

City of Billings - Community Development Division
HOME Investment Partnerships Program
Community Housing Development Organization

AGREEMENT OF MODIFICATION

THE AGREEMENT made and entered into on August 10, 2017 by and between the CITY OF BILLINGS, Montana municipal corporation, P.O. Box 1178, Billings, MT 59103, hereinafter referred to as the "City," and Montana Homeownership Network, Inc. dba NeighborWorks Montana, a Montana Nonprofit Organization, 509 1st Avenue South, Great Falls, MT 59401, hereinafter referred to as "Developer," is hereby amended in the following sections:

D. ACCEPTANCE OF HOME PROGRAM REQUIREMENTS

1. The Developer agrees to the following:

a. **Project Schedule**

The Developer will complete all work required by this agreement in accordance with the timetable set forth:

<i>Milestone</i>	<i>Start By:</i>	<i>Complete By:</i>
Project Planning	Began prior to the date of this Agreement	July 1, 2017
All Financial Resources Identified		October 1, 2018
Construction <i>Must begin 12 months following commitment of funds via written agreement.</i>	September 2017	N/A
Project Completion <i>Must be completed within four years of written agreement date.</i>	N/A	July 1, 2021
Homebuyer Housing Units Sold to Income-Eligible Homebuyers <i>Requires a ratified sales contract.</i>	N/A	Nine Months Post the Date of Construction Completion

The Developer must communicate any anticipated changes to this schedule to the City in writing as soon as they are known and the City must approve any proposed changes. In addition, this project is subject to ongoing HOME compliance requirements for a maximum of 20 years from the date the project completion report is entered into HUD's Integrated Disbursement & Information System (IDIS).

b. **Project Budget and Expenditure Deadlines**

The total budget for this Project includes:

NeighborWorks Montana Equity	\$350,740	\$83,686
Community Frameworks		\$30,000
City of Billings HOME Funds	\$75,000	\$131,710
Homeowner Labor, Loan Fees	\$4,260	\$6,260
Wells Fargo Targeted Market Grant		\$20,000
Western Security Bank Loan	-	\$250,000
Total Sources:	\$480,000	\$521,656

The total HOME budget and CHDO reserve funding allocated to the Developer is ~~\$75,000~~ \$131,710 for this Project. Funding includes the following CHDO set-aside and expenditure deadline:

FY	Amount	Expenditure Deadline
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Current and complete Sources and Uses are on file with the City and the Developer is required to submit updated financial documents to the City as revised commitments are made. The Developer represents that the HOME funds invested are no more than necessary to provide affordable housing. The Developer will disclose to the City any changes in sources of funds within ten (10) of days from notice of such changes, and the City will reserve the right to revise the project's HOME award based on a revised Sources and Uses statement and subsequent subsidy layering analysis.

The Developer may not modify the finalized budget without having requested and received the City's written approval of the adjustment. Modifications to the budget without City approval will be considered a violation of the contract and are grounds for termination at any point without consideration for performance or compensation. The Developer agrees to adhere to maximum 221(d)(3) HOME per-unit subsidy requirements.

The Developer understands that the HOME funds being provided are subject to the requirements of 24 CFR 92.300, Set-Aside for CHDOs. Eligible costs may be paid if incurred up to 24 months prior to the date HOME funds are committed to the Project.

The ~~\$75,000~~ \$131,710 in funding allocated to the project will be repaid to the City by the Developer if the Developer fails to comply with federal, state or local requirements for the use of HOME funds, construction, or sale to income-eligible households.

The Developer will submit a HOME Match Funds report when units are completed.

F. COMPENSATION

The City shall reimburse the Developer for all eligible project costs in the total amount of ~~\$75,000~~ \$131,710. The City's obligation to make periodic or final payment to the Developer shall be conditioned upon the City's receipt of HOME funds sufficient to make such payment. Final compensation will be made only when the Developer is in full compliance with this Agreement.

P. CHDO PROVISIONS

It is understood that the Developer has certified that it is and will maintain CHDO status for the term of this agreement in accordance with 24 CFR 92. Developer agrees to provide information as may be requested by the City to document its continued compliance, including but not limited to an annual board roster and certification of continued compliance.

Any funds advanced as CHDO pre-development funds must be in compliance with 24 CFR 92.301, and are forgivable only under the terms in 24 CFR 92.301. Any funds advanced to the CHDO as CHDO Operating Expenses must be expended in compliance with 24 CFR 92.208. If the project is rental, the Developer will create and follow a tenant participation plan as required in 24 CFR 92.303 Any funds that the CHDO is permitted to retain as CHDO proceeds from this project shall be used in compliance with 24 CFR 92.300(a)(2) or as specified in this Agreement.

The Developer agrees to refrain from charging servicing, loan origination, loan processing, or other fees for the costs of administering HOME program funds, including assessing fees to low-income families for construction management, inspections, or other services. The Developer may charge nominal fees for homebuyer housing counseling.

Added Provision: Program income or other revenues received from the sale of housing unit(s) over and above Developer investment will be retained by the Developer and utilized for future HOME-eligible activities. The Developer agrees to report the use of program income or revenues to the City on a bi-annual basis.

Z. SIGNATURES

<i>For Montana Homeownership Network, Inc. dba NeighborWorks Montana</i>	
Printed Name: Maureen J. Rude	Title: Executive Director
Signature:	Organization: Montana Homeownership Network, Inc. dba NeighborWorks Montana
Date:	Date:
STATE OF MONTANA) : ss. County of Cascade)	
On this ____ day of _____, 2018, before me, a Notary Public in and for the State of Montana, personally appeared _____ whose name is subscribed to the foregoing instrument in such capacity and acknowledged to me that he / she / they executed the same. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.	
<i>Seal:</i>	_____ Printed Name: _____ Notary Public for the State of Montana Residing At: _____ My Commission Expires: _____

<i>For the City of Billings, Montana</i>	
Printed Name: Denise Bohlman, City Clerk	Printed Name: William A. Cole, Mayor, City of Billings
Signature:	Signature:
Date:	Date:
STATE OF MONTANA) : ss. County of Yellowstone)	
On this ____ day of _____, 2018, before me, a Notary Public for the State of Montana, personally appeared WILLIAMA. COLE and DENISE BOHLMAN, known to me to be the Mayor and City Clerk respectively of the City of Billings, and whose names are subscribed to the within instrument and acknowledged to me that they executed the same. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.	
<i>Seal:</i>	_____ Printed Name: