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JUN 23 2011



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MEMORANDUM NEIGHBORHOOD RESOURCES - COUNCIL MEMO NO. NR11-30

DATE: JUNE 9, 2011

TO: MAYOR AND CITY COUNCIL

THRU: RICH DLUGAS, CITY MANAGER *rd*
PATRICK MCDERMOTT, ASSISTANT CITY MANAGER *pm*
JENNIFER MORRISON, NEIGHBORHOOD RESOURCES DIRECTOR *jm*

FROM: CARL MORGAN, CDBG PROGRAM SUPERVISOR *cm*

SUBJECT: APPROVE RESOLUTION NUMBER 4522 OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AUTHORIZING THE MAYOR TO SIGN THE AGREEMENT BETWEEN NEWTOWN COMMUNITY DEVELOPMENT CORPORATION AND THE CITY OF CHANDLER TO IMPLEMENT A FIRST TIME HOMEBUYER PROGRAM FOR FAMILIES IN CHANDLER UTILIZING NEIGHBORHOOD STABILIZATION PROGRAM 3 (NSP 3) FUNDS IN THE AMOUNT OF \$692,447

RECOMMENDATION: Approve Resolution Number 4522 of the City Council of the City of Chandler, Arizona, authorizing the Mayor to sign the agreement between Newtown Community Development Corporation and the City of Chandler to implement a First Time Homebuyer program for families in Chandler utilizing Neighborhood Stabilization Program 3 funds in the amount of \$692,447.

BACKGROUND: On January 27, 2011, Chandler City Council approved Resolution 4489 authorizing submission of an amendment to the Annual Action Plan for Neighborhood Stabilization Program 3 (NSP 3) funding from the U. S. Development of Housing and Urban Development. NSP 3 funds must be targeted to specific neighborhoods most impacted by foreclosures. Chandler's NSP 3 funds will be targeted to two specific areas of Chandler, totaling two square miles.

DISCUSSION: In the Action Plan approved by City Council, Newtown Community Development Corporation was approved to provide a first time homebuyer program that includes downpayment assistance for 20 first time homebuyers and acquisition and rehabilitation of up to seven housing units for another seven first time homebuyers. Staff has negotiated a contract with Newtown for the

provision of these services which is outlined in Resolution 4522 and the accompanying subrecipient agreement.

A map of the target area for these activities is on Attachment B, page 20. All seven of the homes to be acquired and rehabilitated, and approximately 16 of the families to receive downpayment assistance will be located in the 523002 Census Tract. Approximately four of the families to receive downpayment assistance will be located in the 422209 Census Tract.

FINANCIAL IMPLICATIONS: All costs associated with this agreement will be reimbursed by the U.S. Department of Housing and Urban Development and do not require repayment on the part of the City of Chandler.

PROPOSED MOTION: Approve Resolution Number 4522 of the City Council of the City of Chandler, Arizona, authorizing the Mayor to sign the agreement between Newtown Community Development Corporation and the City of Chandler to implement a First Time Homebuyer program for families in Chandler utilizing Neighborhood Stabilization Program 3 funds in the amount of \$692,447.

Attachment: Resolution 4522

Attachment: Subrecipient Agreement with Newtown Community Development Corporation
Target Area Map- p. 20

RESOLUTION NO. 4522

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AUTHORIZING THE MAYOR TO SIGN THE AGREEMENT BETWEEN NEWTOWN COMMUNITY DEVELOPMENT CORPORATION AND THE CITY OF CHANDLER TO IMPLEMENT A FIRST TIME HOMEBUYER PROGRAM FOR FAMILIES IN CHANDLER UTILIZING NEIGHBORHOOD STABILIZATION PROGRAM 3 (NSP 3) FUNDS IN THE AMOUNT OF \$692,447

WHEREAS, the City of Chandler (“City”) pursuant to Public Law 110-289, of the Housing Economic Recovery Act of 2008 (HERA), has been notified of an award of Neighborhood Stabilization Program 3 (“NSP 3”) funds in the amount of \$1,332,011 for, among other purposes, the funding of a first time homebuyer program for families in Chandler; and,

WHEREAS, strong neighborhoods exist when housing units are occupied and well-maintained and the spirit of community is strong; and,

WHEREAS, affordability of homes for first time homebuyer families is a need in the City; and,

WHEREAS, the Department of Housing and Urban Development has approved the City’s plan to utilize \$692,447 of awarded NSP 3 funds to partner with a non-profit agency who will implement a first time homebuyer program utilizing vacant and foreclosed properties in areas of the City identified as high incident areas for foreclosures; and,

WHEREAS, Newtown Community Development Corporation, a nonprofit 501(c)(3) corporation has created and successfully managed the first time homebuyer programs for income-qualified participants in the cities of Tempe, Glendale and Chandler, Arizona; and,

WHEREAS, Newtown Community Development Corporation proposes to provide a first time homebuyer program utilizing vacant, foreclosed properties and offer these homes to income-qualified families as determined by the U.S. Department of Housing and Urban Development; and,

WHEREAS, Newtown Community Development Corporation provides homebuyer counseling, financial management resources, and other assistance to help families become first time homebuyers in Chandler and offer supportive services to help maintain and increase their financial stability after they have become homeowners; and,

WHEREAS, it is in the best interest of the City to enter into this agreement with Newtown Community Development Corporation to provide a first time homebuyer program for Chandler homebuyers.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Chandler, Arizona as follows:

Section 1: That the City Council authorizes the Mayor to enter into an agreement with Newtown Community Development Corporation to provide a first time homebuyer program utilizing vacant foreclosed properties in the City of Chandler as outlined in Resolution No. 4489-Substantial Amendment to the U.S. Department of Housing and Urban Development passed by the City Council on January 27, 2011.

Section 2: That the City Council authorizes staff to take those actions that are necessary to implement the NSP 3 program including establish procedures, expend funds, evaluate activities, complete amendments to this agreement, and close out this agreement when complete.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA THIS _____ DAY OF _____, 2011.

ATTEST:

CITY CLERK

MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above foregoing Resolution No. 4522 was duly passed and adopted by the City Council of the City of Chandler, Arizona at a regular meeting held on the _____ day of _____, 2011, and that a quorum was present thereat.

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY *GAB*

SUBRECIPIENT AGREEMENT BETWEEN THE CITY OF CHANDLER AND THE
NEWTOWN COMMUNITY DEVELOPMENT CORPORATION
FOR
Acquisition, Rehabilitation, and Resale of Foreclosed Properties To First Time Homebuyers

THIS AGREEMENT made and entered in to this _____ day of _____ 2011, between the City of Chandler, a municipal Corporation, hereinafter called the CITY, and Newtown Community Development Corporation, a nonprofit 501 (c)(3) corporation (hereinafter referred to as CONTRACTOR); all parties established under the laws of the State of Arizona.

WHEREAS, pursuant to Public Law 110-289, the Housing and Economic Recovery Act of 2008 (HERA), the CITY has applied for and has been notified of an award of Neighborhood Stabilization Program 3 funds (hereinafter referred to as NSP) for, among other purposes:

The purchase and rehabilitation of residential properties that have been abandoned and foreclosed upon to be sold to eligible homebuyers through a Community Land Trust program and to provide downpayment assistance to first time homebuyers; and,

WHEREAS, the Department of Housing and Urban Development has approved the City's plan to utilize \$692,447 of awarded NSP funds to partner with a non-profit agency who will purchase and rehabilitate vacant and foreclosed properties in areas of the City identified as high incident areas for foreclosures and will provide downpayment assistance for first time homebuyers; and,

WHEREAS, CONTRACTOR proposes to acquire, rehabilitate, and resell approximately 7 vacant, foreclosed properties to income-qualified first time homebuyers through the Community Land Trust and provide downpayment assistance for 20 first time homebuyers; and

WHEREAS, CONTRACTOR is a nonprofit 501 (c)(3) corporation that operates the Chandler Community Land Trust, which provides homebuyer education, homeownership counseling, foreclosure prevention programs, and homeownership opportunities through a permanent, affordable community land trust; and,

WHEREAS, it is in the best interest of the City to enter into this agreement with CONTRACTOR to provide homeownership through the Community Land Trust and through down payment assistance, both of which will be secured with a lien on the purchased property.

NOW, THEREFORE, the parties, for and in consideration of the sum to be paid by the CITY, in the manner and at the time here in the provided, and such other covenants and conditions herein contained, do hereby agree and assigns as follows:

ARTICLE I: PURPOSE AND SCOPE OF AGREEMENT

1. Project Description. CONTRACTOR will use the sub recipient grant to

- a. Acquisition, Rehabilitation, and Resale: Develop approximately 7 affordable Community Land Trust homes for homeowners below 80% AMI with one owner below 50% AMI, and provide homeownership counseling and training for potential homebuyers
- b. Downpayment Assistance: Provide homeownership counseling, training, and Down Payment Assistance (DPA) to 20 potential homeowners at or below 120% of Area Median Income (AMI). An estimated 15 homeowners will earn up to 80% AMI and 5 earn up to 120% AMI as defined by the U.S. Department of Housing and Urban Development and according to the Scope of Work included herein as Attachment A.
- c. Acquisition / Rehabilitation / Resale of Vacant Foreclosed Properties. In accordance with the Neighborhood Stabilization Program, CONTRACTOR shall furnish all labor, materials, services, supervision, tools, equipment, licenses and permits necessary to complete the acquisition and rehabilitation of approximately seven vacant and foreclosed properties to be resold to income eligible homebuyers.
- d. Homebuyer Education / Outreach. CONTRACTOR will engage in various outreach activities to recruit potential buyers, provide homebuyer education and homeownership counseling, verify income eligibility, and provide Community Land Trust homes and downpayment assistance through CONTRACTOR's Individual Development Account program.

ARTICLE II: TERMS

- 1. Funding. Funds from the City of Chandler Federal Neighborhood Stabilization 3 program in the amount of Six Hundred Ninety Two Thousand, Four Hundred Forty Seven Dollars (\$692,447) will be utilized for the activities herein described in Article I, Purpose and Scope of Agreement and the Scope of Work (Attachment A).
- 2. Contract Amount. CONTRACTOR shall furnish all labor, materials, services, supervision, tools, equipment, and licenses and permits necessary to complete the Project.
- 3. The CITY shall provide financial assistance in the form of a forgivable loan, in an amount not to exceed Six Hundred Ninety Two Thousand and Four Hundred Forty Seven Dollars (\$692,447). This amount constitutes the entire consideration for the CITY's participation in the performance and completion of all work to be performed under this Agreement.
- 4. Expenditure Deadlines. The funds provided under this agreement must be expended by:
 - 50% by March 31, 2012.
 - 75% by September 30, 2012.
 - 100% by March 31, 2012.
 This contract expires on March 31, 2012.
- 5. Term of Agreement. The term provided under this Agreement will include that:

Downpayment assistance awarded by CONTRACTOR to clients be in the form of a ten-year forgivable loan, secured by a Deed of Trust and Promissory Note and is due in full upon sale or transfer. Funds provided under CONTRACTOR Agreement with the CITY to CONTRACTOR clients shall comply with all NSP requirements. The CONTRACTOR client must be a first-time homebuyer as defined by HUD, which is defined as an individual and his or her spouse who have not owned a home during the three-year period prior to the purchase of a home with NSP assistance.

Community Land Trust homes will allow eligible buyers to purchase the improvements (house) only and enter into a 99-year renewable lease for the land. CONTRACTOR will hold title to the land and monitor compliance with the ground leases. Buyers will pay CONTRACTOR a monthly ground lease fee. The Group Lease (Attachment B) will contain resale restrictions that require if a home is sold, it must be sold to another income eligible buyer. Permanent affordability is maintained through a shared equity provision that limits the amount of appreciation the seller may take and establishes an affordable sales price. The ground lease also requires owner-occupancy and gives CONTRACTOR first right of refusal.

6. If NSP assisted units are sold or transferred during the term of affordability, the sum of NSP assistance provided to CONTRACTOR clients from the CITY as stated in this Agreement would be due in full to the CITY.
7. The CONTRACTOR will secure Downpayment Assistance forgivable loans utilizing NSP funds by placing a lien on each property purchased by CONTRACTOR clients utilizing NSP funds for the 10-year forgiveness period. A Deed of Trust and Promissory Note will be filed at the Office of the County Recorder of Maricopa County, State of Arizona.
8. The forgivable loan provided by the CITY to CONTRACTOR clients will be 0% interest with no payments required during the 10-year forgiveness period. At the end of the terms of this Agreement and pursuant to NSP compliance and satisfactory performance measurements completed by each CONTRACTOR client, the CITY will release the liens on that client's NSP funded property.

ARTICLE III: CERTIFICATIONS

1. CONTRACTOR is a non-profit corporation.
2. CONTRACTOR intends to provide the services for which funds are granted under this Agreement for the duration of this Agreement.
3. CONTRACTOR possesses legal authority to execute this Agreement.

4. CONTRACTOR'S governing body has duly adopted or passed as an official act, a resolution, motion, or similar action authorizing the person identified as the official representative of CONTRACTOR to execute this Agreement and to comply with the terms of this Agreement.
5. The project will be carried out and services administered in compliance with Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352; 42 U.S.C. 2000d (et seq.)) and Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284; 42 U.S.C. 3601 (et seq.)).
6. The Project assisted under this Agreement is designed to give maximum feasible priority to activities that benefit very low income families.
7. CONTRACTOR will comply with other applicable laws.
8. CONTRACTOR certifies that it is in compliance with all of the terms contained within the CONTRACTOR Certifications (Attachment H) in regard to fulfilling its obligations contained in this Agreement.

