APPENDIX D

PROJECT AGREEMENT No. H-PAHD-VIHA WIM HODGE REHAB
PROJECT NAME: Walter I. M. Hodge Pavilion Vacant Rehabilitation

An Agreement, by and between the VIRGIN ISLANDS HOUSING FINANCE AUTHORITY ("VIHFA" or "Grantee"), an independent instrumentality of the Government of the Virgin Islands, at 3202 Demarara Plaza, Suite 200, St. Thomas 00802, the VIRGIN ISLANDS HOUSING AUTHORITY ("VIHA"), an Agency of the Government of the Virgin Islands, at 9900 Oswald Harris Court, St. Thomas, U.S. Virgin Islands 00802-3100, and herein jointly referred to as the “Parties” or “Virgin Islands Entities.” This Agreement is condition upon and subject to VIHA adherence to the requirement found in Subrecipient Agreement SA-DR-HA-001-2019.

IT IS MUTUALLY AGREED AS FOLLOWS:

SECTION 1: SCOPE OF SERVICES

The Walter I. M. Hodge Pavilion Vacant Unit Rehabilitation Project requires no new construction. This project will consist of the interior rehabilitation of approximately 71 existing vacant family apartments with improvements to allow for rental of the units. The approximately 71 units to be rehabilitated are located within these buildings (Building Nos. 10-14, 16-18 & 20) and are located on the north side of the property (see attached site map).

This is a breakdown of the bedroom sizes and square footage for the 71 units size that will be rehabilitated.

<table>
<thead>
<tr>
<th>Unit Size</th>
<th>Number of units</th>
<th>Approx. Square Footage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-Bedroom</td>
<td>19</td>
<td>928 SF</td>
</tr>
<tr>
<td>3-Bedroom</td>
<td>52</td>
<td>1,073 SF</td>
</tr>
<tr>
<td>Total</td>
<td>71</td>
<td></td>
</tr>
</tbody>
</table>

The rehabilitation of the units is interior rehabilitation and abatement work, to include new plumbing and electrical wiring, new energy-efficient kitchen and bathroom fixtures, new floor tiles and painting, new kitchen cabinets, and smoke detector upgrades; also some units will have non-friable asbestos abatement, lead-based paint encapsulation and mold abatement completed as identified in the apartments from the environmental assessments.
SECTION 2: PROJECT SUMMARY

Walter I. M. Hodge Pavilion is a public housing development owned by the Virgin Islands Housing Authority and the Department of Housing and Urban Development maintains a Declaration of Trust for this property. The development is made up of 20 buildings on 14.1 acres of land. There are 250 total units in the development.

The Site is in the Frederiksted area of St. Croix and is located near the Arthur A. Richard Junior High School, Virgin Islands Wilbur H. Francis Command Police Station, shops, government offices, small grocery stores and other small businesses as you enter the Frederiksted town. The rehabilitation of these 71 existing public housing units will provide additional available housing supply to assist families displaced from the 2017 hurricanes and low-income families being relocated due to other redevelopment actions as a result of the extensive damages and the need to make low-income housing communities more hurricane-resilient because of the 2017 hurricanes.

SECTION 3: NATIONAL OBJECTIVE

The Subrecipient’s application has been approved based on the identified National Objectives in the approved application:

Activities Benefiting Low/Moderate Income Persons.
Walter I. M. Hodge is in an area where greater than 50% of the population includes low-moderate income families. The beneficiaries of this project are the low-income families of this community and other existing public housing communities and applicants on the low-income public housing waiting list. The Program will require documentation after receipt of certificate of use by DPNR and completion of lease up for all units, copies of leases and income determination for each household that would show adherence of at least 51% of the residents qualify as low to moderate income households.

SECTION 4: TERM OF AGREEMENT

The term of this Agreement is June 18, 2020 through July 17, 2022 but may be extended pursuant to a written amendment to this Agreement as authorized in VIHA Subrecipient Agreement SA-DR(HA)-001-2019. In any event, this Agreement shall cover the period that the Grantee has control over Community Development Block Grant Disaster Recovery funds.
SECTION 5: PROJECT BUDGET

Subject to the terms and conditions of this Agreement, VIHFA, as Grantee and administrator of the CDBG-DR Program, will make available to VIHA disaster recovery funds up to the maximum amount of [REDACTED] (the "Grant Funds") for the purpose of funding activities under the Action Plan, as amended from time to time, related to the stated Walter I M Hodge Pavilion Vacant Unit Rehabilitation project, once VIHA is compliant with the terms and conditions of this Agreement and the Subrecipient Agreement. The Grant Funds must be expended by VIHFA within six years of the date that the funds are obligated by HUD to VIHFA, unless an extension is hereinafter granted in writing by HUD or as approved by VIHFA.

