



COUNTY ADMINISTRATOR
220 NORTH MAIN STREET, P.O. BOX 8645
ANN ARBOR, MICHIGAN 48107-8645
(734)222-6850
FAX (734)222-6715

TO: Wesley Prater, Chair
Ways and Means Committee

THROUGH: Robert E. Guenzel
County Administrator

FROM: Anthony VanDerworp, Director
Department of Planning and Environment

DATE: July 7, 2004

SUBJECT: Habitat for Humanity Homeownership Assistance Project

BOARD ACTION REQUESTED:

The Department of Planning & Environment requests that the Board of Commissioners approve an allocation of \$30,000 from the Housing Contingency Fund to Habitat for Humanity of Huron Valley (Habitat), a non-profit housing development corporation. In addition, the Department asks that the Board authorize the County Administrator to sign the contract for these funds.

BACKGROUND:

Habitat for Humanity of Huron Valley was founded in 1989, and to date has constructed 56 homes in Washtenaw County. Each home costs approximately \$100,200 and is sold to households with incomes at 30-50% of area median. Each house utilizes approximately 8,000 hours of volunteer labor, 300 hours of which are provided by each adult member of the homebuyer's household.

DISCUSSION:

These funds will provide homeownership assistance in the form of mortgage buy-downs to two (2) low-income households purchasing homes in the City of Ann Arbor. Habitat for Humanity of Huron Valley will finish constructing these two units of housing by December 31, 2004. The Housing Contingency funds will be used to buy down both of those mortgages, so that the houses sell to eligible, low-income households at approximately \$78,500 each. Therefore, each of the homebuyers will receive a subsidy of approximately \$15,000 to purchase these homes. The units will be located 3422 Ferry Street, 3432 Ferry Street Ann Arbor, MI 48103. Liens between the County and the homebuyers will preserve this affordability for fifteen years.

IMPACT ON HUMAN RESOURCES:

None.

IMPACT ON BUDGET:

The budget will be adjusted to reflect the \$30,000 in expenditure from the Housing Contingency Fund.

IMPACT ON INDIRECT COSTS:

None.

IMPACT ON OTHER COUNTY DEPARTMENTS OR OUTSIDE AGENCIES:

This project is a public-private partnership between Washtenaw County and Habitat for Humanity of Huron Valley.

CONFORMITY TO COUNTY POLICIES:

This request conforms to County policies.

ATTACHMENTS/APPENDICES:

Budget attached.

AFFORDABILITY AGREEMENT
WASHTENAW COUNTY HOME CONSORTIUM GRANT AGREEMENT WITH
HABITAT FOR HUMANITY OF HURON VALLEY
FOR 2004 HOUSING CONTINGENCY FUNDING

This AGREEMENT dated the ____ day of _____ 2004, is between HABITAT FOR HUMANITY OF HURON VALLEY ("CONTRACTOR"), a Michigan non-profit corporation whose current address is 3820 Packard Road, Suite 240, Ann Arbor, MI 48108, and THE COUNTY OF WASHTENAW ("COUNTY"), a Michigan municipal corporation, whose address is 220 N. Main, Ann Arbor, Michigan, 48107.

WHEREAS Habitat for Humanity of Huron Valley has applied for **\$30,000 in Housing Contingency Funds** to provide homeownership assistance, in the form of mortgage buy-downs, to two (2) low-income homebuyers in Washtenaw County; and

WHEREAS Washtenaw County seeks to encourage safe, decent, and affordable housing for County residents; and

WHEREAS households between 30-50% of area median income typically find it difficult to make the transition into homeownership in Washtenaw County, due to the high cost of local housing; and

WHEREAS this project represents a public-private partnership between Washtenaw County and Habitat for Humanity to enhance the affordable housing stock in the County; and

WHEREAS these houses will be constructed in the 2004 building season, and these funds will provide all five mortgage buy-downs by the beginning of FY 2005; and

WHEREAS these houses will be located at 3422 Ferry Street and 3432 Ferry Street, Ann Arbor, MI 48103; and

