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CFMS # 673559  
107-901270

STATE OF LOUISIANA

**COOPERATIVE ENDEAVOR AGREEMENT  
IMPLEMENTING GRANT UNDER  
COMMUNITY DEVELOPMENT BLOCK GRANT  
DISASTER RECOVERY PROGRAM**

BY AND BETWEEN

LOUISIANA HOUSING FINANCE AGENCY

AND

DIVISION OF ADMINISTRATION, OFFICE OF COMMUNITY DEVELOPMENT

**AGREEMENT SYNOPSIS:**

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FEB 03 2009

LOUISIANA HOUSING  
FINANCE AGENCY

**PURPOSE (S):**

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Louisiana Recovery Authority

1. CDBG Disaster Recovery Program Grant Awards for Homebuyer Assistance Pilot Programs
2. Sub-recipient Monitoring

**GRANT AMOUNT:**

\$8,920,000.00

**TERM:**

Shall begin on September 2, 2008 and shall end thirty-six months later

**ACTIVITIES FUNDED WITH GRANT PROCEEDS:**

Excerpt from Office of Community Development, Division of Administration and Louisiana Recovery Authority Action Plan 2 Amendment 5: Modifications to Workforce and Affordable Rental Housing Programs:

...“The State is committed to promoting homeownership opportunities for low and moderate income households. The Louisiana Recovery Authority (hereinafter, referred to as LRA) and the Division of Administration, Office of Community Development (hereinafter, referred to as OCD) are working with the Louisiana Housing Finance Agency (hereinafter referred to as LHFA) and other partner agencies to promote the use of funding from the *HOME* program and other available sources including Mortgage Revenue Bonds to foster first time homeowner initiatives. In addition, the Small Rental Property Program will be structured in such a way as to accommodate the participation of potential homebuyers (including existing tenants) who are receiving homebuyer assistance through other programs. In order to assist additional homebuyers, the State will develop its own pilot program(s) to provide incentives, not only to encourage the return of damaged properties, but also incentivize the conversion of these properties to owner-occupied housing. For example, a Lease-Purchase Pilot Program would allow an owner to sell a repaired one-family or two-family property to a low- or

moderate-income homeowner, rather than rent the home. A Homebuyer Assistance Pilot program would allow low- and moderate-income households to purchase one to two unit properties that are “ready to occupy”, as well as un-repaired one-family and two-family properties where the purchaser would carry the home through the repair process. For purposes of the pilot program, participating properties must either be (1) those (formerly rental or ownership) properties that received severe or major damage through the storms of 2005 or (2) properties located in locally designated redevelopment zones. Creating first-time homebuyers would be a priority, but the pilot program may also serve buyers who have previously owned homes but currently do not own their own home. Homeowners who are exercising the "sell" or "relocate" option under the Road Home Homeownership Program are not eligible to receive additional financial assistance from the State through these pilot programs. Pilot programs will be expanded if successful in using funding from the budget for the Small Rental Assistance Program as well as other sources that may become available. Pilot programs will be expanded if successful using funding from the budget for the Small Rental Property Program as well as other sources that may become available..."

The Louisiana Housing Finance Agency will serve as the lead agency to administer and manage a portion of the CDBG funds for the pilot programs underlined above by using the CDBG funds in conjunction with its existing Mortgage Revenue Bond (MRB) program by providing low-rate loans to qualified households in the designated parishes.

This Cooperative Endeavor Agreement (hereinafter “Agreement” or “Contract”), is made and entered into by and between The Louisiana Housing Finance Agency, 2415 Quail Drive, Baton Rouge, LA 70808, represented herein by its duly appointed and authorized President, Milton Bailey, and the Division of Administration, Office of Community Development (hereinafter “OCD”), 301 Main Street, Suite 600, Baton Rouge, Louisiana 70801, represented herein by Mr. Paul Rainwater, as Senior Executive Director.

## I. PREAMBLES

A. The Constitution of the State of Louisiana Article VII, Section 14(c) provides that “For a public purpose, the State and its political subdivisions or political corporations may engage in cooperative endeavors with each other, with the United States or its agencies, or with any public or private association, corporation, or individual;”

B. In the aftermath of Hurricane Katrina and Hurricane Rita, the United States Congress, through Public Law 109-148 and through Public Law 109-234, allocated funds to the U.S. Department of Housing and Urban Development Community Development Block Grant (“CDBG”) Program for use through the State of Louisiana for disaster recovery;

C. OCD, on behalf of the State of Louisiana, administers the State’s CDBG disaster recovery program, which is subject to the federal statutes and regulations governing the CDBG programs, as modified by exceptions and waivers previously granted and which may hereinafter be granted by the U.S. Department of Housing and Urban Development;

D. The State, through an action plan amendment approved by the Louisiana Legislature and approved by HUD on December 8, 2006, allows \$40 million of the CDBG disaster recovery allocation to be utilized for the development and implementation of acceptable pilot programs for the purpose of promoting homeownership opportunities by allowing low- and moderate-income households to purchase un-repaired one-family and two-family properties, assisting them in acquiring a qualifying property that has completed repairs, or assisting them in purchasing a property located in locally designated redevelopment zones. All eligible properties must have sustained major or severe damage as a result of Hurricanes Katrina and/or Rita or must be located in locally designated redevelopment zones.

E. The CDBG eligible activities funded by this grant are consistent with the national objective of meeting community development needs for low-moderate income households under the Community Development Block Grant program. *LHFA, its sub-recipients, contractors, and sub-contractors, certify that 100 percent of the activities, paid with CDBG grant funds, will benefit low-moderate income households.*

F. The public purpose to be derived from this Agreement is to implement that portion of the Small Rental Property Program that provides for Homebuyer Assistance Pilot Programs to assist predominantly first time low- and moderate-income homebuyers (at or below 80% of AMI) from the 11 most affected parishes (Acadia, Calcasieu, Cameron, Iberia, Jefferson, Plaquemines, St. Tammany, Tangipahoa, Terrebonne, Vermilion, Washington) to acquire storm damaged, un-repaired one-family and two-family properties, acquire qualifying storm damaged, repaired properties, or acquire properties in locally designated redevelopment zones. For purposes of this Agreement, a qualified storm damaged property means any property that suffered at least \$5,200 in storm related damage from either Hurricane Rita or Katrina. Priority will be made for properties located in areas that suffered significant storm damage from Hurricanes Katrina and/or Rita. If a parish or local jurisdiction elects, eligible properties will be limited to those in a designated area(s). The Pilot Program may provide for access to nonprofit intermediaries to assist them with refinancing and reconstruction. Through this agreement low- and moderate-income families will have access to assistance to acquire restored housing damaged by the storms or located in storm damaged areas, and to become homeowners in those markets most affected by the hurricanes.

G. The actions of the OCD and LHFA will result in a public benefit described in detail not disproportionate to the consideration in this Agreement.

## II. SCOPE OF SERVICES

A. The Division of Administration, Office of Community Development (OCD), as administrator of the CDBG Disaster Recovery Program, subject to the terms and conditions of this Agreement, shall make available to The Louisiana Housing Finance Agency CDBG Disaster Recovery funds in the gross amount up to \$8,920,000 (the "Grant Amount") for the purpose of the Homebuyer Assistance Pilot Program as referenced above for Acadia,

Calcasieu, Cameron, Iberia, Jefferson, Plaquemines, St. Tammany, Tangipahoa, Terrebonne, Vermilion, Washington.

B. LHFA will be responsible for administering the Program in a manner satisfactory to OCD and consistent with any standards required as a condition of providing these funds. LHFA shall comply with all requirements set forth in Exhibit A “CDBG Program Administration and Compliance”, attached hereto and made a part hereof.