The Grant Funds must be expended by VIHFA within two years of the date that the funds are obligated by HUD to VIHFA, unless an extension is hereinafter granted in writing by HUD or as approved by VIHFA.

VIHA is required to ensure all contracts with VIHA contractors clearly stipulate the period of performance or the date of completion. VIHA will provide to VIHFA a performance narrative report, to be updated on a periodic basis as defined by VIHFA.

Proceeds from the Grant are to be used solely to support the, rehabilitation of the identified units. The funding shall be used solely to reimburse actual costs already expended that VIHFA, in its sole but reasonable discretion, determines to be eligible for CDBG-DR reimbursement. Borrower shall use the proceeds only for the payment of Eligible Costs. Borrower shall not utilize CDBG-DR funding for Ineligible Costs. VIHA acknowledges and agrees that any funds not used in accordance with this standard or applicable CDBG-DR regulations must be repaid to VIHFA. VIHA will provide to VIHFA a monthly performance narrative report.

The allocation for Walter I M Hodge Pavilion Vacant Unit Rehabilitation Project is [REDACTED]. The funds budgeted are intended for use only as defined in the scope of work for the Walter IM Hodge Vacant Unit Rehabilitation activities.

<table>
<thead>
<tr>
<th>Activity/Task</th>
<th>Maximum Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asbestos/Lead/Mod/ Abatement</td>
<td>$</td>
</tr>
<tr>
<td>Interior Vacant Unit Rehabilitation</td>
<td>[REDACTED]</td>
</tr>
<tr>
<td>Exterior 404 Wind Retrofit Mitigation</td>
<td>[REDACTED]</td>
</tr>
<tr>
<td>FEMA PA Repairs</td>
<td>$</td>
</tr>
<tr>
<td>Landscaping/Site Improvement</td>
<td>$</td>
</tr>
<tr>
<td>TOTAL</td>
<td>[REDACTED]</td>
</tr>
</tbody>
</table>

(a) Time of Payment: Payment shall be made upon receipt of reimbursement request voucher sent to VIHFA. Borrower shall supply VIHFA with a Draw Request in the form
provided by VIHFA requesting disbursement of Loan proceeds for reimbursement of Eligible Expenses. Each Draw Request shall set forth the amount requested and shall be accompanied by partial releases of liens from the general contractor and all major subcontractors to the effect that such amount has been paid for labor and materials supplied to the Project for the immediately preceding draw period and that general contractor and the major subcontractors claim no lien on the Project, and such other evidence as may be required by this Agreement or by VIHFA. By executing and delivering a Draw Request to VIHFA, Borrower agrees and acknowledges that such execution and delivery shall constitute a reaffirmation that the warranties and representations in the Loan Documents are correct and true in all material respects, that all the covenants, terms, and conditions of this Agreement are being and have been complied with, and that no Default has occurred and is continuing as of the date of the Draw Request. VIHFA shall have received for its approval the Draw Request for such disbursement, and any other certifications provided for herein or as requested by VIHFA in its reasonable discretion. For all draw requests submitted for payment of any contractor or supplier with an Identity of Interest relationship with the Borrower, the Borrower’s Architect shall submit a certification of cost reasonableness, establishing that such costs are reasonable.

(b) Disbursement of Payment: The Grantee shall provide a line item budget that would detail the funding needs for this project prior to start of work that would become part of the Project Agreement. The Grantee shall apply the funds under this Project in accordance with the submitted line item budget. Any request for a line-item expense change shall be submitted in writing and shall specifically state the reasons for the requested increase and a justification for the corresponding decrease in other line-item(s). All budget revision and/or amendment requests will be reviewed and approved or denied.

SECTION 6: DOCUMENTATION OF PROJECTS COSTS AND OTHER FINANCIAL REPORTING

All payments shall be made as progress payments for work performed. All project costs must be supported with source documentation, including purchase orders, invoices, cancelled checks, evidence of electronic payments, certified payroll and timesheet, etc. and submitted to VIHFA for review.

Prior to subsequent reimbursement requests, VIHFA must reconcile their financial records, identify any unspent funds or excess cash on hand; any unspent funds or excess cash on hand, along with any earned interest from the unspent funds or excess cash on hand must be remitted to VIHFA immediately. These reconciliations must be submitted to VIHFA quarterly for review.