WHEREAS this request will reduce the available funds in the Housing Contingency Fund by \$30,000; and

WHEREAS, the County and the CONTRACTOR desire that the CONTRACTOR shall provide for the services specified in this Agreement:

THE PARTIES AGREE AS FOLLOWS:

ARTICLE I - SCOPE OF SERVICES AND SPECIAL CONTRACT CONDITIONS

- (i) CONTRACTOR shall use County Housing Contingency funding to provide a homeownership assistance subsidy to two (2) low-income homebuyers, so that they can purchase five newly constructed, single-family residential homes in the City of Ann Arbor; and to ensure that the construction of these units meets all applicable local codes. These two (2) units will be located at the following addresses: 3422 Ferry Street and 3432 Ferry Street, Ann Arbor, MI 48103.
- (ii) CONTRACTOR shall ensure that each homebuyer completes sessions in homebuyer education, home maintenance training, first-time homebuyer activities, and credit counseling.
- (iii) CONTRACTOR shall screen applicants to ensure that they are qualified low-to-moderate income buyers with a gross annual family income that does not exceed the U.S. Department of HUD standard (50 percent) of area median income (AMI), adjusted for family size.
- (iv) CONTRACTOR shall utilize liens to maintain the required 15-year period of affordability, based upon the type and amount of assistance. These lien documents use a decreasing principal formula for the homebuyer purchase assistance provided in this contract (See Attachment 1).

- (v) CONTRACTOR shall ensure that each of the units of housing acquired by these two (2) homebuyers will be the principal residence of the family throughout the 15-year period of affordability, and shall incorporate this requirement into liens and/or loan documents between the purchaser and the program administrator.
- (vi) CONTRACTOR agrees to cooperate fully with the County to evaluate and monitor the requirements and performance of programs financed with County General funds.
- (vii) CONTRACTOR shall maintain project records, including: property description and location, form of assistance, source and application of funds documenting each home purchased using County funds, how it meets affordability requirements, and household income eligibility.
- (viii) CONTRACTOR shall use written agreements for home buyers, which include as a minimum: value of the property, proof of principal residence, resale or recapture provisions, amount of County funds, form of assistance, use of the funds, and the time by which the housing must be acquired.
- (ix) CONTRACTOR shall ensure that the units purchased with the Housing Funds in this contract are constructed to meet all applicable local codes, ordinances, and zoning ordinances at the time of project completion.

ARTICLE II- COMPENSATION

The parties agree that CONTRACTOR shall provide documentation to the County Planning and Environment Department on forms supplied by the County for each request of County Housing Contingency Fund expenditure under this agreement. Upon receipt and verification of this documentation, the County's Planning and Environment Department shall arrange for such funding to be paid to CONTRACTOR.

The County will pay the contractor an amount not to exceed **thirty thousand dollars (\$30,000)**, as detailed on Attachment 2 "Budget Form".

ARTICLE III - REPORTING OF CONTRACTOR/ AGENCY

Section 1 - The Contractor is to report to **the Community Development Program Manager** and will cooperate and confer with him/her as necessary to insure satisfactory work progress.

Section 2 - All reports, estimates, memoranda and documents submitted by the Contractor must be dated and bear the Contractor's name.

Section 3 - All reports made in connection with these services are subject to review and final approval by the County Administrator.

Section 4 - The County may review and inspect the Contractor's activities during the term of this contract.

Section 5 - When applicable, the Contractor will submit a final, written report to the County Administrator.

Section 6 - After reasonable notice to the Contractor, the County may review any of the Contractor's internal records, reports, or insurance policies.

ARTICLE IV - TERM

This contract begins on **July 15, 2004**, and ends on **December 31, 2005**.

ARTICLE V - PERSONNEL

Section 1 - The contractor will provide the required services and will not subcontract or assign the services without the County's written approval.

Section 2 - The Contractor will not hire any County employee for any of the required services without the County's written approval.

Section 3 - The parties agree that the Contractor is neither an employee nor an agent of the County for any purpose.

