



The Regular Meeting of the West Valley City Council will be held on Tuesday, September 22, 2015, at 6:30 PM, in the City Council Chambers, West Valley City Hall, 3600 Constitution Boulevard, West Valley City, Utah. Members of the press and public are invited to attend.

Posted September 17, 2015 at 9:45 A.M.

## A G E N D A

1. Call to Order
2. Roll Call
3. Opening Ceremony: Ron Bigelow
4. Special Recognitions
5. Approval of Minutes:
  - A. September 8, 2015
6. Comment Period:

*(The comment period is limited to 30 minutes. Any person wishing to comment shall limit their comments to five minutes. Any person wishing to comment during the comment period shall request recognition by the Mayor. Upon recognition, the citizen shall approach the microphone. All comments shall be directed to the Mayor. No person addressing the City Council during the comment period shall be allowed to comment more than once during that comment period. Speakers should not expect any debate with the Mayor, City Council or City Staff; however, the Mayor, City Council or City Staff may respond within the 30-minute period.)*

### A. Public Comments

*West Valley City does not discriminate on the basis of race, color, national origin, gender, religion, age or disability in employment or the provision of services.*

*If you are planning to attend this public meeting and, due to a disability, need assistance in understanding or participating in the meeting, please notify the City eight or more hours in advance of the meeting and we will try to provide whatever assistance may be required. The person to contact for assistance is Nichole Camac.*

- B. City Manager Comments
  - C. City Council Comments
7. Resolutions:
    - A. 15-155: Authorizing the Execution of a Subgrant Agreement Between West Valley City and Salt Lake County to Conduct the 2015-2016 HOME Investment Partnership Program
  8. Motion for Executive Session
  9. Adjourn

**MINUTES OF COUNCIL REGULAR MEETING – SEPTEMBER 8, 2015**

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THE WEST VALLEY CITY COUNCIL MET IN REGULAR SESSION ON TUESDAY, SEPTEMBER 8, 2015, AT 6:30 P.M. IN THE COUNCIL CHAMBERS, WEST VALLEY CITY HALL, 3600 CONSTITUTION BOULEVARD, WEST VALLEY CITY, UTAH. THE MEETING WAS CALLED TO ORDER AND CONDUCTED BY MAYOR BIGELOW.

THE FOLLOWING MEMBERS WERE PRESENT:

Ron Bigelow, Mayor  
Corey Rushton, Councilmember At-Large  
Lars Nordfelt, Councilmember At-Large  
Tom Huynh, Councilmember District 1  
Steve Buhler, Councilmember District 2  
Karen Lang, Councilmember District 3

ABSENT:

Steve Vincent, Councilmember District 4 (Excused)

STAFF PRESENT:

Wayne Pyle, City Manager  
Nichole Camac, City Recorder

Nicole Cottle, Assistant City Manager/CED Director  
Eric Bunderson, City Attorney  
Kevin Astill, Parks and Recreation Director  
Russell Willardson, Public Works Director  
Jim Welch, Finance Director  
Bob Fitzgerald, Acting Fire Chief  
Lee Russo, Police Chief  
Jake Arslanian, Public Works Department

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**OPENING CEREMONY**

The Opening Ceremony was conducted by Corey Rushton who showed a humorous video relating to the Humane Society in Calgary, Canada.

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**SPECIAL RECOGNITIONS**

Mayor Bigelow welcomed Scout Troop Nos. 9646 and 917 in attendance at the meeting to complete requirements for the Citizenship in the Community and Communications merit badges.

**MINUTES OF COUNCIL REGULAR MEETING – SEPTEMBER 8, 2015**

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The Mayor also recognized student body officers of Eisenhower Jr. High School in attendance to learn how to be good leaders.

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**APPROVAL OF MINUTES OF REGULAR MEETING HELD AUGUST 25, 2015**

The Council read and considered Minutes of the Regular Meeting held August 25, 2015. There were no changes, corrections or deletions.

After discussion, Councilmember Nordfelt moved to approve the Minutes of the Regular Meeting held August 25, 2015, as written. Councilmember Huynh seconded the motion.

A roll call vote was taken:

Ms. Lang	Yes
Mr. Buhler	Yes
Mr. Huynh	Yes
Mr. Rushton	Yes
Mr. Nordfelt	Yes
Mayor Bigelow	Yes

Unanimous.

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**COMMENT PERIOD**

Upon inquiry by Mayor Bigelow, the following individuals addressed the City Council during the comment period:

**A. PUBLIC COMMENT**

Julie Erickson addressed the City Council and stated she was concerned about code enforcement regulations in the Chesterfield area. Ms. Erickson indicated she had been required to build a garage and shed a certain distance from the property line, but people in Chesterfield were building chicken coops directly on property lines. She also stated she had contacted code enforcement but not received a response. She expressed that certain laws were up to Code Enforcement officers while it seemed others were by the book. She indicated she did not understand the point system for animals allowed on a property and expressed concerns regarding the point system for new homes in the city.

**B. CITY COUNCIL COMMENTS**

Mayor Bigelow stated he had spoken to Ms. Erickson's prior to the meeting and a staff person would speak with her and attempt to resolve her issues.

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**RESOLUTION NO. 15-149, APPROVE ADDENDUM BETWEEN WEST VALLEY CITY AND HARRIS SYSTEMS USA INC. DBA HARRIS ERP FOR SOFTWARE CONVERSION AND SUPPORT SERVICES**

**MINUTES OF COUNCIL REGULAR MEETING – SEPTEMBER 8, 2015**

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Mayor Bigelow presented proposed Resolution No. 15-149 that would approve an Addendum between West Valley City and Harris Systems USA dba Harris ERP in the amount of \$242,861.00, for software conversion and support services.

The proposal would upgrade the City's financial management, human resource and utility billing software by replacing the current GEMS Financials (a Harris Systems USA, Inc. owned company) with the Innoprise Web-based Enterprise Planning Suite for local governments and utilities.

The City's current financial management software was outdated and unable to support the requirements of newer technology and efficiency. The Innoprise Enterprise Resource Planning (ERP) suite provided a long-term solution to reporting and efficient integration of software processes.

The City had purchased the GEMS product in 2006 and anticipated upgrading to the Innoprise ERP software as the City expanded to include Storm Water and Sanitation utility billing. Harris Systems USA Inc. owned the Innoprise Suite and provided a "Software for Life" program whereby the City needed only purchase software licenses once for a particular function. If West Valley City decided to purchase a newer or different product from Harris, there would be no additional licensing fee except for new modules requested. The costs incurred by the City for implementation of a new Harris solution included any new licensing, data conversation, system design, and training.

Staff had explored various software solutions and found the costs to move to another provider would be substantially prohibitive. The Software for Life program facilitated a cost effective and efficient way for the City to improve its financial and operations software at substantial cost savings. Review had been done regarding multiple entities that had implemented the product or were current users, and a very high degree of satisfaction with the product had been found.

Funding for the project would be \$150,000.00 from the CIP reserves and \$92,861.00 from the Storm Water and Sanitation funds.

After discussion, Councilmember Lang moved to approve Resolution No. 15-149, a Resolution Approving an Addendum Between West Valley City and Harris Systems USA Inc. d/b/a Harris ERP in the amount of \$242,861.00 for Software Conversation and Support Services. Councilmember Buhler seconded the motion.

A roll call vote was taken:

Ms. Lang	Yes
Mr. Buhler	Yes
Mr. Huynh	Yes

**MINUTES OF COUNCIL REGULAR MEETING – SEPTEMBER 8, 2015**

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Mr. Rushton	Yes
Mr. Nordfelt	Yes
Mayor Bigelow	Yes

Unanimous.

**RESOLUTION NO. 15-150, AUTHORIZE THE CITY TO ENTER INTO A RIGHT OF WAY CONTRACT WITH GENEVA ROCK PRODUCTS, INC. AND TO ACCEPT A PERPETUAL UTILITY EASEMENT AND A TEMPORARY CONSTRUCTION EASEMENT FOR PROPERTY LOCATED AT 6652 WEST 6200 SOUTH**

Mayor Bigelow presented proposed Resolution No. 15-150 that would authorize the City to enter into a Right of Way Contract with Geneva Rock Products, Inc., and to accept a Perpetual Utility Easement and a Temporary Construction Easement for property located at 6652 West 6200 South.

Geneva Rock Products, Inc. had signed the Right of Way Contract, a Perpetual Utility Easement, and a Temporary Construction Easement.

The Geneva Rock Products, Inc. parcel was one of the properties affected by the 6200 South Extension Project. The project would extend 6200 South from the Mountain View Corridor to SR-111. Right-of-way for the project had been acquired from Geneva Rock Products, Inc. in 2014 using corridor preservation funds before the complete easement impact would have been known. As the design of the project had been completed, the acquisition of a perpetual utility easement and a temporary easement had become necessary. Compensation for the purchase of these easements would be in the amount of \$39,600.00 based on an appraisal report prepared by Integra Realty Resources.

The project was being funded under the Surface Transportation Program (STP) with federal funds. Under a previously executed federal aid agreement, West Valley City was responsible for 6.77% of all project costs including right-of-way. With the total value of the easements for this acquisition being \$39,600.00, the City's share of these easements would be \$2,680.92.

After discussion, Councilmember Rushton moved to approve Resolution No. 15-150, a Resolution Authorizing the City to Enter Into a Right-of-Way Contract With Geneva Rock Products, Inc. and to Accept a Perpetual Utility Easement and a Temporary Construction Easement for Property Located at 6652 West 6200 South. Councilmember Lang seconded the motion.

A roll call vote was taken:

Ms. Lang	Yes
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**MINUTES OF COUNCIL REGULAR MEETING – SEPTEMBER 8, 2015**

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Mr. Buhler	Yes
Mr. Huynh	Yes
Mr. Rushton	Yes
Mr. Nordfelt	Yes
Mayor Bigelow	Yes

Unanimous.

**MOTION TO ADJOURN**

Councilmember Buhler moved to adjourn. Councilmember Huynh seconded the motion.

A roll call vote was taken:

Ms. Lang	Yes
Mr. Buhler	Yes
Mr. Huynh	Yes
Mr. Rushton	Yes
Mr. Nordfelt	Yes
Mayor Bigelow	Yes

Unanimous.

THERE BEING NO FURTHER BUSINESS OF THE WEST VALLEY COUNCIL THE REGULAR MEETING OF TUESDAY, SEPTEMBER 8, 2015, WAS ADJOURNED AT 6:44 P.M. BY MAYOR BIGELOW.

I hereby certify the foregoing to be a true, accurate and complete record of the proceedings of the Regular Meeting of the West Valley City Council held Tuesday, September 8, 2015.

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Nichole Camac  
City Recorder

**Item:** SALT LAKE COUNTY HOME PROGRAM

**Reso.** 15-155

**Fiscal Impact:** \$212,943

**Funding Source:** HOME FUNDS

**Account #:** 60-6082-40851-00000-0000

**Budget Opening Required:** X

**ISSUE:**

Receive approval to enter into a Sub-grant Agreement, for contract # BV14114, with Salt Lake County for the FY 2015-2016 HOME Investment Partnership Program.

**SYNOPSIS:**

As the lead agency in the local HOME consortium, Salt Lake County has notified West Valley City of their annual allocation of HOME funds. West Valley City will administer Down Payment Assistance Program, and two Rehabilitation Programs using these funds. West Valley City will receive ten percent administrative fees.

