



Coleman A. Young Municipal Center  
2 Woodward Avenue, Suite 908  
Detroit, Michigan 48226

Phone: 313.224.6380  
Fax: 313.224.1629  
www.detroitmi.gov

October 04, 2024

The Honorable Detroit City Council  
1340 Coleman A. Young Municipal Center  
Detroit, MI 48226

**RE: Request to Accept and Appropriate Joe Louis Greenway (JLG) Home Repair House Swap Program Phase 2**

Honorable City Council:

The Rocket Community Fund has awarded the City of Detroit Housing & Revitalization Department with the Joe Louis Greenway (JLG) Home Repair House Swap Program Phase 2 for the amount of \$748,000.00, to support the Bridging Neighborhoods as they renovate three Detroit Land Bank Authority (DLBA) homes within the Midwest/Barton McFarland neighborhoods around JLG. There is no match requirement.

The objective of the grant is to renovate vacant DLBA homes, providing a place for families to move while their previously deemed "walk-away" home is renovated in the same neighborhood. Homeowners then have a choice between returning to their renovated home or assuming ownership of the DLBA home.

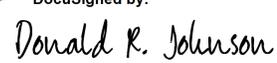
If approval is granted to accept and appropriate this funding, the appropriation number is 21440.

We respectfully ask your approval to accept, set-up and appropriate funding in accordance with the attached resolution.

Respectfully submitted,

DocuSigned by:  
  
E17650515DAF4C9...

Julie Schneider  
Director, Housing & Revitalization

DocuSigned by:  
  
34F9071313554A4...

Office of Budget

Attachment

cc: Caroline Miller, Mayor's Office  
Val Miller, HRD

**BY COUNCIL MEMBER** \_\_\_\_\_

**WHEREAS**, the Housing & Revitalization Department is requesting authorization to accept a grant from the Rocket Community Fund, in the amount of \$748,000.00, to support the Bridging Neighborhoods as they renovate three Detroit Land Bank Authority (DLBA) homes within the Midwest/Barton McFarland neighborhoods around JLG with no match requirement; and

**WHEREAS**, this request has been approved by the Office of Budget; now

**THEREFORE, BE IT RESOLVED** that the Director or Head of the Department is authorized to execute the grant agreement on behalf of the City of Detroit, and

**BE IT FURTHER RESOLVED**, that the Budget Director is authorized to accept, setup and appropriate Appropriation # 21440 JLG-Home Repair House Swap in the amount of \$748,000.00 for the Rocket Community Fund JLG Displacement Prevention Pilot: Home Repair House Swap Program Phase 2 .



1074 Woodward, Detroit, MI 48226  
www.RocketCommunityFund.org

Rocket Community Fund  
Request ID: FR-00996

**City of Detroit**

**Approval Date:** Sep 18, 2024

**Grant Amount:** \$748,000

11/1/2024 - 7/31/2026

**SUPPORT AGREEMENT**

This Support Agreement (the "**Agreement**") is entered into as of 11/1/2024 (the "**Effective Date**") between Rocket Community Fund ("**Grantor**") and City of Detroit ("**Grantee**", and together with Grantor, each a "**Party**" and collectively, the "**Parties**").

**BACKGROUND**

- A. Grantee is seeking financial assistance in support of Home Repair Home Swap – Phase 2 (the "**Program**"). In Phase 2 of the Home Repair House Swap, Bridging Neighborhoods (BN) will provide counseling to 'walk-away' referrals about the program. If residents choose to participate, BN will facilitate home swaps for three properties renovated in Phase 1 by coordinating with the Detroit Land Bank Authority (DLBA). BN will then renovate the three swapped homes, now DLBA-owned properties, to the standards outlined in Exhibit C, preparing them for Phase 3.
- B. Grantor desires to provide financial support for the Program, and Grantee desires to accept such support, in accordance with the terms of this Agreement.

**AGREEMENT**

The Parties agree as follows:

**1. PROGRAM AND SUPPORT OVERVIEW**

- 1.1. Grantor will provide up to \$748,000 (the "**Grant Amount**") to Grantee for the express purpose as described in Exhibit A ("**Approved Uses**") in support of the Program. No portion of the Grant Amount may be used for bonuses or salaries (other than in the normal course of business) or office space expenditures (including furniture, computer or other technological spends) (collectively, "**Prohibited Expenditures**"). In the event that Grantor determines, in its reasonable sole discretion, that 100% of the Grant Amount are not being applied to Approved Uses, all or any portion of the Grant Amount may be subject to return to Grantor. If, after completion of the Program, a portion of the Grant Amount remains unused, such portion may be subject to return to Grantor.

1.2. The Grant Amount will be disbursed as follows:

Payment Date	Amount
12/19/2024	\$700,000.00
Upon spending or encumbering at least 75% of the first disbursement	\$48,000.00

\*To be disbursed within 30 days of such date

1.3. Grantor will consider this Agreement a success if Grantee achieves the following objectives (collectively, the "**Objectives**"):

Objective Name	Objective Description
Homeowner Counseling	BN will receive homeowner referrals from community partners active in the Midwest-Tireman neighborhood (also known as the Joe Louis Greenway Pilot Area). BN will counsel residents about the Program and ensure residents make an informed decision to participate in the Program.
Home Swap Facilitation	BN will facilitate the home swap coordination with the Detroit Land Bank Authority (DLBA). The homeowner's original home will be deeded to the DLBA and the DLBA will deed the renovated home to the homeowner. BN will use grant funds to pay project partner, United Community Housing Coalition (UCHC) or other designated partner, to manage the homeowner's move to the renovated home.
Renovate the 3 homes deeded to the DLBA from JLG homeowners	BN will fully renovate, to the specifications laid out in Exhibit C, the 3 homes deeded to the DLBA from homeowners within the JLG pilot area.
Title Service	Grantee will facilitate quiet title services and cover any closing costs related to all properties.
Coordination with Program Team	Grantee will regularly communicate with program stakeholders laid out in Exhibit B.

**2. REPORTING REQUIREMENTS**

- 2.1. Grantor appreciates and anticipates an open and engaging conversation during the Term (as defined below) and requests notice of substantive changes to the program's purposes, activities, or expected budget, and any requested extension of the grant period and why it may be necessary. It is important for Grantee to inform Grantor of all activities (both positive and negative) of the grant.
- 2.2. Progress Reports. Grantee will submit **QUARTERLY** progress reports, which will include (a) an update on the progress of or changes to the Objectives, (b) any obstacles or

challenged encountered by Grantee in meeting the Objectives, (c) lessons learned, (d) potential next steps and sustainability concerns, (e) financial report indicating both spent and committed dollars, (f) aggregated demographic information of participating residents (including but not limited to race, household size, and age of head of household), (g) any other information reasonably requested by Grantor. Grantee will submit a final report that includes the information noted in this Section 2.2. or as otherwise requested by Grantor on or before 30 days of the expiration or termination of this Agreement.

2.3. Annual Reports.

- a. On or prior to December 31 of each year during the Term, Grantee will provide Grantor with a written acknowledgment of all Grant Amounts received by Grantee from Grantor during the calendar year. Such acknowledgement will specify the tax-deductible portion of such Grant Amounts.
- b. If the Term of the Agreement extends beyond one calendar year, Grantee will provide the financial statement required in Section 2.4(b) below on or prior to December 31 of each calendar year.
- c. On or prior to December 31 of each year during the Term, Grantee shall submit a written report to Grantor that provides an update on all of the Objectives.

2.4. Final Report. Within 30 days of the expiration or termination of this Agreement, Grantee shall submit a final written report to Grantor that includes the following information:

- a. A final written report on achievement of the Objectives, including lessons learned, potential next steps, sustainability concerns, intended and unintended outcomes, objective updates, and any other information reasonably requested by the Grantor.
- b. A financial statement reporting, in U.S. dollars, all expenditures of the Grant Amount (on a cash basis) and any income earned on those funds, which report will be signed by an appropriate Grantee officer.

### 3. GENERAL TERMS AND CONDITIONS

- 3.1. The term of this Agreement shall begin on the Effective Date and end on 7/31/2026 (the "Term").
- 3.2. Grantee will promptly notify Grantor of any changes in key personnel of the organization or Program, address, phone number, or name of the organization, and any development that significantly affects the operation of the Project or the organization.
- 3.3. Grantee will maintain complete books and records of revenues and expenditures relating to the grant, together with supporting documentation. Grantee's books and records shall be available for inspection at reasonable times for the purpose of making such financial audits, verifications or program evaluations as deemed necessary by Grantor concerning the grant. Records of receipts and expenditures under the grant, as well as copies of the

reports submitted to Grantor, must be kept for at least four (4) years following completion of the grant term.