ARTICLE VI - INDEMNIFICATION AGREEMENT

The contractor will protect, defend and indemnify Washtenaw County, its officers, agents, servants, volunteers and employees from any and all liabilities, claims, liens, fines, demands and costs, including legal fees, of whatsoever kind and nature which may result in injury or death to any persons, including the Contractor's own employees, and for loss or damage to any property, including property owned or in the care, custody or control of Washtenaw County in connection with or in any way incident to or arising out of the occupancy, use, service, operations, performance or non-performance of work in connection with this contract resulting in whole or in part from negligent acts or omissions of contractor, any sub-contractor, or any employee, agent or representative of the contractor or any sub-contractor.

ARTICLE VII- INSURANCE REQUIREMENTS

The Contractor will maintain at its own expense during the term of this Contract, the following insurance:

1. Workers' Compensation Insurance with Michigan statutory limits and Employers Liability Insurance with a minimum limit of \$100,000 each accident for any employee.
2. Comprehensive/Commercial General Liability Insurance with a combined single limit of \$1,000,000 each occurrence for bodily injury and property damage. The County shall be added as "additional insured" on general liability policy with respect to the services provided under this contract.
3. Automobile Liability Insurance covering all owned, hired and nonowned vehicles with Personal Protection Insurance and Property Protection Insurance to comply with the provisions of the Michigan No Fault Insurance Law, including residual liability insurance with a minimum combined single limit of \$1,000,000 each accident for bodily injury and property damage.

Insurance companies, named insureds and policy forms shall be subject to the approval of the Washtenaw County Administrator. Such approval shall not be unreasonably withheld. Insurance policies shall not contain endorsements or policy conditions which reduce coverage provided to Washtenaw County. Contractor shall be responsible to Washtenaw County or insurance companies insuring Washtenaw County for all costs resulting from both financially unsound insurance companies selected by Contractor and their inadequate insurance coverage. Contractor shall furnish the Washtenaw County Administrator with satisfactory certificates of insurance or a certified copy of the policy, if requested by the County Administrator.

No payments will be made to the Contractor until the current certificates of insurance have been received and approved by the Administrator. If the insurance as evidenced by the certificates furnished by the Contractor expires or is canceled during the term of the contract, services and related payments will

be suspended. Contractor shall furnish the County Administrator's Office with certification of insurance evidencing such coverage and endorsements at least ten (10) working days prior to commencement of services under this contract. Certificates shall be addressed to the County Administrator, P. O. Box 8645, Ann Arbor, MI, 48107, and shall provide for 30 day written notice to the Certificate holder of cancellation of coverage.

ARTICLE VIII- COMPLIANCE WITH LAWS AND REGULATIONS

The Contractor will comply with all federal, state and local regulations, including but not limited to all applicable OSHA/MIOSHA requirements and the Americans with Disabilities Act.

ARTICLE IX- INTEREST OF CONTRACTOR AND COUNTY

The Contractor promises that it has no interest which would conflict with the performance of services required by this contract. The Contractor also promises that, in the performance of this contract, no officer, agent, employee of the County of Washtenaw, or member of its governing bodies, may participate in any decision relating to this contract which affects his/her personal interest or the interest of any corporation, partnership or association in which he/she is directly or indirectly interested or has any personal or pecuniary interest. However, this paragraph does not apply if there has been compliance with the provisions of Section 3 of Act No. 317 of the Public Acts of 1968 and/or Section 30 of Act No. 156 of Public Acts of 1851, as amended by Act No. 51 of the Public Acts of 1978, whichever is applicable.

ARTICLE X - CONTINGENT FEES

The Contractor promises that it has not employed or retained any company or person, other than bona fide employees working solely for the Contractor, to solicit or secure this contract, and that it has not paid or agreed to pay any company or person, other than bona fide employees working solely for the Contractor, any fee, commission, percentage, brokerage fee, gifts or any other consideration contingent upon or resulting from the award or making of this contract. For breach of this promise, the County may cancel this contract without liability or, at its discretion, deduct the full amount of the fee, commission, percentage, brokerage fee, gift or contingent fee from the compensation due the Contractor.