I.	Housing Rehabilitation Programs Total Budget	\$ 166,943.00
	a. Rehabilitations:	\$ 151,649.00
	b. Project delivery costs:	\$ 15,294.00
II.	Down Payment Assistance Program Total Budget	\$ <u>46,000.00</u>
	a. Down payments:	\$ 40,000.00
	b. Project delivery costs:	\$ 6,000.00
	<b>Total</b>	<b>\$ 212,943.00</b>

**BACKGROUND:**

The County has entered into a grant agreement with the U.S. Department of Housing and Urban Development (HUD) for financial assistance to conduct a HOME Investment Partnership Program (HOME Program) pursuant to the HOME Investment Partnerships Act, Title II of the Cranston-Gonzales National Affordable Housing Act, 42 U.S.C. 12701-12839, as amended, and subject to the Rules and Regulations, promulgated by HUD governing the conduct of HOME Investment Partnership Programs including, but not limited to , Title 24, Part 92 of the Code of Federal Regulations (CFR) (the Rules and Regulations); and the applicable Circulars published by the U.S. Office of Management and Budget (OMB Circulars).

Salt Lake County has created a consortium involving six Utah cities. West Valley City is a member of the Salt Lake County Consortium, as per the HUD HOME Interlocal Agreement signed in May 2011. Each year West Valley City has been allocated HOME funds through this partnership. The funding is restrictive allowing only residential construction, home rehabilitation and down payment assistance.

**RECOMMENDATION:**

It is recommended that the Sub-grant Agreement be approved.

**SUBMITTED BY:**

Heather Royall, WVC Assistant Grants Administrator

**WEST VALLEY CITY**

**RESOLUTION NO. 15-155**

**A RESOLUTION AUTHORIZING THE EXECUTION OF  
A SUBGRANT AGREEMENT BETWEEN WEST VALLEY  
CITY AND SALT LAKE COUNTY TO CONDUCT THE  
2015-2016 HOME INVESTMENT PARTNERSHIP  
PROGRAM.**

**WHEREAS**, Salt Lake County entered into a grant agreement with the United States Department of Housing and Urban Development for financial assistance to conduct a Home Investment Partnership Program (“HOME”) program; and

**WHEREAS**, West Valley City (the “City”) is a member of the Salt Lake County Consortium, which was formed to receive a portion of such federal grants under the HOME Investment Partnership Program; and

**WHEREAS**, the City has been allocated \$212,943.00 in HOME program funds for a period of 12 months, to be used for a Down Payment Assistance Program and two Housing Rehabilitation Programs; and

**WHEREAS**, an Agreement has been prepared for execution by and between the City and Salt Lake County. That Agreement, which is attached hereto and entitled “Subgrant Agreement for the Conduct of a Home Investment Partnerships Program between Salt Lake County and West Valley City,” sets forth the rights, duties, and obligations of each of the parties with respect thereto; and

**WHEREAS**, the City Council of West Valley City, Utah, does hereby determine that it is in the best interests of the health, safety, and welfare of the citizens of West Valley City to authorize the execution of the above-referenced Agreement;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of West Valley City, Utah, that the document entitled “Subgrant Agreement for the Conduct of a Home Investment Partnerships Program between Salt Lake County and West Valley City” is hereby approved in substantially the form attached, and that the Mayor is hereby authorized to execute said Agreement for and on behalf of West Valley City, subject to approval of the final form of the Agreement by the City Attorney’s Office.

**PASSED, APPROVED and MADE EFFECTIVE** this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

WEST VALLEY CITY

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY RECORDER

SALT LAKE COUNTY  
County Contract No. BV15114  
HOME Homeownership  
District Attorney No. 15-03633  
HOME Program Year 2015  
Home Project No: HM14WVC15

**SUBGRANT AGREEMENT FOR THE CONDUCT OF A  
HOME INVESTMENT PARTNERSHIPS PROGRAM**

Between  
**SALT LAKE COUNTY**  
And  
**WEST VALLEY CITY**

THIS SUBGRANT AGREEMENT shall be effective as of the 1<sup>st</sup> day of July, 2015, by and between SALT LAKE COUNTY, a body corporate and politic of the State of Utah, ("County"), and WEST VALLEY CITY, body politic and corporate of the State of Utah, 3600 Constitution Blvd., West Valley City, Utah, 84119, ("Grantee"). County and Grantee may be referred to as the "Parties."

**RECITALS**

A. County has entered into a grant agreement (the "Grant Agreement") with the United States Department of Housing and Urban Development ("HUD") for financial assistance to conduct a HOME Investment Partnership Program (the "HOME Program") pursuant to the HOME Investment Partnerships Act, located at Title II of the Cranston-Gonzales National Affordable Housing Act, 42 U.S.C. 12701-12898 (the "Act"), as amended, and subject to the Rules and Regulations, promulgated by HUD governing the conduct of HOME Investment Partnership Programs including, but not limited to, Title 24, Part 92 of the Code of Federal Regulations ("CFR") (the "Rules and Regulations"); and the applicable Circulars published by the U.S. Office of Management and Budget (the "OMB Circulars"); and

B. Based on recommendations made by the Salt Lake County Consortium Housing Committee, the Mayor of Salt Lake County approved the sub-grant of the funds described in this Agreement to be used for the purposes described herein on May 1, 2015 ("Home Project"); and

C. Under this Agreement, Grantee will receive HOME Program funds from County under County's HOME Program and, therefore, this Agreement is a subgranting arrangement arrived at between County and Grantee.

THEREFORE, in consideration of the mutual promises, payments, and other provisions hereof, County and Grantee agree as follows:

1. Content of this Agreement. This Agreement consists of the Terms and Conditions and the following listed contract Parts and Attachments, together with all of the HOME Program requisites referred to in Paragraph 14 below whether or not they are attached:

(a) Attachment I Statement of Work (including all Sub-attachments if this Agreement covers more than one Home Project).

(b) Attachment II Budget (including all Sub-attachments if this Agreement covers more than one Home Project).

(c) Attachment III Home Project Schedule (including all Sub-attachments if this Agreement covers more than one Home Project).

(d) Attachment IV Green and Healthy Homes Initiative (GHHI) Operating Standards

2. Home Project Responsibility. The Community Resources and Development Division of the County ("CRD") is hereby designated as the representative of County regarding all HOME Program matters and shall be responsible for the overall administration and management of that program and the manner in which the activities or Home Projects described herein are conducted. In the administration of this Agreement, CRD shall coordinate with all County's agencies, as appropriate.

3. Statement of Work. The activities or Home Projects to be conducted are listed in County's Program Description as submitted to HUD for the HOME Program Year specified on Page 1 above, and are generally described in the Statement of Work, which is Attachment I. Grantee shall perform or cause to be performed all work required for the Home Project, and, in that performance, shall conduct all personnel staffing and contracting, provide all services, and furnish all related real and personal property required to successfully complete the Home Project, which shall be completed in a manner satisfactory to County and in accordance with this Agreement and its attachments.

4. Reporting Requirements.

(a) Grantee shall file all reports and other information necessary to comply with applicable federal laws and regulations as required by County and HUD. This shall include providing to County information necessary to complete any required reports in a timely fashion.

(b) Status Reports. Grantee shall prepare and submit to County every month, or as otherwise specifically requested by County during the actual conduct of the Home Project, a detailed Home Project status report on each Home Project. The report format shall be as approved by County and must show, at a minimum, the current performance status of the Home Project being reported, the costs and contractual commitments incurred to date on the Home Project and any HOME Program Income received to date on the Home Project. All other contents of the report shall meet the requirements of this Agreement and provide all data and

information that County may need or require for coordinating, monitoring and evaluating the Home Project through completion and for fulfilling County's reporting requirements to HUD in the overall administration of the HOME Program. Failure to submit said report may constitute grounds for County to withhold program funds.

(c) Grantee shall submit to County an audit report or a year-end financial statement in a form acceptable to County no later than six (6) months after the end of Grantee's fiscal year for every year in which funds for this Home Project are used. If Grantee is a local governmental entity or non-profit organization, it shall comply with the auditing requirements set forth in OMB Circular A-133, in addition to any auditing requirements imposed by County.

(d) Grantee shall also submit in a timely fashion any additional reports required by County.

5. Right to Audit. Notwithstanding any other provision of this Agreement, Grantee agrees County may, at its discretion, audit or inspect Grantee at any time with or without prior notice. Grantee, as a condition of entering into this Agreement, agrees to make available for inspection and copying, without reservation, all documents which reflect Grantee's financial condition or operations, or which reflect Grantee's actions in connection with this Agreement. Such documents shall include, but not be limited to, all accounting records, books, ledgers, journals, financial statements, correspondence, memoranda, invoices, vouchers, checks, deposit slips, bank statements, contract leases, minutes, notes, and the like, and all Home Project related information.

6. Recordkeeping.

(a) Records to be Maintained. Grantee shall maintain all records required by the federal regulations specified in 24 CFR §570.506 and County that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- (i) Records providing a full description of each activity undertaken;
- (ii) Records demonstrating that the activity undertaken meets the requirements of the HOME Program;
- (iii) Records required determining the eligibility of activities;
- (iv) Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with HOME assistance, including but not limited to, records clearly identifying properties purchased, improved or sold;
- (v) Records documenting compliance with the federal housing and equal opportunity components of the HOME program;

(vi) Financial records as required by 24 CFR Section 92.508 (a)(5) and by COUNTY;

(vii) Records required, as applicable, by 24 CFR Section 92.508; and

(viii) Reports as required by County.

(b) Retention. Grantee shall retain all records pertinent to expenditures incurred under this Agreement for a period of five (5) years after the termination of all affordability periods for activities funded with HOME funds 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 regarding any displaced persons must be kept for five (5) years after he/she has received final payment. If any litigation or other action has been started before the end of the applicable retention period, records must be maintained until completion of the action and resolution of all issues, which arise from it.

7. Period of Performance.

(a) The period of performance of this Agreement shall be 15 months which period shall begin on July 1, 2015, and end on September 30, 2016, or the until the completion of the required affordability period as set forth in 24 CFR Section 92.254(a)(4), and any other applicable provisions, whichever is the later date. In the event the date on which this Agreement is fully signed is more recent than the above beginning date, then this Agreement shall be considered to be retroactive and to have taken effect on the above beginning date. Subject to the provisions of Paragraph 15, "Notice to Proceed," all costs which are incurred on any Home Project by Grantee after the effective date of this Agreement and which have been determined by County to be appropriate and allowable costs of the Home Project shall be eligible for reimbursement and payment.

(b) Performance of this Agreement shall be undertaken and completed by Grantee in compliance with the Home Project Schedule specified in Attachment III and shall not extend beyond the end of the Period of Performance specified above unless this Agreement is amended authorizing an extension of that period. All amendments of this Agreement, including extensions of time and termination, shall be accomplished in writing and in accordance with all requirements of Paragraph 10, "Changes", and shall comply with the requirements of 24 CFR Part 92.

8. Funding Amount; Allowable Costs.

(a) Subject to the requirements of this paragraph and of Paragraph 15, County will fund to Grantee for the full performance of this Agreement and the actual conduct of the Home Project up to a total amount of Two Hundred Twelve Thousand Nine Hundred Forty Three Dollars, (\$212,943.00). This amount is a fixed ceiling amount and will be paid to reimburse

Grantee for its costs actually expended to perform the activities and/or provide the services required hereunder and to acquire the real and/or personal property required and used in or for the conduct of the Home Project; subject, however, to a determination by County, before payment, that the Notice to Proceed requirements contained in Paragraph 15 have been satisfied and that all costs submitted for reimbursement or payment are allowable and eligible for payment under the HOME Program as legitimate Home Project costs as provided in 24 CFR Sections 92.206-92.207 and 92.214, 2 CFR 200 Subpart E and other applicable provisions within the Rules and Regulations, the applicable OMB Circulars and this Agreement. The above stated fixed ceiling amount may be considered as a "not-to-exceed" amount but shall not be considered as an "estimate-of-cost," "percentage-of-cost" or any kind of "cost-plus" sum, price, or amount. In addition, as used in this Agreement, unless the context indicates otherwise, the words "expend," "expended," and "expenditure" shall include all amounts obligated or committed by Grantee by written Agreement (including unilateral purchase orders) for expenditure on the Home Project.

