

HOME PROGRAM WRITTEN AGREEMENT BETWEEN
City of Independence
AND
OIKOS Development Corporation

1) PREAMBLE

The City of Independence (“the PJ”) enters into this HOME Written Agreement (“the Agreement”) with Oikos Development Corporation (“the CHDO”), a designated Community Housing Development Organization, for the operation of a single family homebuyer development project under the HOME Investment Partnership Act as set forth in 24 CFR Part 92 and as regulated by the US Department of Housing and Urban Development and the City of Independence

2) AMOUNT AND TERM OF AGREEMENT [24 CFR 92.504(c)(3)(ix)]

- a) The total amount of HOME Program CHDO set-aside funds awarded under this Agreement is \$ 120,000.00 for eligible projects costs.
- b) HOME CHDO project funding is being provided to fill the anticipated financing gap in the development and construction of projects. It is understood that project financing from all other available sources will be secured, in accordance with the individual approved project budgets, prior to initiation of development activities.
- c) HOME funding shall be made available on a reimbursement basis for eligible project expenses incurred by the CHDO.
- d) The PJ’s payment of funds under this agreement is subject to the CHDO’s compliance with information reporting procedures issued pursuant to 24 CFR 92.502, or as may be modified by amendment to this agreement by the City.
- e) The Agreement shall have a two (2) year term from the effective date of August 1, 2021.

3) DEFAULT

- a) The CHDO shall be in default if the CHDO:
 - i) Fails to adhere to all applicable laws, rules and regulations associated with the HOME program, the cross cutting Federal laws and regulations, and State and Local law
 - ii) Fails to provide the required reports in a timely manner; and/or
 - iii) Fails to meet the terms and conditions of the Agreement
- b) Should default occur, the PJ may take whatever actions the PJ shall deem appropriate to enforce the Agreement

4) ENFORCEMENT (24 CFR 92.504(c)(3)(vii))

- a) The CHDO and the PJ acknowledge the PJ's right and responsibility to enforcement of this agreement
- b) The Agreement may be terminated by the PJ for lack of progress by the CHDO
 - i) Lack of progress is defined as failing to meet the benchmark schedule(s) contained herein

5) HOME ACTIVITY (24 CFR 92.504)

The CHDO will acquire and rehabilitate two (2) vacant single-family home in order to provide affordable homebuyer opportunities for eligible households with Part V incomes of between 50 percent and 80 per cent of Kansas City Metropolitan Statistical Area Median Income (AMI) as published by HUD and adjusted for family size.

6) AFFORDABILITY PERIOD (24 CFR 92.254)

- a) Upon approval of the project by the PJ, the PJ will execute deed restrictions on all HOME assisted properties.
- b) Upon construction completion, the PJ will discharge the existing affordability restriction and the CHDO will execute similar deed restrictions, covenants running with the land, or other HUD-approved mechanism in order to insure a minimum Affordability Period. The Affordability Period is determined by the level of HOME assistance provided per unit as follows:

Amount of Assistance per Unit	Minimum years of affordability
Under \$15,000	5
15,000 to 40,000	10
Over \$40,000	15

- c) If the HOME assisted unit does not continue to be the principal residence of a HOME eligible household for the duration of the Affordability Period, or if the HOME assisted unit is sold prior to the end of the Affordability Period, recapture provisions are to be enforced according to HOME final rule. Compliance will be achieved as follows:
- i. Recapture requirements shall be enforced through deed restriction, covenant, land use restriction agreement, or other similar mechanism filed with the Jackson County Recorder of Deeds and the requirements within shall be triggered upon sale or transfer of the HOME-assisted property, or determination that the HOME-assisted property is out of compliance with Affordability requirements.

7) AFFIRMATIVE MARKETING (24 CFR 92.351)

The CHDO is responsible for insuring that affirmative marketing activities are carried out in accordance with the PJ's current Affirmative Marketing Policies as stated in the Consolidated Plan and in accordance with 24 CFR 92.351.

8) PROGRAM/PROJECT DESCRIPTION (24 CFR 92.504)

- a) The CHDO will complete the following:
- i) Rehabilitation and sell of the property addressed as 563 S. Evanston, Independence, MO 64053 as a single-family affordable homeownership opportunity for households at or below 80% AMI
 - ii) The aforementioned tasks will be performed in essentially the manner proposed in the CHDO's original funding application received by the PJ on November 9, 2019. The CHDO's proposal will be considered to be a part and portion of this agreement for reference.