1. LHFA will prepare a program design plan for use of the Grant. The program design plan will be submitted to OCD for review and final approval. The program design will be in compliance with the terms set as forth in Exhibit D, attached hereto and made a part hereof. If LHFA wishes to add a program mechanism that is not specifically mentioned below it will ensure that it is eligible under the rules governing the use of CDBG disaster recovery funds and amend this agreement accordingly. The program design plan will, at a minimum, and as further provided for in Exhibit B, attached hereto and made a part hereof, include one or more of the following program mechanisms:

- (a) Financial assistance to homebuyers in the form of below-market-interest-rate mortgage financing for eligible purchasers, soft second loans, down-payment and closing cost assistance, and insurance premium relief. Refinancing is not an eligible activity under the program.
- (b) The program design will include, if available, other funding (e.g., HOME funds) that will be utilized in conjunction with the Pilot program.
- (c) Financing to eligible purchasers for the purchase of qualifying property, the rehabilitation of which has been completed prior to the property's purchase by the eligible purchaser.
- (d) Direct assistance to support intermediaries who will assist potential homebuyers in identifying, purchasing, eligible properties.

2. LHFA in coordination with LRA/OCD will provide CDBG technical assistance regarding rules, regulations, and policies governing the use of CDBG funds.

3. LHFA will review all contract and agreement forms to be utilized for contractual agreements with service providing entities of LHFA for compliance with CDBG requirements. Non-compliance shall be communicated in writing to OCD no later than 10 days after contract submission.

4. OCD shall review the expenditures of LHFA quarterly to ensure that CDBG funds are expended appropriately throughout the term of this Agreement. If at any quarterly review, there are failures to expend the CDBG funds as expected, OCD shall meet with LHFA to determine the cause for the deviation, discuss the performance enhancement

plan necessary to alleviate the problem, and set a deadline for the performance enhancement plan to be implemented. Failure to meet adequate spending levels may result in a redirection of funds by the OCD to other programs and services designated to meet CDBG goals. A notice, to include the amount of funds to be redirected, will be issued at least 30 days prior to such a redirection of funds by OCD to LHFA. Furthermore, in the event of such a redirection of funds by OCD, LHFA will nevertheless receive funds in an amount sufficient to fully pay contractors for any eligible and allowable services rendered prior to the date such redirection of funds is to commence.

5. OCD may request full backup documentation to accompany invoices from LHFA submitted within the contract period. OCD will review the back up documentation and determine if the charges are correct and allowable. If deficiencies are detected in the review of the sample invoices, OCD will request clarification or additional information, and may, if warranted, request back up documentation on additional invoices both past and future. If any overpayments are determined from the OCD review, the recovery of the overpayment will occur on future invoices.

6. LHFA will cooperate with OCD regarding program oversight and evaluation. Components of the monitoring plan shall include the following:

- (a) Description of the monitoring plan that includes on-site monitoring and contract compliance review.
- (b) Designation of a program staff person to perform program monitoring activities as it relates to implementation and service delivery of CDBG eligible activities.
- (c) Provide details concerning how LHFA will ensure program compliance; evaluate subcontractor service delivery, compliance with program requirements, and reporting procedures, frequency in which site or monitoring visits will be performed, and evaluation mechanism for monitors.
- (d) Provide any performance enhancement measures that will take place to address poor program performance or non-compliance.

7. LRA/OCD and LHFA will work to ensure that contractors and or subcontractors understand the stated CDBG goals and ensure that contractors and/or sub-contractors are implementing services to meet established performance criteria and will provide necessary intervention to improve performance. Where performance is unsatisfactory, LHFA shall exercise available remedies, including contract termination and suspension of payment to ensure overall performance and outcomes are achieved.

8. LHFA shall communicate in writing to OCD requests for any programmatic or budgetary changes for review and approval by OCD.

## C. Goals and Objectives

The activities of the Homebuyer Assistance Pilot Programs are expected to increase the supply of affordable housing and assist low and moderate income families who were not previously homeowners to become homeowners.

## D. Statement of Work

### 1. LHFA as Grant Recipient:

LHFA will provide staff to monitor and manage every aspect of the CDBG Homebuyer Assistance Pilot Programs. LHFA will ensure that program outcomes are delivered. LHFA staff will participate in training, programs, conferences for professional development for the increased knowledge of CDBG or other public or privately funded programs, policies and regulations involving homelessness. LHFA will be an advocate for Fair Housing, and report any violations of the civil rights of individuals. LHFA will maintain all records, reports and documents as required by CDBG regulations. LHFA will communicate, when necessary, with local, state, federal agencies, stakeholders and others regarding the CDBG Homebuyer Assistance Pilot Programs. LHFA will be committed to using every opportunity to leverage funds to maximize current CDBG funds and increase the number of individuals and families served by this Grant.

### 2. Performance Measurement and Accountability:

LHFA will prepare and submit to OCD quarterly progress reports for all activities undertaken. The report shall include, but not be limited to: 1) adherence to the scope of work; 2) report on level of accomplishment; 3) adherence to established time tables; and 4) collection of all data needed for monitoring and reporting performance accomplishments to HUD. Quarterly reports are due on the 15<sup>th</sup> day following the end of each calendar quarter.

## E. Deliverables

The Deliverables under this Contract shall include the performance of the services required under this contract, written reports on LHFA performance, periodic progress reports, and other items set forth in detail in Exhibit B, Performance Measures.

## F. Performance Measures

The performance measures for this contract shall include the successful performance and completion of LHFA's tasks as provided in this Agreement and as set forth in detail in Exhibit B, Performance Measures.

### **III. PAYMENT**

A. OCD will pay to LHFA funds available under this Agreement based upon information submitted by LHFA and consistent with an approved budget. See Exhibit C, attached hereto and made a part hereof. Payments will be made for eligible expenses actually incurred by LHFA.

The payment process is as follows:

1. LHFA shall submit a request for payment and appropriate supporting documents to OCD, to attention of the Disaster Recovery Unit, Housing Manager, or his designee, for review.
2. Requests for payments shall not be submitted more frequently than weekly.
3. Grant proceeds shall not be drawn in advance; requests for payment shall only be for eligible items actually incurred by LHFA and within the approved budget.
4. After review of the request for payment by the OCD Disaster Recovery Unit, Housing Manager, or his designee, the request for payment shall be submitted for approval to the OCD Disaster Recovery Unit Financial Manager, and then forwarded to the Office of Finance and Support Services (OFSS) for final payment processing.

B. LHFA shall utilize the OCD Disaster Recovery Request for Payment Form.

C. LHFA shall not be reimbursed by OCD for administrative services relating to the grant. LHFA shall be reimbursed for direct program delivery costs.

### **IV. DISCRIMINATION**

LHFA and its contractors agree to abide by the requirements of the following as applicable: Title VI of the Civil Rights Act of 1964 and Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, Federal Executive Order 11246 as amended, the Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, the Fair Housing Act of 1968 as amended, and the requirements of the Americans with Disabilities Act of 1990.

LHFA and its contractors shall each agree not to discriminate in its employment practices, and will render services under this Agreement without regard to race, color, religion, sex, sexual orientation, national origin, veteran status, political affiliation, or disabilities.

Any act of discrimination committed by LHFA, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this Agreement.

## **V. MAINTENANCE AND ACCESS TO RECORDS**

LHFA and its contractors shall maintain accounts and project records, including personnel, property and financial records, adequate to identify and account for all costs pertaining to the Contract and such other records as may be deemed necessary by OCD to assure proper accounting for all project funds. OCD, the Division of Administration (DOA) , the State Legislative Auditor, the U.S. Department of Housing and Urban Development, the Comptroller General of the United States, and any of their duly authorized representatives, shall have access to any books, documents, papers and records of LHFA and its contractors which are directly pertinent to that specific contract, for the purpose of audits, examinations, and making excerpts and transcriptions. All records shall be maintained for five years after contract closeout.

