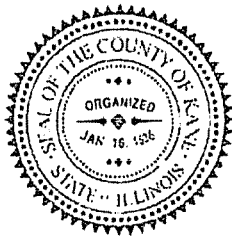


# COUNTY OF KANE

Christopher J. Lauzen  
Kane County Board Chairman



Kane County Government Center  
719 South Batavia Avenue  
Geneva, IL 60134  
P: (630) 232-5930  
F: (630) 232-9188  
[clauzen@kanecoboard.org](mailto:clauzen@kanecoboard.org)  
[www.countyofkane.org](http://www.countyofkane.org)

RECEIVED  
OCT 22 2013  
KANE COUNTY BOARD

## DOCUMENT VET SHEET

for  
Christopher J. Lauzen  
Chairman, Kane County Board

Name of Document: HUD Subrecipient Agreements Resolution No.: 13-102

Submitted by: Josh Beck

Dept. Head Signature: *Christopher J. Lauzen*

Date Submitted: 10/18/2013

Dept. Head Sign-off Date: 10/18/2013

Examined by:

Joseph Lylves

(Print name)

*Joseph Lylves*

(Signature)

10.22.13

(Date)

Post on the Web:

YES ☒

NO ☐

Atty. Initials

*JD*

Comments:

Enclosed are subrecipient agreements for Chairman Lauzen's signature. The agreements stipulate the terms and

conditions under which Federal funds from HUD will be used to support housing and community development activities

approved by the County Board (Res. #13-102).

NISP HUD SPILLAGE FOR BATAVIA 10/26/13, 3810

Chairman signed:

YES ☒

NO ☐

10/23/13  
(Date)

Document returned to:

Josh Beck  
(Name/Department)

STATE OF ILLINOIS

COUNTY OF KANE

RESOLUTION NO. 13 - 102

**APPROVING A HOUSING AND COMMUNITY DEVELOPMENT  
ANNUAL ACTION PLAN FOR PROGRAM YEAR 2013**

WHEREAS, the Kane County Board adopted Resolution No. 97-344, which established the Kane County Community Development Block Grant (CDBG) Program, and Resolution No. 04-06, which established the Kane-Elgin HOME Consortium; and

WHEREAS, the Kane County Board adopted a Housing and Community Development Consolidated Plan for Program Years 2010-2014, which identified priority needs and strategies to be addressed with funds from the U.S. Department of Housing and Urban Development (HUD) over a five-year period; and

WHEREAS, the County prepared a draft Action Plan for Program Year 2013, including budgets for the use of HUD funds; and

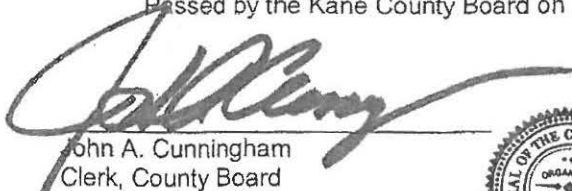
WHEREAS, said budgets include specific programs and projects that are consistent with the priority needs and strategies identified in the Consolidated Plan for Program Years 2010-2014; and

WHEREAS, a summary of the plan was published and made available for public review and comment as required by the County's Citizen Participation Plan.

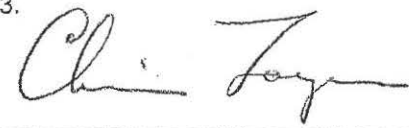
NOW, THEREFORE, BE IT RESOLVED by the Kane County Board that the Housing and Community Development Annual Action Plan for Program Year 2013, including activities to be undertaken with HUD funds, are hereby approved.

BE IT FURTHER RESOLVED that the Kane County Board Chairman is authorized to sign agreements necessary to complete the activities described in the plan, and to execute certifications and other documents required by the U.S. Department of Housing and Urban Development.

Passed by the Kane County Board on April 9, 2013.

  
John A. Cunningham  
Clerk, County Board  
Kane County, Illinois



  
Christopher J. Lauzen  
Chairman, County Board  
Kane County, Illinois

Vote:

Yes

No

Voice

Abstentions

21  
0  
0  
0

4CDBGActionPlan

STATE OF ILLINOIS  
COUNTY OF KANE

DATE August 16, 2013

I, John A. Cunningham, Kane County Clerk and Keeper of the Records in Kane County, Illinois do hereby certify that the attached is a true and correct copy of the original record on file. In witness whereof, I have hereunto set my hand and affix the Seal of the County of Kane at my office in Geneva, Illinois

  
John A. Cunningham, Kane County Clerk

**FORECLOSURE REDEVELOPMENT PROGRAM FUNDING AGREEMENT**  
**BETWEEN KANE COUNTY, ILLINOIS**  
**AND**  
**SPILLANE AND SONS LTD.**

---

**THIS AGREEMENT** is entered into on Oct. 23, 2013 by and between Kane County, Illinois (herein called the "County"), and Spillane and Sons Ltd. (herein called the "Developer").

**WHEREAS**, the County is the recipient of funds from the United States Government to be used in the redevelopment of foreclosed properties into affordable housing under Title I of the Housing and Community Development Act of 1974 and the National Affordable Housing Act of 1990; and

**WHEREAS**, the Catalog of Federal Domestic Assistance (CFDA) Number for said funds is 14.218 and they are distributed by the U.S. Department of Housing and Urban Development (herein called "HUD"); and

**WHEREAS**, the County wishes to engage the Developer in the utilization of said funds.

**NOW, THEREFORE**, the parties agree to the following:

**I. STATEMENT OF WORK**

**A. Project Description, Tasks, Eligible Costs, and Schedule**

The Developer shall complete the project described in Exhibit A. Funds provided herein shall be used in the manner described in said exhibit, which includes a description of the project, the tasks to be performed by the Developer, eligible costs, and a schedule for completing the tasks.

**B. Level of Accomplishment**

The Developer shall be responsible for completing the project identified herein and shall make all documentation associated with the completion of the project available for inspection by the County and representatives of HUD.

**C. Staffing**

The Developer will be responsible for all normal administrative services and expenses not funded under this Agreement but required in order to undertake the project identified herein.

**D. Performance Monitoring**

The County will monitor the performance of the Developer against goals and performance standards established herein. Substandard performance as determined by the County will constitute noncompliance with this Agreement. If action to correct such noncompliance is not taken by the Developer within the period of time specified by the County in its notification to the Developer, the County may initiate suspension or termination procedures.

II. TIME OF PERFORMANCE

The work being performed by the Developer hereunder shall be completed according to the project schedule contained herein. This Agreement shall terminate 60 days after the project completion date. In accordance with the amendment procedures set forth in Paragraph VI, however, the term of this Agreement and the provisions herein may be extended to cover any additional time period during which the Developer is in control of funds provided herein, or other assets including program income.

III. FUNDING

In consideration of the project to be completed by the Developer hereunder, the County shall pay to the Developer up to \$263,384.00 in NSP funds received from HUD. The total of said payment(s), however, shall not exceed the total of the eligible costs of the project as described in Exhibit A. Further, said funds shall be used for the payment of expenses eligible under the NSP program and consistent with the project budget prepared by the Developer and County, approved by the Kane County Office of Community Reinvestment, and incorporated into this Agreement by reference.

Payments are contingent upon the Developer's compliance with all applicable uniform administration requirements as set forth in 24 CFR 570.502. The Developer agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

IV. NOTICES

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

COUNTY	DEVELOPER
Josh Beck, Program Manager	Mike Spillane, President
Office of Community Reinvestment	Spillane & Sons Ltd.
719 South Batavia Avenue	253 Trudy Court
Geneva, Illinois 60134	Batavia, Illinois 60510
Phone: (630) 444-2960	Phone: (630) 688-4479
Email: <a href="mailto:beckjosh@co.kane.il.us">beckjosh@co.kane.il.us</a>	Email: <a href="mailto:mickeyspillane@comcast.net">mickeyspillane@comcast.net</a>

V. GENERAL CONDITIONS

A. General Compliance with Federal Regulations

The Developer agrees to comply with all applicable requirements of 24 CFR 570 concerning NSP funds, all applicable portions of OMB A-110, and all other federal requirements and policies issued pursuant to these regulations, including, but not limited to, those set forth in *Sections VIII, IX and X* of this Agreement. The Developer shall be responsible for complying with all applicable changes or additions to the requirements currently set forth in said regulations. The Developer agrees to comply with all other applicable federal, state and local laws and regulations governing the funds provided under this Agreement.

B. Independent Contractor

Nothing contained in this Agreement is intended to, or shall be construed in any manner, create or establish the relationship of employer/employee between the parties. The Developer shall, at all times, remain an independent contractor with respect to the services to be performed under this Agreement.

The County shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Worker's Compensation Insurance as the Developer is an independent contractor.

C. Hold Harmless

The Developer shall hold harmless, defend, and indemnify the County from any and all claims, actions, suits, charges and judgments whatsoever that arise out of Developer's performance or nonperformance of the services of subject matter called for in this Agreement.

D. Workers' Compensation

The Developer shall ensure that Workers' Compensation Insurance coverage is provided for all employees involved in the performance of this Agreement.

E. Insurance & Bonding

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

F. Funding Disclosure

The Developer shall credit the County and HUD for funding the project identified herein by including the following statement on any sign that may be erected at the project site, and in any promotional material that may be published in connection to the project: ***"Support for this project has been provided by the Kane County Board, through its Office of Community Reinvestment, with federal funds from the U. S. Department of Housing and Urban Development."***

VI. AMENDMENTS

The parties may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, are executed in writing, and are signed by a duly authorized representative of both parties and approved by either party's government body to the extent required by state law, local charter or otherwise. In addition, the County may, in its sole discretion, amend this Agreement to conform to federal, state or local governmental guidelines, policies and available funding amounts. However, if any such amendments result in a change in the funding, the scope of services, or the scheduling of services to be undertaken as part of this Agreement such modifications will be incorporated only by written amendment signed by both parties.

VII. SUSPENSION AND TERMINATION

Either party may terminate this Agreement at any time by giving written notice to the other party of such termination and specifying the effective date thereof at least thirty (30) days before the effective date of such termination. However, any partial termination of the work to be performed under this Agreement may only occur with the prior approval of the County. The County may also suspend or terminate this Agreement, in whole or in part, if the Developer materially fails to comply with any term of this Agreement, or with any of the rules, regulations or provisions referred to herein. In such event, the County may declare the Developer ineligible for any future participation in County contracts, in addition to other remedies as provided by law. In the event there is probable cause to believe the Developer is in noncompliance with any applicable rules or regulations, the County may suspend payment of up to fifteen (15) percent of the Agreement funds until such time as the Developer is found to be in compliance by the County or is otherwise adjudicated to be in compliance. In the event of any

termination, all finished or unfinished documents, data, reports, maps, models, photographs or other materials prepared by the Developer under this Agreement shall, at the option of the County, become the property of the County. In the event of termination, the Developer shall be entitled to receive just and equitable compensation for any satisfactory work completed prior to the termination. The County shall be entitled to the repayment of any payments made to the Developer over and above that to which it is entitled as just and equitable compensation for satisfactory work completed.

#### VIII. ADMINISTRATIVE REQUIREMENTS

##### A. Financial Management

###### 1. Accounting Standards

The Developer agrees to comply with OMB A-110 and adhere to the accounting principles and procedures required therein, to utilize adequate internal controls, and to maintain necessary source documentation for all costs incurred.

###### 2. Cost Principles

The Developer shall administer the project in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations" or A-21 Cost Principles for Education Institutes," as applicable, for all costs incurred, whether charged on a direct or indirect basis.

##### B. Documentation and Record Keeping

###### 1. Records To Be Maintained

The Developer shall maintain all records required by federal regulations as specified in 24 CFR 570.506, as they are pertinent to the activities to be funded under this Agreement. Such records shall include, but not be limited to:

- a. Records providing a full description of the activity undertaken;
- b. Records demonstrating that each activity undertaken benefits low, moderate, and middle income persons;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvements, use or disposition of any real property acquired or improved with NSP assistance;
- e. Records documenting compliance with the fair housing and equal opportunity components of the NSP program to the extent applicable;
- f. Financial records as required by 24 CFR 570.502, ; and
- g. Other records necessary to document any required compliance with 24 CFR 570.600-570.612.

###### 2. Retention

The Developer shall retain all records pertinent to expenditures incurred under this Agreement for a period of five (5) years after the termination of all activities funded under this Agreement, or after the resolution of all federal audit findings, whichever occurs later. Records for non-expendable property acquired with funds under this Agreement shall be retained for five (5) years after final disposition of such property. Records for any displaced person must be kept for five (5) years after he/she has received final payment. Contact the County before disposing of any records related to this Agreement.

3. Disclosure

The Developer understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly in connection with the administration of the County's or the Developer's responsibilities with respect to services provided under this Agreement is prohibited without the written consent of the client involved and, in the case of a minor, that of a responsible parent/guardian, except to the extent such use or disclosure is required by applicable federal, state or local law.

4. Property Records

The Developer shall maintain real property inventory records, which clearly identify any property purchased, improved or sold with project funds.

5. Close-Outs

The Developer's obligation to the County shall not end until all close-out requirements are completed, as set forth in 24 CFR 570.509. Activities during this close-out period shall include, but not be limited to, making final payments, disposing of program assets (including the return of all unspent cash advances and program income balances to the County), and determining the custodianship of records.

6. Asset Reversion

Upon expiration of this Agreement, the Developer shall transfer to the County all grant funds in its possession, and any accounts receivable of the project attributable to grant funds.

At the time of project closeout, the County shall determine the appropriate disposition of any equipment purchased with funds provided herein. The County shall permit the Developer to retain title to such equipment, if the Developer assures the County that it intends to continue the project for a period of not less than five years following closeout.

Any funds provided herein for the acquisition and/or improvement of property shall be secured by a mortgage instrument recorded on said property. If, prior to the release and satisfaction of said mortgage, the Developer disposes of or changes the use of such property, or is found to be in default of any term contained therein, the Developer shall reimburse the County according to the terms and conditions contained in said mortgage.

7. Audits

The Developer shall comply with OMB A-110 and OMB A-133, as applicable, and shall obtain, at its own expense, any required audit(s). Audits shall be performed by an independent auditor in accordance with generally accepted governmental auditing standards covering financial and compliance audits. Audits shall include, in addition to the financial statement(s) of the Developer, auditor's comments regarding the Developer's compliance and internal controls pertaining to the expenditure of grant funds. The Developer shall submit one certified copy of each required audit report to the County no later than six months following the close of the Developer's fiscal year for single audits; and not later than six months following project closeout for grant audits.

8. Records Inspections

All of the Developer's records with respect to any matters covered by this Agreement shall be made available to the County, or its designees, or HUD, or its designees, at any time



during normal business hours, as often as deemed necessary, in order to audit, examine, or make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Developer within thirty (30) days after receipt by the Developer. Failure by the Developer to comply with the above requirements will constitute a violation of this Agreement and may result in the withholding of future payments. Specifically, all rights and remedies regarding performance reviews as set forth in 24 CFR 570.900 - 570.913 shall be available to the County and to HUD or their designees.

C. Reporting and Payment Procedures

1. Payment Procedures

In consideration of the work performed hereunder, the County will pay the Developer with NSP funds available under this Agreement for eligible costs, consistent with the project budget approved by the Kane County Office of Community Reinvestment and incorporated into this Agreement by reference, and based on requests submitted by the Developer on forms provided by the County. Such requests shall be accompanied by the appropriate receipts, invoices, canceled checks, and/or other documentation required by the County. The Developer may not request the disbursement of NSP funds under this Agreement until the funds are needed for the payment of eligible NSP costs. The amount of each request must be limited to the amount needed for such costs at the time the request is submitted to the County. Advance disbursements of NSP funds are not permitted under this Agreement.

The presentation of requests for the disbursement of NSP funds on the part of the Developer shall constitute a warranty and representation by the Developer to the County that the amounts requested are elements of the project budget contained herein; that all such amounts are required for the payment of eligible costs that were actually incurred by the Developer; and that the Developer will use the amounts requested only for eligible purposes under this Agreement. Prior to any disbursement of NSP funds by the County, it reserves the right to perform an independent review of any and all documentation and/or inspect the project site(s) to independently determine that such disbursement is justified. If the County is dissatisfied with the documentation submitted, or the status of the work performed hereunder, it may require the Developer to submit further documentation or perform additional work before it makes any further disbursements under this Agreement. The County reserves the right to reduce funds available under this Agreement for any costs incurred by the County on behalf of the Developer to complete the project to the County's satisfaction. Finally, the County shall not be required to make any disbursements of NSP funds to the Developer if the County is not legally capable or permitted by law to make such disbursements.

2. Program Income

Program income, as defined at 24 CFR 570.500(a), generated by activities carried out with NSP funds made available under this Agreement, shall be remitted by the Developer to the County within 30 days of receipt by the Developer.

3. Indirect Costs

If indirect administrative costs are charged, the Developer will develop an indirect cost allocation plan for determining the appropriate share of administrative costs and shall submit the plan to the County for approval prior to the County's payment of any such costs.



4. Performance Reports

The Developer shall submit to the County performance reports for the duration of this Agreement. Said performance reports shall be in a form developed by the County and submitted according to the schedule prescribed by the County.

D. Procurement

1. Standards of Procurement

The Developer shall comply with applicable federal, state, and local requirements regarding contracting and the purchase of goods and services necessary to complete the project identified herein. The Developer shall obtain the County's written approval prior to publishing bidding notices, distributing bidding documents, and executing contracts and change orders necessary for the completion of said project. The cover page of all bid packets for work to be financed with funds provided herein shall bear the following statement(s): ***"This contracting opportunity has been made possible, in part, by the Kane County Board, through its Office of Community Reinvestment, with federal funds provided by the U.S. Department of Housing and Urban Development. Section 3 Businesses and Minority/Women-Owned Businesses are encouraged to bid on this project."*** If applicable, such statement shall be followed by the following: ***"Federal prevailing wage requirements apply to this contract."***

The Developer shall maintain an inventory record of any non-expendable personal property procured with grant funds. All program assets (unexpended program income, property, equipment, etc.) shall revert to the County upon termination of this Agreement in accordance with Section VIII. B. 6. of this Agreement.

2. Travel

The Developer shall obtain written approval from the County for any travel expenses charged to funds provided under this Agreement.

3. Relocation, Acquisition and Displacement

The Developer agrees to comply with 24 CFR 570.606 and OMB A-110 relating to the acquisition and disposition of all real property utilizing grant funds and to any displacement of persons, businesses, non-profit organizations and farms occurring as a direct result of any acquisition of real property utilizing grant funds. The Developer further agrees to comply with any applicable ordinances, resolutions and/or policies concerning displacement of individuals from their residences.

IX. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Developer agrees to comply with all the requirements set forth in 24 CFR 570.600, including, but not limited to, compliance 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, Executive Order 11063, and Executive Order 11246 as amended by Executive Order 12086. The Developer also agrees to comply with all applicable provisions of the Americans with Disabilities Act of 1990.

2. Nondiscrimination

The Developer will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age, marital status, or status with regard to public assistance.

3. Land Covenants

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and 24 CFR 570. With regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement, the Developer shall cause or require a covenant running with the land to be inserted in the deed 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 County and the United States are beneficiaries of and entitled to enforce such covenants. The Developer, in undertaking its obligation to carry out the project assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

4. Section 504

The Developer 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 disabled in any federally assisted program. The County shall provide the Developer with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

B. Affirmative Action

1. Approved Plan

The Developer agrees that it shall be committed to carrying out, pursuant to the County's specifications, an Affirmative Action Program in keeping with the principles as provided in Executive Order 11246 of September 24, 1965. The County can provide affirmative action guidelines to the Developer to assist in the formulation of such a program.

2. W/MBE

The Developer 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 African-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Developer may rely on written representations by business enterprises in lieu of an independent investigation.

3. Access to Records

The Developer shall furnish and cause each of its contractor and subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the County, HUD or its agent, or other authorized federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated here.

4. EEO/AA Statement

The Developer will, in all solicitations or advertisement for employees placed by or on behalf of the Developer state that it is an Equal Opportunity or Affirmative Action employer.

5. Subcontract Provisions

The Developer will include the provision of Section IX. A. (Civil Rights), and B. (Affirmative Action), of this Agreement in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each sub-developer or vendor.

C. Employment and Contracting Provisions

1. Prohibited Activity

The Developer 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.

2. Anti-Lobbying

The Developer hereby certifies that:

- a. No federal 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 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, or modification of any federal contract, grant, loan or cooperative agreement.
- b. If any funds other than federal 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 Agreement, the Developer shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c. The Developer shall require that the language of this certification be included in the award documents for all sub-developers at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all sub-developers shall certify and disclose accordingly.

3. OSHA

Where employees are engaged in activities not covered under the Occupations 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 participant's health or safety.

4. Right to Know

Participants employed or trained for inherently dangerous occupations, i.e., fire or police jobs, shall be assigned to work in accordance with reasonable safety practices.

5. Labor Standards

The Developer agrees to comply with the requirements of the Secretary of Labor in accordance with Federal Labor Standards Provisions, the Davis-Bacon Act, as amended, the provisions of the Contract Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act and all other applicable federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The Developer understands that such requirements are not limited to the work for which funding under this Agreement is made available and agrees that all contractors engaged in contracts for construction, renovation or repair of any building or work funded under this Agreement, as well as work related in purpose, time and place to the work funded under this Agreement, shall comply with federal requirements pertaining to such contracts. The Developer shall cause, or require to be inserted, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph and shall maintain documentation which demonstrates compliance with hour and wage requirements. Such documentation shall be submitted to the County.

6. Section 3

The Developer shall comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968 which requires that, to the greatest extent feasible, employment and other economic opportunities generated by HUD financial assistance be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to such persons.

The Developer shall award contracts for work funded in whole or part under this Agreement to the lowest and/or best bidder in accordance with the provisions of Section 3, which allow qualifying business concerns to receive preference in the awarding of such contracts. The Developer may rely on written representations by business concerns in lieu of conducting independent investigations. The Developer agrees to include, monitor and enforce the following clause (referred to as the Section 3 Clause) in such contracts where the amount of assistance provided under this Agreement exceeds \$100,000:

SECTION 3 CLAUSE

1. *The work to be performed under this Contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.*
2. *The parties to this contract agree to comply with HUD's regulations in 24 CFR 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.*
3. *The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking*

- applications for each of the positions; and the anticipated date the work shall begin.*
4. *The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR 135.*
  5. *The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR 135.*
  6. *Noncompliance with HUD's regulations in 24 CFR 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.*
  7. *With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).*

If the amount of HUD financial assistance provided under this and other Agreements with the County exceeds \$200,000, the Developer has the responsibility to comply with Section 3 in its own operations, and ensure compliance in the operations of its contractors and subcontractors. This responsibility includes but may not necessarily be limited to measures listed at 24 CFR 135.32, "Responsibilities of the Recipient."

#### D. Conduct

##### 1. Assignability

The Developer shall not assign or transfer any interest in this Agreement without the prior written consent of the County thereto, provided, however, that claims for money due or to become due to the Developer from the County under this Agreement may be assigned to a bank, trust company or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the County.

##### 2. Hatch Act

The Developer agrees that no funds provided, nor personnel employed, under this Agreement shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title VI of the United States Code.

##### 3. Conflict of Interest

The Developer agrees to abide by the provisions of 24 CFR 570.611 with respect to conflicts of interest. The Developer further agrees that, in the performance of this Agreement, no person having such a financial interest shall be employed or retained by the Developer. These conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the Developer or the County, or of any designated public agencies or sub-developers which are receiving funds under the NSP program.

4. Subcontracts

a. Approvals

The Developer shall not enter into any subcontracts with any agency or individual in the performance of this Agreement without the written consent of the County prior to the execution of such subcontract.

b. Monitoring

The Developer will monitor all subcontracted services on a regular basis to assure compliance with the terms of this Agreement. Incidents of non-compliance shall be reported to the County and supported with documented evidence of follow-up actions taken to correct such areas of noncompliance.

c. Content

The Developer shall cause all of the provisions of this Agreement in their entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

5. Copyright

If this Agreement results in any copyrightable materials, the County and/or grantor agency reserves the right to royalty-free, nonexclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use the work for government purposes.

6. Religious Organization

The Developer agrees that funds provided under this Agreement will not be utilized for religious activities, to promote religious interest, or for the benefit of a religious organization in accordance with federal regulations specified in 24 CFR 570.200(j).

7. Drug-Free Workplace

The Developer shall comply with the Illinois Drug Free Workplace Act (30 ILCS 580/1, et seq.), and, if applicable, with the Federal Drug Free Workplace Act (41 U.S.C. Section 701, et seq.)

X. AFFORDABLE HOUSING PROVISIONS

A. Community Housing Development Organization

Funds will be considered Community Housing Development Organization (CHDO) set aside funds as the Developer meets the requirements defined at 24 CFR 92.300.

☐ Applicable ☒ Not Applicable

Funding provided to a Community Development Housing Organization (CHDO) may be used for investment only in housing to be developed, sponsored, or owned by such CHDO where the organization has effective project control.

☐ Applicable ☒ Not Applicable



B. Property Selection

All real estate (herein called the "Property") acquired with funds provided, in whole or in part, under this Agreement shall be located in an area identified by the County as having a need for redevelopment activities at the time of purchase. The Property shall be approved by the County prior to the initiation of sales negotiations by the Developer. The Property shall meet at least meet one of the following definitions of foreclosed or abandoned:

1. Code enforcement inspection has determined that the property is not habitable and the owner has taken no corrective actions within 90 days of notifications of the deficiencies;
2. The property is subject to a court-ordered receivership or nuisance abatement related to abandonment pursuant to state and local laws;
3. The property is currently delinquent at least 60 days under the Mortgage bankers delinquency calculation and the owner has been notified of this delinquency;
4. The property owner is 90 days or more delinquent on tax payments;
5. Under state or local law, foreclosure proceedings have been initiated or completed; or
6. Foreclosure proceedings have been completed and title has been transferred to an intermediary aggregator or servicer.

C. Per Unit Cost Limits

The cost and assistance limits as detailed below apply to every unit assisted with funds under this agreement.

Maximum NSP expenditure per dwelling unit: \$263,384.00

D. Property Standards

The Developer will carry out all assisted activities in accordance with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability, in order to sell or rent such homes and properties.