- 3.4. Grantor reserves the right, in its sole discretion, to discontinue funding, terminate the agreement, or both:
- a. If Grantor is not satisfied with the progress of the grant or the content of any written report. However, if such action is being considered by Grantor, Grantor and Grantee will work together to resolve any non-compliance issues. In the event of discontinuation or at the close of the grant, any unexpended funds shall immediately be returned to Grantor, except where the Grantor has agreed to an alternative use of the unused funds; or
  - b. Upon the occurrence of any incident or scandal of an egregious nature involving Grantee's employees, officers, or directors, with respect to matters relating to the Grantee's Program that, in Grantor's reasonable and good faith opinion, would bring disrepute, shame, contempt, disgrace or embarrassment to, or adversely affect the reputation, image, mission or integrity of, Grantee, the Program or their respective donors (including, without limitation, credible allegations of mental, physical, sexual or drug abuse, neglect, or moral turpitude, financial mismanagement or violations of health or criminal laws).
- 3.5. Grantee hereby agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless Grantor and its officers, directors, employees and agents, from and against any and all claims, liabilities, losses and expenses (including reasonable attorney's fees) directly, indirectly, wholly or partially arising from or in connection with any act or omission of Grantee, its employees, or agents, in applying for or accepting the Grant, in expending or applying the Grant Amount or in carrying out any project or program supported by the Grant Amount, except to the extent that such claims, liabilities, losses, and expenses arise from any act or omission of Grantor, its officers, directors, employees or agents.

#### 4. CERTIFICATIONS

- 4.1. Grantee hereby certifies the following to be true: Grantee is not aware of any basis in which the organization could be considered to be controlled directly or indirectly by Grantor;
- 4.2. Grantee has all licenses, qualifications, registrations and permits as are necessary under the laws of Michigan or other jurisdictions in which ownership or use of the property and assets owned or used by Grantee, or the nature of the activities conducted by Grantee, requires such license, qualification, registration or permit; and
- 4.3. The Grant Amount shall not be used to influence the outcome of any election, or carry on, directly or indirectly, any voter registration drive to influence a specific legislative issue (within the meaning of Section 4945(d)(2) of the Internal Revenue Code); for any grant which does not comply with requirements of Section 4945(d)(3) or (4) of the Internal Revenue Code; or for any purposes other than those specified in Section

170(c)(2)(B) of the Internal Revenue code or to fund any form of violent political activity, terrorism or terrorist organization and that Grantee is in compliance with all applicable anti-terrorist financing and asset control laws and regulations.

## 5. PUBLICITY

- 5.1. Grantee is encouraged to publicize the grant, however, before any public announcement (including but not limited to any announcement via television, radio, internet, press release, brochure, newsletters or any print material) is made, it must be approved by Grantor. Grantee must send drafts to the Grantor contacts for review at least seven (7) business days in advance of any public release. Unless otherwise requested by Grantor, please acknowledge Rocket Community Fund as Grantor in any press releases, credits or publications that mention activities supported by this grant.
- 5.2. Grantee will work with Grantor to create pre-approved collateral, marketing, and promotional materials for use by the Parties in connection with the Program ("**Pre-Approved Materials**"). Grantee shall use the trademarks, service marks, or logos of Grantor or its affiliates, only as included in the Pre-Approved Materials or as expressly pre-approved by Grantor. Grantee hereby grants Grantor a non-exclusive, sublicensable, royalty-free license to use Grantee's trademarks, service marks, or logos for purposes of publicizing Grantor's support of the Program.
- 5.3. Grantee acknowledges and agrees that Grantor or its affiliates (including but not limited to Rocket Companies) may take photos or video footage (collectively, "**Media**") of the Program and Program related activities and use such Media to promote Grantor or its affiliates community-based initiatives, including through the use of press releases, social media posts or otherwise (the "**Purpose**"). If requested by Grantor, Grantee will facilitate collecting media release from Program participants in favor of Grantor or its affiliates. Neither Grantor nor its affiliates will be obligated to pay additional funds to Grantee for using such Media for the Purpose.

## 6. NON-DISCRIMINATION POLICY

By accepting funding pursuant to this Agreement, Grantee agrees that no person will be excluded from Grantee's services, employment or volunteer participation on the basis of gender, race, religion, HIV/AIDS status, sexual orientation, gender identity, disability, age, national or ethnic origin or other inherent personal characteristic protected by law.