- b) Prior to rehabilitation of any existing unit the CHDO will complete the required lead paint assessment if the unit was built before 1978
- c) Upon project approval the PJ will encumber the property with affordability restrictions as defined in 24 CFR 92.254
- d) The PJ will inspect the unit prior to occupancy and document that it is in compliance with its locally adopted written rehabilitation standards, local and/or state building codes, environmental review compliance requirements, and model energy code requirements when new construction
- e) The CHDO will identify, determine household and income eligibility for homebuyer units
- f) The PJ will discharge the existing affordability restrictions and CHDO will place affordability restrictions required by 24 CFR 92.254(4) on the property at the time of transfer
- g) The CHDO will provide the PJ with a HUD 1 Settlement Statement at closing and a reconciliation statement. The reconciliation statement shall account for the pro-ration of HOME project funds to the individual unit, identify the amount of HOME assistance secured by the HOME restrictive covenant, and the amount of CHDO fee or CHDO proceeds (if any) to be retained from settlement funds.

9) ELIGIBLE PROJECT COSTS (24 CFR 92.206)

- a) The CHDO agrees to spend HOME development funds only on eligible project costs as defined in 24 CFR 92.206
- b) The CHDO agrees to spend all HOME funds in accordance with the Budget attached as *Appendix A: Project Proposal & Budget*. Changes to the budget must be approved by the PJ
- c) Project expenses (excluding CHDO fee) shall be paid based on vouchers for actual expenses incurred or paid. Requests for payment must be submitted by the CHDO with adequate and proper documentation of eligible costs incurred in compliance with 92.206 and necessary for HUD IDIS disbursement requirements. All such expenses shall be in conformance to the approved project budget. Budget revision and approval shall be required prior to payment of any expenses not conforming to the approved project budget.

- d) The PJ shall pay the CHDO \$10,000.00, as maximum compensation or developer fee for the CHDO services required pursuant to the Scope of Work thereof. Progress payments will not exceed the following cumulative maximum percentages of total CHDO fee at the following stages of project completion:

Milestone	Maximum Cumulative Development Fee %
Construction Initiation (upon issuance of Building Permits)	25%
50% Construction Completion (upon approval of rough-in inspections)	25%
At Homebuyer Closing (paid from project proceeds)	50%

- e) The PJ reserves the right to inspect records and project sites to determine that reimbursement and compensation requests are reasonable. The PJ also reserves the right to hold payment until adequate documentation has been provided and reviewed.
- f) The CHDO may submit a final invoice upon completion. Final payment shall be made after the PJ has determined that all services have been rendered, files and documentation delivered, and units have been placed in service in full compliance with HOME regulations, including submission of a completion report and documentation of eligible occupancy, property standards and long-term use restrictions.
- g) The PJ shall have the right to review and audit all records of the CHDO pertaining to any payment by the PJ. Said records shall be maintained for a period of five years after completion.

10) UNITS AND UNIT SIZES (24 CFR 92.250 and 92.504)

- a) Two (2) previously properties will be rehabilitated during the term of the Agreement
- b) Units shall be single family homes containing no more than one unit and incorporate Universal Design as feasible.

- c) Units may not be currently occupied by a rental tenant – only vacant structures may be acquired.
- d) Units must have an after-rehabilitation value that does not exceed ninety-five (95%) percent of the median purchase price for the PJ’s service area as defined in the Single Family Mortgage Limits under Section 203(b) of the National Housing Act (12 U.S.C. 1709(b)). The current HOME Homeownership Value Limit applicable to the Agreement is \$161,000.00.

11) PROPERTY STANDARDS (24 CFR 92.251 and 92.355)

- a) The PJ has provided the CHDO with a set of Property Standards for Rehabilitation and Redevelopment to which all assisted units must comply upon completion (*See: Appendix B: CDBG/NSP/HOME Property Standards for Substantial Rehabilitation and Redevelopment*). In addition, this project must comply with environmental condition standards outlined in *Tier II Conditions of Environmental Review Approval*.
- b) All CHDO projects must, upon completion, meet the Building Codes currently adopted by the City of Independence. New construction projects must be certified as meeting the Model Energy Code.

12) SCHEDULE OF PERFORMANCE BENCHMARKS

- a) CHDO shall be responsible for meeting the completion dates for the activities listed below. If CHDO does not meet a completion date, CHDO shall immediately submit a revised implementation schedule for approval by the PJ. Failure to achieve these deadlines may result in the loss or reduction of HOME funds.