ARTICLE IV: CONTRACTOR OBLIGATIONS

1. CONTRACTOR agrees to:

- (a) Utilize normal and customary practices and procedures for the services provided, and provide a level of service that is consistent with the level of service for similar programs administered by CONTRACTOR in the community.
- (b) Maintain records pertaining to this Agreement and the Project permanently for five (5) years after project completion in accordance with 24 CFR 570 (J) 570.502 (b)(3)(ix)(A).
- (c) Comply with the requirements and standards of OMB Circular No. A-122, "Cost Principles for Nonprofit Organizations, and establish and/or maintain accounting systems to assure that it is audited and that those audits meet the requirements for Circular A-110 "Uniform Requirements for Grants to Universities, Hospitals, and other Nonprofit Organizations" and if applicable Circular A-133 "Audits of States, Local Governments, and Nonprofit Organizations." Such system will be subject to monitoring from time to time by the CITY or by the U.S. Department of Housing and Urban Development.
- (d) Maintain records required by federal regulations specified in 24 CFR Part 570.506 of all ethnic and racial statistics of persons and families benefited in the performance of its services provided during this Project, including, but not limited to the number of very low income persons (31%- 50% of median income) and the number of extremely low income persons (0-30% of median income) and households assisted in accordance with federal income limits, the number of elderly (over 62 years of age) and individuals with disabilities, family size, and number of female heads of households.
- (e) Provide CITY with written reports of its activities quarterly until all NSP funds have been expended and a final report when this Agreement terminates, setting forth the demographic information stated in (d) (above), as well as the activities, program accomplishments, new program information and current program statistics on expenditures, caseloads and activities. After the final report, CONTRACTOR will

provide an annual report to the CITY for the ten year period of affordability. In addition, CONTRACTOR will provide all relevant information according to the U.S. Department of Housing and Urban Development, Community Planning and Development Performance Measurement Indicators as requested by the CITY. The CITY and United States Government and/or their representatives shall have access for purposes of monitoring, auditing, and examining performance to Project documents and papers, and the right to examine financial records. CONTRACTOR shall maintain all property inventory records, which clearly identify properties purchased, improved or sold.

- (f) Unconditionally indemnify, protect, defend and hold harmless the CITY, its Council members, officers, employees, and agents from any and all claims, demands, losses, damages, liabilities, fines, charges, penalties, administrative and judicial proceedings and orders, judgments, remedial actions of any kind, and all costs and cleanup actions of any kind, all costs and expenses incurred in connection therewith, including, without limitation, reasonable attorneys' fees and costs of defense arising, directly or indirectly, in whole or in part, out of the exercise of this Agreement by CONTRACTOR.
- (g) Give all notices and comply with all laws, ordinances, rules, building codes, regulations and lawful orders of any public authority bearing on the performance of activities pursuant to this Agreement. If CONTRACTOR observes that any of the agreement documents are in conflict with any laws, statutes, building codes and/or regulations, it shall promptly notify the CITY, in writing, and any necessary changes shall be accomplished by appropriate written modification as deemed necessary by the CITY.
- (h) CONTRACTOR acknowledges that the funds being provided by CITY for said program are received by CITY pursuant to Public Law 110-289, the Housing and Economic Recovery Act of 2008 (HERA) and the Housing and Community Development Act of 1974, as amended, 24 CFR Part 570 (the "Act") and that expenditures of these funds shall be in accordance with the Act and all pertinent regulations issued by agencies of the federal government. CONTRACTOR agrees to comply with all federal, state and local laws, and court orders applicable to its operation whether or not referred to in this Agreement.
- (i) CONTRACTOR and its subcontractors shall abide by all regulations pursuant to the Immigration and Naturalization Reform Act of 1986, Presidential Executive Order 13465 and Arizona Revised Statutes Section 41-4401, specifically as they relate to employment and client services, and such other provisions as may be applicable. Should CONTRACTOR perform any work knowing it to be contrary to applicable laws, ordinances, rules building codes and/or regulations, it shall assume full responsibility therefore, and shall bear all costs incurred due to its negligence. In addition, by the date of the delivery of the product and/or performance of services, CONTRACTOR shall have implemented the process of implementing the E-Verify program for all newly hired employees in the United States and attest to such compliance in the Contractor Employment Record Verification form (Attachment D).
- (j) This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. This Agreement has been made and entered into in Maricopa County, Arizona.
- (k) It is expressly understood by the parties hereto that this Agreement has been negotiated and executed in anticipation of receipt of funds by the CITY from the U.S. Department of Housing and Urban Development pursuant to the Neighborhood Stabilization Program

and that therefore, the terms, conditions and sums payable under this Agreement are subject to any changes or limitations which may be required by the terms of said grant Agreement.

- (l) CONTRACTOR shall transfer to the CITY, upon expiration of the agreement, any Neighborhood Stabilization Program funds on hand and any accounts receivable attributable to the use of Neighborhood Stabilization Program funds.
- (m) CONTRACTOR shall acknowledge the contributions of the CITY of the Chandler Neighborhood Stabilization Program in all published literature, brochures, programs, fliers, etc., during the term of the Agreement. The CITY will supply CONTRACTOR with wording and logos to be placed on their outreach materials to meet this requirement. Compliance shall be enforced by periodic site and project reviews.
- (n) CONTRACTOR agrees to comply with Section 319 of Public Law 101-121. The certification for such compliance is contained in CONTRACTOR Certifications (Attachment H) to this Agreement.

ARTICLE V: CITY'S OBLIGATIONS

- 1. The CITY agrees to:
 - (a) Disburse funds in a timely manner as described in this Agreement.
 - (b) Provide technical assistance to CONTRACTOR to comply with applicable federal guidelines governing the use of NSP funds.
 - (c) Complete all environmental review requirements as described in 24 CFR Part 58 and as requested by CONTRACTOR utilizing the Environmental Request Clearance Form. (Attachment F).

ARTICLE VI: TERMINATION

- 1. In accordance with 24 CFR Part 85 (C) 85.44 the CITY may with written notice, suspend or terminate this Agreement if CONTRACTOR violates any terms or conditions of this Agreement.
- 2. With written notice, the CITY or CONTRACTOR may terminate this Agreement, in whole or in part, for convenience in accordance with 24 CFR Part 85 (C) 85.44. Both parties shall agree upon the termination conditions including the effective date of the termination. The party initiating the termination shall notify the other party in writing at least 30 days before the effective date of such termination stating the reasons for such termination.
- 3. This Agreement is subject to cancellation pursuant to A.R.S. §38-511.

ARTICLE VII: NON-DISCRIMINATION BY CONTRACTOR

- 1. CONTRACTOR agrees to comply with all City and State Civil Rights Ordinances as well as with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 109 of Title I of the Housing and Community Development Act of 1974, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and with Executive Order 11246 as amended by Executive Orders 11375 and 12086.

2. CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, familial status, or handicap.
3. CONTRACTOR shall take affirmative action in employment to ensure that employees are treated during employment, without regard to their race, color, religion, sex, national origin, age, familial status, or handicap. The scope of non-discrimination shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation and selection for training.
4. CONTRACTOR agrees to post in conspicuous places available to employees and applicants for employment, notices setting forth the provisions of nondiscrimination as described in this Agreement.
5. CONTRACTOR shall not discriminate against any applicant for service because of race, color, religion, sex, national origin, age, familial status, or handicap. CONTRACTOR shall, in all solicitations or advertisements, state that all qualified applicants will receive consideration for employment of service without regard to race, color, religion, sex, national origin, age, familial status or handicap.
6. This Agreement is subject of the requirements of Title VI of the Civil Rights Act of 1967 (P.L. 88-352) and 24 CFR 570, Part I. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement, CONTRACTOR shall cause or lease for such transfer, prohibiting discrimination as herein defined in the sale lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the CITY and the United States are beneficiaries of and entitled to enforce such covenants. The CITY, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as necessary to enforce such covenant, and will not itself so discriminate.
7. CONTRACTOR agrees to comply with any federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. 706) which prohibits discrimination against the handicapped in any federally assisted program. The CITY shall provide CONTRACTOR with any guidelines necessary for the compliance with that portion of the regulations in force during the term of this Agreement.

ARTICLE VIII: INSURANCE PROVISIONS

1. CONTRACTOR shall provide evidence of professional liability insurance. CONTRACTOR shall provide that during the term of the Agreement, CONTRACTOR shall, at its own expense, carry and maintain for the benefit of the CITY, general public liability insurance against claims for bodily injury, death or property damage occurring in, upon or about the premises, with limits not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage, including coverage for contractual liability (including defense expense coverage for additional insured), personal injury, broad form property

damage, products and completed operations. All of tenant's policies of liability insurance shall name the CITY as an additional insured and shall contain no special limitations on the coverage, scope or protection afforded to the CITY, its officials, employees or volunteers. CONTRACTOR'S policy of liability insurance shall be primary as respect to the CITY and any failure to comply with reporting provisions of the policies shall not affect coverage provided to the CITY. Certificates with respect to all policies of insurance required to be carried by CONTRACTOR shall be delivered to the CITY in form and with insurers acceptable to the CITY which shall clearly evidence all insurance required and provide that such insurance shall not be cancelled, allowed to expire or be materially reduced in coverage.

2. CONTRACTOR shall carry sufficient insurance coverage to protect Agreement assets from loss due to theft, fraud and/or undue physical damage. At a minimum CONTRACTOR shall purchase a blanket fidelity bond covering all employees in an amount equal to any cash advances from the CITY. CONTRACTOR shall comply with the bonding requirements of OMB Circular A-110, Bonding and Insurance.

ARTICLE IX: GENERAL PROVISIONS

1. It is hereby agreed that subsequent to the execution of this Agreement, the City of Chandler Neighborhood Resources Division shall represent the CITY in the administration of this Agreement. A copy of all written communication between CONTRACTOR and the CITY shall be sent to:

City of Chandler, Neighborhood Resources Division
Mail Stop 600, P.O. Box 4008, Chandler AZ 85244-4008

Newtown Community Development Corporation
511 W. University Dr., Suite 4, Tempe AZ 85281

2. Both parties acknowledge that no member of the governing body of the CITY, or any employees of the CITY who exercise any functions or responsibilities in connection with carrying out CONTRACTOR Project, or who are affiliated with the Neighborhood Stabilization Program, may have any personal interest direct or indirect in this Agreement.
3. CONTRACTOR agrees to include as part of its program service delivery a signed Conflict of Interest certification statement (Attachment E) signed by the person(s) receiving direct program assistance. CONTRACTOR agrees to notify the CITY of any possible conflict of interest before direct services are provided to the person(s) whom have declared a conflict of interest may exist.
4. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto and contains all the covenants and agreements between the parties. Each party to this Agreement acknowledges that any party, or anyone acting on behalf of any parties, which are not embodied herein, orally or otherwise, has made no representatives, inducements, promises or agreements.

5. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement as long as the material terms of the Agreement are not vitiated.
6. Any amendments to this Agreement shall be in writing and signed by both parties and are subject to approval by the appropriate CITY authority.
7. All CONTRACTOR records with respect to any matters covered by this Agreement shall be made available to the CITY, grantor agency, their designees or the Federal Government, at any time during normal business hours, as often as the CITY or grantor agency deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies notes in audit reports must be fully cleared by CONTRACTOR within 30 days after receipt by CONTRACTOR. Failure of CONTRACTOR to comply with the above audit requirements will constitute a violation of this Agreement. CONTRACTOR hereby agrees to have an annual audit conducted in accordance with current CITY policy concerning subrecipient audits.
8. CONTRACTOR is prohibited from using funds provided herein or personnel employed in the administration of the program for political activities; sectarian, or religious activities; lobbying, political patronage, and nepotism activities.
9. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of the CITY thereto; provided, however that claims for money due or to become due to CONTRACTOR from the CITY under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Written notice of any such assignment or transfer shall be furnished promptly to the CITY.
10. The Federal government requires that all applicants for Federal grants and cooperative agreements with the exception of individuals other than sole proprietors have a DUNS number. (See policy at: http://www.whitehouse.gov/omb/grants/grants_docs.html). The Federal government will use the DUNS number to better identify related organizations that are receiving funding under grants and cooperative agreements, and to provide consistent name and address data for electronic grant application systems. CONTRACTOR will obtain and submit to the CITY their organization DUNS number for reporting as required by Neighborhood Stabilization Program funds.
11. CONTRACTOR acknowledges that the performance of obligations hereunder is rendered in its capacity as an independent contractor and that it is in no way an agent of the CITY.
13. CONTRACTOR shall comply with and require all subcontractors paid with funds provided by this Agreement to comply with all applicable provisions of the Housing and Community Development Act of 1974, as amended, 24 CFR Part 570, and Special Conditions for activities assisted pursuant to Title I of the Community Development Act of 1974.