(b) Grantee must make a concerted, good-faith effort to expend the total funded amount specified above within the Period of Performance stated in Paragraph 7. Grantee's costs and expenditures, however, shall not exceed that amount without a prior written Agreement to that effect and County shall not be liable for or pay Grantee for any extra costs or overruns on the Home Project or any additional funding in excess of the total amount stated above; provided, however, this provision shall not prevent the total funded amount from being increased or decreased in accordance with Paragraph 10 of this Agreement.

(c) In the event the total funded amount to be disbursed by County is not expended by Grantee for eligible Home Project costs by the end of the Period of Performance, as that period may have been extended or otherwise changed, Grantee shall refund, release or transfer any unexpended amount back to County unless a fully executed, written amendment to this Agreement shall provide otherwise.

#### 9. Disbursement Procedures.

(a) Grantee may request disbursement from County of that part of the amount stated in Paragraph 8, relating to a particular Home Project, either on the basis of a lump sum reimbursement of the Home Project costs upon completion of the Home Project or on the basis of periodic reimbursement payments for eligible costs during the course of a Home Project as the funds for that Home Project are expended.

(b) A request by Grantee for a lump sum or for periodic reimbursement payments on a Home Project shall be in a form and content as prescribed by County and shall be submitted to County for review and for a determination of eligibility for payment. Requests for periodic payments shall not be submitted more frequently than once per month and shall be supported and documented as required by County on the basis of costs actually incurred by Grantee on a Home Project during the period for which payment is requested.

(c) No requests for payments under this Agreement, which are due to cost overruns of any kind on the Home Project, shall be approved, allowed, or paid by County unless the amount requested has been approved by a written amendment and authorized in accordance with the provisions of Paragraph 10.

(d) Grantee shall not request disbursement of funds under the Agreement until the funds are needed for payment of eligible costs. The amount of each request shall be limited to the amount needed.

10. Changes.

(a) Either County or Grantee may request amendments to any of the provisions of this Agreement other than substantial changes in scope, purpose, location, or beneficiary, but no amendment shall be made or performed until it has been mutually agreed to by the parties or is required to be made pursuant to or because of changes in the federal, state or local laws, rules or regulations governing the conduct of the Home Project. All amendments shall be authorized by a duly executed modification of this Agreement prior to any work being done; except that amendments extending the Period of Performance, specified in Paragraph 7 of this Agreement, and adjustments to the Home Project Budget(s), specified in Paragraph 12 of this Agreement, only, may be authorized and given by County as provided below in Subparagraphs 10(b) and 12(b).

(b) All adjustments to the budget or extensions of time proposed for the performance of this Agreement shall be requested in writing by Grantee and be submitted to County for approval and processing. Upon its approval, County shall add a signed, written endorsement to Grantee's letter of request granting the adjustment or extension and that letter shall be attached hereto and shall be numbered and identified as a duly authorized written amendment of this Agreement.

11. Assignment and Contracting. The responsibility for the performance of this Agreement shall not be assigned, transferred, or contracted out by Grantee without the prior, written consent of County. Contracts or purchase orders by Grantee for the acquisition of equipment, materials, supplies or services for the Home Project do not require the consent of County but shall be done in accordance with the competitive bidding requirements of the Rules and Regulations; the procurement requirements of 2 CFR 200 and any other applicable provisions; the procurement standards found in OMB Circular A-102, as applicable; and any applicable state laws and local government ordinances.

12. Home Project Budget.

(a) A budget must be prepared for each of the Home Project and submitted to County for review and approval prior to the start of each of the Home Project, and the approved budget(s) must be attached to this Agreement as Attachment II, with a sub-attachment number for each Home Project, if appropriate, at the time of the execution. All budget(s) shall be

prepared in a format that is acceptable to County and, in general, shall list the major cost elements of the Home Project.

(b) Grantee shall adhere to the requirements of the budget(s) as approved by County but is not precluded from making changes in the amounts budgeted for the major cost elements within the budget(s) as such changes become necessary. All changes, within the budget(s), however, shall be reported to County in a timely manner for acceptance and approval. All proposed changes in the total amount of any "Fixed Total Home Project Costs" in any of the budgets(s) under this Agreement, or which would increase or decrease the total amount of funding specified in Paragraph 8(a) shall be submitted to County for prior approval and must be formally authorized by a written amendment to this Agreement in accordance with the provisions of Sub-paragraphs 10(a) and (b).

13. Laws and Regulations. Grantee shall administer this Agreement in compliance with all applicable federal, state, and local laws, ordinances, and regulations, including but not limited to the following:

(a) The requirements of 24 CFR Part 92, Subpart H and all other applicable provisions of the Rules and Regulations.

(b) No funds may be expended for lobbying purposes and payments from other sources for lobbying must be disclosed (24 CFR Part 87); Grantee, if a public entity, shall also comply with the provisions of the Hatch Act (5 USC 1501-1508) and the Intergovernmental Personnel Act of 1970 as Amended by Title VI of the Civil Service Reform Act (Pub. L. 95-454 Section 4728), which limit political activities of public employees.

14. HOME Program Requirements. Grantee shall administer this Agreement in compliance with 24 CFR Part 92, which is incorporated by reference, including, but not limited to the following:

(a) Affordability. Grantee assures County that housing assisted with HOME program and matching funds will meet the requirements of 24 CFR Section 92.254 for home ownership, and guarantees repayment of funds if the housing does not meet the affordability requirements of this Section. Failure by Grantee to maintain the affordability requirements, as applicable, shall be considered a breach of this Agreement, and, if the affordability requirements are not met, Grantee shall repay such funds regardless of any subordination or other agreement entered into by County with other lenders of the Home Project.

(i) Enforcement. For home ownership Home Projects, County shall impose either resale or recapture requirements as set forth in 24 CFR Section 92.254, as appropriate, based on the type of assistance provided. In addition to enforcement mechanisms that run with the land, County may, in its discretion, choose to enforce the affordability requirements through a breach of contract action.

(ii) Remedies. Grantee acknowledges that the development of affordable housing provides significant intangible benefits to County related to its obligation to provide for the health and safety of the community. Grantee further acknowledges that under HUD regulations, failure by Grantee to fulfill its obligations to maintain affordability as set forth above, could result in HUD, at any time in the future and at its sole discretion, requiring County to reimburse HUD, with non-federal funds, up to the full amount funded to Grantee under this Agreement. For these reasons, the damages to County in the event Grantee breaches its obligation to maintain affordability would be extremely difficult to quantify; therefore, in addition to all rights and remedies afforded to County under Paragraph 14(a)(i), should County, in the event of breach, elect to enforce the affordability requirements through a contract action, Grantee, shall pay to County liquidated damages equal to the total funding amount specified in Paragraph 8(a) of this Agreement and any amendments thereto.

(iii) Deed Restriction Will Not Be Subordinated. Grantee acknowledges that County will not agree, under any circumstances, to subordinate the deed restriction, or other mechanism by which County enforces the affordability requirements, to any lender and that by entering into this Agreement, Grantee agrees to be bound by this provision without exception; however, notwithstanding the above provision, if the funds provided under this Agreement are in the form of a loan, County agrees to consider requests by other lenders to subordinate any lien it may hold against Grantee's real property as security for said loan. By agreeing to consider such subordination requests, County does not promise, guarantee, or in any way obligate itself to approve such requests. Approval will be made on a case-by-case basis at County's sole discretion.

(b) Uniform Administrative Requirements. Grantee shall comply with applicable uniform administrative requirements, as described in 2 CFR Part 200, the "Super Circular." The Super Circular supersedes and consolidates the requirements from OMB Circulars A-21, A-50, A-87, A-89, A-102, A-110, A-122, and A-13. The requirements of the Super Circular are effective for awards or increments of awards issued on or after December 26, 2014.

(c) Home Project Requirements. Grantee shall comply with project requirements in 24 CFR Part 92, Subpart F as applicable in accordance with the type of project.

(d) Affirmative Marketing. Grantee shall be responsible for affirmative marketing in accordance with procedures developed by County pursuant to 24 CFR Section 92.351.

(e) Miscellaneous Requirements.

(i) Approved Plan. Grantee agrees that it shall be committed to carry out an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086 and 12107 regarding Equal Employment Opportunity programs; and implementing regulations at 41 CFR Chapter 60.

(ii) W/MBE. Grantee 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 in keeping with the principles as provided in President's Executive Order 11625, as amended by Executive Order 12007 (Minority Business Enterprises); Executive Order 12432 (Minority Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (Women's Business Enterprise). As used in this Agreement, the term "minority and Women's 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 those groups of U.S. citizens found to be disadvantaged by the Small Business Administration pursuant to Section 8(d) of the Small Business Act. Grantee may rely on written representations by businesses regarding their status as minority and women business enterprises in lieu of an independent investigation.

(iii) Access to Records. Grantee shall furnish and cause each of its own subgrantees or subcontractors to furnish all information and reports required by County and will permit access to its books, records, and accounts by County, HUD or its agent, or other authorized federal officials for purposes of investigation to ascertain compliance with the rules, regulations, and provisions stated herein.

(iv) EEO/AA Statement. Grantee will, in all solicitations or advertisements for employees state that it is an Equal Opportunity or Affirmative Action employer. Grantee must comply with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR Section 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

(v) Subcontract Provisions. Grantee will include the provisions of Paragraphs 21.A, Civil Rights, and 21.B, Affirmative Action, in every subcontract, specifically or by reference, so that such provisions will be binding upon each of its own subgrantees or subcontractors.

(vi) "Section 3" Compliance. Grantee, and any of Grantee's subgrantees and subcontractors, shall comply with the provisions of Section 3 of the Housing and Urban Development Act, as set forth at 24 CFR Part 135. Grantee certifies and agrees that no contractual or other disability exists which would prevent compliance with these requirements. Grantee will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. Grantee will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

(f) Conditions for Religious Organizations. Pursuant to 24 CFR Section 92.257, the Grantee warrants that it is not a primarily religious organization. Grantee also warrants that it will not use HOME funds to rehabilitate or construct housing owned by primarily religious organizations or to assist primarily religious organizations in acquiring housing. If Grantee uses Home Project funds to purchase housing from a primarily religious organization, it shall use the housing project solely for secular purposes and make housing available to all persons regardless of religion.

(g) Program Income, Repayments, and Recaptured Funds. Any program income, repayments, or recaptured funds obtained by Grantee from use of HOME funds provided under this Agreement are to be returned immediately to County, as set forth at 24 CFR Section 92.503. If program income is generated by housing that is only partially assisted with HOME funds or matching funds, the income shall be prorated to reflect the percentage of HOME funds used. Grantee must report monthly all program income received under this Agreement. Any program income, repayments, or recaptured funds Grantee has on hand when this Agreement expires or is terminated, or that are received by Grantee after this Agreement expires or is terminated, shall be transferred or paid to County in accordance with the provisions of Paragraph 14(g).

(h) Reversion of Assets. Grantee, upon expiration of this Agreement, shall transfer to County any HOME funds on hand at the time of expiration and any accounts receivable attributable to the use of HOME funds. In addition, any real property under the control of Grantee that was acquired or improved in whole or in part with HOME funds shall be either:

(i) used for an eligible HOME Program activity, as set forth in the Scope of Services of this Agreement, for the applicable affordability period, or

(ii) disposed of in a manner that results in County's being reimbursed in the amount of the current fair market value of the property less any portion of the value attributable to expenditures of non-HOME funds for acquisition of, or improvement to, the property.

15. Notice to Proceed. Grantee must notify County in writing when it is ready to actually start work on the Home Project and must give that notice before incurring any Home Project costs for which it will request payment or reimbursement from County under this Agreement. When this notice is received from Grantee, County will determine whether the environmental protection procedures, the release of funds procedures and any other procedures or processes that must be accomplished prior to the start of the Home Project have been satisfied and/or completed. If they have, County will then give Grantee a "Notice to Proceed" with the Home Project. If Grantee does not comply with the requirements of this paragraph and fails to obtain this Notice to Proceed from County at the time and in the manner provided above, County shall not be obligated or required to implement this Agreement or to fund or reimburse Grantee for any costs incurred on or for the Home Project. Under appropriate circumstances and in its sole discretion, County may waive the provisions of this paragraph.

16. Violations and Breaches of Contract.

(a) Restriction on Disbursement. Notwithstanding any other provisions of this Agreement, County may withhold disbursements made under this Agreement to Grantee where Grantee fails to comply with all applicable provisions found in this Agreement and with all other HUD requirements applicable to this Home Project.

(b) Setoff. Notwithstanding any other provision of this Agreement, Grantee shall not be relieved of liability to County for damages sustained by County by virtue of any breach of this Agreement by Grantee. County may withhold disbursement of funds to Grantee for the purpose of setoff until such time as the exact amount of damage incurred by County is determined and paid. Such damages may include HUD's disqualification of activities because of Grantee's failure to properly administer the same.

(c) No Limitation of Remedies. The various rights and remedies herein contained, except as otherwise provided in this Agreement, shall not be considered as exclusive of any other right or remedy not mentioned herein, but shall be construed as cumulative and shall be in addition to every other remedy now or hereafter existing at law or equity. No delay or omission by County to exercise any power or remedy it may have in the event of Grantee's breach shall impair any such right, power or remedy or be construed as a waiver of any other breach or nonperformance or as acquiescence therein. Grantee and its successors and assigns, shall be jointly and severally liable for any default under this Agreement; any action with regard to such breach may be instituted against all or any one of them.

17. Employee Status Verification System. Grantee shall register and participate in the Status Verification System before entering into a contract with County as required by Utah Code Section 63G-12-302(3). The Status Verification System is an electronic system operated by the federal government, through which an authorized official of a state agency or a political subdivision of the state may inquire by exercise of authority delegated pursuant to 8 U.S.C. § 1373 to verify the citizenship or immigration status of an individual within the jurisdiction of the agency or political subdivision. Grantee is individually responsible for verifying the employment status of only new employees who work under Grantee's supervision or direction and not those who work for another contractor or subcontractor, except each contractor or subcontractor who works under or for another contractor shall certify to the main Grantee by affidavit that the contractor or subcontractor has verified, through the Status Verification System, the employment status of each new employee of the respective contractor or subcontractor. Grantee shall comply in all respects with the provisions of Utah Code Section 63G-12-302(3). Grantee's failure to comply may result in the immediate termination of its contract with County.

18. Monitoring. Pursuant to 2 CFR § 200.331 County will monitor Grantee's performance in providing services and facilities in accordance with the purposes of this Agreement, and may conduct one or more site visits during the contract period to inspect said performance. Criteria to be used in monitoring performance includes but is not limited to compliance with the provisions of this Agreement and the degree to which Grantee meets the federal and County objectives

established for and outlined in the HOME Program Description for the applicable Program Year.

19. Suspension or Termination of this Agreement. This Agreement may be suspended or terminated by County, pursuant to 2 CFR Section 200.342, as applicable if Grantee fails materially to comply with any of the provisions, requirements, conditions, standards or other terms of this Agreement. This Agreement may also be terminated in whole or in part, subject to the provisions of 2 CFR Section 200.339, as applicable.

20. Integrated Document. This Agreement, including all Attachments, as set forth in Paragraph 1, embodies the entire understanding between County and Grantee regarding the Home Project. No verbal agreements or conversation with any officer, agent, or employee of County prior to or subsequent to the execution of this Agreement shall affect or modify any of the terms or obligations contained in any documents comprising this Agreement.

21. Survival of Provisions. The parties to this Agreement specifically agree that all the paragraphs, terms, conditions and other provisions of this Agreement that requires some action to be taken by either or both of the parties upon or after the expiration or termination of this Agreement shall survive the expiration or termination of this Agreement and shall be completed, taken or performed as provided or as may be required under the circumstances at that time.

22. Independent Contractor Status. In performing the Work, Grantee acts as an independent contractor responsible for calculating, withholding, and paying all federal and state taxes and for obtaining necessary and adequate workers' compensation insurance, general liability insurance, and any other insurance required under this Agreement. Grantee's employees are not and shall not become employees, agents or servants of County hereunder. Grantee and its employees are not entitled to unemployment insurance benefits unless unemployment compensation coverage is provided by Grantee or some other entity. Grantee is obligated to pay federal and state income tax on any monies paid pursuant to this Agreement, as applicable.

23. Incorporation by Reference. All applicable federal, state, and local laws, ordinances, rules, regulations, circulars, Executive Orders pertaining to the HOME Program, and the funding approvals executed by HUD and County are incorporated herein by this reference.

24. Severability Clause. The declaration by any court or other binding legal source that any provision of the Agreement is illegal and void shall not affect the legality and enforceability of any other provision of this Agreement unless said provisions are mutually dependent.

25. Conflict of Interest. County and Grantee agree to abide by the Conflict of Interest provisions set forth in 2 CFR Section 200.318<sup>1</sup>. If a potential conflict of interest arises pursuant

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<sup>1</sup> Non-Federal entities must maintain written standards of conduct covering conflicts of interest, including organizational conflicts of interest. "If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or

to that section, or pursuant to the Utah Public Officers' and Employees' Ethics Act, Utah Code Ann. Section 67-16-1 et seq. (2012), the Parties agree to seek an exception from HUD pursuant to 24 CFR 92. Section 356(d) and to follow all the necessary steps in seeking such exception.

26. Ethical Standards. Grantee represents that it has not: (a) provided an illegal gift or payoff to any County officer or employee, or former County officer or employee, or to any relative or business entity of a County officer or employee, or relative or business entity of a former County officer or employee; (b) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees of bona fide commercial agencies established for the purpose of securing business; (c) breached any of the ethical standards set forth in State statute or Salt Lake County's Ethics, Gifts and Honoraria ordinance Chapter 2.07, Salt Lake County Code of Ordinances, 2001; or (d) knowingly influenced, and hereby promises that it will not knowingly influence, any County officer or employee or former County officer or employee to breach any of the ethical standards set forth in State statute or Salt Lake County ordinances.

27. Campaign Contributions. Grantee acknowledges the limits on campaign contributions by contractors to County candidates, pursuant to Chapter 2.72A, Salt Lake County Code of Ordinances, 2001. Grantee further acknowledges that violating campaign contribution limitations may result in criminal sanctions as well as termination of this Agreement. Grantee represents, by executing this Agreement, that Grantee has not made or caused others to make any campaign contribution to any County candidate in violation of the above-referenced County ordinance.

28. Public Funds and Public Monies.

(a) Definitions: "Public funds" and "public monies" mean monies, funds, and accounts, regardless of the source from which they are derived, that are owned, held, or administered by the state or any of its boards, commissions, institutions, departments, divisions, agencies, bureaus, laboratories, or other similar instrumentalities, or any county, city, school district, political subdivision, or other public body. The terms also include monies, funds, or accounts that have been transferred by any of the aforementioned public entities to a private contract provider for public programs or services. Said funds shall maintain the nature of "public funds" while in Grantee's possession.

(b) Grantee's Obligation: Grantee, as recipient of "public funds" and "public monies" pursuant to this and other contracts related hereto, expressly understands that it, its officers, and employees are obligated to receive, keep safe, transfer, disburse and use these "public funds" and "public monies" as authorized by law and this Agreement for the provision of services to Salt Lake County. Grantee understands that it, its officers, and employees may be criminally liable under §76-8-402, Utah Code Ann. (2012) for misuse of public funds or monies. Grantee expressly understands that County may monitor the expenditure of public funds by

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appears to be unable to be impartial in conducting a procurement action involving a related organization." 2 CFR Section 200.318 (c)(2).

Grantee. Grantee expressly understands that County may withhold funds or require repayment of funds from Grantee for contract noncompliance, failure to comply with directives regarding the use of public funds, or for misuse of public funds or monies.

29. Insurance. Grantee shall, at its sole cost and expense, secure and maintain during the term of this agreement, including all renewal or additional terms, the following minimum insurance coverage:

(a) General Insurance Requirements for All Policies.

(i) Any insurance coverage required herein that is written on a "claims made" form rather than on an "occurrence" form shall (a) provide full prior acts coverage or have a retroactive date effective before the date of this agreement, and (b) be maintained for a period of at least three (3) years following the end of the term of this agreement or contain a comparable "extended discovery" clause. Evidence of current extended discovery coverage and the purchase options available upon policy termination shall be provided to County.

(ii) All policies of insurance shall be issued by insurance companies licensed to do business in the State of Utah and either:

(a) Currently rated A- or better by A.M. Best Company;

—OR—

(b) Listed in the United States Treasury Department's current *Listing of Approved Sureties (Department Circular 570)*, as amended.

(iii) Grantee shall furnish certificates of insurance, acceptable to County, verifying the foregoing matters concurrent with the execution hereof and thereafter as required.

(iv) In the event any work is subcontracted, Grantee shall require its subcontractor, at no cost to County, to secure and maintain all minimum insurance coverages required of Grantee hereunder.

(v) In the event that governmental immunity limits are subsequently altered by legislation or judicial opinion, Grantee shall provide a new certificate of insurance within thirty (30) days after being notified thereof in writing by County, certifying coverage in compliance with the modified limits or, if no new limits are specified, in an amount acceptable to County.

(vi) All required certificates and policies shall provide that coverage thereunder shall not be canceled or modified without providing (30) days prior written

notice to County in a manner approved by the County District Attorney.

(vii) In the event Grantee fails to maintain and keep in force any insurance policies as required herein, County shall have the right at its sole discretion to obtain such coverage and reduce payments to Grantee for the costs of said insurance.

(b) Required Insurance Policies. Grantee agrees to secure and maintain the following required policies of insurance in accordance with the general insurance requirements set forth in the preceding subsection:

(i) Workers' compensation and employer's liability insurance sufficient to cover all of Grantee's employees unless a waiver of coverage is allowed and acquired pursuant to Utah law. This requirement includes contractors who are doing business as an individual and/or as a sole proprietor as well as corporations, limited liability companies, joint ventures and partnerships. In the event any work is subcontracted, Grantee shall require its subcontractor(s) similarly to provide workers' compensation insurance for all of the latter's employees, unless a waiver of coverage is allowed and acquired pursuant to Utah law. (County is not to be an additional insured under Grantee's workers' compensation insurance.)

(ii) Commercial general liability insurance with County as an additional insured, in the minimum amount of \$1,000,000 per occurrence with a \$2,000,000 general policy aggregate and \$2,000,000 products completed operations policy aggregate. The policy shall protect County, Grantee, and any subcontractor from claims for damages for personal injury, including accidental death, and from claims for property damage that may arise from Grantee's operations under this Agreement, whether performed by Grantee itself, any subcontractor, or anyone directly or indirectly employed by either of them. Such insurance shall provide coverage for premises operations, acts of independent contractors, and completed operations.

(iii) If Grantee shall operate a motor vehicle in connection with any services funded by this agreement, commercial automobile liability insurance that provides coverage for owned, hired, and non-owned automobiles, with County as an additional insured, in the minimum amount of \$1,000,000 per occurrence.

(iv) If the Home Project will result in County holding a lien interest in real property, Grantee shall maintain all-risk property insurance in an amount equaling at least ninety (90) percent of the fair market value of the lien property, with County named as an additional insured.

30. Bond Requirements. If the Home Project involves construction or rehabilitation costing \$25,000 or more, Grantee shall ensure that contractors furnish, at the contractors' expense, a separate performance bond and a labor and materials bond, each for an amount not less than 100% of the contract price, or such other assurances as approved in writing by County. The

bonds shall be issued by a qualified corporate surety licensed to transact business in Utah. If at any time during performance of the work, the surety on the bonds shall be disqualified from doing business in Utah, or shall become insolvent or otherwise impaired, Grantee shall furnish bonds from an alternate surety acceptable to County and Grantee. The bonds shall remain in effect until completion of the Home Project including completion of all warranty and guaranty work and shall be delivered to County prior to the commencement of any work. Grantee shall secure an increase in the bonds in an amount equal to the cost of any additional work authorized pursuant to a duly executed change order or amendment to this Agreement.