Organizations that serve a specifically defined population or charitable class of people as part of their mission are not considered non-inclusive or discriminatory. The above statement applies to how the organization serves its target population as well as how it handles hiring and volunteer participation. The application of religious requirements with respect to the hiring of religious officials does not constitute a breach of the foregoing requirements, provided the subject organization demonstrates that it otherwise complies with policy.

**7. CONTACTS**

Each Party has assigned a team member(s) to facilitate the Parties' relationship to ensure that this grant is successful. The person(s) listed below and will be the main points of contact. Other than the Grantor Contact(s), should anyone from Rocket Companies or the Rock Family of Companies contact Grantee regarding this grant or other charitable activities, please direct them to your assigned Grantor Contact(s). Each Party will promptly notify the other of any change of its preferred contact person(s)

**Grantor Contact(s):**

Gwen Gell, Program Manager, Rehab and Repair, gwengell@rocketcommunityfund.org

**Grantee Contact(s):**

Amy Amador, Deputy Director of Bridging Neighborhoods, amadora@detroitmi.gov

**8. MISCELLANEOUS**

- 8.1. Governing Law. This Agreement and all obligations hereunder shall be interpreted in accordance with Michigan law, without regard for conflicts of law principles that may apply the law of another jurisdiction. Any disputes arising under this Agreement will be brought exclusively in the state or federal courts of Wayne County, Michigan and each Party waives any defense of inconvenient or inappropriate forum.
- 8.2. Amendments; Waiver. This Agreement sets forth the Parties full and complete understanding with respect to the matters set forth herein and supersedes all prior written or oral agreements, understandings or expectations. This Agreement may not be modified unless in writing and signed by both parties. No failure or delay in enforcing the provisions of this Agreement will affect the validity, binding effect, or enforceability of this Agreement or any provision hereof.
- 8.3. Assignment. Company may not assign this Agreement or its rights hereunder without Sponsor's prior written consent. This Agreement shall inure to the benefit of each Parties' respective successors and assigns.

\*\*\*\*\*

Grantor and Grantee have executed this Support Agreement as of the Effective Date.

**GRANTOR:** Rocket Community Fund

**GRANTEE:** City of Detroit

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

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

Name: Laura Grannemann  
Title: Executive Director, Rocket  
Community Fund

Name: Julie Schneider  
Title: Director of Housing and Revitalization  
Department, City of Detroit

**Exhibit A**

**Approved Uses**

<b>Expense Category</b>	<b>Expense Description</b>	<b>Expense Detail</b>	<b>Expense</b>
Other Expenses	Resident Moving Costs	\$2000/move x 6 moves (3 in Phase 1 & 3 in Phase 2) to be paid to a specified nonprofit partner (UCHC) to manage	\$12,000
Other Expenses	Related Rehabilitation Costs	Utilities, boarding, trash out, lawn/snow maintenance, security, hazmat abatement and testing, pest extermination, builders risk insurance estimated at \$15,000 per home for 3 homes.	\$49,500
Other Expenses	Other Rehabilitation-Related Expenses	Sewer taps for 3 homes	\$45,000
Other Expenses	Home Rehabilitation With Contingency	These funds will be used to rehabilitation 3 swapped "walk-away" homes owned by the Detroit Land Bank Authority (DLBA). The estimated cost is \$143,000 per home without major structural damage. An additional \$40,000 per home is budgeted to address possible major challenges that may be part of a "walk-away" home.	\$549,000
Fees	Quiet Title/Closing Fees	Estimated at \$2150 per home x 3 homes (\$250 increase per home)	\$6,450
Office Services	Administrative Costs	Calculated at 13% of project costs (vs 15%). Personnel and mileage costs	\$86,050

**Exhibit B**

## Home Repair Home Swap

The Joe Louis Greenway is a once-in-a-lifetime investment in public space and connectivity in Detroit. Based on other similar models – the High Line and the BeltLine – we know that innovative public space can catalyze dramatic change. This change can drive opportunity for existing and new residents, but there is also a risk that it may unintentionally cause undue displacement.

To address this, the Gilbert Family Foundation has created a pilot program in the Midwest/Barton McFarland neighborhood that focuses on maximizing Detroit ownership of property around the Joe Louis Greenway. Specifically, funds will be used by United Community Housing Coalition to:

1. Conduct door-to-door outreach to connect residents to resources.
2. Report renter-occupied properties in poor condition.
3. Purchase properties from landlords to resell to occupants.

