

HOME AGREEMENT
Addendum A to the SCC40K Application

BY AND BETWEEN **Loan Amount \$ _____**
The County of Santa Clara and _____
FOR HOMEOWNERSHIP ASSISTANCE
IN CONNECTION WITH THE
HOME/ADDI INVESTMENT PARTNERSHIP ACT

This Agreement is made and entered into this ____ day of _____, _____, by and between the **COUNTY OF SANTA CLARA**, a municipal corporation of the State of California, hereinafter referred to as "County"), and _____ hereinafter referred to as "Borrower").

COUNTY AND BORROWER HEREBY AGREE AS FOLLOWS:

A. The HOME INVESTMENT PARTNERSHIP PROGRAM under 24 CFR part 92, et. seq. implemented by the Department of Housing and Urban Development (HUD) has created funds ("HOME Funds") available to Participating Jurisdictions (PJs) that may be used to assist low-income families to achieve homeownership in the County of Santa Clara. The County administers the HOME Funds.

B. With the assistance of HOME Funds as secondary financing from County, Borrower will be purchasing a single family home located at _____ in the County of Santa Clara, State of California (the "Property"). The County will provide the Borrower with a loan in the amount not to exceed the maximum limits allowed for HOME Funds (HOME Funds cannot exceed the maximum or "per unit dollar limitations provided by HUD that apply to the area in which the housing is located), for acquisition and closing costs of the Property. In addition to this Agreement, the Borrower will enter into a Deed of Trust to secure the obligations under the Loan, a Promissory Note of even date hereof ("Note").

C. HOME Funds are subject to the additional requirements set forth below. The requirements apply to all of the HOME-assisted units, also known as the Assisted Units.

SECTION 1. TERM OF AGREEMENT:

The term of this Agreement shall be for thirty (30) years from the date of recordation of the Deed of Trust for a loan of HOME Funds unless the parties hereto agree in writing to a longer term, and as may be allowed by HOME regulations. In the instance HOME Funds are loaned, the term shall be thirty (30) years from the Recording Date. The affordability period shall be referred to as an "Affordability Term."

SECTION 2. GENERAL HOME PROVISIONS:

A. Use of HOME Funds. HOME funds are to be used toward eligible Project costs described under 24 CFR 92.206, including downpayment assistance.

B. Investment. Up to maximum amount allowed under 24 CFR 254 may be loaned to each eligible purchaser under the Program

C. Maximum Property Value. The Property shall not exceed 95% of the Area Median value for single family or condominium residences, unless otherwise approved by HUD.

D. Property Standards. The Property shall be maintained in compliance with applicable State and local housing code requirements for the duration of the Loan. If the Property is new construction, it shall also comply with the Model Energy Code. The County retains the right to inspect the Property prior to approving the Loan.

E. Eligibility. The Property shall be sold to households that meet low-income eligibility, based on current annual income guidelines issued by HUD which is currently 80% of Area Median Income (“AMI”) and shall be verified by the Section 8 definition as further provided by HUD in the Section 8 requirements set forth in 24 CFR 5.609. Borrower shall occupy the Property as a principal residence. No temporary subleases shall be permitted except in the instance of military families, as reviewed and approved in advance by County. The County reserves the right to reexamine income eligibility if within six months of County’s initial determination of eligibility purchase of the Property has not been completed.

F. Long-term Affordability. Pursuant to 24 CFR 92.254, the HOME-assisted unit must meet the affordability requirements for not less than the term specified in the regulations, or a longer period if stipulated by the County in the County Documents. The HOME program does set affordability periods that relate to the resale of the property. These periods are based on the amount of HOME funds provided for the property (see table below).

<u>HOME Funds Provided</u>	<u>Affordability Period</u>
<\$15,000	5 years
\$15,000-\$40,000	10 Years
> \$40,000	15 years

1. The affordability requirements shall apply without regard to the term or repayment of the Loan or the transfer of ownership, except that the affordability requirements may terminate upon foreclosure or transfer in lieu of foreclosure.

G. Recapture on Resale. In the event the Property should no longer be the principal residence of Borrower for the Affordability Period, then County shall recapture all or a portion of the HOME funds, as set forth in the Loan Documents, from the proceeds of the sale which shall consist of the sales price less non-HOME loan repayments and eligible closing costs plus interest due. After the Property is sold, and in the event there are insufficient proceeds, then County shall accept a partial or zero repayment of the HOME Funds.

H. Other Federal Requirements. The Property shall comply with all Federal laws and regulations described in 24 CFR 92.350-356, including specifically: (i) flood insurance if the Property is located in a FEMA-designated 100-year flood plain, (ii) inspection for lead based paint if the property was constructed prior to 1978 and (ii) relocation requirements for tenants residing in the Property prior to the Recording Date including any notice provisions.

