

CITY CLERK ORIGINAL

C-7993
04/10/2012

AGREEMENT FOR

NSP 3 ACQUISITION, REHABILITATION AND RESALE OF FORECLOSED HOMES

City of Glendale Solicitation No. 12-05

This Agreement for NSP 3 Acquisition, Rehabilitation and Resale of Foreclosed Homes ("Agreement") is effective and entered into between CITY OF GLENDALE, an Arizona municipal corporation ("City"), and Habitat for Humanity Central Arizona, an Arizona nonprofit corporation, authorized to do business in Arizona, (the "Contractor"), as of the 10th day of April, 2012.

RECITALS

- A. City intends to undertake a project for the benefit of the public and with public funds that is more fully set forth in **Exhibit A**, pursuant to Solicitation No. 12-05, NSP 3 Acquisition, Rehabilitation and Resale of Foreclosed Homes (the "Project");
- B. City desires to retain the services of Contractor to perform those specific duties and produce the specific work as set forth in the Project attached hereto;
- C. City and Contractor desire to memorialize their agreement with this document.

AGREEMENT

In consideration of the Recitals, which are confirmed as true and correct and incorporated by this reference, the mutual promises and covenants contained in this Agreement, and other good and valuable consideration, City and Contractor agree as follows:

1. Key Personnel; Sub-contractors.

- 1.1 Services. Contractor will provide all services necessary to assure the Project is completed timely and efficiently consistent with Project requirements, including, but not limited to, working in close interaction and interfacing with City and its designated employees, and working closely with others, including other contractors or consultants, retained by City.
- 1.2 Project Team.
 - a. Project Manager.
 - (1) Contractor will designate an employee as Project Manager with sufficient training, knowledge, and experience to, in the City's option, complete the Project and handle all aspects of the Project such that the work produced by Contractor is consistent with applicable standards as detailed in this Agreement;
 - (2) The City must approve the designated Project Manager; and
 - (3) To assure the Project schedule is met, Project Manager may be required to devote no less than a specific amount of time as set out in Exhibit A.
 - b. Project Team.
 - (1) The Project manager and all other employees assigned to the project by Contractor will comprise the "Project Team."
 - (2) Project Manager will have responsibility for and will supervise all other employees assigned to the project by Contractor.
 - c. Discharge, Reassign, Replacement.
 - (1) Contractor acknowledges the Project Team is comprised of the same persons and roles for each as may have been identified in the response to the Project's solicitation.

- (2) Contractor will not discharge, reassign or replace or diminish the responsibilities of any of the employees assigned to the Project who have been approved by City without City's prior written consent unless that person leaves the employment of Contractor, in which event the substitute must first be approved in writing by City.
- (3) Contractor will change any of the members of the Project Team at the City's request if an employee's performance does not equal or exceed the level of competence that the City may reasonably expect of a person performing those duties or if the acts or omissions of that person are detrimental to the development of the Project.

d. Sub-contractors.

- (1) Contractor may engage specific technical contractor (each a "Sub-contractor") to furnish certain service functions.
- (2) Contractor will remain fully responsible for Sub-contractor's services.
- (3) Sub-contractors must be approved by the City, unless the Sub-contractor was previously mentioned in the response to the solicitation.
- (4) Contractor shall certify by letter that contracts with Sub-contractors have been executed incorporating requirements and standards as set forth in this Agreement.

2. **Schedule.** The services will be undertaken in a manner that ensures the Project is completed timely and efficiently in accordance with the Project.

3. **Contractor's Work.**

3.1 Standard. Contractor must perform services in accordance with the standards of due diligence, care, and quality prevailing among contractors having substantial experience with the successful furnishing of services for projects that are equivalent in size, scope, quality, and other criteria under the Project and identified in this Agreement.

3.2 Licensing. Contractor warrants that:

- a. Contractor and Sub-contractors will hold all appropriate and required licenses, registrations and other approvals necessary for the lawful furnishing of services ("Approvals"); and
- b. Neither Contractor nor any Sub-contractor has been debarred or otherwise legally excluded from contracting with any federal, state, or local governmental entity ("Debarment").
 - (1) City is under no obligation to ascertain or confirm the existence or issuance of any Approvals or Debarments or to examine Contractor's contracting ability.
 - (2) Contractor must notify City immediately if any Approvals or Debarment changes during the Agreement's duration and the failure of the Contractor to notify City as required will constitute a material default under the Agreement.

