RESOLUTION NO. 42-16

A RESOLUTION AMENDING RESOLUTION NO. 9-15, PASSED JANUARY 26, 2015, RELATIVE TO THE PARTNERSHIP AGREEMENT WITH THE CITY OF WADSWORTH AND THE CITY OF BRUNSWICK FOR THE PY14 COMMUNITY HOUSING IMPACT AND PRESERVATION PROGRAM GRANT, AUTHORIZING THE ADDITION OF AMENDMENT NO. 1 TO THE AGREEMENT, AND DECLARING AN EMERGENCY.

WHEREAS: The Cities of Medina, Brunswick and Wadsworth entered into a Partnership Agreement on May 28, 2014 for the purpose of applying for Community Housing Impact and Preservation Funds through the Ohio Development Services Agency, Office of Community Development; and thereafter the Cities revised the Partnership Agreement with the passage of Resolution No. 9-15, passed January 26, 2015; and

WHEREAS: On December 31, 2015 the Ohio Development Services Agency Office of Community Development issued Policy Number 15-03 which in part requires a separate written agreement for all HOME funded activities that will be required to be signed by the person receiving assistance and the grantee.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MEDINA, OHIO:

SEC. 1: That Resolution No. 9-15, passed January 26, 2015 is here by amended with the addition of Amendment No. 1 authorizing the Mayor for the City of Medina, the grantee, to sign HOME Written agreements with applicants within their jurisdiction.

SEC. 2: That a copy of Amendment No. 1 is marked Exhibit A, attached hereto, and incorporated herein.

SEC. 3: That it is found and determined that all formal actions of this Council concerning and relating to the passage of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with the law.

SEC. 4: That this Resolution shall be considered an emergency measure necessary for the immediate preservation of the public peace, health and safety, and for the further reason that the work is currently being done; wherefore, this Resolution shall be in full force and effect immediately upon its passage and signature by the Mayor.

PASSED: March 28, 2016

SIGNED: John M. Coyne, III
President of Council

ATTEST: Kathy Patton
Clerk of Council

APPROVED: March 29, 2016

SIGNED: Dennis Hanwell
Mayor

Res. 42-16
Exh. A

AMENDMENT NO. 1

PY 2014 COMMUNITY HOUSING IMPACT AND PRESERVATION PROGRAM (CHIP)

PARTNERSHIP AGREEMENT

The Cities of Medina, Brunswick, and Wadsworth entered into a Partnership Agreement on May 28, 2014 for the purpose of applying for Community Housing Impact and Preservation Funds through the Ohio Development Services Agency, Office of Community Development which was submitted on June 6, 2014. The Cities thereafter revised the Partnership Agreement. The new partnership agreement being executed on Jan. 26, 2015 Ord 9-15.

On December 31, 2015 the Ohio Development Services Agency Office of Community Development issued Policy Number 15-03 which in part requires a separate written agreement for all HOME funded activities. Each HOME written agreement must be signed by the person receiving assistance and the grantee.

In compliance with OCD Program Policy Notice OCD 15-03, the partners hereby agree that the Mayor for the City of Medina, the grantee, is authorized to sign HOME Written Agreements with applicants within their jurisdiction.

WHEREFORE, the undersigned hereby executed this Partnership Agreement as of the dates indicated below.

CITY OF MEDINA

D. Hanwell

Mayor Dennis Hanwell

Date: March 29, 2016

CITY OF BRUNSWICK

Anthony Bales City Manager

Date: 3-8-16

CITY OF WADSWORTH

Robin L. Laubaugh

Mayor Robin L. Laubaugh

Date: 4.4.16

Approved as to form:

Kenneth J. Fisher, Law Director
City of Brunswick

Norman E. Brague, Law Director
City of Wadsworth

Gregory A. Huber, Law Director
City of Medina

Ohio | Development Services Agency

Community Services Division
Office of Community Development
77 South High Street, Columbus Ohio 43215 U.S.A.
Phone: (614) 466-2285
Fax: (614) 752-4575

Program Policy Notice: OCD 15-03

Replaces Policy Notice OCD 13-01
and 13-05 Affordability Requirements (July 2013)

SUBJECT: Finance Mechanisms and Affordability Requirements for Office of Community Development Program-Funded Projects

ISSUED: December 31, 2015

DISTRIBUTED TO: Office of Community Development Award Recipients and their Affiliates

PROGRAM POLICY

This program policy applies to all housing activities completed with federal dollars through all Office of Community Development (OCD) programs.* Finance mechanisms for activities funded with program income must follow at least the minimum funding source requirements and must be defined in the grantee's local Policies and Procedures Manual as approved by OCD.