SECTION 3. HOME SPECIFIC REQUIREMENTS:

A. First-time homebuyer requirement. Borrower shall be a homebuyer who has not owned a home during the prior three (3) years before the Recording Date and includes displaced homemakers and single parents.

B. Ownership Requirement: Ownership must be conveyed to the homebuyer within 6 months of signing the purchase agreement otherwise income eligibility must be reverified.

SECTION 4. PROGRAM COORDINATION:

A. County: The Director of Housing (hereinafter "Director"), or his/her designee, shall be the County official responsible for the overall supervision of the progress and performance of this Agreement by the County. All services agreed to be performed by the County shall be under the overall direction of the Director.

B. Notices: All notices or other correspondence required or contemplated by this Agreement shall be sent to County at the following address:

County of Santa Clara
Office of Affordable Housing
2310 No. First Street, #100
San Jose, Ca. 95131

SECTION 5. MONITORING:

Monitoring of the performance of HOME-assisted project(s) shall be the responsibility of the County in accordance with guidelines of the County's Office of Affordable Housing and the HOME guidelines

established by HUD. BORROWER shall cooperate with County to enable County to perform its monitoring obligations hereunder.

SECTION 6. POLICY GUIDELINES:

BORROWER shall comply with all applicable terms, conditions, requirements and guidelines of the County's Office of Affordable Housing and HOME regulations issued by HUD.

SECTION 7. AMENDMENTS:

Unless otherwise authorized by this Agreement, amendments to the terms and conditions of this Agreement shall be requested in writing by the party desiring such revisions, and any such adjustment to this Agreement shall be determined and effective only upon the mutual agreement in writing of the parties hereto. Notwithstanding anything contained in this Agreement to the contrary, the Director shall have the authority on behalf of the County to amend this Agreement provided such amendment does not result in an increase or decrease in the dollar amount of the Loan.

including, without limitation, Borrower's failure to comply with or out any of the provisions of this Agreement and any claims against the County to restore to the HOME Funds any funds disbursed hereunder. This Section shall survive termination of this Agreement.

SECTION 8. TERMINATION OF AGREEMENT:

Director may at his or her sole discretion and without prior written or oral notice terminate this Agreement with thirty (30) days notice to Borrower.

SECTION 8. INDEMNIFICATION AND HOLD HARMLESS:

Borrower shall defend, indemnify and hold harmless County, its officers, employees and agents against any damages or liabilities arising from:

A. Any non-compliance by Borrower with any applicable laws, ordinances, codes, regulations, and decrees;

B. Any torts committed by Borrower in performing, or failing to perform, any of the obligations required by this Agreement;

C. All suits, actions, claims, causes of action, costs, demands, judgments, and liens (collectively, "Claims") arising out of Borrower's performance under this Agreement, including, without limitation, Borrower's failure to comply with or out any of the provisions of this Agreement and any claims against the County to restore to the HOME Funds any funds disbursed hereunder. This Section shall survive termination of this Agreement.

SECTION 10. INTEGRATED DOCUMENT:

This Agreement embodies the entire agreement between County and Borrower and its terms and conditions. No verbal agreements or conversations with any officer, agent or employee of the County prior to execution of this Agreement shall affect or modify any of the terms or obligations contained in any documents comprising this Agreement. Any such verbal agreement shall be considered as unofficial information and in no way binding upon the County.

SECTION 11. SEVERABILITY OF PROVISIONS:

If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected thereby, if such remainder would then continue to conform to the terms and requirements of applicable law.

SECTION 12. ENFORCEMENT OF THE AGREEMENT:

County may use whatever legal means and remedies necessary and available to enforce this Agreement. Means of enforcement include, but are not limited to, liens on real property, deed restrictions, or covenants running with real property held by the Borrower. The affordability requirements in CFR 24 Section 92.254 of the HOME Investment Partnership Program shall be enforced by deed restriction pursuant to the Loan Documents.

County of Santa Clara
Office of Affordable Housing
2310 No. First Street, #100
San Jose, CA 95131
(408) 441-4323

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SECTION 13. PROPERTY STANDARDS:

For the use of either HOME Funds or ADDI Funds, the Property shall meet minimum property standards pursuant to the County Building Code and any other applicable regulations.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first hereinabove set forth.

COUNTY OF SANTA CLARA, a municipal corporation

By: _____
Marjorie Matthews, Director
Office of Affordable Housing

Date _____

"BORROWER(S)"

By: _____

Date _____

By: _____

Date _____