## **VI. AUDITORS' CLAUSE**

It is hereby agreed that the OCD, the DOA, the Legislative Auditor of the State of Louisiana, HUD, Office of Inspector General, HUD monitors, and auditors contracted by any of them shall have the option of auditing all records and accounts of LHFA and its contractors that relate to this agreement at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. LHFA and its contractors shall comply with all relevant provisions of state law pertaining to audit requirements, including La. R.S. 24:513 et seq. Any deficiencies noted in audit reports must be fully cleared within 30 days after receipt by LHFA and its contractors. Failure of LHFA and its contractors to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments due to the party failing to comply with the auditing requirement herein stated. LHFA and its contractors hereby agree to have an annual agency audit conducted in accordance with current State policy concerning LHFA and its contractors audits and OMB Circular A-133.

## **VII. COVENANT AGAINST CONTINGENT FEES AND CONFLICT OF INTEREST**

LHFA shall covenant and its contractors shall warrant that no person or selling agency or other organization has been employed or retained to solicit or secure this contract upon an Agreement or understanding for a commission, percentage, brokerage, or contingent fee. For breach or violation of this warrant the OCD shall have the right to annul this contract without liability or, in its discretion, to deduct from the contract or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee, or to seek such other remedies as legally may be available.

No member, officer, or employee of LHFA, and its contractors, or their designees, or agents, no consultant, no member of the governing body of LHFA or the locality in which the program is situated, and no other public official of LHFA or such locality or localities, who exercises or has exercised any functions or responsibilities with respect to this Agreement during his or her tenure, 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 Project or in any activity or benefit, which is part of this Agreement.

However, upon written request of LHFA, OCD may agree in writing to grant an exception for a conflict otherwise prohibited by this provision whenever there has been full public disclosure of the conflict of interest, and the State determines that undue hardship will result either to LHFA or the person affected by applying the prohibition and that the granting of a waiver is in the public interest. No such request for exception shall be made by LHFA which would, in any way, permit a violation of State or local law or any or statutory or regulatory provision of LHFA.

## **VIII. REVERSION OF ASSETS**

The LHFA and OCD shall enter into an arrangement to provide for the reinvestment of program income in a manner that is consistent with the CDBG regulations and the programs of the LHFA which finance homeowner opportunities for low-income families. If such an agreement is not entered into prior to the expiration of this agreement, LHFA shall transfer to OCD any CDBG funds in possession of LHFA on hand at that time.

## **IX. TERMINATION OR SUSPENSION**

### **A. Termination for Cause**

OCD may, after giving at least 30 days written notice, specifying the effective date, terminate this Agreement in whole or part for cause, which shall include but not be limited to:

- (1) failure, for any reason, of LHFA to fulfill in a timely and proper manner the obligations under this Agreement, and such statutes, Executive Orders, and federal directives as may become generally applicable at any time;
- (2) submission by LHFA to OCD, HUD, or either of their auditors, of reports that are incorrect or incomplete in any material respect;
- (3) ineffective or improper use of funds provided under this Agreement.

If, through any cause, LHFA shall otherwise fail to fulfill in a timely and proper manner, its obligations under this Agreement, or if LHFA shall violate any of the covenants, agreements, or stipulations of this Agreement, OCD shall thereupon have the right to terminate this Agreement by giving written notice to LHFA of such termination and specifying the effective date thereof, at least thirty (30) days before the effective date of said termination. LHFA shall be entitled to payment for deliverables in progress to the extent work has been performed satisfactorily.

### **B. Termination for Convenience**

The State of Louisiana, Division of Administration, Office of Community Development (OCD) may terminate this contract at any time without penalty by giving thirty (30) days written notice to LHFA of such termination or negotiating with LHFA an effective date of less than thirty days. LHFA shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily.

### **C. Remedies for Default**

Any claim or controversy arising out of this contract shall be resolved by the provisions of LSA - R.S. 39:1524 - 1526.

## **X. OTHER CONTRACT PROVISIONS**

A. Assignment: LHFA shall not assign any interest in this Agreement, and shall not transfer any interest in the same whether by assignment or novation, without the prior written consent of the OCD.

B. Severability: If any provision of this Agreement is determined to be unlawful or unenforceable by a court having jurisdiction over the parties, such provision shall be severable from the other provisions of this Agreement, and all remaining provisions shall be fully enforceable.

C. Governing Law and Venue: This Agreement shall be governed by the laws of the State of Louisiana, and exclusive jurisdiction and venue shall be in the Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana.

D. Authority to Make and Use Copies: LHFA authorizes OCD to make copies, photocopies, reproductions and other facsimiles (copies) of this original Agreement for the purpose of filing and for any other purposes permitted as if such copies were original.

E. This Agreement, including any attachments that are expressly referred to in this Agreement, contains the entire Agreement between the parties and supersedes any and all Agreements or contracts previously entered into between the parties. No representations were made or relied upon by either party, other than those that are expressly set forth. This Agreement may be modified or amended at any time by mutual consent of the parties, provided that, before any modification or amendment shall be operative and valid, it shall be reduced to writing and signed by both parties.

F. The continuation of this Agreement is contingent upon the appropriation of funds to fulfill the requirements of the agreement by the legislature. If the legislature fails to appropriate sufficient monies to provide for the continuation of the agreement, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the agreement, the agreement shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

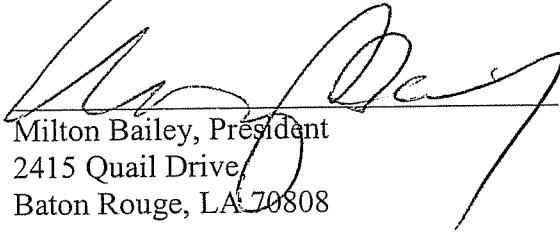
## **XI. NOTICES**

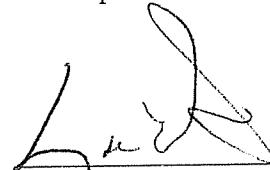
All notices and other communications pertaining to this Agreement shall be in writing and shall be transmitted either by personal hand delivery (and receipted for) or deposited in the United States mail, as certified mail, return receipt requested and postage prepaid, to the other party, addressed as follows:

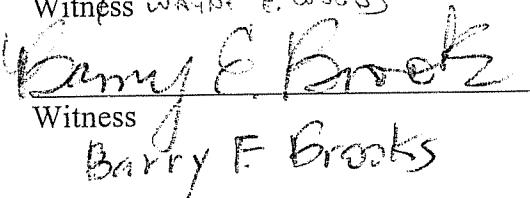
Mr. Paul Rainwater  
Senior Executive Director  
Office of Community Development  
One American Place, Suite 600  
301 Main Street  
Baton Rouge, Louisiana 70801

Milton Bailey  
President  
Louisiana Housing  
Finance Agency  
2415 Quail Drive,  
Baton Rouge, LA 70808

THUS DONE AND SIGNED in the presence of two competent witnesses at Baton Rouge, this  
10 day of October, 2008.

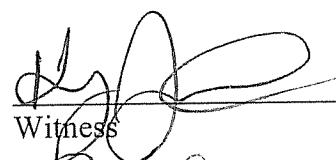
  
Milton Bailey, President  
2415 Quail Drive  
Baton Rouge, LA 70808

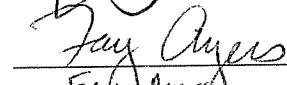
  
Witness WAYNE E. WOODS

  
Barry F. Brooks  
Witness

THUS DONE AND SIGNED in the presence of two competent witnesses at Baton Rouge, this  
28<sup>th</sup> day of October, 2008.