GENERAL REQUIREMENTS

Except for Habitat for Humanity projects, all grantees with applicable activity types mentioned below must abide by the recapture affordability provisions as outlined in 24 CFR 92.252 and 92.254. All loans must be secured by using a mortgage lien recorded on the property for the length of the loan and/or affordability period. **Grantees are prohibited from adding increased change order amounts either to original mortgage liens or by adding supplemental mortgage liens. Any change order amount that decreases the original mortgage lien must be amended to reflect actual project hard costs. Mortgage liens must be recorded within 30 days of execution.**

Exception: Any change order amount that increases or decreases the original assistance amount for the Rental Rehabilitation activity or the direct assistance portion of the Homeownership activity, must be reflected in a supplemental mortgage lien and be recorded within 30 days of execution.

The following is a summary of OCD's finance mechanism requirements for individual housing program activities:

Owner Home Repair

Home Repair assistance must be provided to the homeowner as either a grant or a 0 percent interest, 100 percent deferred/declining (50 percent annually), two-year term, forgivable loan.

Rental Home Repair

Program participants (landlord/owners) can be low and moderate income or non-low and moderate income. Rental Home Repair project loans must be provided to the property owner as a 0 percent

* Does not include projects funded with program income, Targets of Opportunity Grant Program funds or projects funded through the Ohio Housing Finance Agency.

is considered program income and cannot be counted against the outstanding HOME investment amount. Noncompliance with principal residency requirements by a homebuyer under a recapture provision is not a transfer. Consequently, the amount the grantee must repay is not subject to proration or other reductions included in its recapture provisions.

The grantee must repay the HOME investment in accordance with 2 CFR 92.503(b)(3) whether or not it is able to recover any portion of the HOME investment from the noncompliant recipient. Therefore, it is crucial for the grantee to have enforcement mechanisms in its written agreements to protect its investment and minimize its risk in HOME-assisted projects in the event of noncompliance.

HOME Written Agreements – All HOME-Funded Projects

In addition to the mortgage and promissory note, HUD requires a separate written agreement for all HOME-funded activities. Detailed loan terms must be included in the mortgage lien and promissory note. For each applicable activity type, all grantees must abide by the HOME Written Agreement requirements outlined in 24 CFR 92.504. Projects funded solely with CDBG or OHTF do not require a separate written agreement.

The HOME written agreement must outline the terms and use of the HOME funds. Agreements for Homeownership (non-Habitat for Humanity), Rental Rehabilitation and New Construction in conjunction with Habitat for Humanity activities must include affordability requirements details. The agreement must ensure the home remains affordable for the required period. HUD requires direct subsidy beneficiaries to continue to live in the assisted home even if any or all of the assistance is repaid before the affordability period ends.

Each HOME written agreement must be signed by the person receiving assistance and the grantee. It is acceptable for the grantee to designate, in a legal binding document, a representative to sign agreements on their behalf. **HOME written agreements are not required to be recorded.**

Net Proceeds - All Activities

If a property transfers during an affordability period and the recapture requirements are imposed, the grantee must evaluate the net sale proceeds. The net sale proceeds are the sales price minus superior loan repayment and any closing costs. When the recapture requirement is triggered by a housing unit sale (voluntary or involuntary) and there are no net proceeds or the net proceeds are insufficient to repay the program investment due, the grantee can only recapture the net proceeds amount, if any. The recorded mortgage lien to secure the program assistance must contain language that reflects the net proceeds requirements.