14. Pursuant to the provisions of A.R.S. § 41-4401, the CONTRACTOR hereby warrants to the City that the CONTRACTOR and each of its subcontractors (“Subcontractors”) will comply with all Federal Immigration laws and regulations that relate to the immigration status of their employees and the requirement to use E-Verify set forth in A.R.S. §23-214(A) (hereinafter “Contractor Immigration Warranty”).
15. A breach of the Contractor Immigration Warranty (Attachment D) shall constitute a material breach of this Contract that is subject to penalties up to and including termination of the contract.
16. The City retains the legal right to inspect the papers of any Contractor or Subcontractor employee who works on this Contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty. CONTRACTOR agrees to assist the City in the conduct of any such inspections.
17. The City may, at its sole discretion, conduct random verifications of the employment records of the Contractor and any Subcontractors to ensure compliance with Contractors Immigration Warranty. CONTRACTOR agrees to assist the City in performing any such random verification.
18. The provisions of this Article must be included in any contract CONTRACTOR enters into with any and all of its subcontractors who provide services under this Contract or any subcontract. A contractor or subcontractor defines “Services” as furnishing labor, time or effort in the State of Arizona. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.
19. In accordance with A.R.S. §35-397, CONTRACTOR hereby certifies that the offeror does not have scrutinized business operations in Iran.
20. In accordance with A.R.S. §35-397, CONTRACTOR hereby certifies that the offeror does not have scrutinized business operations in Sudan.

IN WITNESS WHEREOF, all parties concerned acknowledge that they have read and understand this Agreement and the undersigned approve and accept all of the provisions of this Agreement and the attachments thereto.

Allen L. Carlson, Executive Director

Jennifer Morrison, Neighborhood Resources Director

Tax I.D. Number: 86-0793043

CONTRACTOR:

STATE OF ARIZONA)

ss.

County of Maricopa)

On this _____ day of _____, 2011, before me, the undersigned Notary Public, personally appeared Allen L. Carlson who acknowledged that he executed the foregoing for the purpose and consideration therein expressed. IN WITNESS WHEREOF I hereunto set my hand and official seal.

Notary Public

My Commission Expires

CITY OF CHANDLER:

STATE OF ARIZONA)

ss.

County of Maricopa)

On this _____ day of _____, 2011, before me, the undersigned Notary Public, personally appeared Jennifer Morrison IN WITNESS WHEREOF, all parties concerned acknowledge that they have read and understand this Agreement and the undersigned approve and accept all of the provisions of this Agreement and the attachments thereto.

Notary Public

My Commission Expires

APPROVED TO FORM

CITY ATTORNEY GAB

ATTACHMENT A - SCOPE OF WORK

The CITY will provide \$692,447 to CONTRACTOR for acquisition / rehabilitation of vacant, foreclosed properties to be re-sold through the Chandler Community Land Trust program; downpayment assistance for first time homebuyers, and for outreach activities to recruit potential buyers, provide homebuyer education and homeownership counseling, and verify income and other eligibility criteria.

Project Budget

Revenue

	<u>NSP 3</u>	<u>Other Funding</u>	<u>Total</u>
City of Chandler	692,447		\$692,447
Other Cash Reserves: Wells Fargo Loan		505,473	\$505,473
Foundations and Corporations: ACF Loan		70,000	\$70,000
IDA Match		300,000	\$300,000
Total	\$692,447	\$875,473	\$1,567,920

Expenses

	<u>NSP 3</u>	<u>Other Funding</u>	<u>Total</u>
Real Property Acquisition	492,447	190,403	\$682,850
Rehabilitation		336,000	\$336,000
Holding Costs		8,750	\$8,750
Developer Fee		40,320	\$40,320
Downpayment Assistance	200,000	300,000	\$300,000
Total	692,447	\$875,473	\$1,567,920

Downpayment Assistance

- Project Description. CONTRACTOR will use the sub recipient grant to provide Down Payment Assistance (DPA) to potential homeowners who have completed homeownership counseling and training. Participating first time homebuyer households can earn up to the following percentages of Area Median Income as defined by the U.S. Department of Housing and Urban Development:

Total: 20 households Est. 15 households: up to 80% Est. 5 households: up to 120%

All individuals or families to be assisted through this program will have gross household incomes not to exceed 120% of the Area Median Income.

CONTRACTOR shall furnish all services, supervision, loan documents, counseling and homeownership classes necessary to assist approximately twenty potential first time homebuyers purchase vacant, foreclosed or abandoned properties. The properties will be purchased at a discount of at least 1% (less than the current market appraised value) for

individual properties, and 15% for bulk or aggregate purchases of property. The properties must be retained for primary residence by the homebuyer.

2. The targeted service area shall be the following Census Tracts, shown on Attachment B:
523002 Census Tract: Approximately 16 homeowners,
Alma School Rd. to Arizona Ave, Ray Rd. to Chandler Blvd.
422209 Census Tract: Approximately 4 homeowners
Alma School Rd. to Arizona Ave, Elliot Rd. to Warner Rd.
3. Funds provided for downpayment assistance shall meet all NSP program requirements.
4. CONTRACTOR agrees that all property purchased with NSP funds meet the NSP required definition of foreclosed or abandoned properties as specified herein:
 - a) Foreclosed: A property is eligible if the property is at least 60 days delinquent on its mortgage and the owner has been notified; or the property owner is 90 days or more delinquent on tax payments; or under state or local law, foreclosure proceedings have been initiated or completed; or foreclosure proceedings have been completed and title has been transferred to an intermediary aggregator or servicer that is not an NSP grantee, subrecipient, developer, or end user.
 - b) Abandoned: A home is abandoned where no mortgage or tax payments have been made by the property owner for at least 90 days or a code enforcement inspection has determined that the property is not habitable and the owner has taken no corrective actions within 90 days of notification of the deficiencies.
5. Client Education. In accordance with the Neighborhood Stabilization Program, each CONTRACTOR client awarded DPA must attend and complete a face-to-face first time homebuyer education course that is FHA/HUD approved and provided by CONTRACTOR.
6. Mortgage Requirements. Clients receiving DPA through CONTRACTOR will obtain a mortgage from a lender who agrees to comply with bank regulators guidance for non-traditional mortgages. All mortgages will be a 30-year fixed prevailing rate loan. Debt ratios for homebuyers may not exceed 31% for the house payment, and 41% total debts (31/41).
7. CONTRACTOR must ensure that the owner is informed in writing of what the grantee believes to be the market value of the property; and that CONTRACTOR will not acquire the property if negotiations fail to result in an amicable agreement (see 49 CFR 24.101(b)(1) & (b)(2)). A sample letter is included in this Agreement as Attachment K
8. If NSP funds are to be used to acquire a foreclosed upon home or residential property (other than through donation), CONTRACTOR must ensure that the purchase price includes a discount from the value established by an appraisal that meets the following requirements:

- a) The appraisal must have been completed within 60 days of the offer made for the property (we have advised that an initial offer can be made, subject to the completion of the appraisal within 60 days of a final offer).
- b) The appraisal must meet the URA definition of an appraisal (see 49 CFR 24.2(a)(3) and the five following requirements (see 49 CFR 24.103(a)(2)):
 - i. An adequate description of the physical characteristics of the property being appraised (and, in the case of a partial acquisition, an adequate description of the remaining property), including items identified as personal property, a statement of the known and observed encumbrances, if any, title information, location, zoning, present use, an analysis of highest and best use, and at least a 5-year sales history of the property.
 - ii. All relevant and reliable approaches to value. If the appraiser uses more than one approach, there shall be an analysis and reconciliation of approaches to value used that is sufficient to support the appraiser's opinion of value.
 - iii. A description of comparable sales, including a description of all relevant physical, legal, and economic factors such as parties to the transaction, source and method of financing, and verification by a party involved in the transaction.
 - iv. A statement of the value of the real property to be acquired and, for a partial acquisition, a statement of the value of the damages and benefits, if any, to the remaining real property, where appropriate.
 - v. The effective date of valuation, date of appraisal, signature, and certification of the appraiser.
- c) The appraiser shall disregard any decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired or by the likelihood that the property would be acquired for the project, other than that due to physical deterioration within the reasonable control of the owner.
- d) If the owner of a real property improvement is permitted to retain it for removal from the project site, the amount to be offered for the interest in the real property to be acquired shall be not less than the difference between the amount determined to be just compensation for the owner's entire interest in the real property and the salvage value (defined at §24.2(a)(24)) of the retained improvement.

9. Homes purchased with NSP Down Payment Assistance Funds must:

- a) Document compliance with the vacancy and tenant protection requirements for the NSP program.
- b) Meet Housing Quality Standards. The CITY shall assist with providing HQS inspections of NSP DPA homes.

10. Services. CONTRACTOR will engage in various outreach activities and offer supportive services to clients enrolled in the CONTRACTOR Program to help them maintain and increase their financial stability.
11. CONTRACTOR agrees to comply with the National Environmental Policy Act of 1969 pursuant thereto 24 CFR Part 58 Environmental Review Requirements for the Neighborhood Stabilization Program. Prior to commitment of funds for each project will send and Environmental Request Clearance Form to the CITY who will complete a HUD level of Environmental Review Form and a 2009 Appendix A for each project and forward approved compliance to CONTRACTOR. CONTRACTOR cannot commit federal funding for a project until the environmental clearance is completed.

Due to an ongoing monitoring issue, CONTRACTOR is required to receive notification that the environmental review for a property has been completed prior to making an offer on the property. This requirement may be modified by the CITY by providing written notice to the CONTRACTOR after the monitoring issue has been resolved.

12. CONTRACTOR will screen all clients and CONTRACTOR will verify income and other eligibility requirements.
 - a. Income eligibility will be verified using W-2 statements, tax returns, Verification of Employment forms (3rd party verification) in conjunction with recent pay stubs, and Verification of Deposit forms in conjunction with recent bank statements.
 - b. Government issued photo ID's and social security cards or birth certificates for all family members will be used to verify and document household size.
13. Funding of client Down Payment Assistance will be provided at close of escrow when CONTRACTOR clients acquire property. A Note and Deed of Trust naming the CITY as beneficiary will secure the funding. CONTRACTOR will provide the following to designated CITY staff prior to close of escrow:
 - a. Development Budget and Pro Forma
 - b. Appraisal
14. CONTRACTOR will provide to the CITY all required beneficiary data, but not limited to, a copy of the HUD-1 Settlement Statement, and beneficiary demographics information at close of escrow to income qualified buyer.
15. CONTRACTOR will track, report, and return to the CITY all program income generated by this activity and during the affordability period for any NSP funded properties. See Attachment J.
16. CONTRACTOR will carry general liability insurance on all CCLT properties held by CONTRACTOR.

17. In the event CONTRACTOR is dissolved or ceases its operations, CONTRACTOR will, according to its Articles of Incorporation, transfer the NEWTOWN properties it holds to another charitable organization that is qualified under the provisions of Section 501(c)(3) of the Internal Revenue Code. The CITY shall have the right to designate the charitable organization the land and housing units will be transferred to. In the event there is not a suitable charitable organization to transfer the land and units to ownership, the land and units will be transferred to the CITY.

Outreach Activities/Targeted Marketing

NEWTOWN will provide targeted marketing to public service employee groups including, but not limited to, Veterans, nurses, teachers, public employees, police, fire, and emergency medical technicians in order to ensure individuals that serve in this capacity are aware and have the opportunity to apply for DPA assistance available under this Agreement. Much like HUD's Good Neighbor Next Door Program, the CITY seeks to encourage public servants to become homeowners in revitalization areas. Public service employees applying for DPA assistance under this Agreement must meet all NSP eligibility requirements to be eligible to receive assistance.

Chandler Community Land Trust Program.

1. CONTRACTOR will implement a Chandler Community Land Trust (CCLT) program.
2. CONTRACTOR will develop and provide all of the necessary Ground Lease documents for the program, including the ground lease, memorandum of ground lease, uniform ground lease rider, and performance deed of trust and note.
3. CONTRACTOR will provide an orientation for all potential CCLT homebuyers. The orientation will educate the homebuyers about all aspects of the CCLT including, but not limited to, the benefits of CCLT ownership, financing, the ground lease and other CCLT documents, resale restrictions and shared appreciation provisions, CCLT home buying process and the responsibilities of CCLT homeownership.
4. CONTRACTOR will screen all potential CCLT buyers and verify income and other eligibility requirements.
5. CCLT homebuyers will pay CONTRACTOR a \$35 per month ground lease fee. CONTRACTOR will provide ongoing stewardship for the CCLT property held by CONTRACTOR; including, but not limited to, monitoring compliance with ground leases, owner occupancy requirements, property maintenance and resales. Stewardship, land use principals, and alterations of the resale formula shall be governed by Article 8 and Article 9 of CONTRACTOR's Bylaws (see Attachment C).

6. CONTRACTOR will carry general liability insurance on all of the CCLT properties held by CONTRACTOR.
7. CONTRACTOR will establish and maintain a CCLT Advisory Council to represent the interests of low- and moderate income Community Land Trust homeowners and others who are interested in promoting permanently affordable housing opportunities in Chandler and to provide guidance and recommendations to CONTRACTOR regarding the operation and management of the CCLT program. The CITY may select the members to serve on the advisory council.
8. In the event CONTRACTOR is dissolved or ceases its operations, CONTRACTOR will, according to its Articles of Incorporation, transfer the CCLT properties it holds to another charitable organization that is qualified under the provisions of Section 501(c)(3) of the Internal Revenue Code. The CITY shall have the right to designate the charitable organization the land will be transferred to. In the event there is not a suitable charitable organization to transfer the land to, ownership of the land will be transferred to the CITY.