<u>Activity</u>	<u>Completion Date</u>
1. Obtain required building permits	02/28/22
2. 50% completion of rehabilitation work and 50% of any new construction	07/31/22

- | | |
|---|---------|
| 3. 100% completion of rehabilitation and new construction | 1/31/23 |
| 4. Property sold to qualified HOME buyer | 7/1/23 |
- b) If CHDO is delayed by any cause legitimately beyond its control, as determined by the CITY, it shall immediately give written notice to the CITY of the anticipated delay, the reasons therefore and request an extension of time for completion of the project. Extensions may only be granted by the CITY.
- c) The CITY will from time to time evaluate the progress of the CHDO. At the time of this review, if the CHDO has not demonstrated significant progress toward completion and delays are determined by CITY to be within the control of the CHDO; the CITY may proceed to termination of this Agreement.

13) CONFLICT OF INTEREST POLICY (24 CFR 92.356(f))

The CHDO agrees to abide by the provisions of 24 CFR 570.611 with respect to conflicts of interest, and covenants that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement. The CHDO further covenants that in the performance of this Agreement no person having such a financial interest shall be employed or retained by the CHDO hereunder. These conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the CHDO, or of any designated public agencies or Subrecipient receiving funds under the HOME Entitlement Program.

14) RECORDS AND REPORTS (24 CFR 92.508)

- a) Project records are to be maintained in accordance with 24 CFR Part 92.508 (a) (3). In addition, the CHDO will maintain records as required at 24 CFR Part 92.508 (a) (4).

- b) The CHDO will maintain records of each property acquired, rehabilitated or redeveloped and sold for a period of not less than five (5) years from the expiration of the Affordability Period
- c) The CHDO will provide to the PJ an up-to-date financial report each quarter, within fifteen (15) days of the completion of the quarter
- d) The CHDO will provide to the PJ an up-to-date narrative report each quarter, within fifteen (15) days of the completion of the quarter
 - i) The narrative report shall contain at a minimum the Performance Benchmarks (above) and the CHDO's progress against the Performance Benchmarks
- e) Within ninety (90) days of the CHDO's Fiscal Year, the CHDO shall deliver to the PJ an audit compliant with the HOME program requirements and the OMB standard that applies to the CHDO

15) CHDO PROVISIONS (24 CFR 92.208; 92.300 AND 92.301)

- a) The CHDO will maintain a Board of Directors in compliance with the HOME CHDO regulations. The CHDO agrees to notify the PJ within fifteen (15) days of any change to the composition of the CHDO Board of Directors
- b) The CHDO will or will not (check one) receive an **Operating Expense** allocation in combination with this agreement.

16) CHDO PROCEEDS AND REPAYMENTS

- a) The CHDO will be allowed to retain any loan repayments, interest, and other return on the investment of HOME funds as CHDO Proceeds. CHDO Proceeds may be used for non-HOME housing activities which benefit low to moderate income families. No more than 20% of retained CHDO Proceeds may be used for CHDO operating expenses during the first cycle. Subsequent cycles have no usage limitations. The CHDO will be responsible for maintaining this documentation and reporting annually to the PJ concerning the collection and use of CHDO Proceeds.
- b) In accordance with Section 6(c) above and 24 CFR 92.501, HOME funds invested by the CHDO in affordable housing are subject to recapture if the assisted unit ceases to qualify as affordable housing before the period of affordability expires and must be repaid to

the City. Recaptured funds are not CHDO Proceeds. Repayment of HOME funds to the City on any project determined ineligible for HOME assistance due to non-compliance with the requirements of 24 CFR Part 92 shall be the responsibility of the CHDO.

17) LABOR, TRAINING, EMPLOYMENT OPPORTUNITY & BUSINESS OPPORTUNITY

The CHDO agrees to comply with applicable federal regulations governing labor, training, employment opportunity, business opportunity, and related requirements as detailed in the attached *Appendix D: Contract Provisions for CDBG & HOME-Assisted Construction/Rehabilitation Projects*

18) OTHER FEDERAL REQUIREMENTS (Subpart H: 24 CFR 92.350 through 92.357)

