

## **SPECIAL CONDITIONS**

The Norman CHDO 2015, Inc. (CHDO 2015) and Norman Affordable Housing Corporation (NAHC) have read and reviewed all of the following Special Conditions and agrees and acknowledges that as Co-Applicants must comply with each as defined by their roles:

### **1. HOME Project Allocation and Use of HOME funds**

- A. CHDO 2015 will utilize HOME funds in the amount of \$95,094 awarded by this Written Agreement for the construction of four (4) units of rental housing.
- B. The project will be a CHDO project. CHDO 2015's CHDO role will be Sponsor. CHDO 2015 as the project sponsor will assist NAHC, a nonprofit organization, to own/acquire, develop, and manage a rental project. CHDO 2015 will receive the initial commitment of CHDO set-aside and HOME Investment Partnership funds with the requirement that it has designated up-front the nonprofit organization NAHC to assume the grant/loan obligations at a specified time in the development process (at time of property transfer from Ox Collective, LLC.).
- C. At time of acquisition, CHDO 2015 will relinquish their site control to NAHC. NAHC agrees to comply with the HOME regulations and the HOME Final Rule and required provisions at 24 CFR Part 92.504 and the terms of this Written Agreement.
- D. This subsidy from THE CITY OF NORMAN to CHDO 2015 is in the form of a grant.
- E. The minimum Match requirement for this Written Agreement is \$36,455. These funds will be provided by NAHC and designated as such in the pro-forma.

### **2. HOME Project Description**

- A. The units will be in City of Norman, Cleveland County. **The addresses of the units are 115 and 117 West Hughbert, Norman, OK.**
- B. The units are four (4), one (1) bedroom, (1) bathroom apartments with approximately 720 square feet of living space each, assembled in two individual buildings.
- C. When completed, all four (4) units will be HOME Rental units.

### 3. Construction Standards

- A. The Architectural Plans and Specifications were submitted on December 13, 2017 to THE CITY OF NORMAN and approved prior to the commencement of any construction activity.
- B. Development will meet and/or exceed all City, State and local code requirements. CHDO 2015 will ensure THE CITY OF NORMAN's Written Construction Standards are met or exceeded. Building codes to be utilized will be the currently adopted codes for the City of Norman. A Building Permit issued by the City of Norman for each unit is required.
- C. Ensure that all housing assisted with HOME funds under this contract is carried out in compliance with the Lead Based Paint Regulations at 24 CFR Part 35 and Asbestos Regulations at 40 CFR Part 61, Subpart M.

### 4. Project Operational Requirements

- A. The initial occupants of all four of the HOME Assisted Units will be restricted to tenants at 60% or less of Area Median Income (AMI). CHDO 2015 until management turnover to NAHC, and NAHC after the turnover, will ensure that all tenant individuals and/or households have incomes that do not exceed the respective AMI for Cleveland County as published annually by HUD. Subsequent tenant households in all four of the HOME Assisted Units must have incomes at or below 80% of AMI for Cleveland County.
- B. As management agent, NAHC will ensure tenant eligibility according to HOME income guidelines and the guidelines in THE CITY OF NORMAN's HOME Application packet.
- C. As management agent, NAHC will ensure that the rent charged for the units do not exceed the High HOME rent limit for Cleveland County as published annually by HUD.
- D. As management agent, NAHC must submit the initial rents to THE CITY OF NORMAN for approval, and thereafter on an annual basis. THE CITY OF NORMAN will review the rents annually for compliance and approve or disapprove as applicable.
- E. As management agent, NAHC must submit the proposed utility allowances for THE CITY OF NORMAN's verification and approval. Initially the utility allowances must be computed using the HUD Utility Schedule Model.
- F. **If any unit remains continuously vacant for more than ninety (90) days, as management agent, NAHC must notify THE CITY OF NORMAN and submit a marketing plan within thirty days of the notification to THE CITY OF NORMAN. Plan will be reviewed and approved by THE CITY OF NORMAN to ensure a sufficient occupancy level is maintained.**
- G. NAHC will manage the property. If in the future, NAHC will no longer manage, any substitute management company or individual must be approved by THE CITY OF NORMAN.
- H. The HOME units at all times must meet the Housing Quality Standards (HQS) in order to ensure that the unit is decent, safe and sanitary.
- I. As management agent, NAHC may not charge any fees that are not reasonable and customary for the area.

- J. As management agent, NAHC must adhere to its fair lease and grievance procedure and its program of tenant participation in management decisions, and approved by THE CITY OF NORMAN.

## 5. Period of Affordability

- A. The period of affordability is twenty (20) years. A Deed Restriction must be filed to protect the period of affordability. A Deed Restriction must be filed within thirty (30) days of issuance of the Release of Funds, and prior to any funds being drawn down. The beginning and ending dates of the period of affordability will not be known until the project is completed in HUD's IDIS System. At that time, the City of Norman will file an Amended Deed Restriction that sets forth the exact beginning and ending dates.
- B. **During the period of affordability, for every 180 days that any unit is continuously vacant, one year will be added to the period of affordability.**
- C. THE CITY OF NORMAN has the right to enforce all provisions of this Written Agreement throughout the period of affordability, twenty (20) years, regardless of the Written Agreement completion date.