3.3 Compliance. Services will be furnished in compliance with applicable federal, state, county and local statutes, rules, regulations, ordinances, building codes, life safety codes, and other standards and criteria designated by City.

3.4 Coordination; Interaction.

- a. For projects that the City believes requires the coordination of various professional services, Contractor will work in close consultation with City to proactively interact with any other professionals retained by City on the Project ("Coordinating Project Professionals").
- b. Subject to any limitations expressly stated in the Project Budget, Contractor will meet to review the Project, Schedule, Project Budget, and in-progress work with Coordinating

Project Professionals and City as often and for durations as City reasonably considers necessary in order to ensure the timely work delivery and Project completion.

- c. For projects not involving Coordinating Project Professionals, Contractor will proactively interact with any other contractors when directed by City to obtain or disseminate timely information for the proper execution of the Project.

3.5 Work Product.

- a. Ownership. Upon receipt of payment for services furnished, Contractor grants to City, and will cause its Sub-contractors to grant to the City, the exclusive ownership of and all copyrights, if any, to evaluations, reports, drawings, specifications, project manuals, surveys, estimates, reviews, minutes, all "architectural work" as defined in the United States Copyright Act, 17 U.S.C § 101, *et seq.*, and other intellectual work product as may be applicable ("Work Product").
 - (1) This grant is effective whether the Work Product is on paper (e.g., a "hard copy"), in electronic format, or in some other form.
 - (2) Contractor warrants, and agrees to indemnify, hold harmless and defend City for, from and against any claim that any Work Product infringes on third-party proprietary interests.
- b. Delivery. Contractor will deliver to City copies of the preliminary and completed Work Product promptly as they are prepared.
- c. City Use.
 - (1) City may reuse the Work Product at its sole discretion.
 - (2) In the event the Work Product is used for another project without further consultations with Contractor, the City agrees to indemnify and hold Contractor harmless from any claim arising out of the Work Product.
 - (3) In such case, City shall also remove any seal and title block from the Work Product.

4. **Compensation for the Project.**

- 4.1 Compensation. Contractor's compensation for the Project, including those furnished by its Sub-contractors will not exceed \$1,296,540.00, as specifically detailed in **Exhibit B** (the "Compensation").
- 4.2 Change in Scope of Project. The Compensation may be equitably adjusted if the originally contemplated scope of services as outlined in the Project is significantly modified.
 - a. Adjustments to the Compensation require a written amendment to this Agreement and may require City Council approval.
 - b. Additional services which are outside the scope of the Project contained in this Agreement may not be performed by the Contractor without prior written authorization from the City.

5. **Billings and Payment.**

5.1 Applications.

- a. Contractor will submit monthly invoices (each, a "Payment Application") to City's Project Manager and City will remit payments based upon the Payment Application as stated below.
- b. The period covered by each Payment Application will be one calendar month ending on the last day of the month or as specified in the solicitation.

5.2 Payment.

- a. After a full and complete Payment Application is received, City will process and remit payment within 30 days.
- b. Payment may be subject to or conditioned upon City's receipt of:
 - (1) Completed work generated by Contractor and its Sub-contractors; and
 - (2) Unconditional waivers and releases on final payment from Sub-contractors as City may reasonably request to assure the Project will be free of claims arising from required performances under this Agreement.

5.3 Review and Withholding. City's Project Manager will timely review and certify Payment Applications.

- a. If the Payment Application is rejected, the Project Manager will issue a written listing of the items not approved for payment.
- b. City may withhold an amount sufficient to pay expenses that City reasonably expects to incur in correcting the deficiency or deficiencies rejected for payment.

6. Termination.

6.1 For Convenience. City may terminate this Agreement for convenience, without cause, by delivering a written termination notice stating the effective termination date, which may not be less than 30 days following the date of delivery.

- a. Contractor will be equitably compensated for Service and Repair furnished prior to receipt of the termination notice and for reasonable costs incurred.
- b. Contractor will also be similarly compensated for any approved effort expended and approved costs incurred that are directly associated with project closeout and delivery of the required items to the City.

6.2 For Cause. City may terminate this Agreement for cause if Contractor fails to cure any breach of this Agreement within seven days after receipt of written notice specifying the breach.