- a) **Age Discrimination:** The prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR, Part 146, and the prohibitions against discrimination against handicapped individuals under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR, Part 8; <http://www.hud.gov/offices/fheo/disabilities/sect504.cfm>
- b) **Aquifers:** The Safe Drinking Water Act of 1974, (42 U.S.C. Sec. 201, 300(f) et seq.), and (21 U.S.C. Sec. 349) as amended, particularly Section 1424 (e) (42 U.S.C. Sec. 300h-303(e)); http://www.law.cornell.edu/uscode/42/usc_sup_01_42_10_6A_20_XII_30_C.html
- c) **Archeological:** The Reservoir Salvage Act of 1960 (16 U.S.C. Sec. 469 et seq.), particularly Section 3 (16 U.S.C. Sec. 469a-1), as amended by the Archeological and Historic Preservation Act of 1974; http://www.nps.gov/history/local-law/FHPL_ArchHistPres.pdf
- d) **Clean Air:** The Clean Air Act (41 U.S.C. Sec. 7401 et seq.) as amended, particularly Section 176(c) and (d) (42 U.S.C. Sec. 7506(c) and (d)); <http://www.gpo.gov/fdsys/pkg/USCODE-2008-title42/pdf/USCODE-2008-title42-chap85.pdf>
- e) **Coastal Zone Management:** The Coastal Zone Management Act of 1972, (16 U.S.C. Sec. 1451 et seq.) as amended, particularly Section 307(c) and (d) (16 U.S.C. Sec. 1456(c) and (d)); http://www.nps.gov/history/local-law/fhpl_cstlzonemngmt.pdf

- f) **Endangered Species:** The Endangered Species Act of 1973, (16 U.S.C. Sec. 1531 et seq.) as amended, particularly Section 7 (16 U.S.C. Sec. 1536));
<http://www.nmfs.noaa.gov/pr/laws/esa/text.htm>
- g) **Environmental Review Procedures** for Title I Community Development Block Grant Programs, 24 CFR Part 58, as amended in 47 Fed. Reg. 15750 (April 12, 1982);
http://www.access.gpo.gov/nara/cfr/waisidx_00/24cfr58_00.html
- h) **Equal Employment Opportunity:** The requirements of Executive Orders 1246 (3 CFR 1964-65, Comp., p. 339) (Equal Employment Opportunity) and the implementing regulations issued at 41 CFR, Chapter 60. <http://www.fedglobe.org/issues/hoodpolicy.htm>
- i) **Equal Opportunity in Housing:** Executive Order 11063, as amended by Executive Order 12259, and 24 CFR part 107, Nondiscrimination and Equal Opportunity in Housing under Executive order 11063 or 24 CFR, Part 107 shall be a proper basis for the imposition of sanctions specified in 24 CFR 107.60; http://www.access.gpo.gov/nara/cfr/waisidx_00/24cfr107_00.html
- j) **Fair Housing Act:** The Fair Housing Act (42U.S.C. 3601-20) and implementing regulations at 24 CFR part 10; Executive Order 11063, as amended by Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1958-1963 Comp., 652 and 3CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing and implementing regulations at 24 CFR, Part 107; and title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (Nondiscrimination on Federally Assisted Programs) and implementing regulations issued at 24 CFR, Part 1; <http://www.hud.gov/offices/fheo/FHLaws/index.cfm>
- k) **Farmlands:** Farmlands Protection and Policy Act of 1981, (7 U.S.C. Sec. 4201 et. seq.) 24 CFR Part 51, Environmental Criteria and Standards. <http://www.wbdg.org/pdfs/24cfr51.pdf>
- l) **Flood Plain:** Flood Disaster Protection Act of 1973, (42 U.S.C. Sec. 4001 et. seq.) as amended, particularly Sections 102(a) and 202(a) (42 U.S.C. Sec. 4012a (a) and Sec. 4106(a); and Executive Order 11988, Floodplain Management, May 24, 1977 (42 Fed. Reg. 26951), particularly Section 2. http://www.fema.gov/pdf/fhm/frm_acts.pdf www.archives.gov/federal.../executive-order/11988.html
- m) **Historic Preservation:** National Historic Preservation Act of 1966 (16 U.S.C. Sec. 470 et seq.) and 40 CFR Parts 1500-1508; Section 106 (16 U.S.C. Sec. 470f); and 36 CFR 800
- n) **Immigration Status:** Requirement that all members of a household must be either US citizens, resident aliens (have a green card), or one of several exempt classes to occupy a HOME assisted unit. http://74.125.47.132/search?q=cache:Y9-J6QPvSoJ:www.aoa.gov/prof/civil_rights/Non_citizens/v0qaniof.pdf+Fed+Register+Vol+62+No+221+page+61344&cd=1&hl=en&ct=clnk&gl=us&client=firefox-a