1. Rehabilitation Standard

Developer will carry out all NSP assisted rehabilitation of a foreclosed-upon home or residential property in compliance with the rehabilitation standards set by the County (see Exhibit B), and in accordance with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability.

Minimum Property Standards	
Activity	Minimum Property Standard
Rehabilitation of Housing	Kane County Adopted written rehabilitation standards and State and Local code requirements If no local codes apply, then one of the following national model codes: <ul style="list-style-type: none"><li>• Uniform Building Code (ICBO)</li><li>• National Building Code (BOCA)</li><li>• Standard Building Code (SBCCI)</li></ul> Or <ul style="list-style-type: none"><li>• Council of American Building Officials 1- or 2-family code (CABO)</li><li>• Minimum Property Standards (FHA) at 24 CFR 200.925 (for multifamily) or 200.926 (for 1- &amp; 2-unit dwelling)</li></ul> And Handicapped accessibility requirements, where applicable



2. Lead-Based Paint

The Developer agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.487/570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all NSP-assisted housing and require that all owners, prospective owners, and tenants of 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 and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

3. Accessibility

The Developer shall work with any home buying household that includes a person with disabilities to provide accessibility modifications required under the policy of reasonable accommodations and reasonable modifications. All such modifications shall be considered to be eligible NSP costs under this agreement.

E. After Rehab Value

The maximum after rehab value for properties assisted with HOME funds cannot exceed \$163,000 as required by 24 CFR 92.254 (2). The after rehab value maximum price limit does not apply to units receiving NSP assistance.

F. Affirmative Marketing

The developer is required to develop an affirmative marketing plan as required by 24 CFR 92.351. The plan should detail the actions the developer is going to take to provide information and otherwise attract eligible persons in the housing market to the available housing without regard to race, color, national origin, sex, religion, familial status, or disability actively market units to segments of the population that might not otherwise apply for the available housing.

G. Sale to Homebuyers

All units acquired under this agreement shall be sold to eligible buyers in accordance with the provisions of this section.

1. Eligible Buyers

Eligible homebuyers must be determined to be income-eligible in compliance with the limit checked below.

- ☒ Middle Income – less than 120% of Area Median Income
- ☒ Moderate Income – less than 80% of Area Median Income
- ☒ Low Income – less than 50% of Area Median Income

2. Income Certification and Documentation

Every purchaser shall be determined to be income eligible using the following form of income determination, according to the requirements listed at 24 CFR 570.3:

- ☐ Section 8 Part 5 Method  
☒ IRS 1040A Method  
☐ Census Long Form Method

3. Sales Price

Sales prices must be in compliance with the price limits set by the NSP program. The sales price of each property must be approved by County.

4. Financing to Buyers

All buyers must have first mortgages from a mortgage lender. To further increase the affordability of the home purchase, County will offer each qualified buyer a "soft second principal write down mortgage" and/or downpayment assistance from funds awarded under this agreement. These funds are included in the amount of funding provided under this agreement, and not an additional amount, and represent a transfer of a portion of NSP assistance used by Developer to the eligible buyer. The amount of the buyer financing shall be determined as checked below:

- ☒ Not to exceed 17% of the final sale price.  
☒ Not less than \$1,000.00

5. Counseling Requirement

Each homebuyer assisted with NSP funds is required to complete at least eight hours of homebuyer counseling from a HUD-approved housing counseling agency.

6. Ownership

Each homebuyer assisted with NSP funds is required to occupy the residence as their principal residence. Additionally the NSP funds require ownership of the property using one of the following approved forms described below:

- Have fee simple title to the property,
- Maintain a 99-year leasehold interest in the property,
- Own a condominium, or
- Own or have a membership in a cooperative or mutual housing project that constitutes homeownership under state law.

7. Period of Affordability

NSP funds are subject to periods of affordability. These periods of affordability are based upon the amount of funds invested in the project on a per-unit basis as stipulated in the table below:

Investment per Unit	Length of Affordability Period
Less than \$15,000.00	5 years
\$15,000 to \$40,000	10 years
More than \$40,000	15 years

8. Resale/Recapture

To ensure that the property remains affordable during the period of affordability there are two options for controlling the resale of the assisted property during the period of affordability, the

recapture option and the resale option. The recapture option is a mechanism that recaptures all or a portion of the direct subsidy if the homebuyer decides to sell the unit. The resale option ensures that the unit remains affordable for the entire period of affordability, thus requiring the homebuyer to sell to an income eligible homebuyer. For this agreement the following option is executed:

- ☐ Resale Option -- Unit must be to another income eligible homebuyer at an affordable price.
- ☒ Recapture Option -- funds will be recaptured by the County out of the net proceeds of the sale according to the formula contained in the recapture note and mortgage

9. Conversion to a Rental Unit

If in the event a housing unit created under this Agreement is not sold to an eligible homebuyer within six months of Construction Completion, the housing unit must be converted to a HOME rental unit that complies with all HOME requirements for the period of affordability applicable to such rental units and as defined by 24 CFR 92.252. In the event of Rental Conversion, the Project must comply with requirements pertaining to eligible tenants as per 24 CFR 92.252. In accordance with HOME regulations select tenants based on approved tenant selection plan and criteria and determine income eligibility in accordance with HOME regulations. The Developer is required to execute a separate agreement with the PJ to govern any rental housing units derived as a result of HOME assistance under this Agreement, and execute a required land use restriction agreement that which incorporates the entire developer subsidy and applicable period of affordability. Such agreement shall be executed upon immediate execution of the six month requirement.

- ☐ Applicable                      ☒ Not Applicable

XI. ENVIRONMENTAL CONDITIONS

The Developer shall cooperate with the County in its responsibilities pursuant to HUD's environmental review procedures, 24 CFR 58, as amended, and shall permit the County or its designees to conduct site inspections and appropriate tests, examine applicable documents, and undertake such other activities as the County deems appropriate in order to fulfill its responsibilities in the implementation of the National Environmental Policy Act of 1969 and related acts. The County shall not make any payments contemplated under this Agreement until the environmental review process has been completed by the County in accordance with the 24 CFR 58, nor may any costs be incurred by the Developer until completion of the Environmental Review. The Developer will be notified by the County when costs may begin to be incurred through the issuance of a written Notice to Proceed.

A. Air, Water & Environment

The Developer agrees to comply with the following regulations insofar as they apply to the performance of this Agreement:

1. The Clean Air Act (42 U.S.C., 1857, et seq.);
2. The Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.) as amended;
3. Environmental Protection Agency (EPA) regulations pursuant to 40 CFR 50, as amended;
4. The National Environmental Policy Act of 1969; and
5. HUD Environmental Review Procedures (24 CFR 58).

B. Flood Disaster Protection

To the extent applicable, the Developer agrees to comply with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106) in regard to the sale, lease or other transfer of land acquired, cleared or improved under the terms of this Agreement.

C. Lead-Based Paint

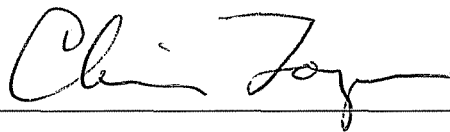
The Developer agrees that any construction or rehabilitation of structures with assistance provided under this Agreement shall be subject to HUD lead-based paint regulations 24 CFR 35, et. al., dated September 15, 1999.

D. Historic Preservation

The Developer agrees to comply with the requirements set forth in the National Historic Preservation Act of 1966 (16 U.S.C. 470), as amended, and the procedures set forth in 36 CFR 800 et seq., insofar as they apply to the performance of this Agreement.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first written above.

For the County of Kane:



Signature

Christopher J. Lauzen, Chairman, Kane County Board  
Name and Title (Printed)

10/23/2013

Date

For the Developer:

Signature

Name and Title (Printed)

Date

## **KANE COUNTY FORECLOSURE REDEVELOPMENT PROGRAM**

### **Exhibit A: Project Description, Tasks, Eligible Costs, and Schedule**

#### Project Description

The Developer, in collaboration and coordination with the County, shall acquire, rehabilitate, market, and resell One (1) single-family dwelling unit (herein called the "Project"). Specifically, the Developer agrees to perform and/or cause to be performed all tasks described herein in accordance with the schedule contained herein.

#### Tasks

The Developer shall be responsible for all tasks required to complete the Project described herein, including, but not limited to the following:

1. Selection and acquisition of real estate satisfying the requirements contained herein and with the coordination and approval of the Kane County Office of Community Reinvestment;
2. Preparation of the necessary project plans and specifications for the rehabilitation of said real estate with the input and approval of the Kane County Office of Community Reinvestment, especially as it relates to matters involving interior and exterior design, accessibility modifications, and the incorporation of both "green" and "healthy homes" features where desirable and practicable;
3. Procurement of contractor services necessary to complete the rehabilitation, including outreach efforts to qualified contractors based in Kane County;
4. Supervision of work performed to ensure compliance with the provisions of this Agreement;
5. Inspection of work performed to ensure satisfactory completion of the Project;
6. Submission of copies of inspection reports, occupancy permits, and/or letters of compliance as evidence that the Project meets all applicable state and local requirements;
7. Marketing of the completed Project by, at a minimum, listing it in the multiple listing service and displaying accurate and current program brochures, posters, and/or other literature provided by the County at the project location; and
8. Keeping the Project in a well-maintained, clean, and attractive condition in order to attract the interest of prospective buyers.

#### Eligible Costs

The County shall provide NSP funds provided herein to the Developer to reimburse the Developer for eligible costs the County determines to be customary and reasonably associated with the Project, as follows:

1. Costs of acquisition, including purchase price and all usual and customary closing costs. The appraisal must meet the URA definition of an appraisal [(see 49 CFR 24.2(a)(3)) and [see 49 CFR 24.103(a)(2)]]. Such appraisals must be performed by an appraiser listed on the current FHA Appraiser Roster and be licensed by the State of Illinois.
2. Costs of rehabilitation, including supplies, materials, and hiring contractors, subcontractors, and trades necessary to complete the work. All work for which a licensure or certification program exists locally or in the State of Illinois must be carried out by properly licensed or certified persons.
3. Developer Fees. A Developer fee of 6% of the purchase price may be paid upon acquisition of the Property. Additionally, a Developer fee of 6% of all hard rehabilitation or construction costs may be paid upon sale of the Property.
4. Usual and customary costs associated with holding the Property including, but not limited to, management fees, maintenance costs, insurance, and real estate taxes. These expenses are not eligible for a developer fee.

5. Costs associated with the sale of each property to an eligible buyer, including, but not limited to, the costs of placing the Property in the multiple listing service, advertising the unit for sale, and preparing required documentation. Customary realtor fees in the amount of 4.5% will be paid in connection with the sale of the Property, with 2.0% to be paid to Developer's broker and 2.5% to be paid to purchaser's broker.
6. Other such related costs that have the same intent as this Agreement, are eligible for NSP funding, and are pre-approved by the County.

#### Project Schedule

The Developer shall complete the project described herein according to the following schedule, which is subject to revision by and final approval of the Kane County Office of Community Reinvestment:

Activity	Timeframe to Complete
Search for Property	Two weeks after agreement has fully executed
Complete Property Assessment	Three days after property has been selected
Executed Purchase Agreement	Two days after property assessment completed
Complete all Required Inspections	Seven days after purchase agreement executed
Prepare Scope of Work/Plans/Specification	Forty-five days after closing
Execute Rehabilitation Agreement	Seven days after scope of work has been completed
Begin Rehabilitation	Ten days after execution of rehabilitation agreement
Complete Rehabilitation/Market Property	One hundred twenty days after rehabilitation begins
Target Sale Date to Eligible Buyer	6 Months after rehab complete
Project Completion Date	Actual Sale Date to Eligible Buyer



# KANE COUNTY FORECLOSURE REDEVELOPMENT PROGRAM

## Exhibit B: Property Rehabilitation Standards

### 1. MISSION AND HOUSING VALUES

“To eliminate neighborhood blight through renovation and demolition while providing lower income families with safe, secure and affordable homes.”

The order of values that flow from this mission for this program are as follows:

- Performance and durability
- Historically sensitive exteriors
- Life cycle costs
- Affordable operating costs
- Balanced initial costs

### 2. APPLICABLE LAWS AND REGULATIONS

Housing shall be in full compliance with the following statutory and regulatory requirements:

Building Code:	BOCA existing structures code 1994 d.
Housing Code:	The local housing code
Federal Housing Code:	Housing Quality Standards
Life Safety Code:	Life Safety Code
HAZMAT:	HUD requirements for specific programs

Housing providers/developers shall seek guidance and strive to conform to the following codes if financial resources are available for a specific project:

Energy:	Model Energy Code.
Accessibility:	ANSI standards for handicapped accessibility.
HAZMAT:	HUD Guidelines for the Evaluation and Control of Lead Based Paint Hazards in Housing.
Building Code:	CABO 1-4 Unit Dwelling Code
Exceptions:	On a case by case basis deviations from the minimum requirements of this standard will be permitted with approval of the appropriate local agency.

### I SITE IMPROVEMENTS

#### TREES

Repair Standard: Minimum Life: NA

Trees that are too close to the structure or serve no useful purpose shall be removed.

Replacement Standard: NA

#### OUTBUILDINGS

Repair Standard: Minimum Life: 1 year

Unsafe and blighted structures, including outbuildings, will be removed if it is not financially feasible to complete

the repairs required to make them structurally sound and leak free with lead hazards stabilized.