Acquisition, Rehabilitation, and Resale of Vacant, Foreclosed Properties

1. CONTRACTOR shall furnish all labor, materials, services, supervision, tools, equipment, licenses and permits necessary to complete the acquisition and rehabilitation of approximately 7 vacant, foreclosed or abandoned properties. The properties will be purchased at a discount of at least 1% (less than the current market appraised value) for individual properties, and 15% for bulk or aggregate purchases of property. The properties will be resold to income eligible homebuyers utilizing the Chandler Community Land Trust program.

Upon approval of program details by the CITY, lease-purchase by prospective homeowners may also be allowed.

2. The targeted service area shall be the neighborhood within the 523002 Census Tract: more specifically, the area east of Alma School, west of Arizona Ave., south of Ray Rd and north of Chandler Blvd.
3. CONTRACTOR agrees to comply with the National Environmental Policy Act of 1969 pursuant thereto 24 CFR Part 58 Environmental Review Requirements for the Neighborhood Stabilization Program. Prior to commitment of funds for each project, CONTRACTOR will send an Environmental Request Clearance Form to the City in which the City will complete a HUD level of Environmental Review Form and a 2009 Appendix A for each project and forward approved compliance to CONTRACTOR. CONTRACTOR cannot commit federal funding for a project until the environmental clearance is completed.

Due to an ongoing monitoring issue, CONTRACTOR is required to receive notification that the environmental review for a property has been completed prior to making an offer on the

property. This requirement may be modified by the CITY by providing written notice to the CONTRACTOR after the monitoring issue has been resolved.

4. The maximum amount of subsidy funding for each unit will be approximately \$83,000 and will vary depending upon current market conditions, acquisition and rehabilitation costs, and the buyers' income and affordable mortgage amounts.
5.
 - a) Reimbursement for acquisition activities will be provided after close of escrow when CONTRACTOR acquires a property. The funding will be secured by a Note and Deed of Trust naming the CITY as beneficiary.
 - b) CITY will provide reimbursement for eligible rehabilitation expenses upon receipt of invoices and back up documentation from CONTRACTOR.
 - c) When CONTRACTOR resells the property the CITY will provide a Lien Release and Reconveyance, for the full amount of the subsidy funding. CONTRACTOR will provide the following to designated CITY staff prior to close of escrow:
 - i. Development Budget and Pro Forma (see Attachment I).
 - ii. Appraisal
6. Homes purchased with NSP Down Payment Assistance Funds must:
 - a) Document compliance with the vacancy and tenant protection requirements for the NSP program.
 - b) Meet Housing Quality Standards prior to the loan closing.
7. When the rehabilitation is completed the units will meet local code and CONTRACTOR's Rehabilitation Standards included as Attachment G, which may be amended as needed.
8. CONTRACTOR will track, report, and return to the CITY all program income generated by this activity and during the affordability period for any NSP funded properties. See Attachment J.
9. The households to be assisted through this program will have gross household incomes not to exceed 80% of the Area Median Income. At least 1 of the households to be assisted with purchasing a Land Trust home will have a household income below 50%. While there may be exceptions, this will be a "buyer driven" program. CONTRACTOR will recruit and qualify eligible buyers before purchasing a property. The eligible buyers will help locate the properties they want to purchase.
10. CONTRACTOR will screen all potential CCLT buyers and verify income and other eligibility requirements.
 - a) Income eligibility will be verified using W-2 statements, tax returns, Verification of Employment forms (3rd party verification) in conjunction with recent pay stubs, and Verification of Deposit forms in conjunction with recent bank statements.

- b) Government issued photo ID's and social security cards or birth certificates for all family members will be used to verify and document household size.
 - c) CCLT buyers will certify that they will occupy the property as their primary residence.
 - d) CCLT buyers must be income eligible at the time they execute a contract to purchase the house.
 - e) Buyers must maximize their first mortgage when purchasing CCLT home and must pay not less than 25% of the household's gross income toward their monthly housing payment (PITI and ground lease). In addition, the buyer's housing debt ratio shall not exceed 33% and total debt ratio shall not exceed 41%.
 - f) All CCLT buyers must contribute a minimum of \$1,000 of their own funds.
11. CONTRACTOR will provide to the CITY all required beneficiary data, but not limited to, a copy of the HUD-1 Settlement Statement, recorded Memorandum of Ground Lease, recorded Right of First Refusal, and beneficiary demographics information at close of escrow to income qualified buyer.

Outreach Activities / Homebuyer Education and Counseling

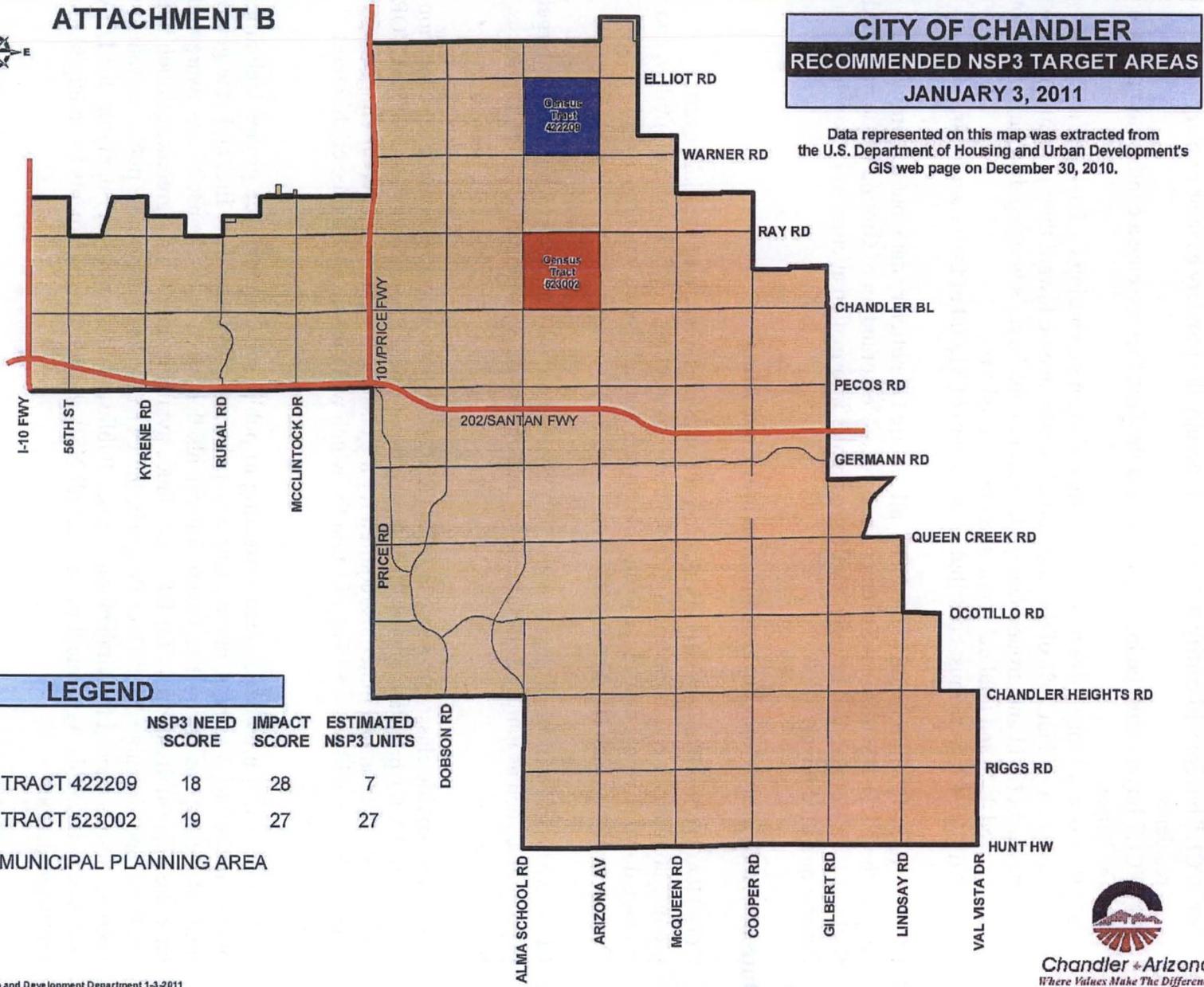
1. CONTRACTOR will engage in various outreach activities to recruit potential buyers, provide homebuyer education and homeownership counseling, verify income eligibility, and provide down payment assistance to eligible buyers through Newtown's Individual Development Account (IDA) program.
2. CONTRACTOR will work closely with CITY Staff to provide outreach to any specific target populations, such as Family Self Sufficiency and/or Section 8 participants, CITY employees, teachers, etc.
3. CITY will provide classroom space to CONTRACTOR for conducting homebuyer education classes and CCLT orientation workshops (space for at least 25 participants). CONTRACTOR will provide staff and all materials required for the classes, workshops and counseling. Potential buyers will pay a \$35 application fee which will include a tri-merge credit report and credit scores.
4. NEWTOWN will provide targeted marketing to public service employee groups including, but not limited to, Veterans, nurses, teachers, public employees, police, fire, and emergency medical technicians in order to ensure individuals that serve in this capacity are aware and have the opportunity to apply for DPA assistance available under this Agreement. Much like HUD's Good Neighbor Next Door Program, the CITY seeks to encourage public servants to become homeowners in revitalization areas. Public service employees applying for DPA assistance under this Agreement must meet all NSP eligibility requirements to be eligible to receive assistance.



ATTACHMENT B

CITY OF CHANDLER RECOMMENDED NSP3 TARGET AREAS JANUARY 3, 2011

Data represented on this map was extracted from the U.S. Department of Housing and Urban Development's GIS web page on December 30, 2010.



ATTACHMENT B

City of Chandler Recommended NSP3 Target Areas



ATTACHMENT C

NEWTOWN COMMUNITY DEVELOPMENT BYLAWS

ARTICLE VIII: COMMUNITY LAND TRUST

1. **Stewardship of Land.** The Board of Directors shall maintain a Community Land Trust program to acquire and hold land for the benefit of the community and to provide secure affordable access to land, housing and other real estate for community residents.
2. **Principles of Land Use.** The Board of Directors shall oversee the use of land owned by the Corporation and shall cause the Corporation to convey the right to use such land so as to facilitate access to land and affordable housing by low income and moderate income people. In so doing, the Board shall be guided by the following principles:
 - A. The Board shall consider the needs of potential lessees and shall attempt to effect a just distribution of land use rights.
 - B. The Board shall convey land use rights on terms that will preserve affordable access to land and housing for future low income and moderate income residents of the community.
 - C. The Board shall convey land use rights in a manner that will promote the long-term well-being of the community.
3. **Encumbrance of Land.** The decision to mortgage or other wise encumber land owned by the Corporation shall require the approval of the Board of Directors and the consent of any parties to whom such land is leased.
4. **Sale of Land.** The sale of land held in the Community Land Trust does not conform with the philosophy and purposes of the Corporation. Accordingly, land shall not be sold except in extraordinary circumstances when the sale is considered a necessary means of achieving the purposes of the Corporation. In such extraordinary circumstances, land may be sold only with:
 - A. An affirmative vote by at least two thirds of a quorum of Board of Directors at a regular or special Board meeting, provided that written notice of such meeting has described the proposed sale and the reasons for the proposal, and;
 - B. The written consent of any persons to whom the land in question is leased.

ARTICLE IX: OWNERSHIP OF HOUSING AND OTHER IMPROVEMENTS LOCATED ON THE CORPORATION'S LAND AND LIMITATIONS ON RESALE

1. **Ownership of Housing and Improvements on the Corporation's Land.** In accordance with the purposes of the Corporation, the Board of Directors shall take appropriate measures to promote and facilitate the ownership of housing and other improvements on

the Corporation's land by low-income and moderate-income people. These measures may include, but are not limited to, provisions for the sale of housing to such people; provisions for financing the acquisition of housing by such people, including direct loans by the Corporation; and provision for grants of other subsidies that will lower the cost of housing for such people.

2. **Purchase by the Corporation of Property Located on the Corporation's Land.** It is a purpose of the Corporation to preserve the affordability of housing and other improvements for low-income and moderate-income people in the future. Accordingly, when land-use rights are leased, the Board of Directors shall assure that, as a condition of the lease, the Corporation is granted the right to purchase any lessee-owned housing or other improvements on the land, for a price determined by the "resale formula," at such time as the lessees wish to sell or the lease if terminated.
3. **The Resale Formula.** For the purpose of preserving affordability, the Corporation shall restrict the price that lessees may receive when they sell housing and other improvements located on the land leased to them by the Corporation. A policy establishing such restrictions in the form of a "resale formula" shall be adopted by the Board of Directors in accordance with the following principles:
 - A. To the extent possible, the formula shall allow the seller to receive a price based on the value that the seller has actually invested in the property being sold.
 - B. To the extent possible, the formula shall limit the price of the property to an amount that will be affordable for other low-income and moderate-income people at the time of the transfer of ownership.
 - C. No land of the Corporation shall be leased or otherwise conveyed until a Resale Formula has been duly adopted by the Corporation.
4. **Procedures for Adoption of the Resale Formula.** The adoption of the resale formula shall require an affirmative vote by at least two thirds of the entire Board of Directors at any regular or special Board meeting, provided that written notice of such meetings has set forth the proposed formula with an explanation thereof.
5. **Procedures for Altering the Resale Formula.** The consistent long-term application of a resale formula is essential to the purposes of the Corporation. Accordingly, the resale formula shall not be altered unless the Board of Directors of the Corporation determine that the current formula presents an obstacle to the achievement of the purposes of the Corporation. In such an event, the resale formula may be altered only by a two-thirds vote of the entire Board of Directors as described above for the adoption of the formula.

