

**AGREEMENT BETWEEN CONTRA COSTA COUNTY, AND THE CITY OF WALNUT CREEK, ACTING IN ITS CAPACITY AS THE SUCCESSOR HOUSING ENTITY TO THE FORMER CITY OF WALNUT CREEK REDEVELOPMENT AGENCY FOR HOUSING REHABILITATION LOAN PROGRAM SERVICES**

Effective July 1, 2013, Contra Costa County (“County”), the City of Walnut Creek (“City”), acting in its capacity as the successor housing entity to the former City of Walnut Creek Redevelopment Agency, mutually agree and promise as follows:

**RECITALS**

- A. The County administers a housing rehabilitation loan program through its Neighborhood Preservation Program. The purpose of the program is to offer low-interest and zero-interest loans to moderate-, low- and very-low income homeowners.
- B. If a homeowner meets the program’s eligibility requirements and sufficient funds exist, the homeowner receives a loan. The homeowner assumes the loan obligation under a promissory note, secured by a deed of trust, naming the City of Walnut Creek as lender. The City of Walnut Creek and Amerinational Community Services have an existing agreement. Under the agreement, Amerinational Community Services is responsible for servicing loans provided to homeowners under the program.
- C. After an eligible homeowner receives a loan, the homeowner enters into a contract with a contractor to complete the rehabilitation project. The County maintains a courtesy list of contractors that loan recipients may contact to complete home rehabilitation projects.
- D. The County’s housing rehabilitation loan program is funded by Community Development Block Grant funds, which are made available to the County under the Housing and Community Development Act of 1974, as amended (42 U.S.C. § 5301 et seq.).
- E. The City has housing rehabilitation loan program. The program is funded with successor housing funds. For fiscal year 2013-2014, the City has approved and authorized the expenditure of up to \$65,000 in housing successor funds for the housing rehabilitation loan program.
- F. The City has verified and represented to the County that the successor housing funds may be used throughout the City of Walnut Creek for housing rehabilitation loans for qualifying homeowners.
- G. The City wish to have the County administer the City’s housing rehabilitation loan program.
- H. This Agreement authorizes the County to administer the portion of the housing rehabilitation loan program funded by successor housing funds.

NOW, THEREFORE, the parties agree as follows:

## AGREEMENT

1. Term. Unless sooner terminated as provided in this Agreement, the term of this Agreement is from July 1, 2013 through June 30, 2014.
2. County Obligations. The County will provide the following services:
  - A. Distribute loan application forms to interested property owners.
  - B. Consult with property owners and provide information regarding rehabilitation program requirements.
  - C. Application intake, review, and processing.
  - D. Determine each applicant's loan eligibility. For a property owner to be eligible for a rehabilitation loan, the property owner must meet the current low-income or moderate-income guidelines established by the U.S. Department of Housing and Urban Development. Eligibility will be based on these guidelines and on guidelines set forth in the Housing Rehabilitation Program policy of the Neighborhood Preservation Program. The policy is attached as Exhibit A and is incorporated into this Agreement.
  - E. Conduct initial inspection of properties of eligible applicants and preparation of inspection reports.
  - F. Assist eligible applicants with securing contractual services to undertake repair work, including preparing bid packages, noticing the availability of bid packages, and reviewing bids received. The County may assist the applicant in choosing a contractor from the County's courtesy list of contractors or may assist the applicant in choosing a contractor who has a license from the State Contractor's Board and a business license from the City of Walnut Creek.
  - G. Assist eligible applicants with preparation of loan application documents and submittal of documents to financial institution.
  - H. Prepare contract for execution by applicant and contractor.
  - I. Perform periodic progress inspections, payment inspections and final inspection to determine whether rehabilitation work has been properly performed in accordance with the terms of the contract.
  - J. If rehabilitation work has been properly performed in accordance with the terms of the contract, the County will, in conjunction with property owner, accept the work and authorize payments to contractor for work completed.

- K. If requested by the City, County Neighborhood Preservation Program staff will attend up to two City meetings to present information regarding the County's provision of services under this Agreement.
- L. The County will annually report to the City on all rehabilitation loans made with City funds, including the name of borrower, address and parcel number, loan amount, the term of the loan, type of rehabilitation work completed under the loan, and program demographic information. This report shall be submitted to the City within 30 days after the end of the program year on June 30.
- M. Verification of contractor's general liability, automobile liability and workers compensation prior to each project start date. Contractor's general liability policy must list the County and the City as additional insured.