- a. Contractor will not be entitled to further payment until after City has determined its damages. If City's damages resulting from the breach, as determined by City, are less than the equitable amount due but not paid Contractor for Service and Repair furnished, City will pay the amount due to Contractor, less City's damages, in accordance with the provision of § 5.
- b. If City's direct damages exceed amounts otherwise due to Contractor, Contractor must pay the difference to City immediately upon demand; however, Contractor will not be subject to consequential damages of more than \$1,000,000 or the amount of this Agreement, whichever is greater.

7. **Conflict.** Contractor acknowledges this Agreement is subject to A.R.S. § 38-511, which allows for cancellation of this Agreement in the event any person who is significantly involved in initiating, negotiating, securing, drafting, or creating the Agreement on City's behalf is also an employee, agent, or consultant of any other party to this Agreement.

8. Insurance.

8.1 Requirements. Contractor must obtain and maintain the following insurance ("Required Insurance"):

- a. Contractor and Sub-contractors. Contractor, and each Sub-contractor performing work or providing materials related to this Agreement must procure and maintain the insurance coverages described below (collectively referred to herein as the "Contractor's Policies"), until each Party's obligations under this Agreement are completed.

- b. General Liability.
- (1) Contractor must at all times relevant hereto carry a commercial general liability policy with a combined single limit of at least \$1,000,000 per occurrence and \$1,000,000 annual aggregate for each property damage and contractual property damage.
 - (2) Sub-contractors must at all times relevant hereto carry a general commercial liability policy with a combined single limit of at least \$1,000,000 per occurrence.
 - (3) This commercial general liability insurance must include independent contractors' liability, contractual liability, broad form property coverage, XCU hazards if requested by the City, and a separation of insurance provision.
 - (4) These limits may be met through a combination of primary and excess liability coverage.
- c. Auto. A business auto policy providing a liability limit of at least \$1,000,000 per accident for Contractor and \$1,000,000 per accident for Sub-contractors and covering owned, non-owned and hired automobiles.
- d. Workers' Compensation and Employer's Liability. A workers' compensation and employer's liability policy providing at least the minimum benefits required by Arizona law.
- e. Notice of Changes. Contractor's Policies must provide for not less than 30 days' advance written notice to City Representative of:
- (1) Cancellation or termination of Contractor or Sub-contractor's Policies;
 - (2) Reduction of the coverage limits of any of Contractor or and Sub-contractor's Policies; and
 - (3) Any other material modification of Contractor or Sub-contractor's Policies related to this Agreement.
- f. Certificates of Insurance.
- (1) Within 10 business days after the execution of the Agreement, Contractor must deliver to City Representative certificates of insurance for each of Contractor and Sub-contractor's Policies, which will confirm the existence or issuance of Contractor and Sub-contractor's Policies in accordance with the provisions of this section, and copies of the endorsements of Contractor and Sub-contractor's Policies in accordance with the provisions of this section.
 - (2) City is and will be under no obligation either to ascertain or confirm the existence or issuance of Contractor and Sub-contractor's Policies, or to examine Contractor and Sub-contractor's Policies, or to inform Contractor or Sub-contractor in the event that any coverage does not comply with the requirements of this section.
 - (3) Contractor's failure to secure and maintain Contractor Policies and to assure Sub-contractor policies as required will constitute a material default under the Agreement.
- g. Other Contractors or Vendors.
- (1) Other contractors or vendors that may be contracted with in connection with the Project must procure and maintain insurance coverage as is appropriate to their particular contract.
 - (2) This insurance coverage must comply with the requirements set forth above for Contractor's Policies (e.g., the requirements pertaining to endorsements to name the parties as additional insured parties and certificates of insurance).

- h. Policies. Except with respect to workers' compensation and employer's liability coverages, City must be named and properly endorsed as additional insureds on all liability policies required by this section.
 - (1) The coverage extended to additional insureds must be primary and must not contribute with any insurance or self insurance policies or programs maintained by the additional insureds.
 - (2) All insurance policies obtained pursuant to this section must be with companies legally authorized to do business in the State of Arizona and reasonably acceptable to all parties.

8.2 Sub-contractors.

- a. Contractor must also cause its Sub-contractors to obtain and maintain the Required Insurance.
- b. City may consider waiving these insurance requirements for a specific Sub-contractor if City is satisfied the amounts required are not commercially available to the Sub-contractor and the insurance the Sub-contractor does have is appropriate for the Sub-contractor's work under this Agreement.
- c. Contractor and Sub-contractors must provide to the City proof of the Required Insurance whenever requested.