## 6. Environmental Review

- A. Ensure that all appropriate environmental reviews are satisfactorily completed pursuant to the guidelines set out in 24 CFR Part 58. Under the HOME Environmental process, no funds, either HOME or non-HOME funds may be committed until the Release of Funds is received, except as noted in Section 8.E. below. Also, no contracts should be entered into during this timeframe, especially with a contractor. This contract is contingent upon successful completion of the environmental review process.

## 7. Project Documentation

- A. Documentation for all Federal Requirements (Fair Housing, Minority Outreach, Environmental, Housing Complaints, Conflict of Interest, and etc.) must be maintained and available for review.
- B. Create and maintain a complete record of all items pertaining to the Project, documentation and information that would help expedite the compliance monitoring process. THE CITY OF NORMAN prefers that said information be organized, with tabs.

## 8. Disbursement of Funds and Construction Progress Inspections

- A. **Requests for disbursement of funds cannot be submitted until such time as the funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed to pay eligible expenditures.**

## 9. Notice of Personnel Changes

- A. NAHC will notify THE CITY OF NORMAN anytime there is a change in any staff position that would be involved in this project, either in the construction phase or the ongoing management and oversight. NAHC's capacity will be reevaluated at that time.

## 10. Schedule for Completing Tasks and Deadlines

- A. **Acquisition of property must commence within 12 months of the execution of this Written Agreement modification, or the HOME funds must be repaid.**
- B. NAHC must submit quarterly progress reports throughout the entire process of initial lease-up, until all units have been initially leased to a qualifying household. The quarterly reports will be due on October 10th, January 10th, April 10th, and July 10th of each year, must use the form for HOME Program quarterly progress reports provided by the CITY OF NORMAN. **The initial quarterly progress report for this contract will be due October 10th, 2018.** Failure to submit timely and accurate reports may result in a monitoring finding, and if it becomes a recurring problem it may result in termination of the contract. Quarterly progress reports should be submitted to Lisa D. Krieg, CDBG/Grants Manger.

## 11. Logs and Reports

- A. Establish and maintain a Use of Funds Log, which clearly identifies the amount of funds used in each project (HOME, other federal, private or a combination thereof).
- B. Establish and maintain a Match Tracking Log that will account for expenditures of Match contributions used in each project.
- C. Reimbursement Reports: Must be submitted by noon on Wednesday to be paid by the following Friday.
- D. Activity Completion Reports: Must be submitted within 120 days of final activity draw.
- E. Closeout Documentation: Submit no later than 60 days after the end of the contract period or completion of project.
- F. The Minority Business Enterprises report is due on or before October 15th of each year for period from Oct. 1 - Sept 30.
- G. The Annual Performance Report (APR) is due on or before October 15<sup>th</sup> of each year for the period of October 1-September 30. The APR must also be submitted with the contract closeout.
- H. The Rental Annual Performance Report must be submitted to THE CITY OF NORMAN on or before October 15<sup>th</sup> of each year until the affordability period is exhausted.
- I. Provide other progress/performance and financial reports as required or upon the request of THE CITY OF NORMAN.

**12. Match Requirements**

All HOME Project Funds expended under this contract require a minimum of 25% in eligible match contributions. **Match liability is incurred at the time project funds are drawn.**

**THE CITY OF NORMAN requires that all applicants meet the full 25% Match requirement, regardless of any Match waivers or reductions by HUD.** The Match you committed and identified in your application may be banked based upon submission of proper documentation **if the HOME funds are drawn during the Match waiver period.**

**13. Other Requirements**

Perform all other tasks and meet all other requirements as outlined in the Application, which is incorporated herein and made a part hereof.

**If Norman CHDO 2015, Inc. or NAHC fail to comply with the terms of this Written Agreement, THE CITY OF NORMAN may require Norman CHDO 2015 and/or NAHC to repay all or a part of the HOME funds invested in the project.**

**Norman CHDO 2015, Inc. and NAHC have read and reviewed all of the Special Conditions and agree and acknowledge that it must comply with each.**

Norman CHDO 2015, Inc.

Norman Affordable Housing Corporation, Inc.

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Steve Mohr, Board President

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Mariann Ratliff, Board President

Attest:

Attest:

\_\_\_\_\_  
Brandon Hopper, Board Secretary

\_\_\_\_\_  
Karen Canavan, Board Secretary

**The City of Norman, Oklahoma**

\_\_\_\_\_  
Lynne Miller, Mayor

Attest:

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Brenda Hall, City Clerk

City of Norman K-1718-133  
HOME Investment Partnerships  
Written Agreement Part III

Approved as to form and legality this            day of            , 2018.

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City Attorney's Office