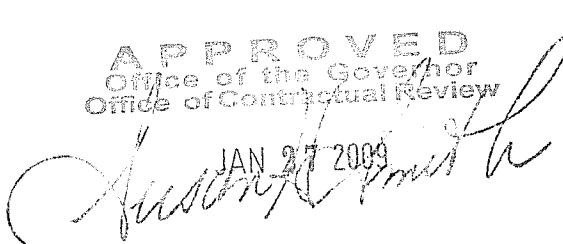
  
Paul Rainwater  
Senior Executive Director  
Office of Community Development  
One American Place, Suite 600  
301 Main Street  
Baton Rouge, Louisiana 70801

  
Witness

  
Fay Ayers  
Witness

  
Angele Davis  
Commissioner of Administration  
Division of Administration  
State of Louisiana

APPROVED  
Office of the Governor  
Office of Contractual Review

  
JAN 27 2009

DIRECTOR

FINANCIAL SUPPORT SERVICE

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**EXHIBIT A**  
**CDBG Program Administration and Compliance**

**1. General Compliance**

LHFA agrees to comply with the requirements of title 24 of the Code of Regulations Part 570 (<http://www.gpoaccess.gov/cfr/index.html>) including subpart K of these regulations, except that (1) LHFA does not assume the OCD's environmental responsibilities described in 24 CFR 570.604 and (2) LHFA does not assume the OCD's responsibility for initiating the review process under the provisions of 24 CFR Part 52. LHFA also agrees to comply with all other applicable Federal, state, and local laws and all applicable Office of Management and Budget Circulars <http://www.whitehouse.gov/omb/circulars/>).

LHFA further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

**2. Performance Monitoring**

OCD will monitor the performance of LHFA and its contractors against goals and performance standards in Exhibit B, Deliverables and Performance Measures. Substandard performance as determined by OCD will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by LHFA within a reasonable period of time after being notified by OCD, contract suspension or termination procedures will be initiated.

**3. Financial Management**

**a. Accounting Standards**

LHFA and its contractors agree to comply with 24 CFR 84.21–28 or 24 CFR 85.21 and agree to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

**b. Cost Principles**

LHFA and its contractors shall administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-87 "Cost Principles for State and Local Government as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

**4. Documentation and Record Keeping**

**a. Records to be Maintained**

LHFA, and its contractors shall maintain all records required by the Federal regulations specified in 24 CFR 570.506, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

Records providing a full description of each activity undertaken;

- i) Records demonstrating that each activity undertaken meets one of the national objectives of meeting community development needs for low-moderate income households under the CDBG program.
- ii) Records required for determination of the eligibility of activities;
- iii) Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- iv) Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- v) Financial records as required by 24 CFR 570.502, 24 CFR 84.21–28 and 24 CFR 85.21; and
- vi) Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

b. Retention

LHFA and its contractors shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of five (5) years. . Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the five-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five-year period, whichever occurs later.

5. Close-outs

LHFA's and its contractors' obligation to OCD shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, software, program income balances, and accounts receivable to OCD), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that LHFA has control over CDBG funds, including program income.

6. Procurement

a. Compliance

LHFA shall conduct all procurement transactions in a manner providing for full and open competition and comply with the applicable procurement regulations. LHFA shall provide OCD with executed copies of all contracts along with

documentation concerning the selection process. All program assets (unexpended program income, property, equipment, software, etc.) shall revert to the OCD upon termination of this Agreement. The LRA/ OCD shall request an amendment to the current Action Plan to allow for retention of unexpended program income at termination of this Agreement.

b. OMB Standards

Unless specified otherwise within this agreement, LHFA shall procure all materials, property, or services in accordance with the requirements of 24 CFR 84.40–48 or 24 CFR 85.36.

c. Travel

Travel expenses, which must be included in the approved Budget, constitute part of the total maximum payable under the contract and will only be reimbursed in accordance with LHFA's Travel Guidelines.

d. Indirect Costs

Indirect costs may not be charged to the grant proceeds or as administrative expenses by LHFA.

e. Utilization of Small, Minority and Women Owned Enterprises.

LHFA shall make positive efforts to utilize small businesses, minority-owned firms, and women owned business enterprises, whenever possible following the steps outlined in 24 CFR 84.44(b) Procurement for Non-Profit organizations or 24 CFR 85.36(e) Procurement for Local Governments as applicable.

f. Sole Source Procurement

LHFA shall specifically identify all awards of sole source contracts and the rationale for making the award on a sole source basis in reports to OCD. All sole-source contracts shall be approved in writing by OCD in advance of any awards. All sole-source procurements will be reported to the U.S. Congress as per PL 109-148.

7. Program Income

LHFA and its contractors shall report quarterly any program income (as defined at 24 CFR 570.500(a)) generated by activities carried out with CDBG funds made available under this contract. In accordance with the Action Plan, Program Income will be first

remitted to the State OCD. The LRA/OCD shall request an amendment to the Action Plan which will enable such funds to be reallocated to the LHFA for recycling to activities allowed under this scope of work or such other CDBG eligible financing initiatives specifically approved by LRA/OCD.

The use of program income shall comply with the requirements set forth at 24 CFR 570.504.

#### 8. Prohibited Activity

LHFA and its contractors are prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities, inherently religious activities, lobbying, political patronage, and nepotism activities.

#### 9. Section 3 compliance in the provision of training, employment and business opportunities

LHFA and its contractors agrees to comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3) insofar as this act applies to the performance of this Agreement. 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. HUD-assisted projects covered by Section 3 are those defined in 24 CFR 135.3 (a) (2) and (a)(3).

#### 10. Labor Standards

LHFA and its contractors agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 *et seq.*) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement.

#### 11. Conflict of Interest

LHFA and its contractors agree to abide by the provisions of 24 CFR 84.42 and 570.611, which include (but are not limited to) the following:

- a. LHFA and its contractors shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.
- b. No employee, officer or agent of LHFA or its contractors shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest would be involved.

- c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of LHFA, or any designated public agency.

## 12. Debarment or Suspension

No funds provided under this award may be used to pay salaries of employees or costs of consultants, contractors, or other service providers where such individuals are currently under suspension or debarment by a Federal agency. LHFA is responsible for verifying that its contractors, and each tier of subcontractors, are not on the List of Parties Excluded from Federal Procurement or Non-procurement Programs promulgated in accordance with E.O.s 12549 and 12689, "Debarment and Suspension," as set forth at 24 CFR part 24.

## 13. Environmental Conditions

LHFA agrees to comply, insofar as they apply to the performance of this agreement, with all applicable standards, orders or regulations issued pursuant to: HUD Environmental Review Procedures 24 CFR Part 58, the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.) Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15), HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B; and the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470).

## 14. Subcontract Provisions

LHFA will include all of the provisions of this exhibit in every contract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own contractors.

**EXHIBIT B**  
**Deliverables and Performance Measures**

<b>Name of Contracting Entity</b>	Louisiana Housing Finance Agency
<b>Address</b>	2415 Quail Drive, Baton Rouge, LA 70808
<b>Phone</b>	225.763.8700
<b>E-mail and website</b>	mbailey@lhfa.state.la.us <a href="http://www.lhfa.state.la.us/">http://www.lhfa.state.la.us/</a>
<b>Contact name and title</b>	Milton Bailey, President
<b>Contact information, if different than above</b>	
<b>Name of Contracting Entity</b>	Office of Community Development
<b>Address</b>	301 Main Street, Suite 600, Baton Rouge, Louisiana 70801
<b>Phone</b>	225-219-9600
<b>E-mail and website</b>	<a href="mailto:paul.rainwater@la.gov">paul.rainwater@la.gov</a>
<b>Contact name and title</b>	Paul Rainwater, Senior Executive Director
<b>Contact information, if different than above</b>	Robert Barbor <a href="mailto:Robert.Barbor@la.gov">Robert.Barbor@la.gov</a>

<b>Title of Project:</b> Homebuyer Assistance Pilot Program
<b>Brief Description of Project (fewer than 25 words):</b> The activities of the Homebuyers Assistance Pilot Programs will assist low and moderate-income first time homebuyers (at or below 80% AMI) to acquire rehabilitated storm damaged one-family and two-family properties or acquire properties in locally designated redevelopment zones.
<b>Planned Activities and/or Services:</b> The Homebuyer Assistance Pilot Programs will engage in the following planned activities and services: A. Program Design <ol style="list-style-type: none"> <li>1. The program design will be consistent with the Action Plan excerpt given on page one of this agreement.</li> <li>2. The program design will discuss other available funding (e.g., HOME funds) that LHFA proposes to utilize in the program.</li> <li>3. The program design will discuss how the selected Program Mechanism(s) in Exhibit D will be carried out. <ol style="list-style-type: none"> <li>a. The program design will include estimates of interest rates, fees, loan terms and other loan characteristics based on then current market conditions.</li> </ol> </li> </ol>

- b. The program design will include underwriting criteria (e.g., credit scores, debt ratios)
- c. The program design will include a term sheet for each of the legal documents to be executed between LHFA and the homebuyer / borrower.