However, there is a continued need for home repair resources to ensure that homeowners in the area live in healthy and safe homes. This document lays out a framework to add programming into this pilot area focused on this need.

### **The Need: Critical home repair need for owner-occupied homes along the JLG**

It is common knowledge that resources to address critical home repairs are in high demand across the city of Detroit. Some estimate the cost to be \$20 Billion to address home repair needs city-wide. To illustrate this high demand, in the first 24 hours of its launch, the Detroit Home Repair Fund (DHRF) hotline received over 125,000 calls. Over 16,000 Detroit homeowners are pre-qualified for a program that is anticipated to support 1000 homeowners. In the initial phase, the DHRF has found an average of 20 hazards per home. DHRF requires the leveraging of other funds to address as many hazards as possible to ensure homeowners are not displaced due to the condition of their home.

Unfortunately, it is too common to come across a home where even fully leveraged home repair resources are not enough to stabilize the home, resulting in a walk-away. These cases continue to highlight the lack of attainable public and private resources, the need for an intervention at scale, and the limited support to prevent displacement.

- Homeowners who qualify for DHRF and HOPE often have deferred maintenance.
- Deferred repairs increase the cost and scope of repairs (a small leak in a roof could balloon into structural damage overtime).
- Repairs are too extensive and expensive for current suite of home repair resources.
- Ongoing critical repair needs lead to negative health outcomes for the occupant, which may result in the homeowner walking away from the home or worsening health conditions.
- There are too few resources to support the estimated \$20 Billion home repair need for single family homes in Detroit.

### **The Opportunity: Neighborhood-based home swaps**

There is an opportunity to strengthen the home repair ecosystem by piloting a home repair home swap that preserves generational wealth and prevents displacement. This will require intentional and thoughtful partnership of existing organizations and programs in the city.

An organization, such as Bridging Neighborhoods (BN), will renovate a DLBA home in the target area of the JLG. Currently, there are 38 structures owned by the DLBA and 19 DHRF residents in this pilot area. A qualified DHRF resident that meets the “walk-away” criteria in the JLG target area would have the option to swap their home for the newly renovated DLBA home. The resident will transfer their walk-away property to the DLBA and assume title to the newly renovated BN home. The “walk-away”

property would become a part of the renovation pipeline for the next resident in the neighborhood in a “walk-away” situation. This methodology allows the resident to stay in their neighborhood. Ideally, the program can scale to impact other JLG neighborhoods.

- The basic infrastructure and entities to complete this work exist.
- Bridging Neighborhoods has renovated and swapped over 100 homes in the footprint of the Gordie Howe bridge.
- The DLBA has single family home inventory throughout the city and in the JLG target area.

**The Stakeholders:**

- City of Detroit: Bridging Neighborhoods
- Rocket Community Fund
- Detroit Home Repair Fund (DHRF)
- DHRF Partner Organizations
- United Community Housing Coalition
- Joe Louis Greenway Partnership
- Homeowners along the target area of the JLG

**Target Area (maps below): Three blocks to the east and to the west of the JLG, Joy Rd to the north and Tireman to the south**

- Three blocks east and west of the JLG, Joy Rd to the North and Tireman to the South of Joy.
- DLBA Snapshot (provided by the DLBA)
- DHRF – 19 owner-occupied homes pre-qualify for DHRF\*\*
- Tax Delinquency
- DLBA owned structures in target area

**How it works:**

**Phase 1 | Estimated Timeline: 9-12 Months**

1. Bridging Neighborhoods identifies three unoccupied DLBA homes in the JLG target area and begins a comprehensive renovation of the home (“BN home”).
2. Upon intake, DHRF, UCHC, or a DHRF partner organization, discover that a DHRF participant is living in a home in “walk away” condition (“walk-away home”).
3. DHRF participant is given an option to swap out of their walk-away home into the BN home.
  - a. Resident may choose to stay in the walk-away home and decline to participate in the program
  - b. Resident may choose to swap into the BN Home deeding their home to the DLBA and assuming ownership of the newly renovated home.
4. If the resident decides to move forward with the program, DHRF participant is provided with a case worker who helps them navigate the entire process.

**Phase 2 | Repeat**

**Renovation Standards for participating properties: (see ongoing questions)**

1. Does not alter floor plan.
2. Closed exterior envelope (roof, siding, windows)
3. Addresses all hazardous materials (lead, asbestos, mold, etc.)
4. Installs and builds buy energy efficiency standards

5. Universal design standards
6. At least one working kitchen and bathroom
7. Rewire home and install new electrical panel and meter box
8. Install new plumbing
9. ETC...

\*\* In the event there are fewer than 3 walk-aways within the identified population, the Home Repair House Swap program team will work together to identify contingency plans for identifying other home repair and walk-away candidates.

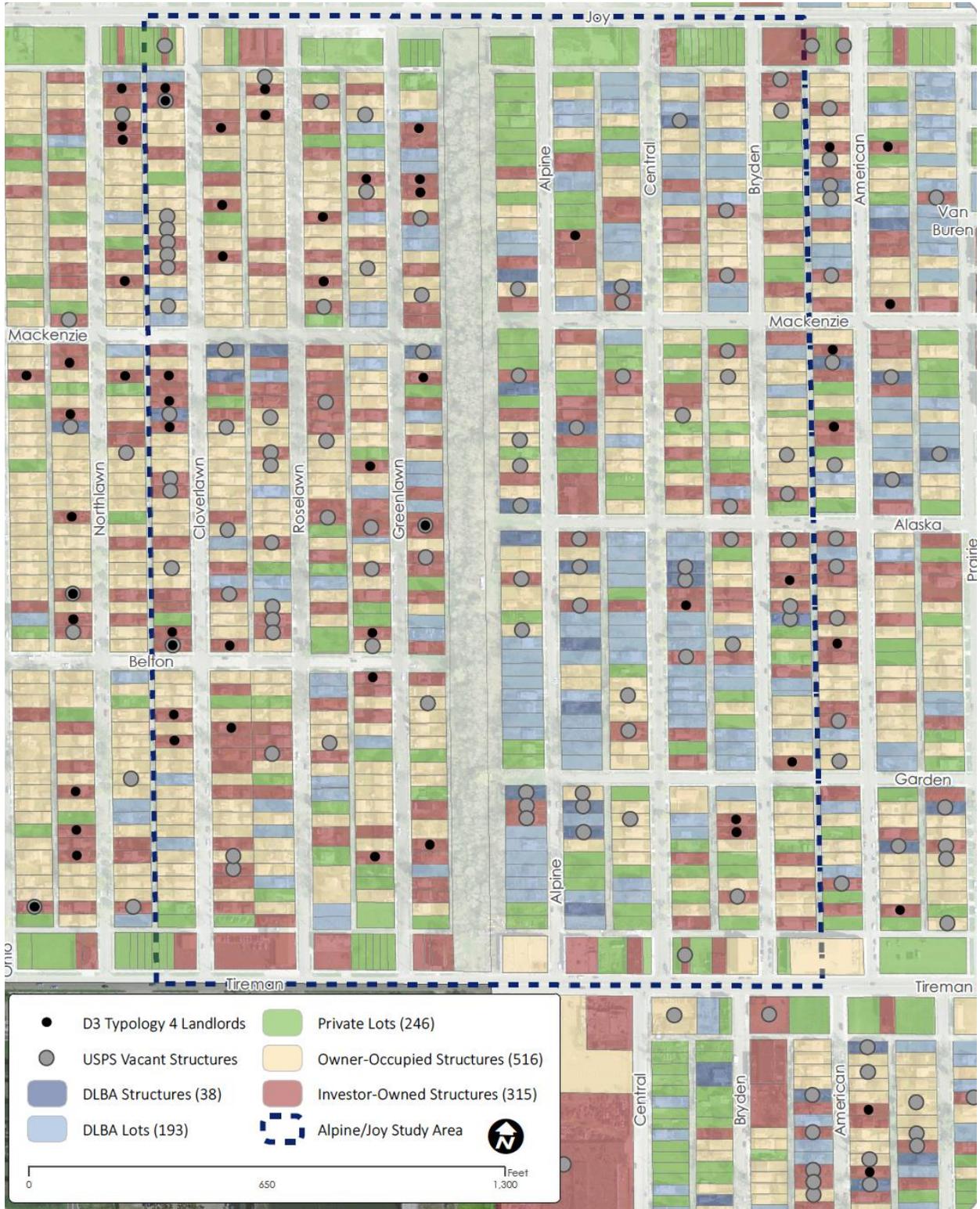
**Housing Philosophy:**

The housing strategy articulated in this document is founded upon the idea that increasing resident ownership of Detroit property around the Joe Louis Greenway will help create a stronger foundation to prevent long-term displacement due to increased property values.