8.3 Indemnification.

- a. To the fullest extent permitted by law, Contractor must defend, indemnify, and hold harmless City and its elected officials, officers, employees and agents (each, an "Indemnified Party," collectively, the "Indemnified Parties"), for, from, and against any and all claims, demands, actions, damages, judgments, settlements, personal injury (including sickness, disease, death, and bodily harm), property damage (including loss of use), infringement, governmental action and all other losses and expenses, including attorneys' fees and litigation expenses (each, a "Demand or Expense"; collectively, "Demands or Expenses") asserted by a third-party (i.e. a person or entity other than City or Contractor) and that arises out of or results from the breach of this Agreement by the Contractor or the Contractor's negligent actions, errors or omissions (including any Sub-contractor or other person or firm employed by Contractor), whether sustained before or after completion of the Project.
- b. This indemnity and hold harmless provision applies even if a Demand or Expense is in part due to the Indemnified Party's negligence or breach of a responsibility under this Agreement, but in that event, Contractor shall be liable only to the extent the Demand or Expense results from the negligence or breach of a responsibility of Contractor or of any person or entity for whom Contractor is responsible.
- c. Contractor is not required to indemnify any Indemnified Parties for, from, or against any Demand or Expense resulting from the Indemnified Party's sole negligence or other fault solely attributable to the Indemnified Party.

9. Immigration Law Compliance.

- 9.1 Contractor, and on behalf of any subcontractor, warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.
- 9.2 Any breach of warranty under subsection 9.1 above is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.

- 9.3 City retains the legal right to inspect the papers of any Contractor or subcontractor employee who performs work under this Agreement to ensure that the Contractor or any subcontractor is compliant with the warranty under subsection 9.1 above.
- 9.4 City may conduct random inspections, and upon request of City, Contractor shall provide copies of papers and records of Contractor demonstrating continued compliance with the warranty under subsection 9.1 above. Contractor agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this section.
- 9.5 Contractor agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon Contractor and expressly accrue those obligations directly to the benefit of the City. Contractor also agrees to require any subcontractor to incorporate into each of its own subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of the City.
- 9.6 Contractor's warranty and obligations under this section to the City is continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.
- 9.7 The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

10. Foreign Prohibitions. Contractor certifies under A.R.S. §§ 35-391 *et seq.* and 35-393 *et seq.*, that it does not have, and during the term of this Agreement will not have, "scrutinized" business operations, as defined in the preceding statutes, in the countries of Sudan or Iran.

11. Notices.

- 11.1 A notice, request or other communication that is required or permitted under this Agreement (each a "Notice") will be effective only if:
- a. The Notice is in writing; and
 - b. Delivered in person or by overnight courier service (delivery charges prepaid), certified or registered mail (return receipt requested); and
 - c. Notice will be deemed to have been delivered to the person to whom it is addressed as of the date of receipt, if:
 - (1) Received on a business day, or before 5:00 p.m., at the address for Notices identified for the Party in this Agreement by U.S. Mail, hand delivery, or overnight courier service on or before 5:00 p.m.; or
 - (2) As of the next business day after receipt, if received after 5:00 p.m.
 - d. The burden of proof of the place and time of delivery is upon the Party giving the Notice; and
 - e. Digitalized signatures and copies of signatures will have the same effect as original signatures.

11.2 Representatives.

- a. Contractor. Contractor's representative (the "Contractor's Representative") authorized to act on Contractor's behalf with respect to the Project, and his or her address for Notice delivery is:

Lisa Weide
c/o Habitat for Humanity Central Arizona
9133 NW Grand Avenue, Suite 1
Peoria, Arizona 85345

- b. City. City's representative ("City's Representative") authorized to act on City's behalf, and his or her address for Notice delivery is:

City of Glendale
c/o Charyn Eirich-Palmisano
5850 West Glendale Avenue, Suite 107
Glendale, Arizona 85301
623-930-3670

With required copy to:

City Manager
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

City Attorney
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

- c. Concurrent Notices.

- (1) All notices to City's representative must be given concurrently to City Manager and City Attorney.
- (2) A notice will not be deemed to have been received by City's representative until the time that it has also been received by City Manager and City Attorney.
- (3) City may appoint one or more designees for the purpose of receiving notice by delivery of a written notice to Contractor identifying the designee(s) and their respective addresses for notices.