4. The program design will discuss how the remaining mechanisms in Exhibit D will be carried out.

- a. If LHFA proposes not to utilize a remaining mechanism, the program design will justify such recommendation.
- b. If LHFA proposes to provide less than the full range of activities discussed above for a remaining mechanism, the program design will justify such recommendation.
- c. The program design will include a list of the legal documents to be executed between LHFA and the homebuyer.

5. The program design will fully specify proposed eligibility criteria and preferences, for eligible homebuyers.

- a. The program design will specify whether there should be residency requirements or preferences (for example, a preference for otherwise eligible households who resided in the same Parish pre-storm).
- b. The program design will specify criteria for first time homebuyers.

6. The program design will fully specify proposed eligibility criteria and preferences, for eligible properties.

- a. The program design will propose property eligibility considerations regarding number of units, level of repair, current state of repair, ownership at the time of the storm, and current ownership.
- b. The program design will propose physical standards and inspection procedures.

7. The program design will fully specify proposed eligibility criteria and preferences, for eligible neighborhoods.

- a. The program design will propose methods for identifying most-damaged neighborhoods. Such methods will rely on determinations of units of local government to the maximum extent feasible, consistent with the program objectives.
- b. The program design will specify how LHFA will work with the local government to identify eligible neighborhoods and otherwise to incorporate local objectives into program implementation.

8. The program design will specify measures to promote long-term affordability (e.g., Resale / Recapture provisions).

9. The program design will specify how the program will be delivered.

10. The program design will include proposed Performance Measures that satisfy CDBG program requirements and are acceptable to OCD.

11. The program design will include a proposed monitoring plan that satisfies CDBG program requirements and is acceptable to OCD.

12. The program design will adhere to the specifications set forth in Exhibit D.

13. If LHFA believes that changes to the Action Plan and/or to this scope of work are necessary in order to achieve the program objectives listed above via the program mechanisms listed above, LHFA will advise OCD of such changes

<p>but shall not modify the proposed program design unless and until approved by LRA/OCD in regard to Exhibit D and/or program design elements not requiring an Action Plan amendment and if requiring an Action Plan amendment until such Action Plan changes are implemented through Action Plan amendments duly approved by the Governor, Legislature and HUD. Written amendments to this cooperative endeavor agreement will be executed if required.</p> <p>B. Provide technical assistance to participating local jurisdictions to insure program design compliance and efficient utilization of program funds.</p> <p>C. Submit quarterly cost reports to OCD.</p> <p>D. Program closeout.</p>
<p><b>Deliverables:</b> Progress reports summarizing the overall grant activities and cost reports to be filed at least quarterly but possibly monthly; a final recap report outlining the overall results provided by LHFA programs and the events and activities funded by this grant.</p> <p>LHFA shall provide the following deliverables.</p> <ol style="list-style-type: none"> <li>1. Deliver a <b>program design plan</b> for all <b>activities</b> above.</li> <li>2. Provide reports on all grant activities.</li> <li>3. Provide cost reports on all grant activities</li> </ol>
<p><b>Monitoring and Accountability:</b> OCD may require further information from LHFA including but not limited to the items set forth below.</p> <p>I. Information Collected for Each Loan and Available for Monitoring Review</p> <p>Name, address, parish      Located in Office of Recovery Management target zone      Sources of funds and allocated amounts      Income verification, % AMI      Verification of \$5200 in damages      First time homebuyer as per the HUD definition (Y/N)      Household size      Unit type      Number of bedrooms      Racial characteristics of head of household as per HUD requirements (applicants are not required to answer, but it is required that they are asked). Hispanic origin Y/N      Homebuyer counseling (Y/N)      FHA insurance (Y/N)      Lease purchase (Y/N) If yes, date of agreement      HUD 1      Purchase price      Value after rehab      Receipts for funds spent      Records of program income generated (repayments)</p>

Draw reports

**II. General Information Collected Monthly**

Reports including a summary of overall grant activities and cost reports as follows

- Listing of Each Loan – includes address and amount of CDBG Loan/Insurance Premium relief.
- Summary Statistics Including
  - Number of units closed
  - Number of units closed in Recovery Management Zones
  - Amount of CDBG funds expended on direct Homebuyer Assistance
  - Amount of CDBG funds expended on project delivery as per budget
  - Amount of program income from CDBG funds

**III. Grant Packet Collected After Cooperative Endeavor Agreement Is Executed:**

1. Request for Vendor information,
2. IRS Form W-9 (if applicable),
3. Electronic Funds Transfer Enrollment Form
4. OCD/DRU Authorized Signature Form
5. Statement of Assurances
6. HUD Form 2880

**IV. Additional Information Available Upon Request**

Account and project records including records, property and financial records, adequate to identify and account for all costs pertaining to the contract

**Contract Objectives.** LHFA and OCD will take all necessary and appropriate steps to accomplish the contract goals and achieve desired results. The strategies outlined in the program design will be implemented in a timely manner to achieve objectives within three years. This contract will ensure that all activities and program mechanism are in compliance with CDBG regulations. A monitoring process will be established to allow for ongoing evaluation of performance measurement and compliance. This contract will increase opportunities for first time homebuyers while simultaneously providing incentives to repair storm damaged properties. LHFA may use program mechanisms such as leveraging CDBG funds as part of a bond issuance allowing for below market interest rates, down payment assistance, and insurance premium relief. LHFA will work with lenders to identify eligible homebuyers and guide them through the home buying process.

**Performance Measures** LHFA performance will be measured not only by whether LHFA completed the scope of services in a timely manner, satisfactorily, and in accordance with contract terms, but also with regard to success in achieving the desired results. LHFA will report on performance in quarterly progress reports. Performance data must be specific and measurable. Where appropriate the State shall provide baseline data. The following are the indicators by which LHFA's progress will be measured. LHFA will make not less than 200 leveraged loans for low income households over the next three years.

**EXHIBIT C**  
**The Budget**

*Name of Recipient:* Louisiana Housing Finance Agency

<i>Anticipated Income or Revenues</i>	
<b>Revenue Sources</b>	<i>Amount</i>
Grant income	\$8,920,000
<b>Total Anticipated Income or Revenues</b>	<b>\$8,920,000</b>

*Name of Recipient:* Louisiana Housing Finance Agency

<i>Anticipated Income or Revenues</i>	
<b>Revenue Sources</b>	<i>Amount</i>
Grant income	
<b>Total Anticipated Income or Revenues</b>	

<i>Anticipated Expenses</i>	
<b>Expense Categories</b>	<i>Amount</i>
Salaries (includes taxes and benefits)	\$ 274,680
Marketing	\$ 12,500
Training and Orientation	\$ 12,610
Office Supplies/Postage and Freight	\$ 5,500
Cost of Issuance (Bond Counsel fees, legal fees, cash flow verification, etc)	\$ 180,000
Professional Services (	\$ 65,700
CDBG Funds to subsidize mortgage loans	\$7,783,179
Down payment and closing	\$ 585,831
<b>Total Anticipated Expenses</b>	<b>\$8,920,000</b>

**EXHIBIT D**  
**Scope of Work for First Time Homebuyer Program**

**Program Objectives**

1. Provide incentives for renters and “first time” homebuyers with incomes at or below 80% AMI to purchase properties.
2. Provide incentives to convert renovated storm-damaged units to homeownership.
3. Increase homeownership and foster neighborhood revitalization in storm damaged areas by promoting the restoration and purchase of properties.