Replacement Standard: NA

#### PAVING AND WALKS

Repair Standard: Minimum Life: 5 years

Badly deteriorated, essential paving, such as front sidewalks, will be repaired to match. Non-essential deteriorated paving, such as side walks that are unnecessary, will be removed and appropriately landscaped.

Replacement Standard:

Essential walks and drives shall be replaced with concrete.

## II EXTERIOR SURFACES

#### EXTERIOR STEPS AND DECKS

Repair Standard: Minimum Life: 5 years

Steps, stairways, and porch decks will be structurally sound, reasonably level, with smooth and even surfaces.

Replacements Standard:

New steps and stairways shall be constructed of preservative treated lumber in conformance with the CABO code. Porch decks shall be replaced with tongue and groove pine.

#### EXTERIOR RAILINGS

Repair Standard: Minimum Life: 5 Years

Handrails will be present on one side of all interior and exterior steps or stairways with more than two risers, and around porches or platforms over 30" above ground level. Railing repairs will be historically sensitive.

Replacement Standard: Minimum Life: 10 Years

Railings shall be wrought iron or preservative treated lumber.

#### EXTERIOR CLADDING

Repair Standard: Minimum Life: 10 Years

Siding and trim will be intact and weatherproof. All exterior wood components will have a minimum of two continuous coats of paint, and no exterior painted surface will have any deteriorated paint.

Replacement Standard: Minimum Life: 10 Years

Historically sensitive vinyl siding.

#### EXTERIOR PORCHES

Repair Standard: Minimum Life: 10 Years

Unsafe or unsightly porches will be repaired to conform closely with historically accurate porches in the neighborhood. Porch repairs will be structurally sound, with smooth and even decking surfaces.

Replacement Standard: Minimum Life: 10 Years

Deteriorated porches shall be rebuilt with preservative treated structural lumber and tongue and groove pine decks.

#### EXTERIOR HARDWARE

Repair Standard: NA Minimum Life: 10 Years

Replacement Standard:

Every dwelling unit will have a mailbox, or mail slot, and minimum 3" high address numbers at the front door.

### III FOUNDATIONS AND STRUCTURE FOUNDATIONS

Repair Standard: Minimum Life: 20+ Years

Foundations will be sound, reasonably level, and free from movement.

Replacement Standard: NA

#### STRUCTURAL WALLS

Repair Standard: Minimum Life: 15 Years

Structural framing and masonry shall be free from visible deterioration, rot, or serious termite damage, be adequately sized for current loads. Prior to rehab, all sagging floor joists or rafters will be visually inspected, and significant structural damage and its cause will be corrected.

Replacement Standard: NA

#### FIREWALLS

Repair Standard: Minimum Life: 5 Years

Party walls shall be maintained without cracks and plaster deterioration and covered with 5/8" type X gypsum, glued and screwed to studs.

Replacement Standard: Minimum Life: 10 Years

When frame walls and floors adjoining other dwellings are gutted, new wall finish installations will conform to local requirements for fire ratings.

### IV WINDOWS AND DOORS

#### EXTERIOR DOORS

Repair Standard: Minimum Life: 10 Years

Doors shall be solid, weather striped, operate smoothly, including a peep site, a dead bolt, and an entrance lock set.

Replacement Standard: Minimum Life: 10 Years

All replacement doors at the front of the property will be historically sensitive. Steel six panel doors may be

installed at entrances not visible from the front street. Dead bolt locks will be installed on all doors.

#### WINDOWS

Repair Standard: Minimum Life: 10 Years

All single glazed windows shall be covered by a storm sash in which the meeting rail matches up with the prime window. Operable windows shall have a locking devise and mechanism to remain partially open.

Replacement Standard:

Double glazed, double or single hung. PVC one over one with historically sensitive snap in grids and a minimum R value of 2.

#### WINDOW PLACEMENT

Repair Standard: NA

Replacement Standard: Minimum Life: 20 Years

Bedrooms, kitchens and baths shall have one operable window with a screen.

#### INTERIOR DOORS/PLACEMENT

Repair Standard: Minimum Life: 10 Years

All bedrooms, baths and closets shall have well operating doors.

Replacement Standard: Minimum Life: 10 Years

Hollow core, pressed wood product with brass plated bedroom lock set.

#### V ROOFING

##### PITCHED ROOFS

Repair Standard: Minimum Life: 10 Years

Missing and leaking shingles and flashing shall be repaired on otherwise functional roofs. Slate roofs shall be repaired when at all possible. Antennae shall be removed.

Replacement Standard: Minimum Life: 25 Years

Fiberglass, asphalt, 3 tab, class A shingles weighing at least 200 and up to 240 lbs with a prorated 25 year warranty with a continuous ridge vent.

##### FLAT AND LOW SLOPE ROOFING

Repair Standard: Minimum Life: 10 Years

Built-up roofing, flashing and accessories shall be repaired wherever a 5 year leak free warranty is available from a certified roofing company.

Replacement Standard: Minimum Life: 20 Years

Fully adhered EPDM over 1/2" insulation board.

#### IV INSULATION AND VENTILATION

##### INSULATION

Repair Standard: NA

Replacement Standard: Minimum Life: 15 Years

Attic areas and crawl space will be insulated. The goal for attic insulation is R38, and for crawl spaces R19. Frame walls will be insulated if the wall finish is removed. Plastic vapor barriers will be placed over bare soil in crawl spaces.

##### ATTIC VENTILATION

Repair Standard: NA

Replacement Standard: Minimum Life: 20 Years

Attics will be ventilated with a minimum of 1 square foot of free vent for each 300 square feet of roof area.

##### KITCHEN VENTILATION

Repair Standard: NA

Replacement Standard: Minimum Life: 5 Years

Range hoods or exhaust fans shall be exterior ducted when feasible with less than 20 soffit and 120 CFM.

##### BATH VENTILATION

Repair Standard: NA

Replacement Standard: Minimum Life: 5 Years

Exterior ducted 70 CFM, 20 soffit with separate switch in all full baths.

#### VII INTERIOR STANDARDS

##### FLOORING

Repair Standard: Minimum Life: 3 Years

Bathroom and kitchen floors shall be covered with water resistant vinyl flooring. Damaged wood floors will be repaired. Basement floors shall be continuous concrete.

Replacement Standard: Minimum Life: 6 Years

Baths shall receive vinyl sheet goods over plywood underlayment. Kitchens shall be vinyl composition tile over plywood underlayment. New basement slabs shall be at least 3" thick and a 6 mil vapor barrier.

##### CLOSETS

Repair Standard: Minimum Life: 5 Years

All bedrooms shall have closets with a door, clothes rod, and shelf.

Replacement Standard: Minimum Life: 15 Years

All bedrooms shall have 4' long by 2' wide closets with bi-fold door and wire shelf.