- o) **Lead Based Paint:** Applies to all existing units built before 1978; Title IV of the Lead Based Paint Poisoning Prevention Act (42 U.S.C. Sec. 4831). <http://frwebgate2.access.gpo.gov/cgi-bin/TEXTgate.cgi?WAISdocID=aQikBT/0/1/0&WAIAction=retrieve>
- p) **Minority and Women’s Business Enterprise:** The requirements of Executive Orders 11625 and 12432 (concerning Minority Business Enterprise), and 12138 (concerning Women's Business Enterprise). Consistent with HUD's responsibilities under these Orders, each applicant must make efforts to encourage the use of minority and women's business enterprises in connection with HOME funded activities. Each Contractor must prescribe procedures acceptable to the State to establish activities to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women. The Contractor/Subcontractor will be required to identify contracts which have been bid by minority owned, women owned, and/or small disadvantaged businesses
<http://www.hud.gov/offices/cpd/communitydevelopment/toolkit/files/MBE-WBEOutreach.pdf>
- q) **Noise Abatement and Control:** 24 CFR 51 B <http://www.wbdg.org/pdfs/24cfr51.pdf>
- r) **Protection and Enhancement of the Cultural Environment,** May 13, 1971 Executive Order 11593, (36 Fed. Reg. 8921), particularly Section 2(c); <http://www.archives.gov/federal-register/codification/executive-order/11593.html>
- s) **Environmental Justice:** [Executive Order 12898]
http://www.epa.gov/Region2/ej/exec_order_12898.pdf
- t) **Relocation:** The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C., Sec. 4601 et. seq.), 49 CFR Part 24, and 24 CFR Section 570.49a (55 Fed. Reg. 29309 (July 18, 1990)).<http://www.hud.gov/offices/cpd/library/relocation/index.cfm>
- u) **Section 3: Employment Opportunities:** The Section 3 program requires that recipients of certain HUD financial assistance, to the greatest extent possible, provide job training, employment, and contract opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods <http://www.hud.gov/offices/fheo/section3/section3.cfm>
- v) **Siting of HUD-Assisted Projects near Hazardous Operations:** Establishes acceptable separation distance for the siting of residential buildings, mobile home parks or other HUD-assisted projects near stationary hazardous operations which store, handle or process chemicals or petrochemicals of an explosive or flammable nature. 24 CFR 51 C
<http://www.hud.gov/offices/cpd/environment/training/guidebooks/hazfacilities/>
- w) **Toxic or Hazardous Substances and Radioactive Materials:** Particular attention should be given to any site proposed for HUD assistance that is located on, or in the general proximity of, such areas as dumps, landfills, industrial sites or other locations that contain hazardous wastes. It is

HUD policy that all property proposed for use in HUD programs be free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property.

- x) **Wetlands:** Prohibits the degradation or destruction of wetlands; Executive Order 11990 Protection of Wetlands, May 24, 1977 (42 Fed. Reg. 26961), particularly Section 2 and 5; <http://www.epa.gov/OWOW/wetlands/regs/eo11990.html>
- y) **Wild & Scenic Rivers:** Applicable to projects within one mile of a designated wild and scenic river. The Wild and Scenic Rivers Act of 1968, (16 U.S.C. Sec. 1271 et seq.) as amended, particularly Section 7(b) and (c) (16 U.S.C. Sec. 1278(b) and (c)); <http://www.nls.gov/offices/cpd/environment/review/rivers.cfm>

19) MISCELLANEOUS PROVISIONS

- a) **AMENDMENTS** – Any proposed change in this Agreement shall be submitted to the other party for prior approval. No modifications, additions, deletions, or the like, to this Agreement shall be effective unless and until such changes are executed in writing by the authorized officers of each party. CHDO acknowledges that HUD may from time to time issue updated guidance regarding the HOME program that may require amendment of this Agreement and agrees to cooperate with PJ in making such amendment.
- b) **SUBJECT TO FINANCIAL ASSISTANCE AGREEMENT** - This Agreement is made subject to financial assistance agreements between the CITY and the U.S. Department of Housing and Urban Development, with the rights and remedies of the parties hereto being in accordance with this Agreement.
- c) **ASSIGNMENT** - CHDO shall not assign this Agreement or any part thereof, nor shall CHDO transfer or assign any property or assets acquired using HOME funding or claims due or to become due hereunder, without the written approval of the PJ having first

been obtained. The contracting or subcontracting of rehabilitation or construction work on the properties does not constitute an assignment.