31. Indemnification.

(a) If Grantee is not a governmental entity, then it agrees that it shall indemnify, hold harmless, and defend County, its officers, agents, and employees from and against any and all actual or threatened claims, losses, damages, injuries, and liabilities of, to, or by third parties, including Grantee, its subcontractors, or the employees of either, including claims for personal injury, death, or damage to personal property or profits and liens of workmen and material men (suppliers), however allegedly caused, resulting directly or indirectly from, or arising out of, Grantee's breach of this Agreement or any acts or omissions of or by Grantee, its agents, representatives, officers, employees, or subcontractors in connection with the performance of this Agreement. Grantee agrees that its duty to defend and indemnify County under this Agreement includes all attorney's fees, litigation and court costs, expert witness fees, and any sums expended by or assessed against County for the defense of any claim or to satisfy any settlement, arbitration award, or verdict paid or incurred on behalf of County.

(b) If Grantee is a governmental entity under the Governmental Immunity Act, Section 63G-7-101 et seq., Utah Code Ann. (2014), then, consistent with the terms of the Act, the parties agree that each party is responsible and liable for any wrongful or negligent acts which it commits or which are committed by its agents, officials, or employees. Neither party waives any defenses or limits of liability otherwise available under the Governmental Immunity Act.

32. Appropriation. Financial obligations of County are contingent upon funds for such purposes being appropriated, budgeted and otherwise made available. If the funds are not so appropriated, budgeted and made available, County may terminate this Agreement by notice to Grantee. Grantee agrees that it will include in every contract into which it enters that it relies on HOME monies for funding the Home Project and will include a non-appropriations clause that will protect itself and County from any liability or responsibility or any suit, which might result from the discontinuance of HOME funding for any reason.

33. Jurisdiction; Venue; Interpretation. This Agreement and the rights and duties of the parties hereunder shall be interpreted in accordance with the laws of the State of Utah. Venue for any and all legal actions arising hereunder shall lie in the District Court in and for the County of Salt Lake, State of Utah. This Agreement is the result of arms-length negotiations between the parties, accordingly, each of the Parties affirms its desire that this Agreement be interpreted in an absolutely neutral fashion with no regard to any rule of interpretation (or the like) requiring that

the provisions of this agreement be construed to favor one party (such as, for example, the party that did not draft this agreement) over the other.

34. Notice. Any notice or communication given pursuant to this Agreement shall be given in writing, either in person or by certified mail, return receipt requested to the addresses specified below or such other address as Grantee or County may from time to time designate. If given in person, notice shall be deemed given when actually given. If given by certified mail, notice shall be deemed given at the time indicated on the duly completed return receipt.

Notice to Grantee shall be delivered or mailed to:

Heather Royal  
West Valley City  
3600 Constitution Blvd.  
West Valley City, Utah, 84119

Notice to County shall be delivered or mailed to:

HOME Program Coordinator  
Salt Lake County  
Division of Community Resources and Development  
S2-100  
2001 South State Street  
Salt Lake City, Utah 84190

35. Non-Discrimination. Grantee, and all persons acting on its behalf, agree to comply with the non-discrimination and equal opportunity requirements set forth in 24 CFR Section 5.105 and with all federal, state and county laws governing discrimination, and they shall not discriminate in the application, screening, employment, participation, or any other involvement of any person in relation to any phase of the Home Project. Grantee 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/familial status, or status with regard to public assistance. Grantee will take affirmative action to ensure that all employment practices are free from such discrimination. Such employment practices include but are not limited to the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

36. Section 504. Grantee agrees to comply with any Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and implementing regulations at 24 CFR Part 8, which prohibits discrimination against the disabled in any federally assisted program. County shall provide Grantee with any guidelines necessary for compliance with that portion of the regulations in force during the term of this agreement.

[Signature Page to Follow]

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be approved and to be duly executed the \_\_\_\_\_ day of \_\_\_\_\_, 2015.

SALT LAKE COUNTY

By: \_\_\_\_\_

Mayor or Designee

Date: \_\_\_\_\_

Administrative Approval:  
Community Resources and Development

By *[Signature]*  
Michael Gallegos, Director  
Date: *Aug. 11, 2015*

WEST VALLY CITY

\_\_\_\_\_

By \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to Form:

By *[Signature]*  
Lannie K. Chapman,  
Deputy District Attorney  
Date *8.4.15*

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**APPROVED AS TO FORM**  
**West Valley City Attorney's Office**  
By: *[Signature]*  
Date: *9-9-15*

ATTACHMENT I (A)  
To  
SALT LAKE COUNTY CONTRACT NUMBER: BV15114

GRANTEE: WEST VALLEY CITY  
PROJECT: HOUSING REHABILITATION PROGRAM  
PROJECT NUMBER: HM.14WVC15

PROJECT STATEMENT OF WORK

This attachment is a supplement of the general work statement contained in Paragraph 3 of this Agreement. Therefore, in addition to the general work required to be done under that paragraph, which applies to all projects to be conducted under this agreement, the particular work to be performed for this Project is as follows:

Grantee has allocated One Hundred Sixty Six Thousand Nine Hundred Forty Three Dollars (\$166,943.00) to funding of a housing rehabilitation. Housing Rehabilitation loans and grants shall be available to any household whose income is at or below 80% of area median income as specified by HUD.

All repayments of loans made with HOME funds will be treated in accordance with the requirements of 24 CFR 92.500(c). County, on behalf of the Salt Lake County Consortium, will set up a separate account for the HOME Investment Trust Fund. The Grantee shall return to County all repayments and any other return on the investment of HOME funds. County shall deposit all funds in the local account of the HOME Investment Trust Fund.

HOME funds in the local account of the HOME Investment Trust Fund must be disbursed before requests are made for HOME fund in the United States Treasury account. County shall be responsible for managing the HOME and the HUD IDIS system for the HOME Investment Partnerships Program.

Eligible Property Owner

The owner must be a low-income homeowner; that is, the owner must have an annual (gross) income that does not exceed 80% of median income for the area. To establish the income the file must include wage statement, interest statement, unemployment compensation statements, and other pertinent documents. Income verifications are good for six (6) months. **Grantee will determine income of the household by using the definition specified in 570.3 Definitions, Income (1)(ii), 1040.**

Unlike CDBG, owner-occupants who are not low-income (incomes greater than 80% of area median income) cannot for any reason be assisted with HOME funds. The owner must own the property. A family or individual owns the property if they:

- A. Have fee simple title to the property;
- B. Maintain a ninety nine (99) year leasehold interest in the property;
- C. Own a condominium;
- D. Own or have a membership in a cooperative or mutual housing project that constitutes homeownership under state law; or
- E. Have other form of ownership that is approved by County and HUD. HUD approval may be obtained as part of the County's Green and Healthy Home Initiative ("GHHI") Operating Standards or at a later date. **GHHI Operating Standards are attached and included as part of this Agreement.**

Additionally, the property owner must occupy the property as a principal residence.

Eligible Property Type

Any single-family property occupied as a principal residence by the owner, including the following:

- A. A one- to four-family property;
- B. A condominium unit;
- C. Cooperative unit or unit in a mutual housing project (only if state law recognizes it as a form of homeownership);
- D. Manufactured home, including mobile home; and
- E. Any of the above moved to a new foundation constructed with HOME funds.

Property Value

The value of the HOME assisted property, after rehabilitation, must not exceed Two Hundred Forty Thousand Dollars (\$240,000.00).

For purposes of homeowner rehabilitation, value may be established by one or more of the following:

- A. Appraisal: The HOME regulations do not prescribe a minimal acceptable appraisal standard or format. Drive-by appraisals which include a property description and the sale prices of at least three (3) comparable properties performed by a licensed appraiser, title company, or by qualified staff of Grantee

are acceptable.

- B. Market valuation by a qualified employee of Grantee.
- C. Assessed value as determined by the County Assessor. Value can be obtained on the County's Assessor's web page.

Case files shall document basis for value estimate.

Tax assessments may be used to establish value, but only if they are current and can be computed at one hundred percent (100%) of market value after rehabilitation.

#### Minimum HOME Investment

The minimum level of HOME funds used for rehabilitation is One Thousand Dollars (\$1,000.00) per house rehabilitated.

#### Maximum HOME Investment

The maximum HOME Investment per housing unit cannot exceed the limits listed by HUD each year. The maximum level HOME funds used for rehabilitation is the maximum set for all activities. If the projected cost to rehabilitate exceeds Fifty Thousand Dollars (\$50,000.00) Grantee will contact County for review before proceeding, to ensure costs to do not exceed the HOME limits.

#### Property Standards

All residential structures using HOME funds will meet the definition of "substandard, suitable for rehabilitation." Rehabilitation projects must meet the accessibility requirements of the Fair Housing Act and Section 504. All residential units upon completion of rehabilitation will, at a minimum, meet the rehabilitation standards stated in the GHHI Operating Standards.

#### Eligible Rehabilitation Costs

Development Hard Costs -The actual rehabilitation costs include:

- A. Costs to meet applicable codes, standards and ordinances;
- B. Costs to meet rehabilitation standards;
- C. Essential improvements;
- D. Energy related improvements;

- E. Removal or mitigation of lead-based paint hazards;
- F. Improvements for handicapped persons;
- G. Repair or replacement of major housing systems;
- H. Incipient repairs and general property improvements of a non-luxury nature;
- I. Site improvements and utility connections; and
- J. Demolition Costs-When part of the creation of affordable housing.

**Related Soft Costs** - Reasonable and necessary costs, include:

- A. Architectural, engineering, specification writing, or related professional services;
- B. Financing costs such as private lender fees and loan points; credit and title costs, recordation fees; building permits; legal fees; appraisals; developer fees;
- C. Relocation costs (permanent and temporary), affirmative marketing, and fair housing, information services, counseling (if the counselee ultimately occupies HOME unit);
- D. Impact fees; and
- E. Project-specific staff and overhead costs of the agency (e.g. the cost of staff time to prepare a rehabilitation specification).

#### Forms of Financial Assistance

HOME Funds can finance all of the rehabilitation activities, either singly, or in combination, through the use of grants, low-interest loans, deferred payment loans, loan guarantees, or interest supplements for buildings and improvements as described in 24 CFR 92.206(a).

#### Lead Based Paint Hazard Control Projects

The costs directly related to abatement, interim controls of lead based paint hazards, cleanup, risk assessments, clearance inspections, the funding shall be provided as a grant. The HOME funds available through this contract will be used to cover eligible lead hazard control costs.

Lead based paint requirements - All projects or activities have to be in full compliance with Lead Based Paint requirements as stated in sections 1012 and 1013 of Title X of the Housing and

Community Development Act of 1992 and 24 CFR 35 Final Rule. Notifications will conform to Sections 1018.

Rehabilitation costs under \$5,000 - If there is more than two (2) square feet of area that is cracked and peeling or if a painted surface is to be disturbed, the home was built before 1978, and the cost of the rehabilitation is under \$5,000, paint chip samples shall be taken of cracked and peeling paint and/or area to be disturbed. If lead based paint is found to be present then safe work practices shall be followed and a clearance test taken and passed before other workers and/or household members are allowed in the section of the house or the house where a painted surface was disturbed.

Rehabilitation costs between \$5,000 and \$25,000 - All rehabilitation work that exceeds \$5,000 shall have a risk assessment/lead based paint inspection completed by an outside agency selected with County approval. If a paint surface is to be disturbed all work crews shall be certified by the State of Utah as a firm and individuals to supervise the work. If lead based paint dust hazard is identified paint stabilization will be used to control the hazard. The risk assessment shall follow the requirements listed in County's Lead Based Paint Hazard Control Procedures and Policies.