- d. Changes. Contractor or City may change its representative or information on Notice, by giving Notice of the change in accordance with this section at least ten days prior to the change.

12. **Financing Assignment.** City may assign this Agreement to any City-affiliated entity, including a non-profit corporation or other entity whose primary purpose is to own or manage the Project.

13. **Entire Agreement; Survival; Counterparts; Signatures.**

13.1 Integration. This Agreement contains, except as stated below, the entire agreement between City and Contractor and supersedes all prior conversations and negotiations between the parties regarding the Project or this Agreement.

- a. Neither Party has made any representations, warranties or agreements as to any matters concerning the Agreement's subject matter.
- b. Representations, statements, conditions, or warranties not contained in this Agreement will not be binding on the parties.
- c. The solicitation, any addendums and the response submitted by the Contractor are incorporated into this Agreement as if attached hereto. Any Contractor response modifies the original solicitation as stated. Inconsistencies between the solicitation, any addendums

and the response or any excerpts attached as Exhibit A and this Agreement will be resolved by the terms and conditions stated in this Agreement.

13.2 Interpretation.

- a. The parties fairly negotiated the Agreement's provisions to the extent they believed necessary and with the legal representation they deemed appropriate.
- b. The parties are of equal bargaining position and this Agreement must be construed equally between the parties without consideration of which of the parties may have drafted this Agreement.
- c. The Agreement will be interpreted in accordance with the laws of the State of Arizona.

13.3 Survival. Except as specifically provided otherwise in this Agreement, each warranty, representation, indemnification and hold harmless provision, insurance requirement, and every other right, remedy and responsibility of a Party, will survive completion of the Project, or the earlier termination of this Agreement.

13.4 Amendment. No amendment to this Agreement will be binding unless in writing and executed by the parties. Any amendment may be subject to City Council approval. Electronic signature blocks do not constitute execution.

13.5 Remedies. All rights and remedies provided in this Agreement are cumulative and the exercise of any one or more right or remedy will not affect any other rights or remedies under this Agreement or applicable law.

13.6 Severability. If any provision of this Agreement is voided or found unenforceable, that determination will not affect the validity of the other provisions, and the voided or unenforceable provision will be deemed reformed to conform to applicable law.

13.7 Counterparts. This Agreement may be executed in counterparts, and all counterparts will together comprise one instrument.

14. **Term.** The term of this Agreement commences upon the effective date and continues for a one year initial period. The City may, at its option and with the approval of the Contractor, extend the term of this Agreement an additional four years, renewable on an annual basis. Contractor will be notified in writing by the City of its intent to extend the Agreement period at least 30 calendar days prior to the expiration of the original or any renewal Agreement period. Price adjustments will only be reviewed during the Agreement renewal period. There are no automatic renewals of this Agreement.

15. **Dispute Resolution.** Each claim, controversy and dispute (each a "Dispute") between Contractor and City will be resolved in accordance with Exhibit C. The final determination will be made by the City.

16. **Exhibits.** The following exhibits, with reference to the term in which they are first referenced, are incorporated by this reference.

- Exhibit A Project
- Exhibit B Compensation
- Exhibit C Dispute Resolution

(Signatures appear on the following page.)

The parties enter into this Agreement as of the effective date shown above.

City of Glendale,
an Arizona municipal corporation

Habitat Skub for
Ed Beasley, City Manager

ATTEST:

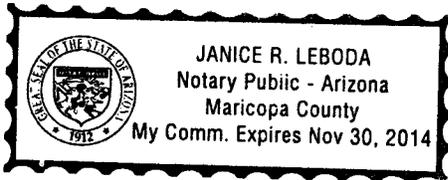
[Signature]
City Clerk (SEAL)

APPROVED AS TO FORM:

[Signature]
City Attorney

Habitat for Humanity Central Arizona,
an Arizona nonprofit corporation

[Signature] PRESIDENT
By: Roger Schwierjohn
Its: President



State of Arizona
County of Maricopa

Notary Janice R Leboda
My Commission Expires
Nov 30 2014

On this 19th day of April 2012 personally appeared
Before me Roger Schwierjohn who is President of
Habitat for Humanity Central Arizona a corporation and
that the instrument was signed in behalf of the said corporation
by the authority of its board of directors and acknowledged said
instrument to be its voluntary act and deed

EXHIBIT A
NSP 3 ACQUISITION, REHABILITATION AND RESALE OF FORECLOSED HOMES
PROJECT

[See attached]

Exhibit A

Project Description

Neighborhood Stabilization Program 3 (NSP 3) funds will be used to purchase and renovate foreclosed single-family homes in the target areas of the City of Glendale (City) as outlined in the attached boundary maps (Exhibit 1). Once the renovation is complete, Habitat for Humanity Central Arizona (Contractor) will resell each single-family home to an income qualified first time home buyer.