ATTACHMENT D:

**State Contractor Employment Record Verification Form and
Employee Verification Worksheet
To Be Completed by Contractor Prior to Execution of Contract**

A.R.S. § 41-4401 requires as a condition of your contract verification of compliance by the contractor and subcontractors with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of its employees.

By completing and signing this form and attached Employee Verification Worksheet the contractor shall attest that it and all subcontractors performing work under the cited City contract meet all conditions contained herein. Failure to complete and submit this form and attached worksheet on or before the requested date to the above cited address and/or the falsification of any information provided herein shall be considered a material breach of the contract.

Contract Number/State Agency/Division:		
Name (as listed in the contract):		
Street Name and Number:		
City:	State:	Zip Code:

I hereby attest that:

1. The contractor complies with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of those employees performing work under this contract;
2. All subcontractors performing work under this contract comply with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of their employees; and
3. The contractor has identified all contractor and subcontractor employees who perform work under the contract on the attached Employee Verification Worksheet and has verified compliance with Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214.

Signature of Contractor (Employer) or Authorized Designee:

Printed Name: _____

Title: _____

Date (month/day/year): _____

**ATTACHMENT E
CONFLICT OF INTEREST CERTIFICATION**

1. Are you, or any member of your household or family, related by blood, marriage or operation of law to any employee or board member of Affordable Rental Movement Save the Family? Yes No

If yes, please indicate his/her name, position and relationship to you:

2. Are you, or any member of your household or family, related by blood, marriage or operation of law to any City of Chandler employee? Yes No

If yes, please indicate his/her name, position and relationship to you:

3. Are you or any member of your household or family, related by blood, marriage or operation of law to any member of the Chandler City Council or any Chandler Commission and/or Board member? Yes No

If yes, please indicate his/her name, position and relationship to you:

Household or Family is defined as persons related by blood, marriage or adoption, i.e. husband, wife, daughter, son, parents, grandparents, cousin, etc. Household or family also includes significant others defined as person(s) with whom you have a close personal relationship, i.e. live-ins, fiancées, etc.

My/Our signature below certifies that the above information is true and correct to the best of my/our knowledge. I/we understand that it is unlawful to present false information and that doing so may result in termination from the program and civil and/or criminal legal action:

Head of Household

Date

Co-Head of Household or Spouse

Date

Newtown CDC Use Only:		
Reviewed by: _____	Date: _____	
<input type="checkbox"/> No conflict exists	<input type="checkbox"/> A conflict appears to exist, proceed with further investigation	<input type="checkbox"/> See back of form for notes

**ATTACHMENT F
ENVIRONMENTAL REQUEST CLEARANCE FORM**

Date of Request: _____ Requesting Organization: _____

Property Address, Zip Code: _____

Parcel Number: _____

Description of property (i.e. detached single family home, 2 bedroom, 3 bath, carport, etc)

Rehab work to be done (i.e. replace windows and doors, smoke detectors, kitchen and bath renovations)

Interior:

Total Estimated Cost- Interior: \$ _____

Exterior:

Total Estimated Cost- Exterior: \$ _____

Total Construction Cost: \$ _____

Acquisition Cost (if applicable): \$ _____

Total Project Cost: \$ _____

Funding Source: ___ NSP ___ HOME

ATTACHMENT G

Newtown Community Development Corporation - Community Land Trust Program Rehabilitation Standards for Single-Family Homes

I. Introduction

The following rehabilitation standards are intended for use in the inspection and evaluation of single-family homes considered for acquisition and rehabilitation through Newtown's Community Land Trust (CLT) program. The standards are used to determine rehabilitation priorities, to determine if rehabilitation is feasible and to serve as a minimum standard for improvement when rehabilitation will take place.

The purpose of the CLT program is to develop permanently affordable housing for low-income households in Tempe as well as neighborhood revitalization. Depending upon the amount of funding available and the conditions present in each home, the rehabilitation that will take place will vary.

Buyers of CLT homes purchase the improvements only and obtain a 99-year renewable lease on the land that includes resale restrictions and a shared-equity provision. The ground lease prevents the buyer from realizing a "windfall profit" from a future sale of the property. The ground lease ensures that funding (the community investment) used for rehabilitation and land costs remain with the property and that the home will be affordable to the next low-income buyer. Therefore, in most cases rehabilitation will exceed the minimum standards.

In addition, CLT homes are intended to serve as a catalyst for further neighborhood improvements. Therefore, when funding is available, exterior improvements, landscaping and other work may be completed that will enhance the overall value of the home and the surrounding neighborhood.

II. General Requirements

- A. In general and where it is economically feasible, we want all Newtown CLT homes to be:
1. Reasonably free from fire and other hazards.
 2. Comfortable, healthy and well-ventilated.
 3. Decent appearing inside and out.
 4. Inexpensive to heat and maintain.
 5. Solid structurally and weather-tight.
 6. Reasonably equipped for current handicapped occupants.

- B. Newtown rehabilitation standards equal or exceed the Housing Quality Standards of the U.S. Department of Housing and Urban Development (HUD).
- C. The standards also meet the requirements of the local building, plumbing and electrical codes, as well as local and federal regulations pertaining to zoning, traffic, drainage, flood-plains and fire limits.
- D. Homes with additions or modifications must comply with applicable building codes. Substandard workmanship, unsafe items, or hazardous situations are not acceptable. If repair of these items is not cost effective, the addition or modification may be demolished or the project may not be economically feasible.

III. Rehabilitation Priorities

Ensuring that all priority items are rehabilitated will help make certain that the home will provide a healthful environment for the occupants, that the buyer will not incur significant repair costs in the near future and that the home is energy efficient (components of affordability).

In all cases items must be rehabilitated if the conditions:

1. Render a property unsafe, not decent, or unsanitary;
2. Constitute a major building system in danger of failure;
3. Fail to meet applicable codes.

Depending upon the extent of these deficiencies, the project budget may not be sufficient to cover all of the priority items. When this occurs, the project may not be economically feasible.

The Housing Development Manager or Rehab Specialist will complete a work write-up according to the following rehabilitation priorities:

MUST Repair or Replace ①

These items relate to the general health and safety of the occupants, potential code violations, energy efficiency, and long-term affordability. These items must be part of the work write-up for any CLT home to be rehabilitated (i.e. must be repaired or replaced prior to any other work).

- Hazardous Materials.
- Health and Safety Hazards.
- Major systems – should be analyzed on the basis of a 5-year life expectancy and include: roofs, electrical, plumbing, water heater, heating and cooling.
- Structural Soundness and Integrity of the building, including rotted or deteriorated materials and exposed surfaces.

- Egress in accordance with local health and safety codes.
- Energy conservation and weatherization: Utilize strategies as referenced in the NSP Single Family Rehabilitation Standard 07/10. It is understood that NSP Green Standards are based upon concepts as published by the United States Green Building Council (USGBC) in the LEED (Leadership in Energy and Environmental Design) for Homes program. Furthermore, it is understood that the rehabilitation work shall strive to meet these goals when financially feasible and that it is not the purpose of this program to seek formal LEED certification on completed rehabilitation work. In lieu of formal LEED certification, the CONTRACTOR shall conduct third party pre and post energy audits of the structure to measure increases in energy performance.
- Siting of the structure and its relationship to water penetration and drainage that may impact structural integrity.
- If the structure has an attached garage, appropriately-rated fire wall between garage and living areas.

SHOULD Repair or Replace ②

The following items are first priority items that shall be included in the work write-up (funds permitting) and shall receive priority in work to be completed as part of the rehabilitation project. Repair or Replacement may take place based on the amount of available resources.

- All existing exposed surfaces painted or sealed.
- Repair and replacement of doors and windows not presenting a health or safety hazard.
- Cabinetry and counter tops.
- Finished flooring.
- Major appliances.

IV. Other Requirements

A. Minimum Housing Facilities ①

1. Each home must provide sufficient space and facilities for the storage, preparation and serving of food.
2. The bathroom must be located in a separate room with a privacy door that can be locked. The door shall be in good operating condition.
3. In units with more than one bedroom and only one bathroom, a bedroom cannot be used as the only means of ingress or egress to the bathroom.
4. Each unit must have at least one shower or tub with hot and cold running water.
5. The facilities must use an approved public or private waste disposal system.
6. Bedrooms must be a minimum of 81 square feet in floor area with no dimension less than 7 feet.

7. Each bedroom must have its own separate access to a common room or area. A bedroom cannot be used as the only means of ingress and egress for another bedroom.

B. Energy Conservation and Weatherization ①

1. Replacement HVAC systems, water heaters and major appliances shall have an Energy Star Rating. HVAC units shall be 14 SEER minimum.
2. Insulation and Weather-stripping
 - a. Insulation in the ceiling shall have an R-value of 30.
 - b. Weather-stripping at doors and windows shall be in good repair.
 - c. Window gaskets and seals shall be in good repair.
 - d. Open joints at windows, doors or other areas shall be caulked and sealed.
 - e. Exterior doors shall have a properly working threshold and shoe or sweep to seal against infiltration.
 - f. Gaskets, glazing compound, caulking, weather-stripping or other weather sealants shall be in good condition.
3. Single-pane windows shall be replaced with vinyl dual pane sliders or fixed windows where appropriate with Low E coating and new screens. Windows will be attached and sealed properly and meet proper egress and safety code (minimum 18 inches above floor and no more than 44 inches).

C. Life Expectancy of Systems. ①

1. Major systems in the property, or items necessary to make the property meet standards should be analyzed on the basis of a five-year life expectancy.
2. Major systems and necessary items include: roofs, heating, cooling, plumbing, water heaters, and the electrical components of the property.

V. Hazardous Materials ①

A. Asbestos

1. Materials containing asbestos (ACM) that are to be removed as a condition of contract shall be removed and disposed of in a proper and safe manner by a certified asbestos abatement contractor or in accordance with locally-approved disposal standards.
2. Asbestos containing material must be dealt with in the most practicable and safe manner possible.
3. Exposed floor mastic containing asbestos must be encapsulated or removed in those areas where carpet is being installed.
4. Unsound tile containing asbestos must be removed prior to installation of a new layer of resilient flooring.

5. No asbestos containing materials shall be used for repair, replacement or new installation.

B. Lead-Based Paint

1. Every unit constructed before 1978 which is or may become occupied by children under the age of seven must be tested for the presence of lead in paint.
2. Lead based paint must be abated in accordance with federal regulations.

VI. SITEWORK

A. Pest Control ①

1. The building must be free of wood boring insects. If termite activity is detected, the entire building shall receive termite pesticide treatment. Where detectable, structural damage caused by wood boring insects must be repaired. Visible, excessive non-structural damage shall be repaired. Any conditions conducive to termite activity, such as wood-to-earth contact shall be corrected.
2. Each unit must be free of mice, roaches, rats, or other disease-carrying pests. If such pests are detected, extermination must be undertaken until the existing problem has been eliminated.

B. Walls and Fences ①

1. Retaining walls must be in good condition.
2. Cracks and displacements of more than 1/4" must be repaired.
3. Walls which lean enough to make the center of the top course fall outside the middle 1/3 of the base must be replaced.
4. Retaining walls must have weep holes in sufficient number and size to relieve water trapped behind the wall.
5. Fences or masonry walls may be installed.
6. Existing fences should be in good repair. Wood fences requiring significant repair may be replaced with masonry fences.
7. Holes, broken pickets, torn chain-link fabric, missing top-rails, defective posts or supports, broken or missing masonry units, wobbly gate posts, gates which don't open and close properly, etc. shall be repaired.

C. Siting of building(s) ①

1. The site must allow water to drain away from the foundation and for water to be channeled around the building in a manner capable of draining away heavy rains.

D. Pedestrian Traffic ①

1. Walks, driveways, and concrete or asphalt paved pads or parking areas must be free of trip hazards.
2. Cracks more than 1/2" in width or any crack that causes a trip hazard must be repaired.
3. Walkways and areas subject to pedestrian traffic shall be finished in such a manner as to minimize slip hazards when wet.

E. Accessory Buildings ②

1. Accessory storage sheds in need of minor repair may be repaired.
2. Storage sheds in poor condition may be removed or replaced.
3. Storage sheds may be installed if this is a feature in keeping with improvements of surrounding standard projects.

F. Landscaping ②

1. Installation of new irrigation and sprinkler systems is acceptable.
2. Dead trees or shrubs shall be removed.
3. Plants that are undermining any structure (i.e. walls, masonry fences, and slabs) or interfering with drainage shall be removed.
4. Plants blocking access to electrical panels, windows, doors, sidewalks, or walkways, or interfering with overhead electrical, telephone, or television cables shall be trimmed or removed.
5. Plants that are abrading the roof surface shall be trimmed.
6. Palm trees having build-up of dead palm fronds, may be trimmed or removed.
7. Plants, trees or shrubbery posing personal safety hazards must be trimmed or removed.
8. High water use landscaping may be removed or converted to drought tolerant landscaping if this is a feature in keeping with improvements of surrounding standard projects.