- d) ATTORNEY'S OPINION - If requested, CHDO shall provide an opinion of its attorney, in a form reasonably satisfactory to the Independence City Counselor's Office, that all steps necessary to adopt this Agreement, in a manner binding upon CHDO, have been taken by CHDO.
- e) SEVERABILITY - In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.
- f) AGREEMENT DURATION – Unless terminated by the CITY pursuant to the terms of this Agreement above, this Agreement will remain in effect for so long as CHDO has mortgage loans remaining outstanding on any property under this Agreement, for so long as any property under this Agreement is subject to a HOME required period of continued affordability as outlined in the regulations for the HOME investment Partnership Program Final Rule, 24 CFR Part 92, and for no less than fifteen (15) years.
- g) NO PARTNERSHIP – Nothing contained in this Agreement, any mortgage, note or any other document or instrument related to this project shall be deemed to create a joint venture, partnership relationship, or employer/employee relationship between the PJ and CHDO. CHDO shall at all times remain an “independent contractor” with respect to the services to be performed under this Agreement.

20) NOTICES

Communication and details concerning this Agreement shall be directed to the following contract representatives:

CITY OF INDEPENDENCE

City of Independence,
Com. Dev. Dept.
111 E. Maple Ave.
Independence, Missouri 64050
(816) 325-7398

OIKOS Development Corporation

Michael Snodgrass, Executive Director
1712 Main, Suite 206
Kansas City, MO 64111
(816) 352-4258

Appendix A: Project Proposal & Budget

(Site-specific budgets will be developed as eligible properties are identified.)

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Appendix B: CDBG/NSP/HOME Property Standards for Substantial Rehabilitation and Redevelopment

Rehabilitation Standards

At minimum, assisted rehabilitations must meet all applicable City residential building and property maintenance codes, applicable provisions of the Unified Development Ordinance Residential Design Standards (City Code Chapter 14, Article 505), Environmental Review requirements established to comply with 24 CFR Part 58, and cost-effective energy conservation standards.

In addition, the City reserves the right to evaluate project design plans required in conjunction with approval of the project development package to determine site specific design requirements deemed necessary to preserve or restore neighborhood character.

Redevelopment (New Construction) Standards

At minimum, assisted redevelopment projects must meet applicable City residential building codes, applicable provisions of the Unified Development Ordinance Residential Design Standards (City Code Chapter 14, Article 505), Environmental Review requirements established to comply with 24 CFR Part 58, accessibility requirements, disaster impact mitigation standards per state and local codes, and cost-effective energy conservation standards.

In addition, the City reserves the right to evaluate project design plans required in conjunction with approval of the project development package to determine site specific design requirements deemed necessary to preserve or restore neighborhood character.

Energy Efficiency

All new construction will utilize the Five Star Energy Rating system and achieve a HERS index rating below 85. All moderate rehabilitation or energy efficiency retrofits will purchase Energy Star rated products. Homes will be rated prior to rehabilitation by qualified Home Energy Raters to determine the best energy saving features and to independently verify the energy efficiency savings and rating.

Healthy Homes

All assisted projects will strive to satisfy the National Center for Healthy Housing's (NCHH) recommended health and safety criteria required to achieve the seven healthy homes principles of:

- Keep It Dry
- Keep It Clean
- Keep It Well Ventilated
- Keep It Safe
- Keep It Free of Contaminants
- Keep It Pest Free
- Keep It Well Maintained

Source: <http://www.nchh.org/>

Substantial Rehabilitation & Redevelopment Property Standards

The following are to be considered minimum property standards for all assisted projects. Site specific requirements will be determined by the City on a case-by-case basis as part of the Project Development Package approval.

Basic design: When feasible, removal or construction/installation of basic floor plan and site improvements may be required in order to preserve, restore, and/or enhance neighborhood character and functionality.

Roof: Roofing to be a 25 year product or better. Style of product is developer's choice.

Plumbing & fixtures: Plumbing shall meet City Code and can be either copper or plastic (Pex) as appropriate. All fixtures shall be constructed of brass. No plastic fixtures will be permitted in projects. Ceramic valves are permitted. Quality of fixtures is to be such that repair parts are easily obtainable by the end user. Shut off valves are required for every sink and toilet. Sinks, tubs/showers, and toilets shall be of a "good" builder's grade quality. Porcelain on steel sinks is not permitted. All galvanized waterlines shall be removed from service and replaced. Sewer main line from house to the sanitary sewer system is to be cleaned after construction is complete.

Floor covering: Kitchen, bath, and entryway flooring is to be a non-porous product which can include, ceramic tile, vinyl, hardwood, and/or hard laminate type products. Carpeting, in addition to any of the aforementioned products, can be used in bedrooms, living rooms, closets, hallways,

stairs, and dining rooms. Concrete flooring is permissible in mechanical rooms, basements and garages.