#### Relocation Plan

A relocation statement shall be included in each HOME Project's work description. All the relocation steps mentioned in County's relocation plan as stated in the GHHI Operating Standards shall be followed. All clearance inspections will be completed by individuals and firms that have been certified by the State of Utah and the EPA.

#### Disclosure

All applicants will receive the Title X lead based paint hazard information sheet. The Grant/Loan agreement between the homeowner and Grantee will be approved by County and will conform to HOME program requirements.

ATTACHMENT I (B)  
To  
SALT LAKE COUNTY CONTRACT NUMBER: BV15114

GRANTEE: WEST VALLEY CITY  
PROJECT: DOWNPAYMENT ASSISTANCE PROGRAM  
PROJECTNUMBER: HM.14WVC15

PROJECT STATEMENT OF WORK

This attachment is a supplement of the general work statement contained in Paragraph 3 of this Agreement. Therefore, in addition to the general work required to be done under that paragraph, which applies to all projects to be conducted under this agreement, the particular work to be performed for this Project is as follows:

Grantee has allocated Forty Six Thousand Dollars (\$46,000) of the funding for a down payment assistance program. Down payment assistance deferred loans shall be available to any household whose income is at or below 80% of median income as specified by HUD.

Prior to approval of any down payment assistance, an analysis must be completed which will justify the amount of funds committed to assist a household to purchase a home.

The grant/loan agreement between Grantee and the recipient of down payment assistance will be approved by County.

All repayments of down payment assistance deferred loans made with HOME funds will be treated in accordance with the requirements of 24 CFR 92.500(c). County, on behalf of the Salt Lake County Consortium, has set up a separate account for the HOME Investment Trust Fund. Grantee shall return to County all repayments and any other return on the investment of HOME funds. County shall deposit all funds in the local account of the HOME Investment Trust Fund.

Eligible Home Buyer

- A. The prospective purchaser must be low income; that is the purchaser, must have an annual gross income that does not exceed 80% of median income for the area. **The Grantee will determine income of the household by using the definition specified in 24 CFR § 570.3 Definitions, Income (1)(ii), 1040.**
- B. The property must be occupied as the purchaser's principal residence.

- C. The loan documents (Promissory Note) between the purchaser and the County will incorporate the above requirements.
- D. Temporary subleases are not allowed.
- E. The purchaser must be deemed low income upon the later date of the two occurrences:
  - (i) the time the purchaser initially occupies the property; or
  - (ii) at the time HOME funds are invested.

Verification of income eligibility is valid for a period of 6 months

In order to assure that a prospective homebuyer is income-eligible, the income should be verified early in the application process. An update of the purchaser's income will only be necessary if more than six (6) months has transpired from initial verification to occupancy of the property.

Eligible Property Types

Single-family housing units

Form of ownership

- A. Ownership in fee simple title;
- B. A 99 year leasehold interest; or
- C. An equivalent form of ownership approved by HUD.

Property Standards

The home to be occupied must meet local codes, rehabilitation standards, ordinances and zoning ordinances at the time of completion. Any newly constructed housing must meet the Model Energy Code published by the Council of American Building Officials.

Property Value

The value of the HOME assisted property must have a value that does not exceed 95% of the area median purchase price for that type of housing pursuant to 24 CFR § 254(a)(2)(iii).

### Recapture of the HOME Investment

If a home that received down payment or second mortgage assistance is sold the amount of the assistance must be fully or partially recaptured during the affordability period. 24 CFR §254(a)(5). After the affordability period, any funds recaptured will be considered program income.

All recaptured funds must be used for HOME eligible activity.

- A. Recapture entire amount: The entire investment must be repaid.
- B. Net proceeds is defined as the sales price minus the mortgage(s) minus any sales commission, and closing costs. The purchaser may recover their investment (down payment and principal pay-down) in the property. After the reduction of the purchaser's investment, net proceeds will be split 50% to the purchaser and 50% to County up to the amount of the down payment assistance provided.

### Lead Based Paint Requirements for down-payment assistance program

The lead based requirements as defined in 24 CFR § 35 must be fully implemented. The age of the house must be determined. If the house was built prior to 1978, in addition to the Housing Quality Standard inspection, there will be an additional visual inspection and form filled out. Grantee will visually inspect the inside and outside of the home to identify any cracked and peeling paint. Grantee will not take any paint chip samples. If there is more than 2 square feet of cracked and peeling paint present, Grantee will fail the housing unit. Grantee will notify the purchaser in writing why the housing unit failed. Grantee will provide to the owner of the property a pamphlet on the risk of lead based paint. **Each recipient of down payment assistance used to help finance the purchase of a house built before 1978, will receive the Title X Lead based paint hazard information sheet and the renovate right booklet.**

If a prospective home fails the visual inspection, before it can be considered again, the purchaser must provide a copy of inspection report completed by a certified inspector whether lead based paint is present. If lead based paint is found on the property, the owner must provide documentation that safe work practices were used on the cleanup, and a clearance inspection report.

ATTACHMENT II (A)  
To  
SALT LAKE COUNTY CONTRACT NUMBER BV15114

SUBRECIPIENT: WEST VALLEY CITY  
PROJECT: HOUSING REHABILITATION PROGRAM  
PROJECT NO: HM.14WVC15

PROJECT BUDGET

I.	Estimated Total Project Cost	\$166,943.00
II.	Budgeted Expenditures by Cost Elements:	
A.	Project costs and fees for single family housing rehabilitation program	\$151,649.00
B.	Project delivery costs	\$ 15,294.00
	Total	\$166,943.00

ATTACHMENT II (B)  
to  
SALT LAKE COUNTY CONTRACT NUMBER BV15114c

SUBRECIPIENT: WEST VALLEY CITY  
PROJECT: DOWNPAYMENT ASSISTANCE  
PROJECT NO: HM.14WVC15

PROJECT BUDGET

I.	Estimated Total Project Cost	\$46,000.00
II.	Budgeted Expenditures by Cost Elements	
	A. Down payment Assistance	\$40,000.00
	B. Project delivery	\$ 6,000.00
	Total	\$46,000.00

ATTACHMENT III  
TO  
SALT LAKE COUNTY CONTRACT: BV15114

GRANTEE:	WEST VALLEY CITY
PROJECT:	HOME PROGRAM
PROJECTNUMBER:	HM.14WVC15

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PROJECT SCHEDULE

By June 30, 2016, West Valley City will provide:

- A. Housing rehabilitation loans to help ten (10) households to finance improvements to their homes.
- B. Down payment assistance to eight (8) households.
- C. Upon approval for each rehabilitation project and each down payment assistance Grantee will submit a HOME program set up form to County.
- D. Upon completion of each rehabilitation, Grantee will submit a HOME rehabilitation close out form.
- E. Grantee will put a photo of each property in each file for each down payment assistance and for housing rehabilitation projects.
- F. All invoices will be submitted monthly.

Outcome for GHHI projects: by June 30, 2016, one (1) GHHI project will be completed that involves the remediation of a home that is occupied by a family with some type of health issue. Grantee will work with County to ensure the project meets all of GHHI requirements and that the benefit of before and after data will be collected.

## **GREEN & HEALTHY HOME INITIATIVE SALT LAKE PROGRAM**

- 1: Operating standards
- 2: GHHI Work plan
- 3: GHHI Project flow chart
- 4: GHHI Application
- 5: GHHI: Prioritization
- 6: GHHI assessment tool
- 7: GHHI Checklist and Small Grant checklist
- 8: Radon Gas mitigation standards
- 9: Energy assessments: Wego Wise, Energy improvements and rehabilitation improvement standards
- 10: Pre and post assessment and Case Management
- 11: Summary of Key Forms

## I. GHHI SALT LAKE PROGRAM SUMMARY

**OBJECTIVE:** The primary objective of the Green and Healthy Home Initiative Salt Lake (GHHI) program is to provide financial assistance through different agencies' programs to cover the cost of critical home improvements and emergency repairs for low- to moderate-income homeowners. Priority will be given to assisting homeowners with chronic health conditions, such as asthma, who have critical home-improvement needs, accessibility retrofitting improvements needs, lead based paint hazards, energy improvement needs, and emergency repairs.

Please see the GHHI work plan on more detail on the GHHI approach, priorities, and processes.

**The GHHI uses a combination of County and Urban County cities' CDBG funds, GHHI grant funding, HOME funds, foundation funding, Lead funding and Healthy Homes funding for eligible projects as follows:**

1. Assist, Inc. grants for emergency home repairs, accessibility design, retrofitting projects.
2. Community Development Corporation of Utah (CDCU) is HOME and foundation, and CDBG funded. It provides funding of grants and loans for critical home repairs according to GHHI guidelines in all of County except for South Jordan and Salt Lake City.
3. Salt Lake Habitat for Humanity is HOME, foundation, and GHHI grant funded. It provides loan funding for critical home repairs according to GHHI guidelines in all of County except for South Jordan and Salt Lake City.
4. Salt Lake City Housing Rehabilitation Program provides HOME and CDBG loans for lead based paint hazard control and remediation of healthy homes critical items.
5. NeighborWorks Salt Lake/Murray grants and loans for lead based paint hazard control and remediation of healthy homes critical items.
6. West Valley City and South Salt Lake City Housing Rehabilitation Program grants and loans for lead based paint hazard control, and remediation of healthy homes critical items.
7. Lead and Healthy Home Funding grants are available throughout County for households at or below 80% of AMI, who live in homes built prior to 1978, and who have children under the age of 6 that visit or live there, and/or have a household member who is pregnant.

**A. Over-riding Priorities:** All necessary steps will be taken by County, Assist Inc., CDCU, NeighborWorks, and Salt Lake Valley Habitat for Humanity to ensure all eligible clients

can receive emergency assistance and assistance for critical health and safety problems as needed. GHHI will be implemented in a manner to support and complement all other housing activities and neighborhood revitalization efforts funded by County. The complementary programs include Salt Lake Community Action Program (CAP) financial counseling for homeowners, CAP foreclosure prevention, CAP counseling on reverse mortgages, and CDCU foreclosure prevention and homeownership programs.

**B. GHHI:** One of the primary objectives is to have complete outcomes where the health of the household is enhanced by improving the health of the home. GHHI's partners jointly assist each household in achieving the most effective outcome in the most efficient manner. GHHI has three components for successful outcomes: (1) medically treat the household as needed, (2) case manage all the household members focusing on the remediation of their home through case management and the use of the booklet *Roots of the Problem Roots of the Solution*, and (3) remediation of the condition of the home to make it healthy.

- **Medical assistance:** The case manager will work with the medical provider to facilitate an integrated and coordinated approach of assisting each client. For those households with no health insurance, the health advocate/case manager will work with families until they are able to obtain the medical assistance needed.
  
- **Case Management:** The health advocate is the primary case manager for GHHI. Case management is a key component of GHHI. The first step toward case management begins once an application is received and the *Roots of the Problem, Roots of the Solution* booklet is given to the household. Once eligibility is determined, the health advocate will contact the household to interview them and get the information needed to fill out ETO 4.1 pre assessment form. If a health issue is identified, the health advocate will meet with household members and begin to develop a healthy home plan. The plan will also be based on information household members provide through filling out the *Roots of the Problem, Roots of the Solution* booklet, the 4.1 pre assessment form, and the application. The GHHI plan will be developed before the closing on loans and/or grants. It can be part of the condition of the funding provided.
  - Once a household is deemed eligible for assistance, the Health Advocate can provide, as needed, household air filtration units, bedding, air conditioning units, vacuums with a high efficiency particulate air (hepa) filters and other emergency needs.
  - The health advocate, in coordination with CDCU, will manage eligible small rental remediation projects that do not exceed \$2,000 in total cost if the household is referred by a medical provider. These projects will be funded with GHHI grant funds. The typical project will consist of providing a mobile

air-filtration unit, bedding, vacuum with hepa filter and replacement of carpet in the child's bedroom. The GHHI assessment form, the GHHI 4.1 pre-assessment form will be used and bidding will be obtained to establish fair cost and other steps needed to help a critically child or household member.