Outcomes as a result of an investment in home repair home swap:

1. Increase in secure and stable Detroit homeownership.
2. Increase in safe and healthy housing
3. Decrease in displacement due to housing conditions
4. A bolstered home repair ecosystem

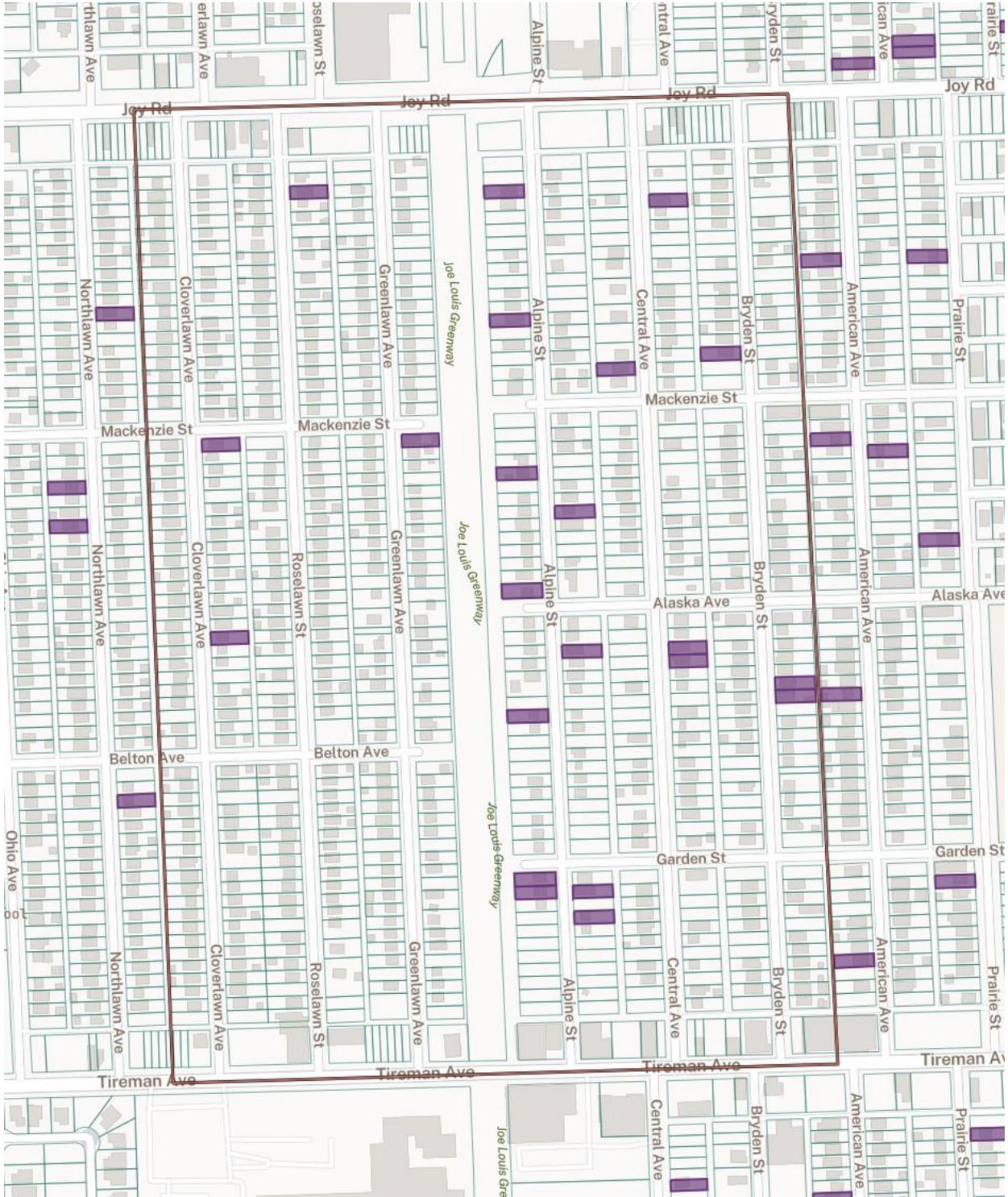
**Map 1: JLG target area parcel snapshot (prepared by the DLBA)**