Kitchen: All cabinets shall be constructed using hardwood face frames and doors. Door panels can be either solid wood or glass. No MDF or Masonite is to be used in the construction of face frames or doors. Counter tops shall be covered with a non-porous material such as Formica or ceramic tile.

Windows and/or storms: If windows are approved to be replaced, options for retaining the original look and feel of the house shall be evaluated and duly considered, especially as it pertains to the look from the street. New windows shall be energy efficient utilizing low E glass.

Electrical: Electrical service shall be a minimum of 200 amps and electrical service shall be under grounded. All existing wiring and fixtures not meeting City Code shall be removed; unless items are in a position as to pose no danger and removing them would add unreasonable costs. In most cases the wiring standard for rehabilitation will be for that of new construction.

Furnace and air-conditioning: All alternatives for maximum efficiency shall be explored for the best solution that is cost effective for heating and air-conditioning. Units shall be sized for optimum efficiency. Hi-Efficiency Furnaces (>90%) and air-conditioners (SEER > 15) or heat pumps (SEER >14 and HSPF >7.0) should be evaluated for suitability and installed when feasible and appropriate.

Water heater: Gas or electric water heaters are acceptable. Quality and efficiency shall be in the average or higher range. Minimum size to be 40 gal.

Paint: All paint to be a good or better quality national brand. All bare surfaces shall be primed prior to application of two finish coats. If paint is applied using air or an airless sprayer the surface is to be back rolled and/or brushed. All application is to be made within the manufacturer's guidelines. All painting and surface preparation is to reflect requirements that are imposed as a result of a lead-based paint and risk assessment.

Appliances: Average builder's grade appliances are acceptable for stoves, garbage disposals, and dishwashers. Refrigerators shall be Energy Star rated. All appliances shall be of a brand and quality that can be serviced. All appliances are to match in color and texture. Hot tubs/jet tubs and swimming pools are not permitted in NSP-assisted projects.

Siding: If siding is to be replaced, the style and materials should be appropriate for the character of the structure and neighborhood. Wood siding or Hardy plank is preferred. Good quality seamless products including steel, aluminum and/or vinyl may be acceptable under certain circumstances.

Gutters: When gutters are replaced, an aluminum seamless gutter is to be used. Paint to be a baked on enamel finish, color is developers choice. Downspouts shall be installed with the discharge either going into a storm water drainage system or be of sufficient length to move water away from the foundation of the structure. Note: If the dwelling has internal box gutters they may be rebuilt and retained.

Useful Life Requirements for Rehabilitation Projects: Upon project completion, all major systems must have a useful life of at least 5 years. Major systems include structural support, roofing, cladding and weatherproofing, plumbing, electrical and HVAC.

**Appendix C: Contract Provisions for CDBG & HOME-Assisted
Construction/Rehabilitation Projects**

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Rehabilitation Standards

At minimum, assisted rehabilitations must meet all applicable City residential building and property maintenance codes, applicable provisions of the Unified Development Ordinance Residential Design Standards (City Code Chapter 14, Article 505), Environmental Review requirements established to comply with 24 CFR Part 58, and cost-effective energy conservation standards.

In addition, the City reserves the right to evaluate project design plans required in conjunction with approval of the project development package to determine site specific design requirements deemed necessary to preserve or restore neighborhood character.

Redevelopment (New Construction) Standards

At minimum, assisted redevelopment projects must meet applicable City residential building codes, applicable provisions of the Unified Development Ordinance Residential Design Standards (City Code Chapter 14, Article 505), Environmental Review requirements established to comply with 24 CFR Part 58, accessibility requirements, disaster impact mitigation standards per state and local codes, and cost-effective energy conservation standards.

In addition, the City reserves the right to evaluate project design plans required in conjunction with approval of the project development package to determine site specific design requirements deemed necessary to preserve or restore neighborhood character.

Energy Efficiency

All new construction will utilize the Five Star Energy Rating system and achieve a HERS index rating below 85. All moderate rehabilitation or energy efficiency retrofits will purchase Energy Star rated products. Homes will be rated prior to rehabilitation by qualified Home Energy Raters to determine the best energy saving features and to independently verify the energy efficiency savings and rating.

Healthy Homes

All assisted projects will strive to satisfy the National Center for Healthy Housing's (NCHH) recommended health and safety criteria required to achieve the seven healthy homes principles of:

- Keep It Dry

- Keep It Clean
- Keep It Well Ventilated
- Keep It Safe
- Keep It Free of Contaminants
- Keep It Pest Free
- Keep It Well Maintained

Source: <http://www.nchh.org/>

Substantial Rehabilitation & Redevelopment Property Standards

The following are to be considered minimum property standards for all assisted projects. Site specific requirements will be determined by the City on a case-by-case basis as part of the Project Development Package approval.