#### INTERIOR WALLS AND CEILINGS

Repair Standard: Minimum Life: 5 Years

All holes and cracks shall be repaired to create a continuous surface with no deteriorated paint surfaces.

Replacement Standard: Minimum Life: 10 Years

Walls shall be plumb, ceiling level with a smooth finish on at least 1/2" gypsum.

Additional Reference: American Gypsum Association

#### HAZMAT

Repair Standard: Minimum Life: NA

Asbestos and lead paint hazards, when identified, shall be addressed in conformance with applicable local, state, and federal laws. Rehabilitated properties shall be cleaned to pass a Lead Dust clearance test to the levels prescribed by HUD regulations.

### VIII ELECTRIC

#### SERVICE

Repair Standard: Minimum Life: 10 Years

Main distribution panels shall have a main disconnect, at least 7 circuits, a 100 amp minimum capacity and be adequate to safely supply power to all existing and proposed electrical devices.

Replacement Standard: Minimum Life: 15 Years

150 amp, main disconnect panel with at least 16 circuit breaker positions.

#### EXTERIOR ELECTRIC

Repair Standard: Minimum Life: 7 Years

All entrances will be well lighted and either switched at the interior side of the door, or the light will be controlled by a photo-electric cell. Motion actuated security lighting will be installed at the rear and sides of properties where it will increase safety. All dwelling units will have at least one exterior, GFCI protected, electrical receptacle.

Replacement Standard: NA

#### INTERIOR ELECTRIC DISTRIBUTION

Repair Standard: Minimum Life: 7 Years

Exposed knob and tube shall be replaced. Every room will have a minimum of two duplex receptacles, placed on separate walls and one light fixture or receptacle switched at each room entrance. Where the source wiring circuit is accessible (i.e. first floor above basements, in gutted rooms, etc.), receptacles will be grounded. All switch, receptacle, and junction boxes shall have appropriate cover plates. Wiring shall be free from hazard and all circuits shall be properly protected at the panel. Floor receptacles shall be removed and a metal cover plate installed.

Replacement Standard: Minimum Life: 15 Years

When a room's wall finishes are removed it shall be rewired to the latest version of the National Electric Code.

#### GROUND FAULT CIRCUITS

Repair Standard: NA

Minimum Life: 5 Years

Replacement Standard:

Basement and kitchen receptacles within 6 feet of a sink, all bath receptacles and at least one exterior receptacle shall be protected by a GFCI.

#### KITCHEN ELECTRIC DISTRIBUTION

Repair Standard: NA

Minimum Life: 7 years

Replacement Standard:

Permanently installed stoves, refrigerators, freezers, dishwashers and disposals, washers and dryers shall have separate circuits sized to NEC. Two separate 20 amp counter circuits are required with each kitchen area.

#### STAIRWELL LIGHTING

Repair Standard: NA

Minimum Life: 7 Years

Replacement Standard:

All common halls and stairways between living space must be well lighted with a fixture controlled by 3 way switches at both ends of the hall or stairway.

#### ALARMS

Repair Standard: NA

Minimum Life: NA

Replacement Standard:

Minimum Life: 5 Years

Directly wired fire and smoke detectors shall be installed on all sleeping floors.

### IV PLUMBING SYSTEM

#### WATER SUPPLY

Repair Standard:

Minimum Life: 5 Years

All fixtures must be supplied with 3 gallons/minute water flow.

Replacement Standard:

Minimum Life: 20 Years

All inoperable or leaky main shut off valves shall be replaced. Lead pipe and exposed galvanized pipe shall be replaced with copper pipe.

#### DRAIN, WASTE, VENT LINES

Repair Standard:

Minimum Life: 15 Years

Waste and vent lines must function without losing the trap seal.

Replacement Standard:

Minimum Life: 20 Years

PVC replacement lines shall be installed in accordance with the most recently approved version of the mechanical



code.

#### PLUMBING MINIMUM EQUIPMENT

Repair Standard:

Minimum Life: 7 Years

Every dwelling unit shall have a minimum of one single bowl sink with hot and cold running water in the kitchen and at least one bathroom containing a vanity with a sink, and a shower/tub unit, both with hot and cold running water, and a toilet.

Replacement Standard:

Minimum Life: 20 Years

Additional References:

Local housing code.

#### PLUMBING FIXTURES

Repair Standard:

Minimum Life: 7 Years

All fixtures and faucets shall have all working components replaced.

Replacement Standard:

Minimum Life: 20 Years

Single lever, metal faucets and shower diverters with 15 year drip-free warranty. Ceramic toilets, double bowl stainless steel sinks, fiberglass tub surrounds and steel enameled 5' tubs.

#### WATER HEATERS

Repair Standard:

Minimum Life: 5 Years

Each dwelling unit shall have a gas fired water heater. The minimum capacity for units with two bedrooms or less shall be 30 gallons, larger units shall have a minimum capacity of 40 gallons. Insulation jackets shall be present unless the installation poses a safety concern. Water heaters shall have pressure relief valves with drip legs that extend to within one foot of the floor. Expansion tanks will be included with the installation of new water heaters.

Replacement Standard:

Minimum Life: 8 Years

High efficiency, pilotless, gas fired water heaters with at least R-7 insulation and an eight year replacement warranty.

X HVAC

#### HEATING PLANT

Repair Standard:

Minimum Life: 10 Years

Inoperative, hazardous or inefficient (less than 60% AFUE) heating plants shall be repaired and altered to perform at least 75% efficiency. Setback thermostats are required.

Replacement Standard:

Minimum Life: 20 Years

Gas and oil fired plants shall be rated at 85% AFUE or below. Heat pumps shall be rated at 12 SEER or better. Setback thermostats are required.

#### DISTRIBUTION SYSTEM

Repair Standard:

Minimum Life: 10 Years

Duct work and radiator piping shall be well supported, insulated in unconditioned space and adequate to maintain 68° F measured 36" off the floor when the outside temperature is -5°F, (the average yearly minimum) in all habitable and essential rooms.

Replacement Standard:

Minimum Life: 20 Years

All duct work shall be insulated to R-4, seams sealed and run in concealed space.

#### CHIMNEY REPAIR

Repair Standard:

Minimum Life: 15 Years

Unsound chimneys shall be repaired or removed. When chimneys are to be used to combustion ventilation, they shall be relined.

Replacement Standard:

Minimum Life: 20 Years

Fireplace flues may not be reconstructed in this program. Replacement furnace flues shall be metal double or triple walled as recommended by the furnace manufacturer.

#### AIR CONDITIONING

Repair Standard:

Minimum Life: 3 Years

Air conditioning is beyond the scope of this program except in cases of documented medical need for cooling and/or preventative filtration.