ARTICLE XI - EQUAL EMPLOYMENT OPPORTUNITY

The Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, sex, sexual orientation, national origin, physical handicap, age, height, weight, marital status, veteran status, religion and political belief (except as it relates to a bona fide occupational qualification reasonably necessary to the normal operation of the business).

The Contractor will take affirmative action to eliminate discrimination based on sex, race, or a handicap in the hiring of applicant and the treatment of employees. Affirmative action will include, but not be limited to: Employment; upgrading, demotion or transfer; recruitment advertisement; layoff or termination; rates of pay or other forms of compensation; selection for training, including apprenticeship.

The Contractor agrees to post notices containing this policy against discrimination in conspicuous places available to applicants for employment and employees. All solicitations or advertisements for employees, placed by or on the behalf of the Contractor, will state that all qualified applicants will receive consideration for employment without regard to race, creed, color, sex, sexual orientation, national origin, physical handicap, age, height, weight, marital status, veteran status, religion and political belief.

ARTICLE XII - LIVING WAGE

The parties understand that the County has enacted a Living Wage Ordinance that requires covered vendors who execute a service or professional service contract with the County to pay their employees under that contract, a minimum of either \$9.42 per hour with benefits or \$11.06 per hour

without benefits. Contractor agrees to comply with this Ordinance in paying its employees. Contractor understands and agrees that an adjustment of the living wage amounts, based upon the Health and Human Services poverty guidelines, will be made on or before May 1, 2004 and annually thereafter which amount shall be automatically incorporated into this contract. County agrees to give Contractor thirty (30) days written notice of such change. Contractor agrees to post a notice containing the County's Living Wage requirements at a location at its place of business accessed by its employees.

ARTICLE XIII - EQUAL ACCESS

The Contractor shall provide the services set forth in Article I without discrimination on the basis of race, color, religion, national origin, sex, sexual orientation, marital status, physical handicap, or age.

ARTICLE XIV - OWNERSHIP OF DOCUMENTS AND PUBLICATION

All documents developed as a result of this contract will be freely available to the public. None may be copyrighted by the Contractor. During the performance of the services, the Contractor will be responsible for any loss of or damage to the documents while they are in its possession and must restore the loss or damage at its expense. Any use of the information and results of this contract by the Contractor must reference the project sponsorship by the County. Any publication of the information or results must be co-authored by the County.

ARTICLE XV - ASSIGNS AND SUCCESSORS

This contract is binding on the County and the Contractor, their successors and assigns. Neither the County nor the Contractor will assign or transfer its interest in this contract without the written consent of the other.

ARTICLE XVI - TERMINATION OF CONTRACT

Section 1 - Termination without cause. Either party may terminate the contract by giving thirty (30) days written notice to the other party.

ARTICLE XVII - PAYROLL TAXES

The Contractor is responsible for all applicable state and federal social security benefits and unemployment taxes and agrees to indemnify and protect the County against such liability.

ARTICLE XVIII - PRACTICE AND ETHICS

The parties will conform to the code of ethics of their respective national professional associations.

ARTICLE XIX- CHANGES IN SCOPE OR SCHEDULE OF SERVICES

Changes mutually agreed upon by the County and the Contractor, will be incorporated into this contract by written amendments signed by both parties.

ARTICLE XX –CHOICE OF LAW AND FORUM

This contract is to be interpreted by the laws of Michigan. The parties agree that the proper forum for litigation arising out of this contract is in Washtenaw County, Michigan.

ARTICLE XXI –EXTENT OF CONTRACT

This contract represents the entire agreement between the parties and supersedes all prior

representations, negotiations or agreements whether written or oral.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first above written.