Basic design: When feasible, removal or construction/installation of basic floor plan and site improvements may be required in order to preserve, restore, and/or enhance neighborhood character and functionality.

Roof: Roofing to be a 25 year product or better. Style of product is developer's choice.

Plumbing & fixtures: Plumbing shall meet City Code and can be either copper or plastic (Pex) as appropriate. All fixtures shall be constructed of brass. No plastic fixtures will be permitted in projects. Ceramic valves are permitted. Quality of fixtures is to be such that repair parts are easily obtainable by the end user. Shut off valves are required for every sink and toilet. Sinks, tubs/showers, and toilets shall be of a "good" builder's grade quality. Porcelain on steel sinks is not permitted. All galvanized waterlines shall be removed from service and replaced. Sewer main line from house to the sanitary sewer system is to be cleaned after construction is complete.

Floor covering: Kitchen, bath, and entryway flooring is to be a non-porous product which can include, ceramic tile, vinyl, hardwood, and/or hard laminate type products. Carpeting, in addition to any of the aforementioned products, can be used in bedrooms, living rooms, closets, hallways, stairs, and dining rooms. Concrete flooring is permissible in mechanical rooms, basements and garages.

Kitchen: All cabinets shall be constructed using hardwood face frames and doors. Door panels can be either solid wood or glass. No MDF or Masonite is to be used in the construction of face frames or doors. Counter tops shall be covered with a non-porous material such as Formica or ceramic tile.

Windows and/or storms: If windows are approved to be replaced, options for retaining the original look and feel of the house shall be evaluated and duly considered, especially as it pertains to the look from the street. New windows shall be energy efficient utilizing low E glass.

Electrical: Electrical service shall be a minimum of 200 amps and electrical service shall be under grounded. All existing wiring and fixtures not meeting City Code shall be removed; unless items are in a position as to pose no danger and removing them would add unreasonable costs. In most cases the wiring standard for rehabilitation will be for that of new construction.

Furnace and air-conditioning: All alternatives for maximum efficiency shall be explored for the best solution that is cost effective for heating and air-conditioning. Units shall be sized for optimum efficiency. Hi-Efficiency Furnaces (>90%) and air-conditioners (SEER > 15) or heat pumps (SEER >14 and HFPF >7.0) should be evaluated for suitability and installed when feasible and appropriate.

Water heater: Gas or electric water heaters are acceptable. Quality and efficiency shall be in the average or higher range. Minimum size to be 40 gal.

Paint: All paint to be a good or better quality national brand. All bare surfaces shall be primed prior to application of two finish coats. If paint is applied using air or an airless sprayer the surface is to be back rolled and/or brushed. All application is to be made within the manufacturer's guidelines. All painting and surface preparation is to reflect requirements that are imposed as a result of a lead-based paint and risk assessment.

Appliances: Average builder's grade appliances are acceptable for stoves, garbage disposals, and dishwashers. Refrigerators shall be Energy Star rated. All appliances shall be of a brand and quality that can be serviced. All appliances are to match in color and texture. Hot tubs/jet tubs and swimming pools are not permitted in NSP-assisted projects.

Siding: If siding is to be replaced, the style and materials should be appropriate for the character of the structure and neighborhood. Wood siding or Hardy plank is preferred. Good quality seamless products including steel, aluminum and/or vinyl may be acceptable under certain circumstances.

Gutters: When gutters are replaced, an aluminum seamless gutter is to be used. Paint to be a baked on enamel finish, color is developers choice. Downspouts shall be installed with the discharge either going into a storm water drainage system or be of sufficient length to move water away from the foundation of the structure. Note: If the dwelling has internal box gutters they may be rebuilt and retained.

Useful Life Requirements for Rehabilitation Projects: Upon project completion, all major systems must have a useful life of at least 5 years. Major systems include structural support, roofing, cladding and weatherproofing, plumbing, electrical and HVAC.

DRAFT

In Witness Whereof, the parties have executed this CHDO Written Agreement as of the _____ day of _____, _____.

City of Independence

OIKOS Development Corporation

(Signature)

Zachary Walker

(Printed Name)

City Manager

(Title)

(Date)

(Signature)

Michael Snodgrass

(Printed Name)

President and CEO

(Title)

(Date)

APPROVED AS TO FORM AND LEGALITY

Mitch Langford, Interim City Counselor