

**ATTACHMENT "A-2" – SCOPE OF WORK**  
**County of Lake Homeownership Assistance Program (PROGRAM)**

**PROGRAM OBJECTIVE**

The purpose of the PROGRAM is to provide low-interest loans to homebuyers purchasing a home located in the unincorporated areas of the County of Lake. The homebuyer(s) must be members of the Low to Moderate Income Group (LMI) as defined by the U.S. Department of Housing and Urban Development (HUD) and HCD.

**PROGRAM GOALS**

AGENCY will assist COUNTY in the achievement of the following PROGRAM goals by the contract expiration date:

1. Close on an estimated two (2) homeownership assistance loans as required to fully expend COUNTY's homeownership assistance loan fund.

**PROGRAM SERVICES**

COMPENSABLE SERVICES: AGENCY will perform the following compensable services as outlined in PROGRAM GUIDELINES in implementation of PROGRAM activities.

**1) Refinement of homeownership assistance program plans, procedures and forms:** subject to review and approval by COUNTY, AGENCY will establish, or make any necessary revisions to, the homeownership assistance program design and procedures (including but not limited to the priorities among applicants, underwriting criteria, the limits and structure of financial assistance, and the recapture and affordability policies), as well as any other necessary forms, documents or sample contracts.

**2) Outreach:** AGENCY will conduct sufficient advertisement of the homeownership assistance program and other forms of outreach to ensure that enough eligible applicants participate in the program to meet the homeownership assistance program goals.

**3) Completion of loan applications; underwriting assessment:** AGENCY will assist homebuyers in completing loan applications, and will perform an assessment of each loan application to determine the HOME eligibility of the loan. Initial eligibility determination of households will be made by the AGENCY on the basis of satisfaction of income requirements, eligibility of the property being purchased, and any other pertinent criteria set forth in the approved program design.

AGENCY will complete all work necessary to determine loan feasibility including obtaining appraisal, estimates of market value, credit reports and title reports, set up of lead risk assessment, if applicable, evaluating the financial condition of the applicant and summarizing any critical issues.

**4) Loan Review Committee:** COUNTY will establish and maintain a loan review committee. The loan review committee will review all loan recommendations presented to it by the AGENCY. No loan will be made under the homeownership assistance loan program without the approval of a majority of the members of the loan review committee.

**5) Loan closing:** With the authorization of the County Loan Review Committee, the AGENCY will execute all necessary documents and will coordinate with COUNTY the drawdown of funds as necessary to cover the expenses of approved applicants for activities authorized by executed loan agreements. The loan documents executed with applicants will include explicit provisions describing a) the occupancy requirements and other standards to maintain the eligibility of the HOME expenditures, and b) the conditions and procedures under which late payment penalties, default and/or foreclosure will occur.

**6) Loan servicing/loan portfolio management:** AGENCY will assist COUNTY in managing the homeownership assistance loan portfolio through the following tasks: reviewing loan status reports provided by COUNTY to determine loan clients in violation of the terms of their loan, corresponding with loan recipients who are in violation of the terms of their loan, suggesting remedies to both the COUNTY and loan recipient to correct any violations, and reviewing employment and income status at the request of COUNTY.

**7) Maintenance of case files and other records:** for each applicant, AGENCY will maintain case files, including application and documentation of applicant eligibility, property eligibility, the assistance agreement between the homebuyer and COUNTY (along with repayment provisions, documentation of liens and any other forms of security), and any other required documentation. AGENCY will maintain these and other program and financial records in accordance with the general requirements for record keeping specified in Section 5. of this Agreement.

## PROJECT SCHEDULE

Unless amended by mutual written agreement by AGENCY and COUNTY, AGENCY will perform the described homeownership assistance program tasks in a timely manner.

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## **EXHIBIT "B" – AGENCY BUDGET**

County of Lake Housing Rehabilitation and Homeownership Assistance Programs (PROGRAMS)

### **ITEMIZED BUDGET**

The following line item budget is the basis for determining the amount of AGENCY costs eligible for reimbursement by COUNTY. (See SCOPE OF WORK for a description of each reimbursable activity.)

<b>Line Items</b>	<b>HOME General Administration</b>	<b>HOME Activity Delivery</b>	<b>Total HOME Budget</b>
Housing Rehabilitation Program Mgmt.	\$10,000	\$ 88,360	\$ 98,360
Homeownership Assistance Program Mgmt.	\$10,000	\$9,158	\$19,158
<b>TOTAL</b>	<b>\$20,000</b>	<b>\$97,518</b>	<b>\$117,518</b>

Budget amounts for Activity Delivery is based on a maximum 22% of the Housing Rehabilitation Activity Budget of \$500,000, and a maximum 7% of the Homeownership Assistance Activity Budget of \$150,000. Loan Portfolio Management services will be billed at a cost of \$63 per hour and will be paid from General Administration.

HOME Program Income that is required to be expended prior to drawdown of open grant funds will be reimbursed by COUNTY to AGENCY up to a maximum of 22% of the Housing Rehabilitation HOME Program Income loan amount, and a maximum of 7% of the Homeownership Assistance Program Income loan amount.

Each invoice submitted to COUNTY by the AGENCY must include the following:

1. Running total of expenditures to date by line item for HOME compensable services.
2. Documentation of services provided or expenditures, including copies of invoices, contracts, receipts, bills, time sheets, or other references documenting the charges billed to the COUNTY or incurred by AGENCY.

### **BUDGET ADJUSTMENTS**

A budget adjustment is defined as a change in value for reimbursable line items without a change in the dollar value for reimbursable services rendered by AGENCY. COUNTY may consider AGENCY budget adjustments after submittal of a formal proposal, including the following documentation:

1. Progress report outlining expenditures, milestones achieved to date and any outstanding balance;
2. Proposed budget outlining projected costs for the entire duration of the contract, highlighting where actual costs are expected to differ from the original budget;
3. Explanations and justifications for changes in each line item; and
4. Plan outlining expected uses of additional funds received.

## **BUDGET AMENDMENTS**

A budget amendment is defined as a change in value for reimbursable line items and a change in the dollar value for reimbursable services rendered by AGENCY. COUNTY may consider AGENCY budget amendments after submittal of a formal proposal, including the same documentation required for a budget adjustment as listed above. COUNTY may also amend the budget to include allocations from future program income.

### CHARGE RATE SCHEDULE

AGENCY will request reimbursement for this agreement based on an actual cost for actual work basis. Reasonableness, allowability and allocability of costs not to exceed the budget noted above.

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