Contractor will acquire and rehabilitate up to twelve (12) single-family, vacant, foreclosed homes within the City's NSP3 targeted areas. The homes will then be re-sold at or below the total cost of acquisition and rehabilitation, to income qualified residents at or below 120% AMI. Six (6) of the homes will utilize the traditional contractor financing model of 0% percent mortgages for the qualified homeowners. Mortgage payments are placed in a "Fund for Humanity" and used to purchase land and build/rehabilitate more homes.

Contractor has confirmed with the City, that Davis Bacon Requirements will NOT be triggered, if the scattered sites purchased are more than 2,000 feet in distance from each other. We know that Davis Bacon can be triggered, if more than seven (7) sites are located within 2,000 feet of each other.

Contractor will manage all aspects of home building including land purchase, infrastructure development, fund raising, partner family selection and support, house construction and mortgage servicing in conjunction with City staff. Of the potential twelve (12) houses to be acquired, six (6) of the homes will be rehabilitated by the City, and sold by the Contractor. All net proceeds from these sales will return to the City.

During the acquisition phase, the Contractor's Director of Land Development, Tana Nichols, will consult with local realtors to identify vacant, foreclosed properties in the City's targeted district. Ms. Nichols will work with the City to obtain the required environmental assessments and clearances. Contractor will utilize JRM Environmental, Inc. to complete the asbestos and lead based paint inspections.

Maribel Saucedo is the Contractor's Director of Family Services and is a U.S. Department of Housing and Urban Development (HUD)-certified housing and credit counselor with eight (8) years of experience in the affordable housing market. Contractor's Family Services Department will be conducting outreach to schools, neighborhoods, community groups, churches, housing shelters, etc., to advertise our mission and the family orientation sessions. The marketing materials are available in both English and Spanish. Contractor has bilingual staff available to serve the Spanish-speaking population.

Families will receive the HUD required eight (8) hours of certified pre- and post-homeowner counseling in the areas of budgeting, credit, delinquency and foreclosure prevention, refinance, anti-predatory lending counseling and financial literacy training to strengthen money management and financial planning skills. These services are provided by HUD approved counselors in partnership with Neighborhood Housing Services of Phoenix.

Contractor will seek to acquire vacant, foreclosed properties at a minimum of 1% less than market or appraised value. In the current environment, it is very important to conduct all the background research on the properties prior to submitting the offer. It is equally important to note that due to all the activity in the market right now there is a short window, typically two-to-three days, in which to make an offer on a new property. It has been our experience that the foreclosed homes being placed on the market are priced significantly below appraised value to encourage a bidding war on the property.

Contractor would partner with the Sustainable Home Ownership Coalition and/or real estate brokers that it has prior relationships with. Contractor will utilize brokers that have demonstrated that they have strong relationships with the mortgage lenders. The real estate brokers the Contractor uses must be able to

communicate with the mortgage lenders and let them know that the offer is from the Contractor. A real estate broker's ability to communicate with the mortgage lender is very important to the success of the sale. Contractor will need additional time, typically twenty-one (21) days, to complete all of its due diligence including utilities, boundary surveys, environmental clearances, asbestos and lead paint inspections and testing.

During the construction rehabilitation phase, it may be necessary to sub-contract a portion of the activities. In the event sub-contractors are needed, Contractor will solicit for them according to the rules and regulations of the City and the Federal Procurement Standards, including but not limited to, appropriate licensure, insurance, not listed on the Excluded Party Listing System, and is willing to comply with Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u and the implementing regulation 24 CFR Part 135 (Section 3) and vicinity hiring requirements for NSP 3.