3. City and Obligations. The City will be responsible for the following:

- A. If the County determines an applicant is eligible for a loan, the County will submit a copy of the application to the City for the City's review. The City will review the application to determine whether to approve the loan. If the City approves the loan, the City will authorize the County in writing to proceed with the processing of the loan application. If the City approves a loan, the County will be responsible for preparing the loan documents and contracts for the homeowner, where the homeowner assumes the loan obligation under a promissory note, secured by a deed of trust, naming the City as lender.
- B. If a homeowner and contractor execute a contract for rehabilitation work, the County will notify the City of the contract amount and the City will provide that amount to the County for payment to the contractor. Upon receipt of funds from the City, the County will make payments to the contractor in accordance with the contract terms, provided the rehabilitation work has been properly performed in accordance with the terms of the contract.
- C. The City will design, print and distribute all promotional literature relating to the program. The City will pay for all printing and other costs associated with the promotional literature. The City will advertise the program in city-published newsletters and similar publications, and will bear the cost of doing so.
- D. The City Community Development Department, Building Division, will be responsible for the processing of plans, issuing all necessary permits, periodic and final site and building inspections, and issuing any final occupancy permits for any rehabilitation project. Rehabilitation projects must meet the City's building codes. The City Community Development Department, Building Division, will be responsible for determining whether a rehabilitation project meets the City's building codes and for taking any code enforcement action it deems necessary.

- E. The City will be responsible for complying with any reporting requirements that may be required by applicable federal and state housing laws and community development laws.
  - F. The City will be responsible for receiving loan repayments from the homeowner. The City will be responsible for enforcement of the payment obligation by the homeowner up to and including foreclosure on the house. The City will be responsible for collection actions on delinquent loans.
4. Compensation. The City will pay the County approximately \$11,000 as compensation for the services provided by the County to the City under this Agreement. This amount includes all administrative and technical services provided by the County, including the Rehabilitation Specialist's salary, administrative oversight, clerical assistance, and overhead costs.
5. Records.
- A. It is understood that periodic review of the County's work under this Agreement may be necessary and the right to do so review is reserved by the City. The City will have access to any books, documents, papers and records of the County that are directly pertinent to the work performed under this Agreement, except for confidential attorney/client materials. If required by applicable federal and state housing laws or community development laws, the County agrees to have an annual audit of activities provided to the City under this Agreement.
  - B. The County shall retain all records relating to this Agreement for a period of three years from the termination of this Agreement, except that all loan records shall be retained for a period of three years after the final loan repayment.
6. Termination. This Agreement may be terminated by the County, or the City, upon 90 days written notice. If the City terminates this Agreement, the City shall pay to the County all payments due, or previously due, at the time of termination.
7. Amendments. Any amendments to this Agreement must be in writing and signed by the parties.
8. Assignments. This Agreement is not assignable by the County in whole or in part without the prior written consent of the City.
9. Indemnification. The City agree to indemnify and hold harmless the County and its officers and employees for the City's share of any and all claims, costs and liability, including attorneys fees, for any damage, injury or death of or to any person or the property of any person arising out of the willful misconduct or the negligent acts, errors or omissions of the City in the City's performance under this agreement. The County agrees to indemnify and hold harmless the City and its officers and employees for the



16. Authorizations Obtained. The person executing this Agreement on behalf of the City represents that he or she has the requisite legal authority to enter into this Agreement on behalf of the City and to bind the City to the terms of this Agreement. The person executing this Agreement on behalf of the County represents that he or she has the requisite legal authority to enter into this Agreement on behalf of the County and to bind the County to the terms of this Agreement.
17. Entire Agreement. This Agreement contains the entire agreement between the parties and all prior understandings or agreements, oral or written, regarding this matter are superseded.

CONTRA COSTA COUNTY

CITY OF WALNUT CREEK

By: \_\_\_\_\_  
Catherine O. Kutsuris, Director  
Contra Costa County  
Dept. of Conservation & Development  
Building Inspection Division

By: \_\_\_\_\_  
City Manager

APPROVED AS TO FORM:  
Sharon Anderson, County Counsel

APPROVED AS TO FORM:

By: \_\_\_\_\_

By: \_\_\_\_\_  
City Attorney  
City of Walnut Creek

VERIFICATION OF  
AVAILABILITY OF FUNDS

By: \_\_\_\_\_  
City of Walnut Creek Finance Department