- **Remediation of the housing unit:** the primary objective of the remediation of the housing unit is to ensure that the health of the household will not be hurt by conditions of the home. Priority will be given to funding those items in the home that have the greatest impact on the health of the family. The process to be used will include the GHHI assessment tool, the 4.1 pre-assessment Efforts to Outcomes (ETO) tool, *the Roots of the Problem Roots of the Solution* booklet and other assessments to assess the healthiness of the home as it relates to the health of the family.

- C. Braiding:** The GHHI project manager is the primary coordinator of the braiding of projects, which combines funding and resources from more than one agency/program. The goal is to reduce the cost of each project by having one contract for the entire construction portion of the project, or at the very least, a coordination of contractors to be involved. The program requirements of each partner do not change. As often as possible one application, one scope of work and one contract will be used for each project.

The value of braiding will be tracked for each project where more than one agency and more than one funding source is involved, and an evaluation will be made of the cost savings realized by the braiding of projects.

The braiding and case management will be coordinated. The coordination will begin when it is determined that a household is income-eligible, the first site visit is completed, and the ETO form 4.1 pre assessment is completed.

- D. Measurement of outcomes and measurement of efficiency of the process:** A key element of measuring outcomes is to compare the impact of case management and physical home remediation to household health before and after the work was completed. The GHHI Efforts to Outcomes (ETO) system is the primary system to gather data and measure outcomes of households assisted. Before and after comparison of medical costs, days of school and work missed and other applicable data will be gathered and analyzed.
- E. Quality Control:** Quality control person plays a significant role in making sure the project is put together as needed. County CRD quality control staff will be involved in assessment and review of each step of each project, ensuring all files are complete and all program requirements of HUD and GHHI are met.
- F. Prioritization of projects:** Each household will be reviewed for priority status related to a critical health condition and/or critical needs, such as structural issues, sewer and water lines or other safety issues. Each household will be scored and, as funding is available, projects with the highest score will be given priority. Short-term or stop-gap measures

will be taken to assist families in crisis or in an emergency. Up to \$1,000 can be committed and spent on an emergency project.

**G. Foundation funding given to CDCU or Salt Lake Valley Habitat for Humanity:**

CDCU or Salt Lake Valley Habitat for Humanity may commit funding they have received from foundations to them if a project needs additional funding or braiding after the approval from County CRD Loan and Credit Committee, the project will be reviewed by the GHHI Braiding Committee.

**H. Fair Housing:** Emphasis is placed on ensuring that all Fair Housing requirements are met. An ongoing effort will be made to outreach to minorities and those with special needs.

**I. Outreach to minorities:** During each year the different local minority organizations will be contacted by each agency regarding their particular program. Emphasis will be placed on outreach to those organizations tied to low- and moderate-income areas and neighborhoods of unincorporated County.

**J. Outreach to women and minority owned businesses:** Each year County will outreach to minority and women owned businesses by:

1. Holding a seminar for minority and women contractors and subcontractors on how to bid on County funded projects.
2. A list of minority and women contractors and subcontractors will be developed and the contractors and subcontractors will be contacted when a project is to be bid out.

**K. Applicable Laws and Regulation**

1. GHHI intends to preserve and maintain homes in full compliance with the following statutory and regulatory requirements:
  - i. U.S. Department of Housing and Urban Development (HUD) CDBG requirements as stated in 24 CFR Part 570;
  - ii. HUD HOME requirements as stated in 24 CFR Part 92;
  - iii. Lead Based Paint Hazard Control Grant Program requirements as stated in grant agreements;
  - iv. Building Code: International Building Code;
  - v. Federal Housing Code: Housing Quality Standards;

- vi. Life Safety Code: Life Safety Code; and
  - vii. HUD Lead Based Paint regulation (24 CFR Part 35).
2. GHHI program will comply with all applicable state laws concerning lending, collection and other applicable codes and laws including:
- i. Fair Credit Reporting Act (FCRA);
  - ii. Equal Credit Opportunity Act (ECOA);
  - iii. The Fair Housing Act;
  - iv. Flood Disaster Protection Act;
  - v. Truth in Lending (TILA); and
  - vi. Real Estate Settlement and Procedures Act (RESPA).
3. GHHI program shall seek guidance and strive to conform to the following codes if related financial resources are available for a specific project:
- i. Energy: Model Energy Code;
  - ii. Accessibility: ANSI standards for handicapped accessibility;
  - iii. HAZMAT: HUD Guidelines for the Evaluation and Control of Lead Based Paint Hazards in Housing; and
  - iv. Building Code: International Building Code 1-4 Unit Dwelling Code.
4. Exceptions: On a case-by-case basis, deviations from the minimum requirements of these standards will be permitted with written approval of the appropriate agency. Such documentation will be stored in the related project file.

## II. APPLICATION, LOAN AND GRANT PROCESSING

**A. Application Process** There will a standard application for the GHHI.

**B. Loan Processing** Approval of loans and grants will involve a three-step process:

1. **Qualification of clients:** Upon receipt of an application, County will review for accuracy and sufficient detail. This includes verifying income.

i. Household income is determined by totaling all income received by an applicant, spouse and other household members over the age of 18 for a two-month period prior to the date of application. The formula 1040 method will be used as defined by HUD. The verification of income will be valid for six months. If after six months the project has not started, then income will then again need to be verified. The following sources of income will be included in determining gross household earnings:

- a) Gross salary from employment;
- b) Periodic payments from annuity, pensions, disability payments, benefits, etc.;
- c) Payment in lieu of wages, unemployment compensation, workman's compensation;
- d) Welfare payments;
- e) Social Security benefits
- f) Periodic allowances, child support, alimony;
- g) Armed forces pay;
- h) Interest and dividends from savings and stocks; and
- i) Income received from rental units.

ii. Verification is confirmed through copies of two months of current pay stubs, and, if applicable, documentation of SSI payments, social security payments, and regular payments from trust funds and pensions, and any other income shown above. If a person is self-employed, the prior year's tax return and a letter from the applicant that states the monthly and annual income will used to determine income.

iii. Once eligibility is determined, CDCU, Habitat for Humanity or the appropriate partnering agency will obtain a credit report and a preliminary title report to

verify ownership and any liens against the property. Upon obtaining a credit score the agency will notify the applicant in writing of the results of the report and who provided it.

iv. The applicable agency will provide to County a copy of the credit report and preliminary title report. The applicable agency will also recommend whether the financial status is sufficient to move ahead with processing a loan request. This review will include analysis of the loan to value, whether it's a reverse mortgage, and some basic parameters will be presented by the applicable agency. If the applicable agency determines financial status is sufficient, County will send a letter of eligibility and determination within three business days of receipt of the credit report and preliminary title. The applicant must have met the basic qualifications of the program in terms of income eligibility, location and project scope. County will include in the Letter of Eligibility a copy of the Truth in Lending and Good Faith Estimate.

v. In cases where HOME funds are used, the value of a home after rehabilitation cannot exceed 95% of the median price of homes sold in County.

## 2. **Inspection, scope of work, and possible lead based paint hazard**

**reduction plan:** An overall inspection of the property will be completed by County and a representative from CDCU or Habitat. After the inspection is complete, the scope of work and estimate of the project cost will be prepared by County project manager if it is a Habitat for Humanity project or by a CDCU representative if it is a CDCU project.

If the house is built prior to 1978, and a painted surface is to be disturbed, or if there are more than 2 square feet (interior) and 10 square feet (exterior) of cracked and peeling paint, a lead based paint remediation plan will be included in the scope of work. If the scope of work estimate of costs is less than \$5,000, the area to be disturbed and/or the cracked and peeling paint will be tested with the XRF lead screening equipment. If the cost is between \$5,001 and \$15,000 a risk assessment, lead hazard screen, or combination risk assessment/lead based paint inspection will be performed. All risk assessments, lead based paint inspections and lead hazard screens will be done by an independent EPA-certified Risk Assessor approved by County. After the scope of work and cost estimate is complete, if lead based hazard reduction is needed, the risk assessment report with relocation plan, or lead based paint report, will be sent to the GHHI project manager of County for review prior to project bidding.

After the scope of work is prepared the applicable agency involved will get the homeowner's approval before the bid walk through and bidding.

The agency involved will invite at least three contractors to bid on each project. After the bids are received they will be reviewed for completeness and reasonableness. The lowest bidder will be selected unless the homeowner is willing to cover the cost between the lowest bidder and the contractor they might prefer.

3. **Underwriting and approval for funding:** Habitat or CDCU will complete the underwriting of each project. Underwriting Form GHHI -5 will be used. After the form is filled out it will be submitted to County for review. County will then schedule the presentation of the funding request for the County Loan and Grant Committee. The loan and grant request packets to be prepared by CDCU or Salt Lake Valley Habitat for Humanity will include the following:

- i. Underwriting Summary Sheet (GHHI-2)
- ii. Copy of GHHI healthy homes assessment, and HRS priority rating system
- iii. Preliminary title report
- iv. Credit report with credit scores
- v. Scope of work and summary of bids

**County Loan and Grant Committee:** County Loan and Grant Committee will consist of 5 members, 1 member from County (the Loan Servicing Manager), and 4 at-large members appointed by the Salt Lake County Mayor. Of the 4 members at large, at least 2 members will come from the banking industry or financial background. The other two will be knowledgeable in the areas of community development, finance and housing industry. A quorum will exist when at least 3 members of the County Loan and Grant Committee are present, one of which has to be from a finance/lending industry. All approvals or denials require a majority vote, such that if 5 are present then 3 votes are required for any motion to pass, if 4 are present then 3 votes are required for any motion to pass, if 3 are present then 2 votes are required for any motion to pass. The Salt Lake County Mayor Designee will have final approval of loans and grants.

County Loan and Grant Committee will review all requests for Salt Lake County funding of any project using CDBG, HOME, and/or GHHI grant funding. Salt Lake Valley Habitat for Humanity or Community Development Corporation of Utah will underwrite each project that it administers, as explained in the approved underwriting criteria listed below, and submit it to CRD by 11:00 am on the Monday of the week of the meeting.

County Loan and Credit Committee will meet on the first, third and, if applicable, fifth Wednesday of each month at 11:00 am at the County Government Center, 2001 S. State St., Salt Lake City, UT 84190. If a member of County Loan and Grant Committee absolutely cannot attend the meeting, he/she can participate by conference call by giving 24- hour notice. County Loan and Grant Committee member who is calling will need to have a hard copy or electronic copy of the underwriting in order to participate in the meeting. Notice of the meeting and related agenda will placed as a public notice at least 24 hours prior to the meeting. The public notice with agenda will also be posted at the Government Center and will list the names and addresses of those to be considered for funding. Whenever private information is discussed during the meeting, the public will be asked to leave the room and will be invited back when the vote is taken. A recording will be made and minutes will be taken during the meeting. The minutes will be sent to the agencies and kept in an electronic network folder for County CRD staff.

**Underwriting will be based on the following:**

<b><u>Targeted Ratios:</u></b>	Loan to value after rehab:	97%
	Monthly housing cost:	35% of gross income
	Total debt monthly cost:	45% of gross income

Scoring of loans: CDCU or Habitat for Humanity will underwrite and score each loan. Each loan will be given a score from 0 to 100. If a loan request scores 49 or less, the loan will be denied and the applicant will then be notified of the reason the loan request was denied.

**Underwriting criteria scoring of loans (the four C's):**

COMPLIANCE:	40 points will awarded if the loan and or grant request would fund critical-need repairs to the home, such as replacement of furnace, roof, water heater, water and sewer lines.
CREDIT:	20 points will be awarded if the applicant has a credit score above 600. If 550 to 599, 10 points will be awarded; if 500 to 549. 5 points will be awarded; if below 500 then no points awarded.
CAPACITY	10 points will be awarded if the applicant has 1 year of employment or a new job related to education received. 5 points will be awarded if 35% or less of gross income goes for monthly housing costs. 5 points will be awarded if 45% of less of gross income goes for total monthly debt costs.
COLLATERAL	20 points will be awarded if the loan to value does not exceed 97%. 5 points is awarded if the loan to value is at 100%.