Normal indirect cost rules apply. If an agency intends to charge indirect costs to the award, the project budget must clearly state the rate and distribution base intended to be used. If there is a Federally negotiated indirect cost rate, the agency must include the letter or other documentation
from the cognizant agency showing the approved rate. Any changes to the indirect cost rate must be submitted to VIHFA before utilization under this agreement.

SECTION 7: PERFORMANCE MEASURES / PROJECT MILESTONES

Conditions:
1. VIHA must submit to VIHFA all CDBG-DR procurements for review and approval prior to solicitation and after for upload and advertisement on VIHFA’s website.
2. VIHFA must be notified of all scheduled pre-bid meetings and in attendance at all bid openings
3. The first payment request is estimated to be submitted within 75 days of the Notice to Proceed
4. Provide an updated detailed line item budget for all Subrecipient internal or related costs, must be submitted and approved by VIHFA prior to funds being released and drawn down.
5. Provide Monthly progress reports in the format acceptable to VIHFA (See Exhibit B of the Subrecipient Agreement)
6. Provide resident listing of those occupants currently occupying units prior to start of work
7. Provide source documentation identifying tenants with applicable income documentation that identifies all tenants at completion and occupancy of the rehabbed units
8. Provide occupancy certificates upon completion and inspection of units as completed by DPNR.

SECTION 8: CLOSE-OUT

VIHA obligations under this Agreement shall not end until all close-out requirements as set forth in 24 CFR 570.509 are completed. The terms of this Agreement shall remain in effect during any period that VIHFA is exercising any supervision or control over CDBG-DR funds, including Project Income.

VIHA shall submit within thirty (30) days after the date of expiration of this Agreement, all financial, performance and other reports required by this Agreement, and in addition, will cooperate in any project audit.

Closeout of funds will not occur unless all requirements of 24 CFR 92.507 and any outstanding issues with a contractor / vendor and or subcontractor have been resolved to the satisfaction of VIHFA.
SECTION 9: INTEGRATED DOCUMENT

This Agreement, along with Subrecipient Agreement No. SA-DR-HA-001-2019, and any attachments, constitutes the entire agreement between the parties and both parties acknowledge that there are no other agreements, written or oral, that have not been fully set forth in the text of this Agreement.

SECTION 10: SEVERABILITY

The terms and provisions of this Agreement are severable. Unless the primary purpose of this Agreement would be frustrated, the invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of any other term or provision of this Agreement. The Parties intend and request that any judicial or administrative authority that may deem any provision invalid, reform the provision, if possible, consistent with the intent and purposes of this Agreement, and if such a provision cannot be reformed, enforce this Agreement as set forth herein in the absence of such provision.

This project will consist of the interior rehabilitation of approximately 66 existing vacant family apartments and 5 occupied units; for a total of 71 units for rehabilitation. The residents of the 5 occupied units will be transferred to 5 of the 66 vacant units after rehabilitation (See Exhibits C and D VIHA In-House Transfer Policy and Walter IM Hodge Pavilion In-House Transfer Plan), then those 5 newly created vacancies will be rehabilitated for 5 new transfers.

The VIHFA require that copies of all notices be provided when sent to the five residents to be rehoused and that VIHA provide evidence of payments made for expenses incurred related to these Administrative Transfers as indicated in the policy. VIHA is also expected to comply with 24 CFR Section 570.606 and shall keep all records demonstrating compliance with these requirements including, but not limited to, those records required in 24 CFR Section 570.506. Borrower must comply with applicable requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended (49 CFR Part 24) and Section 104(d) of the Housing and Community Project Act of 1974 as amended. These requirements are explained in HUD Handbook 1378 and specify the procedures for the acquisition of property and the treatment of tenants located in the Project.

Davis-Bacon Act. Borrower agrees to comply with 24 CFR Section 570.603, and the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. §3141 et seq. as it applies to any construction work financed in whole or in part with CDBG-DR funds. All contracts and subcontracts for construction shall include a provision for compliance with the Davis-Bacon Act and supporting Department of Labor regulations. Borrower shall maintain documentation and records that demonstrate compliance with hour and wage requirements, including contract provisions and payroll records. Borrower shall ensure that Contractor and Subcontractors submit copies of weekly payroll forms and cancelled checks to it
and VIHFA, or a designated Labor Standards Coordinator.

WITNESSES:  

[Signatures]

VIRGIN ISLANDS HOUSING AUTHORITY

BY:  

[Signature]

Robert Graham, CPM, Executive Director

DATE:  6-18-2020

WITNESSES:  

[Signatures]

VIRGIN ISLANDS HOUSING FINANCE AUTHORITY

BY:  

[Signature]

Daryl Griffith, Executive Director

DATE:  6-19-2020