ORDINANCE NO. 43-16

AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO A HOME WRITTEN AGREEMENT WITH ANTHONY S. KUBRAK AND DIANNE KUBRAK, AKA DIANNE BRUCKNER, 4205 SLEEPY HOLLOW ROAD, FOR PRIVATE OWNER REHABILITATION ASSISTANCE TO THE OWNER UTILIZING HOME FUNDS MADE AVAILABLE THROUGH THE PY14 COMMUNITY HOUSING IMPACT AND PRESERVATION (CHIP) PROGRAM, AND DECLARING AN EMERGENCY.

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

SEC. 1: That the Mayor is authorized and directed to enter into a Home Written Agreement with Anthony S. Kubrak and Dianne Kubrak, aka Dianne Bruckner, 4205 Sleepy Hollow Road, for Private Owner Rehabilitation Assistance to the Owner utilizing HOME funds made available through the PY 14 Community Housing Impact and Preservation Program.

SEC. 2: That a copy of the Home Written Agreement is marked Exhibit A, attached hereto, and incorporated herein.

SEC. 3: That the funds to cover this agreement in the amount of $32,975.00 to be paid to the Contractor, Solid Ground Construction, Inc., are available in Account No. 139-0404-52215, Project #AC-14-02.

SEC. 4: That it is found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance 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. 5: That this Ordinance shall be considered an emergency measure necessary for the immediate preservation of the public peace, health and safety, and for the further reason work cannot begin until this agreement is signed; wherefore, this Ordinance 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

Ord. 43-16
Exh. A

CITY OF MEDINA

(In partnership with the Cities of Brunswick & Wadsworth)

COMMUNITY HOUSING IMPACT AND PRESERVATION PROGRAM (PY 2014 CHIP)

HOME WRITTEN AGREEMENT

PRIVATE OWNER REHAB ASSISTANCE

NOTICE TO HOMEOWNER: This AGREEMENT contains a number of requirements you must fulfill in exchange for the federal assistance you are receiving through the Home Investment Partnerships Program (HOME Program). You should read each paragraph carefully and ask questions regarding any sections you do not fully understand. This AGREEMENT will be enforced by a partially forgivable loan and mortgage as set forth below. You should be sure that you thoroughly understand these documents before you sign them.

THIS AGREEMENT made and entered into by and between CITY OF MEDINA (hereinafter referred to as "CITY") and Anthony S. Kubrak and Dianne Kubrak aka Dianne Bruckner, (hereinafter referred to as "OWNER") for Private Owner Rehabilitation Assistance to the OWNER utilizing HOME Funds made available through a Community Housing Impact and Preservation ("CHIP") Grant obtained by City of Medina from the Ohio Development Services Agency, Office of Community Development for the residence at 4205 Sleepy Hollow Road, Brunswick, Ohio.

OWNER attests and the CITY has verified that the OWNER qualifies as a low-income individual or household as defined by the HOME Program. "Low-income" is defined as an individual or household whose total income does not exceed 80% of the Area Median Income (AMI) as defined by HUD.

The County Auditor has valued the property at $ 95,070.00. The after rehab value of the home will not exceed $157,000 which is 95% of the maximum purchase price for assistance;

OWNER certifies that the residence at 4205 Sleepy Hollow Road, Brunswick, Ohio is OWNER's principal place of residence.

OWNER desires to rehabilitate, renovate, reduce lead-based paint hazards and improve the aforesaid premises. Pursuant to the HOME Program rules, the property that is the subject of this Agreement must meet the Ohio Development Services Agency, Office of Community Development Residential Rehabilitation Standards and all local code requirements.

OWNER understands that the purpose of the Private Owner Rehabilitation Program is to correct basic building code violations, health and safety issues including lead based paint hazards for qualified homeowners with household incomes at or below 80% of median income in City of Medina. Only single-family, owner-occupied housing units within the City's service area for the grant funds are eligible for this program.

The CITY will provide Private Owner Rehabilitation Assistance to OWNER in the form of a 5 year deferred, partially forgivable loan. The principal amount of the loan shall be reduced over the first five years by seventeen percent (17%) of the original principal balance of the Loan for each year the loan is outstanding. The interest rate for this loan is zero percent (0%). **No payment will be required so long as the applicant continues to live in and own the home.** The loan will be secured by a mortgage and promissory note with a declining repayment agreement. Should OWNER no longer reside in the home, the amount remaining due on the mortgage will be due and payable to City of Medina, the City of Brunswick or the City of Wadsworth (as identified on the executed mortgage).

This Agreement shall remain in force until satisfied as long as the home remains the principal residence of the OWNER. Should the OWNER not maintain the home as his/her principal residence, or rent or sell the residence to another party, the OWNER will be required to repay any amount that has not yet been forgiven as set forth in the Agreement, as of the day the home is no longer the principal place of residence of the OWNER.

OWNER(s) hereby agrees to the following terms and conditions in order to receive housing rehabilitation assistance.

1. Inspection. OWNER will allow inspection of the property by City of Medina, its designee and/or CHIP Program Staff, public building, electrical, plumbing and health department officials and inspectors, and contractors who are bidding on the proposed rehabilitation work during normal business hours.

   Inspections will be made before, during and after completion of the rehabilitation work. All inspections will be made by appointment arranged in advance.