**Compensating Factors:**

1. CREDIT: Clean credit for a year. If a credit score is below 600 but the borrower has a clean credit report (no delinquent payments or judgments for a year), the loan can be awarded 20 points.
2. CREDIT: Progressive growth in indebtedness: If the credit scores are above 600, but the amount of indebtedness has progressively and significantly increased over the last three years, the score will be reduced by 10 points.

**Terms of funding**

**Grants:** Grants for up to \$2,000 from GHHI matching grant pool of \$100,000. These funds will be provided for those projects that will assist a family with a severe or chronic health condition.

**Grants:** Grants from County for up to \$4,000 will be provided to finance energy efficiency renovations, healthy homes improvements, lead remediation, radon gas remediation, and other critical needs.

All eligible Lead Based Paint Hazard Control projects for rental units or single-family homes will receive a grant to cover all costs.

**Loans:**

- All households at or below 50% of Area Median Income (AMI) qualify for a 0% percent deferred loan or 0% loan with principal payments. Even though a household may qualify for a deferred loan, if the loan underwriting and due-diligence shows the household is capable of making repayments, a principal payment loan will be provided.
- All households with at least one of the owners of the property over age 70 will qualify for a 0% percent loan.
- All other households between 50% of AMI and 80% of AMI qualify for a 3% amortized loan payable over ten years. Based on the current financial status of the household upon due diligence, underwriting and approval by the CRD Loan & Grant Committee, the start of the payments may be deferred and the time frame for payback may be adjusted.
- Targeted monthly repayment loan terms will be computed so that 35% of the household income is spent on housing expenses and 45% of the household income is spent on total debt.

**Final approval of County Loan and Grant Committee and Loan Closing:** After the bids are received and a contractor is selected by the homeowner, the final loan approval package will be prepared by the agency working on the project and will be sent to CRD. See page 4.

**GHHI Project Braiding Committee:** Salt Lake City Rehabilitation, Salt Lake Valley Habitat for Humanity, NeighborWorks Salt Lake, Assist Inc., and Community Development Corporation of Utah will meet with County staff at least monthly, or as needed, to approve foundation funding for projects and help the GHHI Project Manager coordinate the braiding of projects. This coordination takes place both before and after projects are presented to the County Loan and Grant Committee to ensure effective collaboration.

If the loan is approved, the following Loan Closing Procedures will be followed by the Agency presenting the loan:

**Lien holders** County will be listed as the Beneficiary.

**Fees** The homeowner may be charged the following types of fees, including, but not limited to: Appraisal Fees, Title Report Fees, Recording Fees (Lien and Removal of Lien), Attorney Fees

and other related fees. The cost of these fees can be covered by the funding provided. Charges will be in accordance with the fee schedule set by the County.

**Insurance** All homeowners receiving assistance are required to have homeowners insurance on their property as long as the loan is outstanding. County will be listed on the Declarations Page to be notified if the policy is canceled or if there is any change in coverage.

Denial of request: If the loan request is denied, County Loan and Grant Committee will notify the Agency of its decision and the reason for denial. The Agency will provide this information to the family requesting assistance along with County's written Appeals Process. The homeowner will then have the opportunity to respond and appeal the decision of the County Loan and Grant Committee.

Appeal of Denial: Any appeal by the homeowner will be submitted to the Agency, which will send it to County for review. The appeal will be reviewed by the staff of County, and the staff will make a recommendation to County Executive Director on whether the appeal should be denied or approved. County Executive Director will make the decision.

Notification of approval, modification or denial: The Agency will notify the household in writing the decision of County Executive Director.

### III. GHHI Grant Program

Individual GHHI grants of up to \$2,000 can be given from the \$100,000 GHHI grant received by County. This pool of money will be combined, as needed, with other foundation money received by Salt Lake Valley Habitat for Humanity, Community Development Corporation of Utah, and, as applicable, eligible and necessary, from lead based hazard control funding, healthy homes supplemental funding, CDBG and HOME. The projects funded will conform to the terms and conditions of the GHHI contract #CA0000000000045.

1. Funds will be used to pay for identified energy efficiency, health, and safety related repairs not otherwise eligible for funding through HUD, US Department of Energy (DOE), or other public or philanthropic funding sources.
2. Activities supported with these funds must be consistent with GHHI's "Standard for a Green & Healthy Home" and must result in a unit that, at the very minimum, meets the baseline criteria for a GHHI unit including passing a Quality Control review by County staff.
3. No more than \$2,000 in average costs per unit can be expended without prior approval of the national GHHI office. It must be spend on repairs that 1) have been identified as part of the site's comprehensive assessment process and 2) are included in the scope of work.
4. Funds must be spent on GHHI units that house families living at or below 80% of area medium income.
5. In accordance with HUD guidelines, tenants must be granted a guaranteed right to return following the intervention, and the units must remain affordable for at least three years as per HUD rules and regulations for GHHI units that receive HUD funding.

The qualifications for this program are:

- Households assisted have to be at or below 80% of AMI;
- Households assisted need to have an identified health condition, severe or chronic;
- Households can reside in a rental housing unit or single family home; and
- Households must agree to receive case management.

The property owner of a rental unit will enter into an agreement that states the unit will remain affordable under HUD standards for the next three years.

**Eligible items:** All housing components and materials that can have some type of impact on the health of the family. Eligible items could include: portable air filtration units, bedding, vacuums and other items as needed.

ETO - All units assisted will be entered into ETO with the following information.

1. Unit information
2. Project timeline
3. Interventions and costs by vendor
4. Health and safety pre- and post-assessments
5. Energy outcome pre- and post-assessments
6. Green & Healthy Homes Certification
7. Quarterly Unit Production reporting (All GHHI units, including those that do not receive resources through this grant)

**The same project development process will be followed as listed on pages 7 to 12, except that no underwriting is needed for grants of less than \$2,000.**

**Process for grant applications: CDCU will manage larger homeowner projects and rental-unit projects, and Habitat for Humanity will manage GHHI grants for small homeowner projects.**

#### **IV. CONSTRUCTION MANAGEMENT**

A. Performance Standards: No payments will be released to the contractor until the homeowner and project manager approve the release of funds. The costs will be broken down in such a manner that the homeowner understands what is being paid. The GHHI project manager is to be involved in the management of each project. This includes repeated site visits. These visits should be at critical points of the construction process, at the beginning and during the construction, ensuring compliance with building codes, permits and other requirements listed below.

1. Building inspectors and building permits: Whenever the rehabilitation work exceeds \$500, a building permit must be taken out as required by Salt Lake County or the applicable city. Coordination and cooperation with Salt Lake County housing inspectors should be given a high priority. All of the building codes and regulations and zoning requirements of Salt Lake County and other cities as applicable, as well as permit requirements need to be met. During the monthly GHHI Salt Lake Braiding Committee meeting additional training and information will be provided to program providers on when and if building inspectors need to be involved and when a permit needs to be obtained.

2. Arbitration and grievance process. Complaints and grievances from clients shall be handled by the program provider. If there is a serious complaint Salt Lake County should be notified.

3. Consistent standards. The contractor works for the household and not for the program provider. The program provider should ensure that the contract is clear and that the homeowner knows what is to be done and how quickly it will be completed. All contracts between the homeowner and the contractor should specify how long the project will take to complete. The

homeowner has the right to terminate the contract if it is not being done in a timely manner and if the work is not being done to reasonable performance standards.

If a contractor walks off the project: If the contractor refuses to finish a project, every effort should be made to resolve the problems quickly without ending up in a lawsuit. The progress payments should be handled in a way that the contractor is not paid for any more than what had been completed. The contractor needs to be warned that a complaint could be filed with the State of Utah Commerce Department, Contractors Division.

4. Change Orders: Small change orders will come out of the contingency (typically 5% of the total estimated cost of the project). The Housing Manager is to be notified of all change orders. A change order will be approved if the additional cost is related to a work item already specified. The agencies involved will secure a new trust deed for the amount of the change order. CRD will be notified by phone when the change order is first identified, and then a note of explanation will be entered into ETO and the quality control person will be notified of the change. If over \$1,000 the project manager will notify the CRD Loan and Grant Committee of the reason for the change order. If the change order is more than \$1,000 but less than \$3,000 the Housing Manager can approve the change order. If the change order is greater than \$3,000 or steps out of the specified work write-up, the CRD Loan and Grant Committee will review and consider for approval the requested change order.

5. Quality control and contractors. The goal of the GHHI Salt Lake is to provide funding needed to improve the quality of the housing occupied by low- to moderate-income families.

If a construction project is properly developed, financed and managed, quality can be achieved in a systematic consistent manner that is not left to chance or luck. Good construction management must be holistic. Each step along the way must be carefully and completely reviewed to ensure the highest quality for the best price.

Inspection and quality standards need to be consistent. Internally each program provider needs to have staff meetings that work on consistency of initial, progress and final inspection standards.

6. Timeliness of billings and payments. All billings must be submitted to the County within 90 days of incurring the costs. Any adjustments or corrections must be taken care of within the following month. Administrative billings should be submitted on a monthly basis. Progress payments (contractor payments) may be submitted as often as needed but no more than once a week.

7. Reporting requirements and information. Reporting forms will be submitted on a monthly basis using the format developed by the Division of Community Resources and Development. It is critical that each program provider maintain complete files with notes and memos that detail the history of the project

8. Required training. Each year the CRD and agencies staff should receive training on energy efficiency improvement standards, rehabilitation inspections, standards, good construction management, title reports, loan closings, and other needs as they are identified.

9. Time limits. Loans should close within two weeks of approval by the CRD Loan and Grant Committee. Work should begin within two weeks days after loan and grant closing, and work should be complete within 90 days after work begins. The Promissory Note should be structured so that the homeowner does not start paying on the loan until work is expected to be complete, usually six to twelve months after the closing.

10. Payment Standard. The program provider will require the contractor to provide verification that the subcontractors have been paid, usually by providing lien release, and the final payment is not made until all the lien release forms are received.

The payment request form must clearly show what work has been completed and only authorize that which has been completed. Ten percent for each construction line item may be withheld until the project is complete.

#### **IV. CLOSE OUT OF PROJECTS, BENEFIT DATA AND FILES**

**A. Submittal of documents and files to the County:** After the closing of the project is complete and all documents have been recorded, the original Trust Deed, Promissory Note and Truth in Lending documents shall be submitted to the County so that the loan can be set up for loan servicing.

When the work is complete on the home and final payment has been made to the contractor, the entire file should be submitted to the County within 30 days.

**B. Lien releases and perfection of loan:** The program provider will obtain lien releases and will verify no liens have been placed on the property during the construction period. The agency will keep for up to one year copies of the homeowner/contractor contract, and notes for one year to handle any warranty items that may arise.

**C. Title Policy:** For all loans \$7,500 or less a Flag Report will be obtained; for all loans over \$7,500 a Title Policy will be obtained. Before the file is submitted to County the final Flag report or Title policy will be reviewed for any changes, to make sure the loan is properly recorded, and that no additional liens or loans have been added.

## V. MONITORING AND PROGRAM EVALUATION

Annual review, close out evaluation, production and program evaluation and monitoring standards. It is important that each program provider make every effort to meet the production goals stated in its respective contract. Each year the agency will be evaluated on how efficiently and effectively it manages its program. Program efficiency is measured by comparing the actual number of projects to the estimated number of projects listed in the contract. Annually, each program provider will meet with County for a review and evaluation. The program provider will be required to do a review and evaluation of the effectiveness of its own program and submit it in writing at the annual session with County. Within each contract is a statement of outcomes that the applicable agency must work with County to achieve.