VII. Concrete ②

- A.** Foundations and footings shall be sound.
- B.** Cracks larger than 1/4" shall be repaired.
- C.** Repairs at the direction of a structural engineer or other qualified design professional may be required.
- D.** Slabs shall be free of excessive cracking, movement and trip hazards.
- E.** Cracks or displacement of more than 1/4" in slabs shall be repaired.
- F.** Cracks that have shifted more than 1/4" shall be beveled, filled and the adjoining structural elements examined for weakness or failure.

VIII. MASONRY ②

- A.** Exterior and load-bearing masonry walls shall be in good condition.
- B.** Cracks passing through masonry units, cracks of more than 1/4" in width, cracks caused by lateral displacement of more than 1/4", or half moon cracks should be examined for structural weakness. Repairs may be required to be undertaken at the direction of a structural engineer or other qualified design professional.
- C.** Masonry fireplaces shall be in good repair if used as a primary heat source.
- D.** Hoods, walls, chimneys, caps, hearths, firebrick and all other structural portions of fireplace and chimney shall be sound and free of excessive missing mortar, missing bricks or loose masonry.

IX. METALS ②

- A.** Damaged or weathered metal siding shall be repaired or replaced, as appropriate, to ensure structural integrity and weather-tightness.

X. CARPENTRY ①

- A.** Bearing walls and structures with obvious deficiencies shall be repaired as is appropriate.
- B.** Exposed framing and wood construction shall be examined for structural soundness and good workmanship. Defects shall be corrected.

XI. ROOFING ①

A. General

1. Roof framing shall be capable of supporting the roof and any equipment on it without sagging. Roofs with sags, swales, ridges, or uneven pitch shall be inspected and have deficiencies corrected.
2. All roofs shall be free of leaks.
3. Roofs with less than a 5 (five) year life expectancy shall be replaced.
4. Repairs shall be done only when the cost for repairs is estimated to be less than the cost of a new roof.
5. New roof installations shall have all previous roofing and underlay removed and substrate thoroughly inspected and repaired prior to installation of new system. If the roof system is structurally sound, additional shingles may be installed over existing shingles if not more than one layer is currently installed.
6. Every roof must be installed in accordance with manufacturer's specifications.
7. Roofs shall have a positive slope that provides good drainage. Minor ponding is acceptable if pooling of water less is than 1/2" in depth, less than 1/3 the

span of the roof or capable of drying in less than 48 hours after the last addition of water.

8. Roofs draining onto others in such a way that excessive wear results shall have protection provided or the drainage rerouted.
9. Roof drains must be low enough to prevent excessive ponding and made of materials that are impervious to water. Drains shall be constructed in such a way that they do not drain down the wall of the structure.

B. Built-Up Roofs

1. Built-up roofs shall have an elastomeric aluminized or gravel coating. Where a gravel roof is being replaced, a three-ply built-up system with elastomeric coating or other suitable, approved system shall be provided.
2. Roof coatings shall be in good condition and consist of compatible materials.
3. Excessive peeling, bubbling, chipping, sloughing or mechanical damage shall be repaired.
4. Gravel roofs shall have gravel present in sufficient quantity and in proper distribution.
5. Roofing membranes shall consist of at least 3 layers. Cap-sheet exposures of more than 18" on roofs without a mineral coating (felt roofs) shall not be acceptable unless a core sample can be shown to have at least 3 layers. The roofing materials must be well adhered to the decking, and each course shall be solid mopped at the laps. Cold process adhesive is not acceptable for roofs with a slope of less than 2 1/2:12
6. The roof shall be free of fissures, cracks, lifting seams, excessive bubbles (more than 5% of the roof area) or excessive alligatoring in coatings or asphalt flood coats.

C. Rolled Roofs

1. Cold-application rolled roofing must have a slope of 2:12 or greater.
2. Rolled roofing that is applied without hot tar shall be fastened according to manufacturer's specifications.
3. New installations and repairs shall have fasteners spaced no more than 3" along the seams and laps.
4. Loose mineral surfacing, bare spots, wear, excessive wrinkles, loose seams, loose laps, etc. are indications of age and shall be cause for repair or replacement.

D. Foam Roofs

1. Foam roofs must have a slope of 1/2:12 or greater, and have a nominal 1" thickness. Nominal 1" means at least 1" thick with occasional 7/8" measurements acceptable. Ponding of 1/4" or more, or ponding covering more than 5 square feet is not acceptable.

2. Foam roofs must have an elastometric coating in near perfect condition. Any detectable break in the coating surface must be repaired. Coatings thought to be more than 1 year old shall be recoated.
3. Foam roofs must be well adhered to the substrate. Any detectable break in the bond shall be cause for repair. Roofs with poor bonding in areas larger than 3 square feet shall be replaced. Humps, bubbles, ripples and voids are signs of improper application and may be cause for replacement.
4. In cases where a foam roof must be replaced, a different acceptable roofing system shall be installed unless a determination is made that the insulating qualities of a foam roof outweigh the associated maintenance costs.

E. Shingle Roofs

1. All newly-installed shingle roofs shall have a slope of no less than 3:12.
2. Existing shingle roofs with slopes between 2:12 and 3:12 must be carefully examined for leaks or other signs of failure.
3. Shingles shall be installed with proper exposure. Roofs with more than 1/4" of the untabbed portion of the shingles exposed, or not installed in compliance with manufacturer's specifications shall not be acceptable.
4. Roofs with excessive bird's mouths, lumps, breaks, or tears shall be repaired or replaced.
5. Fasteners shall be properly installed. Each shingle shall be fastened according to manufacturer's specifications. Staples cannot be used to lap from one shingle to another, as a substitute for stapling both ends individually. In those cases where it is determined that the roof is improperly fastened, the roof shall be replaced or repaired, as appropriate.
6. Existing shingle roof surfaces shall have substantially all of the original mineral surface and be well adhered both at the tabs and in the grooves. Loose mineral surface, sparsely covered surfaces, curling, cupping, breakage, or brittleness are cause for replacement or repair.

F. Wood Shake

1. The use of wooden roofing materials in roof replacement or new construction is prohibited.
2. Existing wood shake roofs must have a slope at least 3:12.
3. Wood shake roofs must be in good condition or shall be replaced.
4. Underlayment and interlayment must be present and in good condition.
5. Splitting, breaking, rotting or loose shakes, or worn, sloughing, or cracked underlayments and interlayments should be weighed in decisions about repair and reroofing. If such conditions are prevalent, the roof shall be replaced with another type of material.

G. Tile Roofs

1. Tile roofs that fail shall be replaced with another tile roof only when it is determined the feature is in keeping with improvements of surrounding standard projects.
2. Tile roofs in need of replacement shall be replaced with a suitable and more economical material when replacement with another tile roof is not in keeping with improvements of surrounding standard projects.
3. Repairs shall be done only when the cost of repairs is less than the cost of a new shingle roof and the planned repairs are expected to make the roof last at least another 5 (five) years.
4. Tile roofs shall have a minimum slope of 3:12 and be installed over solid decking.
5. Spaced slats are not acceptable unless installed over solid decking.
6. Tiles shall be in good condition.
7. Tiles shall be securely fastened in place unless specified otherwise by the manufacturer. Slipping, loose, or missing tiles shall be replaced. Tiles cracked all the way through, tiles with a badly weathered surface, or tiles with chips or breaks larger than 2" in diameter shall be replaced. Roofing tiles shall have a head lap of not less than 3" unless the tiles are keyed to lock together with less head lap.
8. Leaking ceramic or concrete tile roofs must be inspected to insure they have an underlayment. The underlayment shall be a minimum of 30-lb. felt and in good condition. Worn, flaking, sloughing, tearing or cracking of underlayment shall be cause for roof replacement or repair.

H. Metal Roofs

1. Metal roofs shall be of 26 gauge (Galvalume) or 29 gauge (galvanized), or as required by local building codes.
2. Metal roofs must have a slope of 2:12 or greater.
3. Metal roofs must be properly aligned over uniform substructure to avoid panel distortion.
4. A moisture barrier shall be installed under new panels.
5. New installations must be made with galvanized nails with neoprene washers.
6. All rib lap joints must be sealed their entire length with a bead of caulking.

I. Flashing, Venting and Insulation

1. Roof penetrations must be properly flashed and sealed.
2. Cracks forming around the seals of roof penetrations shall be resealed.
3. Seals made solely with mortar, plastic roof cement, or other materials that crack or shrink are not acceptable.
4. Roof flashing must be properly installed, in good condition, and must serve the purpose for which it was intended. Flashing that is loose, improperly sealed, heavily corroded, or damaged shall be repaired or replaced.

5. Grilles or louvers that cover ventilated openings provided for attic or sub-floor ventilation shall be removed and replaced if they are damaged and/or ineffective in protecting against entrance of rain and/or rodents or pests.
6. All new roofs must have a properly installed metal edge.
7. Existing attic ventilation will be examined to determine if venting is working properly. If possible, ventilation will be added per requirements of local building codes.
8. Insulation will be added up to 10 inches (blown in) to attic areas with cellulose. The goal for attic insulation is R38. Frame walls will be insulated if the wall finish is removed to R19.

J. Gutters

1. Where appropriate, new roofs shall be equipped with gutter and downspout assemblies.
2. Newly installed gutter shall be equipped with the appropriate hangers and be designed to support the weight and conditions of the local area.
3. All existing and new gutters should be equipped with downspouts, bottom elbows, extensions, splash/diverter blocks, and other measures necessary to carry the water away from the dwelling.

XII. Exterior Finishes / Surfaces

- A. Damaged or weathered siding shall be repaired or replaced, as appropriate, to ensure structural integrity.
- B. Excessive or prevalent broken stucco or stucco with cracks in excess of 3/16" shall be repaired.

XIII. DOORS AND WINDOWS ①

A. General

1. Every bedroom shall have at least one window that can be opened and closed and securely locked. If bedroom is equipped with door openable to exterior of house, window may be of an unopenable type.
2. All bathrooms shall have a privacy door.
3. All habitable rooms shall have at least one window.
4. Openable windows shall be in sound and proper operating condition.
5. Windows installed in new room additions or in rooms whose function or description has been altered shall meet current code requirements for required light, ventilation, security, and egress.

B. Doors

1. Doors, frames, jambs and casings shall be in good condition and free of excessive scratches, gouges, chipping, peeling or other unsightly damage or wear, and in good working order.
2. Gaps shall be sufficient to prevent rubbing and no larger than 1/4".
3. Doors with holes too large to be repaired, delaminating skins, broken stiles or rails shall be replaced.
4. Exterior doors shall be protected from sunlight with a proper coating of varnish, paint or other suitable weather protection.
5. Entry doors to storage or auxiliary structures may be hollow-core.

C. Windows

1. Glass shall be free of open holes or movable cracks.
2. New glazing installed in locations defined as hazardous by the local building code, current edition.
3. Windows openable to the outside should have a screen that is in good condition.
4. Where practical, new screen installation may include solar sunscreens.

D. Hardware

1. Door latches and locks shall operate freely.
2. Hinges shall have no free play.
3. The latch-set shall be in good working order.
4. Those doors with locksets shall be capable of being locked.
5. Newly installed exterior doors to a unit must have a dead bolt.
6. Locksets requiring repair or replacement shall be replaced with a dead bolt.
7. Deadbolts must be openable from the inside without the use of a key or tool.
8. All openable windows must have a secure and working lock.

E. Security Doors and Screens

1. Existing security doors shall be in good working condition.
2. Security doors not in good working condition shall be repaired or removed.
3. Latches and locks must work properly and conform to applicable codes.
4. Damaged screening may be replaced or removed.
5. Security bars shall not impede the full and proper operation of any window.
6. Security bars on windows located in sleeping rooms must be provided with latches and dimensioned so that current code egress requirements are met.
7. Security bars not meeting these requirements shall be modified to fully comply or else removed.

XIV. FINISHES ①

A. General

1. All surfaces, particularly those that can be damaged by water or direct sunlight, shall have a protective finish.
2. Paneling, wallpaper, mirror tiles, corkboards, etc. in good condition and not posing any form of hazard shall remain in place.
3. Tub surrounds or shower walls shall be sound, made of waterproof materials and sealed against water penetration at all joints.
4. Loose tiles, broken or missing grout, missing tiles, loose wall panels, delaminating surfaces, and joints without caulking or grout are not acceptable.

B. Paint

1. Exterior paint shall be free of excessive peeling, checking, cracking, flaking, blistering or other defects.
2. All new wood shall be primed prior to painting.
3. Interior paint shall be in sound condition.
4. Paint that is damaged, difficult to clean, peeling, cracking, etc. shall be properly prepared and recoated.

C. Walls and Ceilings

1. Walls and ceilings shall be in sound condition and free of hazardous defects.
2. Cracks in plaster or gypsum wall board surfaces 1/8" or wider shall be repaired.
3. Loose drywall, broken plaster, loose paneling, etc. shall be repaired.

XV. FLOORING ①

A. General

1. Floor framing shall be capable of supporting existing dead load and anticipated live loads as defined by the UBC as appropriate for type of structure and class of occupancy. Swales, sags, and ridges that do not present a trip hazard or otherwise jeopardize the health and safety of the occupant(s) shall be repaired.
2. Flooring shall be in good, sanitary condition and free of any hazardous conditions.
3. Flooring in kitchens, bathrooms and laundry areas shall be impervious to water.