**Program Mechanisms**

- A. Below-market-interest rate mortgage financing and down payment, soft second loans, closing cost assistance and insurance premium relief for eligible purchasers of storm damaged properties, and/or
- B. Financing the purchase of rehabilitated storm damaged properties by eligible purchasers from individual sellers, nonprofit intermediaries and lenders who have completed the renovation of a damaged property and offered such renovated properties for purchase by eligible purchasers, and/or.
- C. Direct financial assistance to support the rehabilitation/reconstruction of storm damaged properties and subsequent sale of such properties to eligible purchasers by intermediaries who will acquire or dedicate existing properties, rehabilitate them, and offer them for sale at reduced rates to eligible purchasers, and/or
- D. Direct assistance to support intermediaries who will assist potential homebuyers in identifying, purchasing, and repairing eligible properties, and/or.
- E. Technical Assistance and Counseling to potential purchasers of storm damaged property,

There will be no expectation that LHFA will utilize all, or even most, of these mechanisms, though LHFA is encouraged to explore as many different means as possible to promote first time homebuyers and the restoration of storm damaged properties. If LHFA wishes to add a "Program Mechanism" that is not specifically mentioned above LHFA will need to (1) ensure that it is eligible under the rules governing the use of CDBG disaster recovery funds and (2) amend this scope of work to include it in the above list of Program Mechanisms.

## Program Parameters

- **Funding**
  - \$8,920,000 of Rental Program CDBG.
  - Funding may be provided to local housing agencies committed to finance the purchase by eligible purchasers of eligible properties.
  - Local housing agencies are encouraged to further leverage the available CDBG funds with other sources such as HOME or additional CDBG funds that may be made available.
- **Eligible Homebuyers**
  - First-time homebuyers, i.e. household must not have held an ownership interest in any residence within prior 36 months. All households eligible under the HUD definition of first-time homebuyer shall be acceptable to OCD.
  - Homebuyers must have household incomes at or below 80% of the area median income (AMI) adjusted by family size.
  - Homeowners electing the "sell" or "relocate" options under the Road Home Homeowner Assistance Program are not eligible for this program.
- **Eligible Properties**
  - Limited to one-family and two-family homes in locally designated recovery zones or,
  - Properties on the FEMA list of damaged properties, or properties having sustained at least \$5,200 due to Hurricane Katrina or Rita. Sufficient evidence that the property sustained damage in the amount of at least or damage must be submitted to OCD. Verification methods for such damage proposed by LHFA must be approved by OCD.
- **Turnover Restrictions**
  - Homebuyer must agree to use the home as their primary residence for at least three years. LHFA may decide to impose longer term restrictions.
  - LHFA may elect to allow homeowners to sell the home during the initial three year period to another income eligible household or may allow homeowners to sell due to specific circumstances outlined in the program design.
- **Administrative Charges.** Administrative expenses to the program will be consistent with HUD approved guidelines.
- **Program Investment Term.** CDBG Funds must be invested within 36 months from execution of the Cooperative Endeavor Agreement.
- **Program Income.** In accordance with the Action Plan, Program Income will be first remitted to the State OCD. The LRA/OCD shall request an amendment to the Action Plan which will enable such funds to be reallocated to the LHFA for

recycling to activities allowed under this scope of work or such other CDBG eligible financing initiatives specifically approved by LRA/OCD.

- **Reversions of Funds.** Upon termination of the Cooperative Endeavor Agreement and all sub-recipient agreements, any unused funds shall revert to OCD.
- **Cooperative Endeavor Agreement.** Program to be delivered under the terms described in this Cooperative Endeavor Agreement.
  - OCD will monitor LHFA for CDBG compliance and for compliance with the Cooperative Endeavor Agreement.
  - The Cooperative Endeavor Agreement will provide for quarterly reports on program performance.
  - LHFA shall be responsible for carrying out the program in compliance with all applicable federal and State requirements (including, without limitation, Uniform Administrative Requirements and applicable OMB circulars, record keeping, religious and political activities, equal opportunity / non discrimination / Fair Housing / accessibility, Section 3, environmental, labor standards, lead-based paint, procurement, debarment / suspension, resident aliens, historic preservation, displacement / relocation, and conflicts of interest).

orig

Office of Contractual Review # 107-901270

CFMS # 673559

Amendment # 1

**Amendment to Cooperative Endeavor Agreement between**  
Division of Administration  
Office of Community Development  
AND  
Louisiana Housing Finance Agency

**Effective Date: February 1, 2009**

**Amendment Provisions**

**Change Agreement from:**

**Page 1 –**

**ACTIVITIES FUNDED WITH GRANT PROCEEDS:**

**Excerpt from Office of Community Development, Division of Administration  
and Louisiana Recovery Authority Action Plan 2 Amendment 5:  
Modifications to Workforce and Affordable Rental Housing Programs:**

...“The State is committed to promoting homeownership opportunities for low and moderate income households. The Louisiana Recovery Authority (hereinafter, referred to as LRA) and the Division of Administration, Office of Community Development (hereinafter, referred to as OCD) are working with the Louisiana Housing Finance Agency (hereinafter referred to as LHFA) and other partner agencies to promote the use of funding from the *HOME* program and other available sources including Mortgage Revenue Bonds to foster first time homeowner initiatives. In addition, the Small Rental Property Program will be structured in such a way as to accommodate the participation of potential homebuyers (including existing tenants) who are receiving homebuyer assistance through other programs. In order to assist additional homebuyers, the State will develop its own pilot program(s) to provide incentives, not only to encourage the return of damaged properties, but also incentivize the conversion of these properties to owner-occupied housing. For example, a Lease-Purchase Pilot Program would allow an owner to sell a repaired one-family or two-family property to a low- or moderate-income homeowner, rather than rent the home. A Homebuyer Assistance Pilot program would allow low- and moderate-income households to purchase one to two unit properties that are “ready to occupy”, as well as un-repaired one-family and two-family properties where the purchaser would carry the home through the repair process. For purposes of the pilot program, participating properties must either be (1) those (formerly rental or ownership) properties that received severe or major damage through the storms of

2005 or (2) properties located in locally designated redevelopment zones. Creating first-time homebuyers would be a priority, but the pilot program may also serve buyers who have previously owned homes but currently do not own their own home. Homeowners who are exercising the "sell" or "relocate" option under the Road Home Homeownership Program are not eligible to receive additional financial assistance from the State through these pilot programs. Pilot programs will be expanded if successful in using funding from the budget for the Small Rental Assistance Program as well as other sources that may become available. Pilot programs will be expanded if successful using funding from the budget for the Small Rental Property Program as well as other sources that may become available..."

The Louisiana Housing Finance Agency will serve as the lead agency to administer and manage a portion of the CDBG funds for the pilot programs underlined above by using the CDBG funds in conjunction with its existing MRB program by providing low-rate loans to qualified households in the designated parishes.

This Cooperative Endeavor Agreement (hereinafter "Agreement" or "Contract"), is made and entered into by and between The Louisiana Housing Finance Agency, 2415 Quail Drive, Baton Rouge, LA 70808, represented herein by its duly appointed and authorized President, Milton Bailey, and the Division of Administration, Office of Community Development (hereinafter "OCD"), 301 Main Street, Suite 600, Baton Rouge, Louisiana 70801, represented herein by Mr. Paul Rainwater, as Senior Executive Director.

**CHANGE TO:**

Page 1 –

**ACTIVITIES FUNDED WITH GRANT PROCEEDS:**

**Excerpt from Office of Community Development, Division of Administration and Louisiana Recovery Authority Action Plan 2 Amendment 5: Modifications to Workforce and Affordable Rental Housing Programs:**

... "The State is committed to promoting homeownership opportunities for low and moderate income households. The Louisiana Recovery Authority (hereinafter, referred to as LRA) and the Division of Administration, Office of Community Development (hereinafter, referred to as OCD) are working with the Louisiana Housing Finance Agency (hereinafter referred to as LHFA) and other partner agencies to promote the use of funding from the HOME program and other available sources including Mortgage Revenue Bonds to foster first time homeowner initiatives. In addition, the Small Rental Property Program will be structured in such a way as to accommodate the participation of potential homebuyers (including existing tenants) who are receiving homebuyer assistance through other programs. In order to assist additional homebuyers, the State will develop its own pilot program(s) to provide

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**Note:** Eleven parishes (Acadia, Calcasieu, Cameron, Iberia, Jefferson, Plaquemines, St. Tammany, Tangipahoa, Terrebonne, Vermilion and Washington) are to be considered "designated redevelopment zones" and, for the purpose of eligibility, any one family or any two family properties located within one of the parishes are eligible for participation.