Contractor's greatest cost savings during this Project will be the costs saved on labor. Contractor will utilize one highly trained site supervisor to engage a host of volunteers who are all donating their time to rehabilitate the homes. It is anticipated that contractor volunteers will donate 864 hours of time on each of the twelve (12) homes rehabilitated. That is a labor savings of \$10,749 per home. For the Project, it means 10,368 hours of volunteer labor, or One Hundred Twenty Eight Thousand and Nine Hundred Eighty-Eight Dollars 00/100 (\$128,988) of in-kind labor. Contractor will leverage the funds saved to be able to incorporate as many energy efficient and green building features into the homes as possible and still have the home be affordable.

All of the homes will have an individual scope of work, budget and schedule of activities created. Rehabilitation of a home typically takes six weeks. The condition of the properties will determine the extent of the rehabilitation required. A restrictive covenant will be placed on the property to ensure that it remains an affordable home for low, moderate and middle income households (LMMI) for a prescribed period of time. The restrictive covenant shall be in effect for an affordability period based on the level of disposition assistance as set forth in the table below. The covenant and restrictions shall run with the land and be binding on future owners of the property for the affordability period. The property shall at all times be occupied as the principal residence of the owner and shall not be rented or leased. If the property is initially sold to a LMMI buyer, the property must be resold only to another LMMI buyer. The restrictive covenant shall run with the land; however, the restrictions shall terminate in the event of foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD.

LONG TERM AFFORDABILITY TABLE	
Amount of Disposition Assistance	Years of Restriction
\$0.00 to \$15,000	5 years
\$15,000.01 to \$40,000	10 years
More than \$40,000	15 years

In addition to Section 3 requirements, NSP 3, unlike the previous NSP programs, has a requirement for vicinity hiring. The purpose of vicinity hiring is to ensure that employment and other economic opportunities generated by HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, 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 low and very low-income persons residing or located within the NSP 3 Target Area.

Activities may include, but are not limited to, some or all of the following activities:

1. Advertise the availability of jobs through notices in prominent locations within the NSP 3 Target Area and surrounding areas. In addition, advertise in the local electronic or print media in languages spoken by NSP 3 Target Area residents.
2. Distribute information door-to-door to residents and any businesses in the NSP 3 Target Area.
3. Contact public housing developments within the NSP 3 Target Area to provide information about hiring to public housing residents.
4. Provide contact information via telephone, e-mail or social media for residents and business within the NSP 3 Target Area to make inquiries or have questions answered.
5. Maintain a log of NSP 3 Target Area applicants who apply for jobs whether they are hired or not. If they are not hired, provide the reason(s) why they were not hired.
6. Contact labor organizations or representatives in or near the NSP 3 Target Area and inform their members of employment opportunities.
7. Create monthly reports to be delivered to the City that detail contractor's efforts in hiring low-income individuals and businesses from the NSP 3 Target Areas.
8. Notify Section 3 businesses of potential contract opportunities.

Copies shall be maintained of all employment applications, including, but not limited to, applications of public housing residents, Section 8 certificate or voucher holders, and other Section 3 residents.

A monthly report will be required to provide to the City summarizing NSP 3 activities. The report should provide a status of each NSP 3 project, the use of funds, and a report of client information. The monthly reports shall include, but not be limited to, the following information:

1. Project Name
2. Activity
3. Location of the acquired home(s), including parcel identification number and address
4. Purchase amount for each home
5. Appraised amount for each home
6. Discount amount for each home
7. Funds budgeted and expended for each home
8. Development schedule for each home
9. Source and Use statement of non-NSP 3 funds
10. Number of LMMI persons or households benefiting from the NSP3 activity

11. Section 3 and Vicinity Hiring Data

The Contractor agrees to enforce the occupancy requirements as outlined in this document and additional federal and state requirements as applicable. The Contractor is required to manage and maintain occupancy requirements during the affordability period as shown in the Long Term Affordability Table. The recipient and owner will agree that should occupancy requirements not be met, corrective actions will be enforced. Occupancy requirements will be enforced by a recorded covenant running with the property. A yearly report shall be submitted to the City documenting the occupancy status, date of verification, and action taken as necessary to maintain occupancy during the affordability period.

