with an annual income that is > eighty percent (80%) AMI, the public funding provided by City shall be repaid to City by Recipient and re-applied to other affordable housing uses.
- Recipient shall publicly promote the Project. This can be done by distributing a press release to local media and/or publicizing information on Recipient’s website(s) and/or social media. Publicity helps increase awareness of the Project and an announcement of support from City may help leverage additional dollars for Project. Marketing

materials shall include City logo. Recipient shall provide marketing materials to NDS for review and approval prior to distribution.

- Recipient will complete the Project within the Period of Performance. Project will be considered complete when construction and/or rehabilitation of affordable housing units has terminated and occupancy of units has resumed.
- Recipient may request a one (1)-time extension of up to one (1) year. Extension requests must be made in writing no later than thirty (30) days prior to the end of the Period of Performance. Extensions are not guaranteed, and extension requests are subject to review and approval by NDS. Extension requests will be evaluated and a written response will be provided to Recipient within two (2) weeks.

Section 4. Reporting:

- Recipient will provide information regarding all beneficiaries of the Program, including, at a minimum, the following information about each household that participates in the Program:
 1. Total number of residents in the household;
 2. Number of adults in the household;
 3. Number of children in the household;
 4. Annual income of each adult member of the household;
 5. Race of each member of the household (optional);
 6. Head of Household's status as disabled;
 7. Total number of disabled members of the household;
 8. Whether the Head of Household is a City resident at time of assistance;
 9. Whether any resident of the household receives, at the time of assistance, HUD Housing Choice Voucher benefits or benefits from a similar program; and
 10. Refugee or asylee status of any member of the household (if applicable).
- Recipient will submit quarterly reports electronically to NDS in a format required by the City with information regarding the progress of the Project, as deemed sufficient in the sole discretion of City to determine what work has been performed.

- Quarterly reports will be due within fifteen (15) days following the end of the quarter. End of quarter dates are as follows: September 30, December 31, March 31, and June 30.
- No payment will be released unless required quarterly reports have been received. City reserves the right to withhold payments until reports are submitted. If the Period of Performance ends and the recipient has yet to submit one (1) or more of the required reports, City may withhold the balance of the award indefinitely.

Section 5. Payment:

- No payment will be released, unless the required quarterly reports have been timely received.
- In the event that any portion of City funding has not been disbursed by thirty (30) days after the Period of Performance no further amount(s) shall be paid by City to the Recipient under this Agreement. City may exercise discretion to waive this requirement under special circumstances, which must be provided in writing to City no later than thirty (30) days prior to the expiration date of this Agreement.
- In the case of a land purchase, funds will be disbursed by City to Recipient approximately two (2) weeks prior to the closing date for each Purchased Site. Recipient shall provide a written request (“Invoice”) to City giving the date and time of the closing, the amount of CAHF funding being applied to the purchase, and a copy of the fully executed appreciation sharing agreement, if applicable, for the Purchased Site. The Invoice to City shall be provided in writing no less than two (2) weeks prior to closing.
- In the case of development of land or properties, funds will be disbursed by City to Recipient upon written requests (“Invoices”), and including any applicable receipts, to City for reimbursement of expenses.
 - i. For affordable homeownership programs, if the completed home is sold to households earning more than the agreed to AMI, the public funding provided by City shall be repaid to City by Recipient.
 - ii. If a homeownership unit is conveyed before the initial affordability period ends, to a new owner that is above the agreed to AMI, the public funding provided by City shall be repaid to City by Recipient.
- In the case of rehabilitation(s), funds will be disbursed by City to Recipient upon Invoices, and including any applicable receipts, to City for reimbursement of expenses on a quarterly basis. Recipient will submit Invoices with quarterly reports and payments will be issued within thirty (30) days of receipt.

- Invoices and related documentation must be submitted electronically to NDS through Neighborly or another approved method of electronic communication.

Section 6. Additional Terms and Conditions:

- (A) **Subcontracts and Assignments:** No benefit or obligation of this Agreement may be assigned or subcontracted by Recipient without prior written approval of City at its sole discretion.
- (B) **Termination of Grant Agreement:** Either Party may terminate this Agreement at any time, for any reason, by giving written notice to the other Party of such termination and specifying the effective date thereof, at least ninety (90) days before the effective date of such termination. If the Agreement is terminated by either Party, Recipient will promptly return all unexpended funds provided pursuant to this Agreement.
- (C) **Indemnification:** To the extent permitted by law, Recipient hereby agrees to defend, indemnify, and save City (including its officers, agents, officials, employees, and agents) harmless from and against any and all liability, loss, claim, suit, damage, charge, or expense which City may suffer, sustain, incur, or in any way be subjected to, on account of death or of injury to any person (including, without limitation, City officers, agents, employees, licensees, and invitees) and for damage to, loss of, and destruction of any property whatsoever, which arises out of, results from, or is in any way connected with actions taken by or as a consequence of any negligence, omission, or misconduct of Recipient or any of Recipient's subcontractors, agents, or employees in the performance of its obligations under this Agreement.
- (D) **Public Disclosure of Grant Agreement Documents:** Recipient acknowledges and understands that this Agreement, and all related public proceedings and records, shall be open to the public in accordance with the Virginia Freedom of Information Act (Virginia Code §§ 2.2-3700 *et seq.*) and the Virginia Public Procurement Act (Virginia Code §§ 2.2-4300 *et seq.*) to the extent that those laws apply.
- (E) **City Access to Records:** Recipient agrees that duly authorized representatives of City shall have access to any books, documents, papers, and records which are directly pertinent to this Agreement for the purpose of making audits, examinations, excerpts, and transcriptions for a period of five (5) years after the end of the Period of Performance.
- (F) **Non-Discrimination:** During the performance of this Agreement, Recipient agrees that it will not discriminate against any employee or applicant for employment because of race, religion, color, sex, sexual orientation, national origin, age, disability, military status, or any other basis prohibited by law relating to discrimination in employment, except where there is a *bona fide* occupational qualification reasonably necessary to the normal operation of Recipient. Recipient

agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. Recipient, in all solicitations or advertisements for employees placed by or on behalf of Recipient, will state that it is an equal opportunity employer. Recipient will include these provisions in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