The Louisiana Housing Finance Agency will serve as the lead agency to administer and manage a portion of the CDBG funds for the pilot programs underlined above by using the CDBG funds in conjunction with its existing MRB program by providing low-rate loans to qualified households in the designated parishes.

This Cooperative Endeavor Agreement (hereinafter "Agreement" or "Contract"), is made and entered into by and between The Louisiana Housing Finance Agency, 2415 Quail Drive, Baton Rouge, LA 70808, represented herein by its duly appointed and authorized President, Milton Bailey, and the Division of Administration, Office of Community Development (hereinafter "OCD"), 301 Main Street, Suite 600, Baton Rouge, Louisiana 70801, represented herein by Mr. Paul Rainwater, as Senior Executive Director.

**Change Agreement from:**

**Page 3 –**

F. The public purpose to be derived from this Agreement is to implement that portion of the Small Rental Property Program that provides for Homebuyer Assistance Pilot Programs to assist predominantly first time low- and moderate-income homebuyers (at or below 80% of AMI) from the 11 most affected parishes (Acadia, Calcasieu, Cameron, Iberia, Jefferson, Plaquemines, St. Tammany, Tangipahoa, Terrebonne, Vermilion, Washington) to acquire storm damaged, un-repaired one-family and two-family properties, acquire qualifying storm damaged, repaired properties, or acquire properties in locally designated redevelopment zones. For purposes of this Agreement, a qualified storm damaged property means any property that suffered at least \$5,200 in storm related damage from either Hurricane Rita or Katrina. Priority will be made for properties located in areas that suffered significant storm damage from Hurricanes Katrina and/or Rita. If a parish or local jurisdiction elects, eligible properties will be limited to those in a designated area(s). The Pilot Program may provide for access to nonprofit intermediaries to assist them with refinancing and reconstruction. Through this agreement low- and moderate-income families will have access to assistance to acquire restored housing damaged by the storms or located in storm damaged areas, and to become homeowners in those markets most affected by the hurricanes.

**CHANGE TO:**

**Page 3 –**

F. The public purpose to be derived from this Agreement is to implement that portion of the Small Rental Property Program that provides for Homebuyer Assistance Pilot Programs to assist predominantly first time low- and moderate-income homebuyers (at or below 120% of AMI) from the 11 most affected parishes (Acadia, Calcasieu, Cameron, Iberia, Jefferson, Plaquemines, St. Tammany, Tangipahoa, Terrebonne, Vermilion, Washington) to acquire properties in locally designated redevelopment zones. The Pilot Program may provide for access to nonprofit intermediaries to assist them with refinancing and reconstruction. Through this agreement low- and moderate-income families will have access to assistance to acquire restored housing damaged by the storms or located in storm

damaged areas, and to become homeowners in those markets most affected by the hurricanes.

**Change Agreement from:**

**Exhibit B – Deliverables and Performance Measures**

**Brief Description of Project (fewer than 25 words):** The activities of the Homebuyers Assistance Pilot Programs will assist low and moderate-income first time homebuyers (at or below 80% AMI) to acquire rehabilitated storm damaged one-family and two-family properties or acquire properties in locally designated redevelopment zones.

**CHANGE TO:**

**Exhibit B – Deliverables and Performance Measures**

**Brief Description of Project (fewer than 25 words):** The activities of the Homebuyers Assistance Pilot Programs will assist low and moderate-income first time homebuyers (at or below 120% AMI) to acquire one-family and two-family properties in locally designated redevelopment zones.

**Change Agreement from:**

**Exhibit D-Scope of Work for First Time Homebuyer Program**

***Program Objectives***

1. Provide incentives for renters and “first time” homebuyers with incomes at or below 80% AMI to purchase properties.
2. Provide incentives to convert renovated storm-damaged units to homeownership.

3. Increase homeownership and foster neighborhood revitalization in storm damaged areas by promoting the restoration and purchase of properties.

**Change to:**

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2. Provide incentives to convert renovated storm-damaged units to homeownership.
3. Increase homeownership and foster neighborhood revitalization in storm damaged areas by promoting the restoration and purchase of properties.

**Change Agreement from:**

**Exhibit D- Scope of Work for First Time Homebuyers Program**

- **Eligible Homebuyers**
  - First-time homebuyers, i.e. household must not have held an ownership interest in any residence within prior 36 months. All households eligible under the HUD definition of first-time homebuyer shall be acceptable to OCD.
  - Homebuyers must have household incomes at or below 80% of the area median income (AMI) adjusted by family size.
  - Homeowners electing the "sell" or "relocate" options under the Road Home Homeowner Assistance Program are not eligible for this program.

Change to:

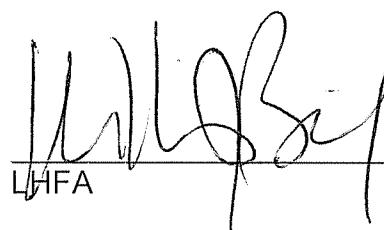
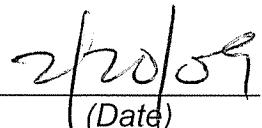
## **Exhibit D- Scope of Work for First Time Homebuyers Program**

- **Eligible Homebuyers**

- First-time homebuyers, i.e. household must not have held an ownership interest in any residence within prior 36 months. All households eligible under the HUD definition of first-time homebuyer shall be acceptable to OCD.
- Homebuyers must have household incomes at or below 120% of the area median income (AMI) adjusted by family size.
- Homeowners electing the "sell" or "relocate" options under the Road Home Homeowner Assistance Program are not eligible for this program.

This amendment contains or has attached hereto all revised terms and conditions agreed upon by contracting parties.

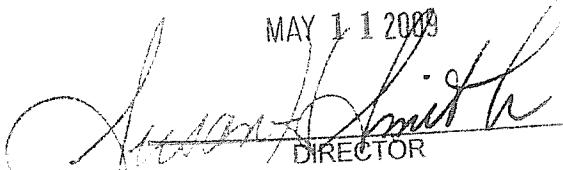
IN WITNESS THEREOF, this amendment is signed and entered into as indicated below:

   
LHFA (Date)

Name: Milton J. Bailey

Title: President

APPROVED  
Office of the Governor  
Office of Contractual Review

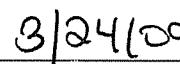
  
MAY 11 2009

~~Director~~ DIRECTOR

  
OCD/DRU (Date)

Name: Paul Rainwater

Title: Executive Director

  
DOA   
(Date)

Name: Angelle Davis

Title: Commissioner

MANAGE & SUPPORT SERVICE  
2009 APR 14 FILED: 59

2009 APR 14 FILED: 59

**COPY**

Office of Contractual Review # 107-901270

CFMS # 673559

**Amendment# 2 to Cooperative Endeavor Agreement between**

Division of Administration  
Office of Community Development  
AND  
Louisiana Housing Finance Agency

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**Effective Date: August 1, 2009**

**Amendment Provisions**

**Change Agreement From:**

**Page 1 –**

**GRANT AMOUNT:**  
\$8,920,000

**Change Agreement To:**

**Page 1 –**

**GRANT AMOUNT:**  
\$7,560,000

**Change Agreement From:**

**Page 3 –**

**SCOPE OF SERVICES:**

A. The Division of Administration, Office of Community Development (OCD), as administrator of the CDBG Disaster Recovery Program, subject to the terms and conditions of this Agreement, shall make available to The Louisiana Housing Finance Agency CDBG Disaster Recovery funds in the gross amount up to \$8,920,000(the "Grant Amount") for the purpose of the Homebuyer Assistance Pilot Program as referenced above for Acadia, Calcasieu, Cameron, Iberia, Jefferson, Plaquemines, St. Tammany, Tangipahoa, Terrebonne, Vermilion, Washington.