EXHIBIT 1
City of Glendale Boundary Maps

CITY OF GLENDALE'S COMMUNITY REVITALIZATION

NSP 3 ACQUISITION, REHABILITATION, AND RESALE OF FORECLOSED HOMES

Target Area Map 1

Boundaries:

North: Orangewood Ave

South: Glendale Ave

East: 53rd Ave

West: 57th Ave



CITY OF GLENDALE'S COMMUNITY REVITALIZATION

NSP 3 ACQUISITION, REHABILITATION, AND RESALE OF FORECLOSED HOMES

Target Area Map 2

Boundaries:

North: Glendale Ave

South: Ocotillo Road

East: 63rd Ave

West: 67th Ave



CITY OF GLENDALE'S COMMUNITY REVITALIZATION

NSP 3 ACQUISITION, REHABILITATION, AND RESALE OF FORECLOSED HOMES

Target Area Map 3

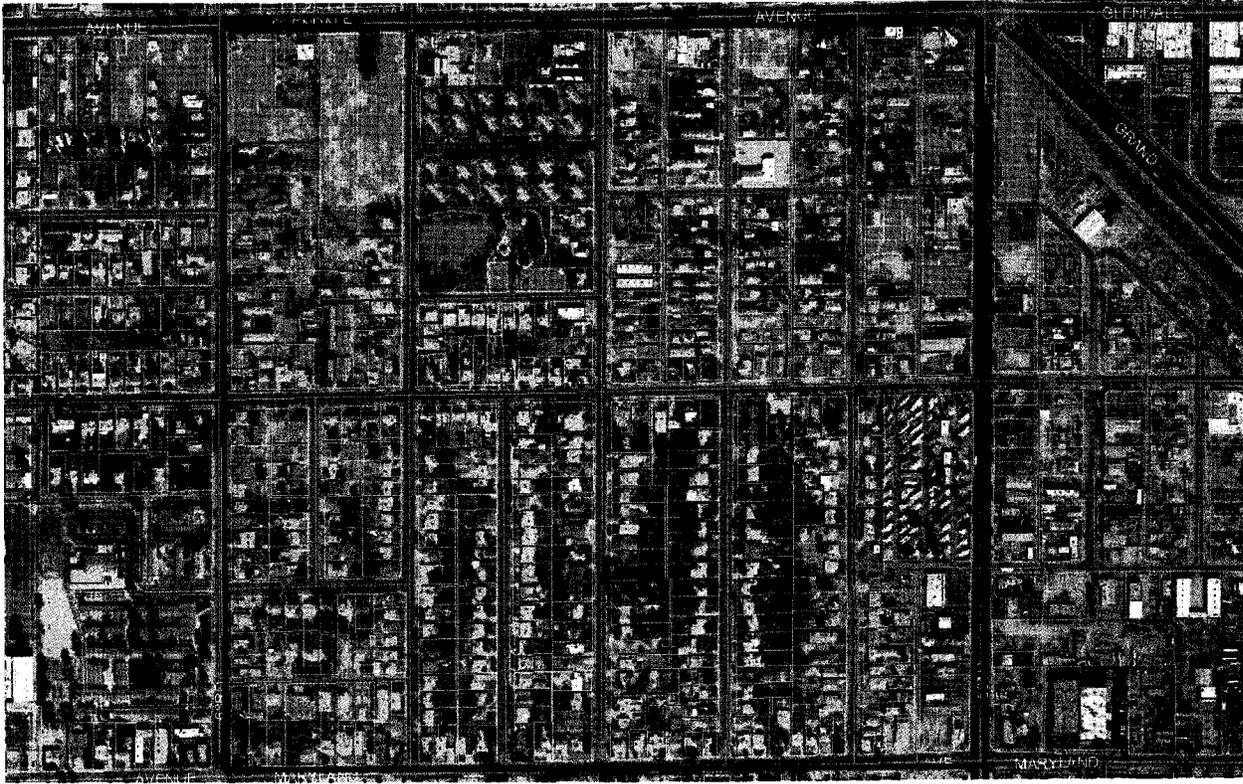
Boundaries:

North: Glendale Ave

South: Maryland Ave

East: 59th Ave

West: 63rd Ave



CITY OF GLENDALE'S COMMUNITY REVITALIZATION

NSP 3 ACQUISITION, REHABILITATION, AND RESALE OF FORECLOSED HOMES

Target Area Map 4

Boundaries:

North: Glendale Ave

South: Maryland Ave

East: 51 st Ave

West: Grand Ave



CITY OF GLENDALE'S COMMUNITY REVITALIZATION

NSP 3 ACQUISITION, REHABILITATION, AND RESALE OF FORECLOSED HOMES

Target Area Map 5

Boundaries:

North: Glendale Ave

South: Maryland Ave

East: 43rd Ave

West: 51 st Ave