- (G) **Drug-Free Workplace:** During the performance of work performed pursuant to this Agreement, Recipient agrees to: (i) provide a drug-free workplace for its employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in Recipient's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of Recipient that it maintains a drug-free workplace; and (iv) include the provisions of this Paragraph in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor. For the purposes of this paragraph, "drug-free workplace" means a site for the performance of work done in connection with this Agreement by Recipient, whose employees are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession, or use of any controlled substance or marijuana during the performance of work done in connection with this Agreement. Notices, advertisements and solicitations placed in accordance with federal law, rule, or regulation shall be deemed sufficient for the purpose of meeting the requirements of this Section.
- (H) **No Waiver of Rights:** No failure on the part of City to enforce any of the terms or conditions set forth in this Agreement shall be construed as or deemed to be a waiver of the right to enforce such terms or conditions. No waiver by City of any default or failure to perform by Recipient shall be construed as or deemed to be a waiver of any other and/or subsequent default or failure to perform. The acceptance of the performance of all or any part of this Agreement by City, for or during any period(s) following a default or failure to perform by Recipient, shall not be construed as or deemed to be a waiver by City of any rights hereunder, including, without limitation, City's right to terminate this Agreement.
- (I) **Independent Contractor:** Neither Recipient nor its agents, employees, assignees, or subcontractors shall be deemed employees or agents of City by virtue of the contractual relationship established by this Agreement. Recipient shall have sole responsibility for its staff, employees, and volunteers, including as regards their work, personal conduct, directions, and compensation.
- (J) **Severability:** In the event that any term, provision, or condition of this Agreement, or the application thereof, to any person or circumstance shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this

Agreement, and the application of any term, provision or condition contained herein to any person or circumstance other than those to which it has been held invalid or unenforceable, shall not be affected thereby.

- (K) **Non-Appropriation:** The payment and performance obligations of City, beyond the initial year of this Agreement, are expressly conditioned upon the availability of and appropriation by City Council of sufficient public funds, therefore. When public funds are not appropriated or are otherwise unavailable to support continuation of grant payment(s) by City in a subsequent fiscal year, this Agreement and City's obligations hereunder shall automatically expire, without liability or penalty to City. Within a reasonable time, following City Council's adoption of a budget, City shall provide Recipient with written notice of any non-appropriation or unavailability of funds affecting this Agreement.
- (L) **Governing Law and Venue:** This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia. All litigation arising out of this Agreement shall be commenced and prosecuted in the federal, state, or local court(s) having jurisdiction within the City.
- (M) **Economic Opportunities Requirements:** During performance of this Agreement, Recipient agrees to the economic opportunities requirements and procedures set forth in the City's Section 3 Policy, incorporated fully herein by reference, which are applicable to CAHF assisted projects and activities as approved by City Council on July 15, 2013.
- (N) **Prohibition of Forced or Indentured Child Labor:** The use of forced or indentured child labor is prohibited in the performance of work in connection with this Agreement. For purposes of this Section, "forced or indentured child labor" means all work or service: (i) exacted from any person younger than eighteen (18) years of age under the menace of any penalty for the nonperformance of such work or service or for which such person does not offer himself voluntarily; or (ii) performed by any person younger than eighteen (18) years of age pursuant to a contract the enforcement of which can be accomplished by process or penalties. Recipient shall include the above provision in every subcontract or purchase order that exceeds \$10,000, so that the prohibition will be binding upon each subcontractor or vendor.
- (O) **Contractual Claims:** Contractual claims, whether for money or other relief, must be submitted in writing no later than sixty (60) days after final payment by City. However, Recipient must give written notice of its intention to file a claim at the time of the occurrence of the incident giving rise to the claim or the beginning of the work upon which the claim is based. Normally, City will respond with a written decision on the claim within ninety (90) days. In some cases, the decision may be appealed through City's administrative appeals process. The process for filing contractual claims and appeals is described in City's "Contract Claims Resolution" Standard Operating Procedure, which is incorporated herein. A copy of the

“Contract Claims Resolution” procedure is available on City’s website or upon request.

- (P) **Immigration Reform and Control Act:** Recipient shall not, during the performance of work in connection with this Agreement, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.
- (Q) **Entire Agreement:** This Agreement represents the entire agreement between the Parties and there are no other agreements or understandings between the Parties, either verbal or written, regarding this grant which have not been incorporated herein.

Section 8. Agreement of Terms:

This Agreement must be signed by an authorized officer or agent of Recipient. By the signature below, the undersigned individual represents and warrants that he/she/they have been duly authorized by Recipient to execute this Agreement, and to bind Recipient to the terms set forth herein.

Recipient shall, no later than July 30, 2026, sign and either mail (U.S. mail, first class, postage prepaid), scan and email original signature copies of this agreement to NDS, or sign virtually utilizing Adobe Sign.

*[THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK; SIGNATURE PAGE
FOLLOWS.]*

CITY

City Representative (Printed)

Its: _____

City Representative (Signature)

Date: _____

Approved as to Form:

City Attorney's Office (Signature)

Date: _____

RECIPIENT

Recipient Representative (Printed)

Its: _____

Recipient Representative (Signature)

Date: _____