2. Competitive Bidding. OWNER has worked with City of Medina, its designee and/or CHIP Program Staff to seek competitive bids on OWNER's behalf from qualified contractors for all the rehabilitation work. Bids will be requested according to the procedures established by City of Medina, its designee and/or CHIP Program Staff and in accordance with federal, state and local laws.

3. Agreement with Contractor. OWNER agrees to enter into a Contract with the lowest and best bidder, normally to the low bidder. OWNER understands that OWNER may reject, in writing the low bidder in favor of the next highest bidder if in my opinion the low bidder does not possess the experience, skill or resources to satisfactorily complete the job, or the ability to proceed in a timely manner, or who has not visited my house, before preparing the bid.

4. Property Standards. Pursuant to HOME Program rules, as stated above, the property that is the subject of the Agreement must meet the Ohio Development Services Agency, Office of Community Development Residential Rehabilitation Standards and all local code requirements upon completion of the work funded by the CHIP Program's Private Owner Rehabilitation Program.

4. Homeowner Modifications. OWNER agrees **not** to make any changes to the home that will affect the estimate of repairs i.e. removing kitchen cabinets, removing carpeting, removing walls, etc. Doing so may result in denial of assistance.

5. Side Agreements. OWNER will refrain from making side agreements with the contractor for work not included in OWNER's Agreement with the Contractor, or not included in any written Change Orders approved by City of Medina, its designee and/or CHIP Program Staff until all work under the Contract is satisfactory and closing inspections are completed. City of Medina, its designee and/or CHIP Program Staff assumes no responsibility for the cost or quality of work not covered by the Agreement or approved by Change Orders.

6. Access. OWNER agrees to provide access to the contractor and subcontractors awarded the bid between the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday (unless otherwise agreed to by the parties at the preconstruction meeting) in order to facilitate timely completion of the project.

6. Conflict of Interest. OWNER will not pay any bonus, commission or fee to anyone for the purpose of obtaining approval of any application for rehabilitation assistance. OWNER will not allow any member of the United States Congress or State government, elected official of the CITY or City of Medina employee who exercises any functions or responsibilities in connection with the administration of this Housing Rehabilitation Program to have any interest in or benefit from a rehabilitation loan or grant financed under my Agreement.

7. Non-Discrimination. OWNER will not discriminate in the sale, lease, rental use or occupancy of my property, as required by Title VI of the Civil Rights Act of 1964.

8. Maintenance of the Property. OWNER will make every reasonable effort to keep the property in safe, sound and habitable condition following completion of the rehabilitation work through the affordability period.

9. Hazard Insurance. OWNER will at all times during the duration of this Agreement maintain a valid and current insurance policy on the property rehabilitated in an amount based on its value after rehabilitation. Such insurance must be maintained throughout the term of the loan and shall carry an endorsement to the CITY.

10. Loan Subordination. OWNER agrees that the property is not available as a source of collateral for future loans when such loans require subordination of the CITY's loan. The CITY may subordinate its loan if, in its judgment, it is in the best interests of both the CITY and the OWNER and approved in writing.

11. Loan Repayment. OWNER agrees to execute a Promissory Note, Declining Payment Agreement and Mortgage. The specific terms governing the loan are contained in the Promissory Note, Declining Payment Agreement and the Truth-in-Lending Statement. OWNER understands that the terms of the loan include a declining repayment agreement with a 15% payback after the affordability period.

12. Right to Financial Privacy. The Federal Financial Act of 1978 guarantees financial confidentiality to persons requesting assistance directly or indirectly from the federal government. To comply with this law, the CITY must inform the rehabilitation client that no financial information will be disclosed or released to another government agency (except the Ohio Development Services Agency (ODSA) and the U.S. Department of Housing and Urban Development (HUD) which may review the file on a

monitoring visit) without the prior written consent of the client. Financial records involving my transaction will be available to ODSA and HUD without further notice or authorization, but will not be disclosed or released to another government agency or department without my consent except as required or permitted by law. Also, verification forms sent to other agencies for the purpose of determining my eligibility for the rehabilitation program must contain a signed Authorization to Release Information.

Anthony S. Kubrak — 4-19-16
Owner — Date

Dianna L Kubrak — 4-19-16
Owner — Date

State of Ohio:) SS:
County of Sandusky)

Before me, a Notary Public for the State of Ohio, appeared the above named Anthony S. Kubrak Dianna L. Kubrak who acknowledged and signed the foregoing instrument and their signing was their free act.

IN WITNESS WHEREOF, I have hereunto subscribed my name affixed my seal this 19 day of April, 2016.

Brian E. Vaclavik
Notary Public
Brian E. Vaclavik
Comm. Exp. Aug. 25, 2019

CITY OF MEDINA

D Hanwell — March 29, 2016
Dennis Hanwell, Mayor — Date
City of Medina

State of Ohio:) SS:
County of Medina)

Before me, a Notary Public for the State of Ohio, appeared the above named Dennis Hanwell who acknowledged and signed the foregoing instrument and their signing was their free act.

IN WITNESS WHEREOF, I have hereunto subscribed my name affixed my seal this 29 day of March, 2016.

Kimberly A. Walter
Notary Public
Kimberly A. Walter
Notary Public
State of Ohio
My Comm Expires Aug. 3, 2018