B. Resilient Flooring

1. Resilient flooring with excessive gouges, breakage, bubbling, lifting, or shrinking shall be repaired or replaced.

C. Wood Flooring

1. Wood floors shall be in sound condition and free of excessive damage from wood-boring insects.
2. Wood flooring with excessive gouges, breakage, lifting, curling, buckling, or shrinking shall be repaired or replaced with resilient flooring or carpet.

D. Carpet

1. Carpet that is improperly attached, badly worn, torn, or soiled shall be replaced if the cost of repair is greater than the cost of replacement
2. Existing carpet shall be in clean and sanitary condition.
3. Carpet may be replaced with resilient flooring, where appropriate.

E. Ceramic Tile

1. Ceramic tile shall be repaired, when possible to match the existing tile.
2. Ceramic tile requiring replacement shall be replaced with resilient flooring or carpet unless ceramic tile is a feature in keeping with improvements of surrounding standard projects.

XVI. SPECIALTIES ①

A. Bath Accessories

1. Each bathroom must be provided with a towel rod, shower rod and toilet paper holder.
2. Existing shower doors shall be sanitary and in proper operating condition.
3. Shower doors not constructed of tempered glass, or those with open holes or cracks shall be removed and replaced with shower rod.
4. Shower and tub enclosures shall be in sanitary condition and properly sealed.

B. Closets

1. Each bedroom equipped with a closet must be equipped with a rod and shelf.

C. Fireplaces

1. Existing fireplaces can be repaired.

2. Fireplace flues shall be free of debris, restrictions, holes, or excessive soot deposits. Flue liners, where present, shall be in good condition. Missing or broken liners shall be replaced.
3. Chimneys shall be in good repair and high enough to induce a draft that shall keep smoke from being allowed into the dwelling. Fireplaces shall have freely operable dampers, except where gas logs are permanently installed. Gas log installations shall have dampers permanently affixed in the open position.
4. The hearth shall comply with current code.

XVII. EQUIPMENT ①

A. Cooking Units

1. The unit must have a means of properly heating food.
2. Newly-installed gas stoves must have an approved automatic lighter for all the burners.
3. Existing gas stoves shall be free of leaks, clogged burner ports, missing parts or any defect that makes cleaning or repair of the stove difficult, or that makes part of the stove inoperable or unsafe.
4. Electric stoves shall have a power supply capable of providing power for all those heating elements the stove is capable of using at one time. Elements should be capable of producing red heat except in those cases where design prohibits this, as in the case of ceramic elements.
5. Electric stoves shall be connected to an approved electrical outlet.

B. Refrigerators

1. The unit must have a refrigerator or means of cooling or preserving food.
2. Existing refrigerator must be in proper working order.

C. Garbage Disposals

1. Garbage disposals and dishwashers may be replaced or provided if these features are in keeping with improvements or surrounding standard projects.
2. Dryers shall be vented to the outside using an approved pipe, sleeve, and vent cap.

XVIII. FINISH CARPENTRY ②

A. Cabinetry

1. All cabinets and vanities shall be in good condition and appropriately secured.

2. Cabinets, drawers, and doors shall be free of broken or dysfunctional hardware, holes, peeling, chipping, sloughing, or any other damage rendering them difficult to clean or otherwise unsanitary.

B. Countertops

1. Counters shall have a surface that can be easily cleaned and impervious to repeated cleaning.
2. Counters shall be free of holes, gouges, burns, peeling, cracking or any condition making them absorbent.

XIX. PLUMBING ①

A. General

1. New or replacement piping shall be of approved materials.
2. Piping shall be properly installed and supported.
3. No plastic piping shall be exposed to sunlight unless it is approved by listing for such installation.
4. Each property equipped with facilities for a clothes washer shall have both hot and cold water supplied and drain shall be connected to an approved waste system.
5. Faucets, drains, valves, piping and supply lines shall be leak-free, functionally adequate and in proper operating condition.
6. Plumbing repairs requiring installation of new fixtures shall be done with water conserving devices including low flow faucets, low flow showerheads and low flow toilets, where appropriate.
7. Replacement or repair of unlisted plumbing or mechanical appliances is not acceptable.

B. Domestic Water Supply

1. Each unit shall have a water supply, connected to a potable water source.
2. Repair or replacement of the water supply system must be demonstrably safe, sanitary, reliable and able to serve the needs of the occupants.
3. No unit shall have lead water-supply piping. The use of lead solder shall not be allowed for repairs or replacements.
4. Multi residential building must be provided with backflow prevention devices on the water service, according to applicable code. All exterior hose bibs shall be provided with approved anti-siphon devices.

C. Drain, Waste, Vent

1. Gray water systems are not acceptable unless inspected and approved by the local building authority.

2. Waste lines shall be made of approved materials.
3. The waste disposal system shall be connected to an approved public or private disposal system capable of handling the occupant load of the unit(s).
4. The system shall be free of leaks, damaged, or corroded pipe. Waste lines shall be free of blockage or gurgling.
5. Existing waste systems must be properly vented. Vents considered to be inadequate or unsafe shall be replaced or repaired. Plumbing vents within 10' of a cooler must be at least 1' taller than the cooler.
6. A determination shall be made regarding the need for additional clean-outs for the waste disposal system.
7. Waste disposal systems shall be free of health hazards or unsafe conditions.
8. The waste lines shall provide a functional plumbing vent, a trap and leak free connections to the waste disposal system.

D. Gas

1. All repair and replacement of gas installations shall be with proper materials and in accordance with local codes.
2. The main gas shut-off shall be in good operating condition and free of leaks.
3. Flexible gas supply connections shall not exceed 3' in length.
4. Flexible gas supply connections shall be appropriately caulked and vented.

E. Fixtures

1. Individual sinks, toilets, clothes washers, and other plumbing devices shall have individual water-supply shut-offs.
2. All kitchens shall have a sink and faucet, in proper operating condition with a sink trap and hot and cold running water.
3. Every bathroom shall be in good operating condition with water supply.
4. Faucets shall be free of leaks and drips.
5. Sinks shall be free of excessive cracking, chipping or other damage that makes cleaning difficult or hazardous.
6. The plumbing shall be free of leaks in supply lines and sewer connections.
7. Supply lines and waste lines shall be in good condition.
8. Each bathroom shall have a toilet in proper operating condition and connected to an approved public or private sewer system.
9. Toilets must be in proper operating condition and free of cracks in the bowl, tank or tank lid.
10. Each toilet shall have a washable seat, and be free of leaks in either the water supply or the sewer connections.
11. Wall-mounted toilets shall be properly installed and secured.

F. Valves

1. Water supplies shall have individual shut-offs, where practical.
2. Loose or broken handles and levers shall be repaired or replaced.

3. Flexible gas supply connections shall be provided with an approved gas cock

G. Water Heaters

1. Every unit shall be supplied with a sufficient amount of hot water to serve the occupant load of the property at peak demand times.
2. Water heaters shall be properly vented.
3. If the water heater unit is located outside, the unit must be properly protected from the weather.
4. Each water heater shall have a properly installed, approved temperature/pressure relief valve with a 3/4" drain line installed to comply with current code.
5. The water heater shall have a rigid and properly supported door or platform under it.
6. Flexible gas supplied shall not exceed 3' and all plumbing fittings must be free of leaks.
7. Solar water heating devices shall be considered on a case by case basis.
8. Water heaters lacking individual shut-offs shall only have shut-offs installed when they are repaired or replaced.

XX. HVAC ①

A. General

1. Air conditioning units shall be capable of cooling each cooled room to a temperature 30 degrees below ambient outside temperature at a level 5' above the floor.
2. HVAC units shall be serviced to insure safe, proper and efficient operation.
3. Filters shall be secure, clean, and large enough to pass sufficient recirculating air to make the unit operate properly.
4. Heat pumps used as cooling devices shall perform to the same standards as refrigeration and heating units described herein.
5. Heating and air conditioning units and evaporative coolers shall be free of corrosion and water damage.
6. Equipment housings and access panels must be intact and properly secured/installed. No exposed electrical connections, belts, pulleys, or blowers shall be allowed.

B. Heating

1. Every furnace shall, at a minimum, be cleaned, serviced, and certified to be safe, operable and adequate.
2. Each forced air unit shall have a filter. Filters shall be clean, secure, and capable of passing enough air to allow the unit to heat properly. If electronic filters are a feature in keeping with improvements of surrounding standard projects or are required for health reasons of the occupant, electronic filters

may be repaired or installed. Existing electric filters, which are working properly, shall be replaced unless the filter has at least a 3-year life expectancy.

3. Each unit shall be provided with a means to control the unit's heating and cooling. Each heat source shall have a properly operating thermostat.
4. Air handlers shall be quiet, well balanced and clean.
5. The heat exchanger shall be in good condition. Excessive corrosion, soot, chemical deposits, cracks, back-draft or burners or other evidence of heat exchanger failure may be cause for replacing the unit.
6. All heating elements shall all be connected to a power source and functioning properly.
7. Where practical, wall furnaces, which are the main source of heat for the unit, shall be replaced with central heating equipment.
8. A room heater may be used, provided it is used as supplement to central heating, such as in a room addition. Room heaters shall be UL-listed appliances, installed properly and sufficiently sized enough to heat the room in which they are installed.
9. Unvented gas heaters, except those designed to be unvented, are not acceptable and shall be replaced with a listed appliance.
10. Solar heating systems shall be considered on a case by case basis.

C. Ventilation

1. Ventilation for each bathroom shall comply with local codes.
2. Ventilation devices not in good operating condition shall be repaired or replaced.
3. Exhaust hoods or fans and filters must be in sanitary condition.

D. Air Conditioning

1. Refrigeration units shall be serviced and certified in good working condition by a licensed mechanical contractor qualified as an air conditioning technician.
2. Refrigeration units under the drip line of roofs, or under rain gutters or canales shall be moved or protected from excessive run-off on the unit.
3. Condensate drain lines shall be properly drained to avoid damage to the property. Roof units shall drain away from the roof in a manner that shall not damage the roof or structure.
4. Heat exchange fins shall be in good condition. The compressor shall be free of excessive debris. The unit shall be free of excess debris, vegetation or any obstruction that prevents the free circulation of air around the unit.
5. Air Conditioner must have properly installed with new roof mounted disconnect.

E. Combustion Air

1. Gas furnaces and water heaters shall have sufficient combustion air.

2. Combustion air (make-up air) shall be provided in compliance with current building codes.

XXI. ELECTRICAL ①

A. General

1. Care should be taken when aluminum wiring is encountered.
2. Electrical connections shall be made in a proper and safe manner. Permanently wired electric water heaters shall be supplied by properly sized conductors installed within metallic flex conduit where exposed. Exposed electrical cable serving the furnace shall be protected with flexible conduit and properly made connections. Termination of electrical supply conductors and conduit shall be by means of approved fittings.
3. Exposed cables or wires shall be replaced or protected to meet code.
4. Wiring shall be free of damaged insulation or damaged conductors. Fraying, cracking, charring, or brittle insulation on a cable shall be cause for replacement.
5. Those portions of any system not exhibiting good workmanship shall be properly terminated and/or replaced in compliance with current code.
6. All electrical circuiting shall be of proper design and suitable for intended use, with overcurrent protection suitable for conductor ampacity.

B. Service Entry and Equipment

1. The size of the electrical service shall be adequate for the needs of the property after rehab completion and at a minimum meet National Electrical Code. If an electrical service is inadequate in ampacity to meet the electrical demand, either the service shall be upgraded to meet the new demands, or the electrical demand shall be reduced, if practical.
2. Each electrical service shall have a properly made ground that is either protected or rigidly affixed, in accordance with the National Electrical Code.
3. Means of disconnects must be provided for fixed electrical space heating units. Provisions for disconnect shall be in accordance with National Electrical Code.
4. Each electrical panel shall be, at a minimum, adequately sized for the service. All services and distribution centers shall be safe, and free of excessive corrosion, debris, holes, uncapped knockouts, etc. Exterior panelboards enclosures shall be of UL listed, rain-tight design. The panel shall be soundly and properly attached to the wall. Damaged, outdated, unsafe or otherwise unsatisfactory panels shall be replaced with panels that comply with the current code.
5. Each electrical panel shall have a main disconnect.
6. All circuiting shall have overload protection in compliance with current code.

C. Branch Circuiting

1. An adequate number of circuits to provide safe, functional distribution are required. Additions of circuits to property shall comply with current code.
2. Those properties having knob and tube wiring shall be rewired to comply with current code with the guidelines of the U.S. Consumer Product Home Safety Commission. If replacement is more cost effective than repair, then the home shall be rewired.

XXII. DEVICES

A. General Lighting and Outlets ①

1. Bathroom shall have a light and one convenience outlet GFCI protected.
2. Each bedroom shall have at least 2 working duplex outlets, properly installed and safe for use and AFCI protected.
3. Light fixtures shall have correct and proper fitting covers or diffusers.
4. Where practical, sufficient exterior lighting shall be provided.
5. The kitchen shall have at least two 110-volt duplex outlets GFCI protected. If a kitchen is replaced, receptacles shall be installed to meet minimum building code requirements.
6. Appliances requiring a 220-volt shall be connected to a 220-volt outlet.