HABITAT FOR HUMANITY OF HURON VALLEY

WASHTENAW COUNTY

Sarah Stanton (Date)
CONTRACTOR, Executive Director

Robert E. Guenzel (Date)
County Administrator

APPROVED AS TO FORM

APPROVED AS TO CONTENT

Curtis N. Hedger (Date)
Corporation Counsel

Anthony VanDerworp (Date)
Planning & Environment Director

ATTESTED TO

Peggy M. Haines (Date)
Clerk/Register

Attachment 1: Homebuyer(s) Recapture Provisions

Homebuyer Purchase Program – Decreasing Principal Formula

The homebuyer may sell the property at any time to any willing buyer.

A fifteen-year restriction will be placed on the property in the form of a lien starting from the time the subsidy is initially provided or from the date of the property closing. This lien shall require that the funds provided be repaid to the Washtenaw County Housing Contingency Fund if the property is sold, using a formula that reduces the amount by one-fifteenth for each full year that the homeowner occupies the unit. At the end of a fifteen-year period, the full amount of these funds shall be forgiven and no further repayment of this amount shall be required.

**Attachment 2- Washtenaw County Housing Contingency Fund -
Project Budget**

Organization Name: Habitat for Humanity of Huron Valley

Total County Funds: \$30,000

Project Revenues

Revenue Type	County Funding	Other Revenues	Program Totals
Amount Requested	\$30,000		\$30,000
Projected Program Income			
Totals	\$30,000		\$30,000

Project Expenditures

Expenditure Type	County Funding	Other Expenditures	Program Totals
Personnel, taxes, & fringes			
Consultant & Contractual			
Space & Related Costs			
Printing/ Supplies			
Rehabilitation			
Other- Mortgage Buy-downs	\$30,000		\$30,000
Totals	\$30,000		\$30,000

A RESOLUTION ALLOCATING \$30,000 IN HOUSING CONTINGENCY FUNDS TO A HABITAT FOR HUMANITY OF HURON VALLEY HOMEOWNERSHIP ASSISTANCE PROJECT, AND AUTHORIZING THE COUNTY ADMINSTRATOR'S SIGNATURE ON THIS CONTRACT

WASHTENAW COUNTY BOARD OF COMMISSIONERS
July 7, 2004

WHEREAS Habitat for Humanity of Huron Valley has applied for \$30,000 in Housing Contingency Funds to provide homeownership assistance, in the form of mortgage buy-downs, to two (2) low-income homebuyers in Washtenaw County; and

WHEREAS Washtenaw County seeks to encourage safe, decent, and affordable housing for County residents; and

WHEREAS households between 30-50% of area median income typically find it difficult to make the transition into homeownership in Washtenaw County, due to the high cost of local housing; and

WHEREAS this project represents a public-private partnership between Washtenaw County and Habitat for Humanity to enhance the affordable housing stock in the County; and

WHEREAS these houses will be constructed in the current building season, and these funds will provide all five mortgage buy-downs by the beginning of FY 2005; and

WHEREAS these houses will be located at 3422 Ferry Street, 3432 Ferry Street, Ann Arbor, MI 48103; and

WHEREAS this request will reduce the available funds in the Housing Contingency Fund by \$30,000; and

WHEREAS this matter has been reviewed by Corporation Counsel, the Finance Department, Human Resources, the County Administrator's office, and the Ways and Means Committee.

NOW THEREFORE BE IT RESOLVED that the Washtenaw County Board of Commissioners hereby authorizes the Administrator to sign the contract with Habitat for Humanity of Huron Valley for a Homeownership Assistance Project for 3422 and 3432 Ferry Street, Ann Arbor in the amount of \$30,000 from the Housing Contingency Funds, as on file with the County Clerk..

Department of Planning and Environment
Housing Contingency Fund Grant

HABITAT FOR HUMANITY OF HURON VALLEY
Homeownership Assistance Application
16702000

		Current	Revised	
Expenditures:		<u>Budget</u>	<u>Budget</u>	<u>Variance</u>
80000	Other Services & Charges	\$177,630	\$207,630	\$30,000
98000	Unearmarked Reserves	\$132,370	\$102,370	(\$30,000)
	TOTAL	\$310,000	\$310,000	\$0