

REVISED ATTACHMENT A
Scope of Services

1. **Properties to be Rehabilitated with Grant.** Funds awarded under this Agreement will be used for the rehabilitation or reconstruction of two single family dwellings located at 1111 and 1113 Rosedale Avenue. Builders of Hope, Inc. (BOH) will renovate the existing deteriorated dwellings into energy efficient homes. BOH shall submit building plans, including floor plans, façade elevations and materials list, to be approved by the Director of the Department of Community Development (DDCD). The Rosedale Avenue properties were acquired using HOME funds previously provided by the City.
2. **Rehabilitation Standards.** BOH shall renovate each home to meet Energy Star specifications, with Advanced Energy certifying upon completion that the energy required to heat and cool each home will not exceed the guaranteed usage. Upon completion of construction, BOH shall provide to the DDCCD for each home a copy of the Comfort and Energy Use Two Year Guarantee along with the Energy Star certificate, and a copy of the certificate of occupancy. Completion of construction shall be defined as the date by which a certificate of occupancy has been issued for each home.
3. **Rental Housing Property Standards.** BOH shall meet the requirements of 24 CFR 92.251 relating to property standards and the Durham Minimum Housing Code for the duration of this agreement and any modifications or amendments or successor agreements thereto. Annual inspections are required. Proof of these annual inspections must be maintained in BOH's files for annual compliance reviews by the City.
4. **Affirmative Marketing.** The availability of all federally assisted units shall be published in such a way that persons and households that are very likely to be eligible for, but least likely to be aware of such units, are made aware of the vacancy, and in such a way that all Fair Housing rules are followed and documented. Records of marketing activities and responses, with demographic data on respondents, shall be maintained by BOH for a period of 5 years after the advertised unit is rented.
5. **Eligible Tenants.** The renovated properties will be rented to low- income households and must be occupied by households having an income which does not exceed 60% of the HUD-determined Area Median income (AMI), as that may be revised from time to time by HUD and furnished to BOH each year by the City at the time of publication.
6. **Rents.** The maximum rent is capped by limits set and published by HUD each year and furnished to BOH by the City at the time of publication.
 - Tenants shall not be charged a total rent of more than the Low HOME Rent of the Fair Market Rent (FMR), whichever is lower.

- All HUD rents assume that BOH will deduct a Utility Allowance, calculated and published by the Durham Housing Authority (DHA) each year and furnished to BOH by the City at the time of publication, so that the Lease Rent plus the Utility Allowance set by DHA shall not exceed the HUD published Low HOME Rents.

Initial leases shall be for a period of not less than one year and not more than two years. Subsequent leases shall be for one year or for another period or time agreed to in advance, in writing, between the tenant and the landlord. Leases may not be renewed or extended until BOH re-certifies the total annual household income, which must be completed prior to the expiration date of the initial lease.

- If the certified income of a tenant household that was initially eligible for a Low HOME Rent rises above 60% of AMI, based on the new HUD published schedule, their rent can rise to no more than the High HOME Rent or the FMR, whichever is lower.
- If the income of the tenant household rises above 80% of AMI, that household is no longer eligible to benefit from a federal subsidy, and BOH must raise this household's rent to FMR as published by HUD, or 30% of the calculated, unadjusted, household income, whichever is lower, and no utility allowance is deducted from that rent ceiling.

Rents may only be adjusted at the time of income re-certification and lease renewal, and then only with 30 days written notice from BOH to the tenant household.

7. **Declaration of Restrictive Covenants.** Shall require that units with HOME funds meet the affordability requirements of 24 CFR 92.252. For a period of fifteen (15) years a Declaration of Restrictive Covenants shall be imposed upon each property rehabilitated or constructed with funds provided under this Agreement, in the form provided in **Exhibit A** by the City, with the Declaration placed on file at the Register of Deeds for Durham County. A Period of Affordability shall commence on the date that project construction is complete, the final drawdown of funds has been disbursed and project completion information has been entered into HUD's Integrated Disbursement and Information System (IDIS), which date shall be provided by the City. This means that an income-eligible tenant has occupied the unit and beneficiary information has been entered in IDIS. The Period of Affordability will end on the date that is Fifteen (15) years from the date of commencement of the Period of Affordability. Repayment of the funds will be required if the housing does not meet the affordability requirements for the specified time period.

8. **Remedy for Breach.** If, for any reason, BOH does not complete construction of the two homes within six (6) months of the commencement of this Agreement, or for any other breach of this Agreement's terms, the City shall have the right to recapture from BOH the amount of funds provided for each property for which acquisition and renovation was not timely completed, or, at the City's election, to have a deed of trust encumbering the parcel and any improvements constructed thereon provided to the City by BOH, noting the entire amount of funds provided by the City under this Agreement,

as well as the prior HOME funds provided, as the secured amount, with the City as the beneficiary.

All terms of this Agreement shall continue to be enforceable by the City so long as any obligations of BOH under this Agreement have not been fulfilled. In addition to the remedies provided under this section, the City shall retain all other remedies provided in any project document, or under local, state or federal laws or regulations.

8. **Payments and Documentation.** BOH will provide to the DDCD with its request for funds documentation that the restrictive covenants imposing the period of affordability have been imposed and have been filed at the Durham County Registry of Deeds.

After provision of the proper documentation, BOH will be reimbursed the actual cost of construction of each unit up to the amount specified for City-provided HOME funding in the Project Budget, but in no event shall the aggregate expenditure for both properties of such HOME funds exceed **\$152,471.45**. Adjustments to the use of funds may be approved in writing by the DDCD, provided these adjustments do not extend the term of the agreement or increase the total funding for contract activities.

9. **Project Budget.** Both properties have been previously acquired by BOH with FY '09-'10 HOME funds awarded to BOH, in the amount of **\$57,146.00**.

House Address	BOH Estimated Construction Costs	Total Budget
1111 Rosedale (1000SF)	\$74,828.00	\$74,828.00
1113 Rosedale (1050SF)	\$79,520.00	\$79,520.00
		\$154,348.00

**CITY OF DURHAM
DEPARTMENT OF COMMUNITY DEVELOPMENT
2012 MEDIAN FAMILY INCOME CHART**

MEDIAN FAMILY INCOME-CITY/COUNTY DURHAM

Effective: February 23, 2012

FAMILY SIZE	30%	50%	60%	80%
1	14,450	24,050	28,860	38,500
2	16,500	27,500	33,000	44,000
3	18,550	30,950	37,140	49,500
4	20,600	34,350	41,220	54,950
5	22,250	37,100	44,520	59,350
6	23,900	39,850	47,820	63,750
7	25,550	42,600	51,120	68,150
8	27,200	45,350	54,420	72,550

Based on U.S. Department of Housing and Urban Development Income Limits for Section 8 Programs and Median Family Income for Durham, North Carolina.