B. Ground Fault Circuit Interruption ①

1. At a minimum, ground fault circuit interrupters shall be installed in all bathrooms. When updating of electrical devices is required. GFCI's shall be installed where required in kitchens, bathrooms, garages/carports, and exterior outlets.
2. Receptacles located at counter top level within 6 feet of the kitchen sink shall have ground fault interrupter protection.
3. All homes shall have a "hard-wired" smoke alarm system installed in each bedroom and hallway in accordance with local code.

C. Low Voltage and Miscellaneous Systems ②

1. Existing television cable and antenna cable must be in good condition.
2. Damaged cable may be repaired or removed.
3. Existing security systems must be in good condition and operable for the intended use. Nonfunctional systems may be removed or replaced if this is determined to be a feature in keeping with improvements of surrounding standard projects.

ATTACHMENT H CONTRACTOR CERTIFICATIONS

In accordance with the Housing and Community Development Act of 1974, as amended, and with 24 CFR 570.303 of the Community Development Block Grant regulations, the subrecipient certifies that:

1. It possesses legal authority to make a grant submission and to execute a community development and housing program;
2. It provides for a timely written answer to written complaints and grievances, within 15 working days where practicable;
3. Identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate;
4. NSP funds will be conducted and administered in compliance with:
 - a. Title VI of the Civil Rights Act of 1964 (Public Law 88-352, 42 U.S.C. S2000d et seq.); and
 - b. Title I and II (as applicable to the City) of the Americans with Disabilities Act (42 U.S.C. 12101 et seq.), and all regulations issued pursuant thereto.
 - c. The Fair Housing Act (42 U.S.C. 3601-20);
 - i. It will affirmatively further fair housing;
 - ii. It has developed its final statement/proposal of projected use of funds so as to give maximum feasible priority to activities which benefit low and moderate income families.
5. It has developed or is following a City of Chandler's Community Development Plan, for the period specified in its proposal, that identifies community development and housing needs and specifies both short and long-term community development objectives that have been developed in accordance with the primary objective and requirements of the Act;
6. It is in compliance with the City of Chandler's current Consolidated Plan/Action Plan which has been approved by HUD pursuant to S570.306 and Part 91, and that any housing activities will be consistent with the Consolidated Plan;
7. It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, as required under S570.606(b) and federal implementing regulations; and it is following a residential anti-displacement and relocation assistance plan as required under section 104(d) of the Act and in S570.606(c); and it will comply with the relocation requirements of S570.606(d) governing optional relocation assistance under section 105(a) (11) of the Act;
8. It will or will continue to provide a drug-free workplace by:
 - a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - b. Establishing an ongoing drug-free awareness program to inform employees about:
 - i. The dangers of drug abuse in the workplace;
 - ii. The grantee's policy of maintaining a drug-free workplace;

- iii. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - iv. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 9;
 - d. Notifying the employee in the statement required by paragraph 9 that, as a condition of employment under the grant, the employee will:
 - i. Abide by the terms of the statement; and
 - ii. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
 - e. Notifying the CITY in writing, within ten calendar days after receiving notice under subparagraph 9(d) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the federal Agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
 - f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 9(d), with respect to any employee who is convicted:
 - i. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - ii. Requiring such employee to participate satisfactory in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate Agency;
 - g. Making a good faith effort to maintain drug-free workplace through implementation of paragraphs 11, 12, 13, 14, and 15.
- 9. It will comply with the other provisions of the Act and with other applicable laws.
- 10. Section 319 of Public Law 101-121. The undersigned also certifies the best of his or her knowledge and belief, that:
 - a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of Congress, or any employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative Agreement, and the extension, continuation, renewal, amendment of modification if any Federal contract, grant, loan, or cooperative Agreement.
 - b. If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Agency, a Member of Congress, an officer or employee of

Congress, or an employee of a Member of congress, in connection with this Federal contract, grant, loan or cooperative Agreement, the undersigned shall complete and submit Standard Form-LLL "Disclosure Form to Report Lobbying", in accordance with its instructions.

- c. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative Agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the; required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signature

Date

REPRESENTING: Newtown Community Development Corporation

NAME: Allen L. Carlson

TITLE: Executive Director

ATTACHMENT I
ACQUISITION AND REHABILITATION REQUIREMENTS

1. CONTRACTOR shall comply with current City policy concerning the purchase of equipment and shall maintain an inventory record of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of the Agreement.
2. CONTRACTOR shall comply with 24 CFR 570.606 relating to the acquisition and disposition of real property utilizing grant funds, and to the displacement of persons, businesses, nonprofit organizations and farms occurring as a direct result of any acquisition of real property utilizing grant funds. CONTRACTOR agrees to comply with applicable City Ordinances, Resolutions, and Policies concerning displacement of individuals from their residences.
3. CONTRACTOR agrees to act in accordance with the requirements of the Resource Conservation and Recovery Act and shall give preference in their procurement programs funded with Federal funds to the purchase of recycled products pursuant to the EPA guidelines.
4. CONTRACTOR will use its best efforts to afford minority and women-owned business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the term “minority and female business enterprise” means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, “minority group members” are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian Americans, and American Indians. CONTRACTOR may rely on written representations by Contractors regarding their status as minority and female business enterprises in lieu of an independent investigation.
5. The CITY must complete the environmental review process (24 CFR Part 58) and provide CONTRACTOR a notice to proceed before taking physical action on a site or making a commitment or expenditure of funds. Applicable HUD regulations prohibit CONTRACTOR from entering into contracts, conditional or not, or in any way committing funds until the CITY give notice to proceed for any project activity.
6. CONTRACTOR agrees to comply with the following regulations insofar as they apply to the performance of the Agreement:
 - Clean Air Act, 42 U.S.C., 1857, et seq.
 - Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, et seq., as amended 1318 relating to inspection, monitoring, entry, reports, and information as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder.
 - National Environmental Policy Act of 1969.

- HUD Environmental Review Procedures (24 CFR, Part 58).

CONTRACTOR agrees to comply with the requirements of the Flood Disaster Protection Act of 1973 (P.L.-2234) in regard to the sale, lease or other transfer of land acquired, cleared or improved under the terms of this Agreement, as it may apply to the provisions of this Agreement.

7. CONTRACTOR agrees that any construction or rehabilitation structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, and in particular Sub-Part B thereof. Such regulations pertain to all HUD-assisted housing and require that all owners, prospective owners, and tenants or properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning.
8. CONTRACTOR agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR, Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this Agreement. In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, State, or local historic property list.
9. NSP requires that in a contract for the construction and rehabilitation of 8 or more units, construction pay to all laborers and mechanics not less than the wages prevailing in that locality as predetermined by the Department of Labor. Prevailing wages must be paid on the entire development and the wage provisions must be in the construction contract. Recipients of NSP funding must supply applicable documents to the CITY to ensure Davis Bacon requirements throughout the contract period. CONTRACTOR 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, the Safety Standards Act, the Copeland "Anti-Kickback" Act (40 U.S.C. 276,327-333) and all other applicable federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of the Agreement. CONTRACTOR shall maintain documents that demonstrated compliance with hour and wage requirements of this part. Such documentation shall be made available to the City for review upon request.
10. Where employees are engaged in activities not covered under the Occupational Safety and Health Act of 1970, they shall not be required or permitted to work, be trained, or receive services in buildings or surroundings or under working conditions, which are unsanitary, hazardous or dangerous to the participants' health or safety.
11. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of the Agreement,

shall be a condition of the federal financial assistance provided under this Agreement and binding upon the City, CONTRACTOR and any subcontractors. Failure to fulfill these requirements shall subject the City, CONTRACTOR and any subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which federal assistance is provided. CONTRACTOR certifies and agrees that no contractual or other disability exists which would prevent compliance with these requirements.

CONTRACTOR further agrees to comply with these “Section 3” requirements and to include the following language in all subcontracts executed under this Agreement:

“The work to be performed under this contract is a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701. Section 3 Requires that to the greatest extent feasible opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the areas of the project.”

CONTRACTOR certifies and agrees that no contractual or other disability exists which would prevent compliance with the requirements.

CONTRACTOR agrees to send to each labor organization or representative of workers with which it has a collective bargaining Agreement or other contract or understanding, if any, a notice advising said labor organization or worker’s representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

CONTRACTOR will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the City Agency. CONTRACTOR will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR 135 and will not let any subcontract unless the subcontractor as first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

12. CONTRACTOR must incorporate “green” retrofit during NSP unit rehabilitation that benefits tenants or reduced operating costs. Examples include: Double paneled, Low-E windows, HVAC with SEER rating greater than 10, unit appliances that are “Energy Star” rated, or landscape designs utilizing xeriscape principles to conserve water.
13. CONTRACTOR must take actions to provide information and otherwise attract eligible persons from all racial, ethnic, and gender groups in the housing market area to the available housing.

14. Current regulations require that CONTRACTOR must ensure that occupants are notified of the hazards of lead-based paint. Additionally, CONTRACTOR must a) conduct a visual assessment, paint testing, or risk assessment, depending on the activity of units purchased with NSP funds, and b) conduct lead hazard reduction activities, including paint stabilization, interim controls, standard treatments, or abatement on all units purchased with NSP funds if applicable.
15. Pursuant to applicable Environmental Protection Agency (EPA) regulations, CONTRACTOR must comply with Federal and State requirements to protect affected public members from exposure to regulated asbestos-containing material during facility renovation, demolition, removal, transport and disposal activities.
16. CONTRACTOR shall comply with the provisions of 24 CFR Part 24 that contractors and subcontractors selected for rehabilitation of NSP funded units are not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this Agreement. Additionally, CONTRACTOR shall not use, directly or indirectly, any NSP funds provided by this Agreement to employ, award contracts to, or otherwise engage the services of, or fund any contractor/subcontractor during any period that the contractor/subcontractor is debarred, suspended or ineligible under the provisions of 24 CFR Part 24.

**ATTACHMENT J
PROGRAM INCOME**

1. Program Income, for the purpose of this Agreement is defined as payments received from homebuyers or tenants residing in NSP purchased units, minus expenses, including but not limited to, unit internal and external maintenance, property maintenance, HOA fees, and operating costs.
2. Any net proceeds remaining after expenses are considered NSP program income, and shall be returned to the City of Chandler to be utilized for NSP eligible activities.
3. During the term of this contract CONTRACTOR is required to submit quarterly activity reports to the City. The Quarterly Report shall include a schedule of ongoing program income, broken down by monthly basis within the quarter itemizing income received, costs and expenses, and net proceeds.
4. During the term of this contract CONTRACTOR is required to remit Program Income generated during the reporting quarter to the City of Chandler via check on a quarterly basis (15 days after the end of the quarter).
5. During the 10 or 20-year term of affordability CONTRACTOR is required to remit Program Income to the City of Chandler within 30 days of receipt by CONTRACTOR. A Program Income report is required to be submitted annually, with actual income that has been received, or within 30 days of the end of the fiscal year.

ATTACHMENT K

GUIDEFORM

- NSP VOLUNTARY ACQUISITION OF FORECLOSED PROPERTY –

- Information Notice –

(Agencies/Persons **without** Eminent Domain Authority)

Grantee or Agency Letterhead

(date)

Dear _____ :

(Name of Agency/Person) _____, is interested in acquiring property you own at (address) _____ for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the Neighborhood Stabilization Program (NSP).

Please be advised that (Name of Agency/Person) _____ does not have authority to acquire your property by eminent domain. In the event we cannot reach an amicable agreement for the purchase of your property, we will not pursue this proposed acquisition.

The subject property is listed for purchase at \$ _____. We currently believe \$ _____ to be the market value of the property.

Under the NSP, we are required to purchase foreclosed property at a discount from its current market appraised value. Depending on the results of our appraisal, our purchase offer may differ from the amounts noted above.

Please contact us at your convenience if you are interested in selling your property.

In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance. A tenant-occupant who moves as a result of a voluntary acquisition for a federally-assisted project may be eligible for relocation assistance. Such displaced persons may include not only current lawful occupants, but also former tenants required to move for any reason other than an eviction for cause in accordance with applicable federal, state, and local law. If your property is currently tenant-occupied or a tenant lawfully occupied your property on or after February 17, 2009, we need to know immediately. Further, you should not order current occupant(s) to move, or fail to renew a lease, in order to sell the property to us as vacant.

If you have any questions about this notice or the proposed project, please contact (name) _____, (title) _____, (address) _____, (phone) _____.

NOTES to Voluntary Acquisition Notice (Agency/person without Eminent Domain authority).

1. The case file must indicate the manner in which this notice was delivered (e.g., certified mail, return receipt requested) and the date of delivery. (See 49 CFR 24.5 and Paragraph 2-3 J of Handbook 1378)
2. Tenant-occupants displaced as a result of a voluntary acquisition may be entitled to URA relocation assistance and must be so informed per 49 CFR 24.2(a)(15)(iv) – Initiation of negotiations, and 49 CFR 24 Appendix A – 24.2(a)(15)(iv).
3. See 49 CFR 24.206 regarding eviction for cause.
4. This guideform may only be used if all of the requirements of 49 CFR 24.101(b)(2)(i) and (ii) or 49 CFR 24.101(b)(3) are met.
5. This is a guideform. It should be revised to reflect the circumstances.