**Change Agreement To:**

Page 3 –

**SCOPE OF SERVICES:**

A. The Division of Administration, Office of Community Development (OCD), as administrator of the CDBG Disaster Recovery Program, subject to the terms and conditions of this Agreement, shall make available to The Louisiana Housing Finance Agency CDBG Disaster Recovery funds in the gross amount up to \$7,560,000 (the "Grant Amount") for the purpose of the Homebuyer Assistance Pilot Program as referenced above for Acadia, Calcasieu, Cameron, Iberia, Jefferson, Plaquemines, St. Tammany, Tangipahoa, Terrebonne, Vermilion, Washington.

**Change Agreement From:**

Exhibit "C"

**Change Agreement To:**

Exhibit "C" Revised (See Attached)

**Change Agreement From:**

Exhibit D

**Program Parameters**

- **Funding**
  - \$8,920,000 of Rental Program CDBG.
  - 
  -

**Change Agreement To:**

Exhibit D

**Program Parameters**

- **Funding**
  - \$7,560,000 of Rental Program CDBG.
  - 
  -

### Reason for Amendment Change

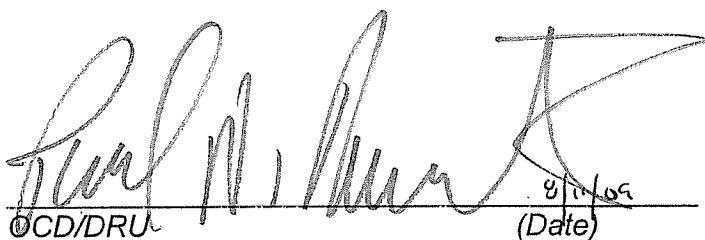
\$1,360,000 of the \$5,120,000 First Time Homebuyer Pilot Program funds allocated to Jefferson Parish is being re-allocated to the Jefferson Parish Housing Authority for the construction of affordable, energy efficient, hurricane resistant housing Program.

This amendment contains or has attached hereto all revised terms and conditions agreed upon by contracting parties.

**IN WITNESS THEREOF**, this amendment is signed and entered into on the date indicated below:

 8/10/09  
LHFA (Date)

Name: MILTON J. BAILEY  
Title: LHFA PRESIDENT

 8/10/09  
OCD/DRU (Date)

Name: Paul V. Ranavrat  
Title: Executive Director

 8.27.09  
DOA (Date)

Name: Angele Davis  
Title: Commissioner

APPROVED  
Office of the Governor  
Office of Contractual Review

SEP 18 2009

 Sandra B. Miller  
DIRECTOR



BOBBY JINDAL  
GOVERNOR

ANGELE DAVIS  
COMMISSIONER OF ADMINISTRATION

## State of Louisiana

Division of Administration  
Office of Community Development  
Disaster Recovery Unit

October 20, 2009

Milton Bailey, President  
Attn. Christine Bratkowski  
Louisiana Housing Finance Agency  
2415 Quail Dr.  
Baton Rouge, LA 70808

Re: Executed Contract amendment #2-LHFA, #673559

Dear Mr. Bailey:

Enclosed you will find an executed original of the contract amendment for the above-captioned contractor for your records.

If you have any questions, contact Danny Dragg, DRU Housing Specialist, Office Community Development, Disaster Recovery Unit at 225-219-9600 or via email at [Danny.Dragg@la.gov](mailto:Danny.Dragg@la.gov).

Sincerely,

A handwritten signature in black ink that reads "Thomas Brennan".

Thomas Brennan  
Deputy Executive Director

cc: Danny Dragg, DRU Housing Specialist

Enclosure

RECEIVED BY MAIL  
OCT 20 2009

**ORIGINAL**

OCR# 107-901270  
CFMS # 673559  
Amendment #3

**Cooperative Endeavor Agreement between**

Division of Administration  
Office of Community Development  
AND  
Louisiana Housing Finance Agency

---

**Effective Date: August 2, 2008**

**Amendment Provisions**

**Change Agreement From:**

**Exhibit "C"**

**Change Agreement To:**

**Revised Exhibit "C", attached hereto and to be substituted for the original  
Exhibit "C".**

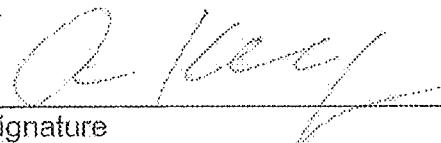
This amendment contains or has attached hereto all revised terms and conditions agreed upon by contracting parties.

IN WITNESS THEREOF, this amendment is signed and entered into on the date indicated below:

 3-19-10  
LHFA Signature (Date)

Printed Name: Milton J. Bailey

Title: President

 6-17-10  
OCD Signature (Date)

Printed Name: Robin Keegan

Title: Executive Director

 6-17-10  
DOA Signature (Date)

Printed Name: Angie Davis

Title: Commissioner

APPROVED  
Office of the Governor  
Office of Contractual Review

AUG 31 2010  
  
Sandra B. Miller  
DIRECTOR

**ORIGINAL**

OCR# 107-901270  
CFMS # 673559  
Amendment #3

**Cooperative Endeavor Agreement between**

Division of Administration  
Office of Community Development  
AND  
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---

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**Change Agreement From:**

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IN WITNESS THEREOF, this amendment is signed and entered into on the date indicated below:

LHFA Signature

3-19-10

(Date)

Printed Name: Milton J. Bailey

Title: President

OCD Signature

(Date)

Printed Name: Robin Keegan

Title: Executive Director

DOA Signature

6-17-10

(Date)

Printed Name: Angela Davis

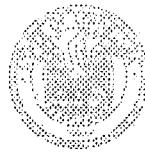
Title: Commissioner

APPROVED  
Office of the Governor  
Office of Contractual Review

AUG 31 2010

Jessica B. Miller  
DIRECTOR

BOBBY JINDAL  
GOVERNOR



MILTON J. BAILEY  
PRESIDENT

# Louisiana Housing Finance Agency

## Revised Exhibit C

### LHFA CDBG REVISED BUDGET

#### FIRST TIME HOMEBUYER PROGRAM 3/10

Revenue Sources	Amount
Grant Income	\$7,560,000.00
<b>Total Anticipated Income or Revenues</b>	<b>\$7,560,000.00</b>
<i>Anticipated Expenses per loan based on an estimated 104 loans closed</i>	
Expense Categories	
CDBG Funds used for subsidize mortgage loans	\$ 6,507,092 *
Closing Cost Assistance & Insurance Payment Relief Calculated @ 4.5%	\$ 585,700 *
Homebuyer Training Counseling	
Administrative Expenses	
Salaries, Payroll Taxes, Health Insurance	\$ 233,604.00
Rent (7psf)	
Pension Administration, Pension Contributions, Workers Compensation	
Building Insurance, Liability Insurance	
Contract Accounting, Audi Fees, Accounting Software & Supplies	
Telephone, Utilities	
Temporary Labor	
Equipment Leasing, Equipment	
Professional Services	\$ 56,064.96
Software Maint/ Updates	
Dues, Subscription, & Books	
Bill Boards/Poster Boards, Mini Poster Boards	
Brochures ( Translation Vietnamese/ Spanish)	
Website Design	
Media (Radio, Television, Magazine, Newspaper) - Marketing	\$ 9,344.16
Training Orientation	\$ 9,344.16
Office Supplies	\$ 4,672.08
Postage & Freight	
Printing & Reproduction	
Cost of Issuance (Bond Counsel fees, legal fees, cash flow verification, etc.)	\$ 154,178.64
<b>Total Administrative Expenses</b>	<b>\$ 467,208.00 *</b>

$$* \$6,507,092 + \$585,700 + \$467,208 = \$7,560,000$$