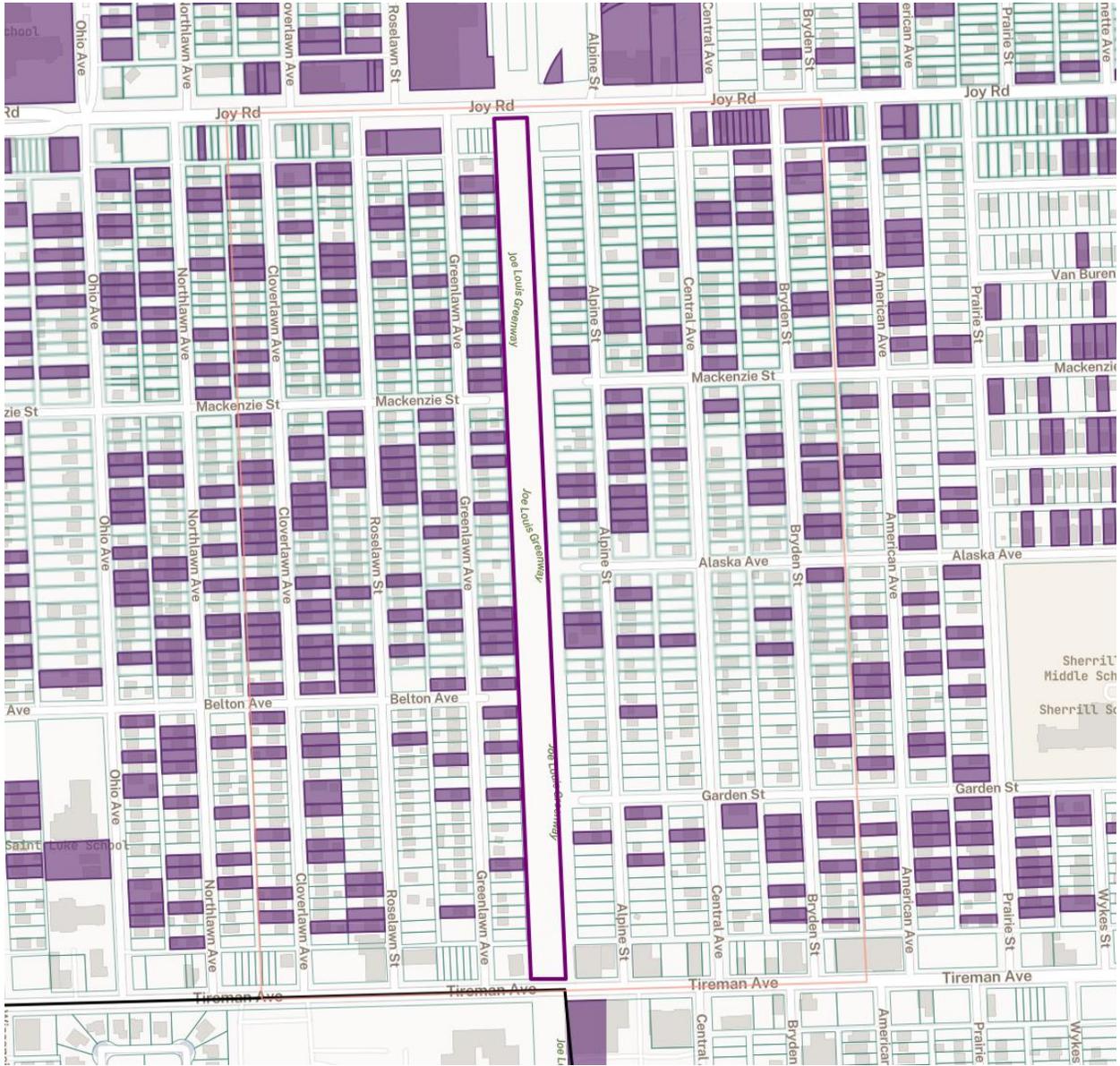
Map 2: DHRF pre-qualified owner-occupied properties in the JLG target area



**Map 3: DLBA owned vacant structures in the JLG target area**



Map 4: Property tax delinquencies in the JLG target area



**Exhibit C**

**Renovation Standards**

**PART I – STANDARD MODIFICATIONS**

**A. Compliance (Code, Warranty & Hazardous Materials)**

1. Compliance (Hazardous Materials - Asbestos): Per Hazardous Material Survey, all asbestos containing materials and assumed asbestos containing materials within the survey, will be abated and a Post Abatement Verification (PAV) will be provided prior to the General Contractor receiving a Notice to Proceed. All applicable work practices in the OSHA Standard must be observed by the General Contractor in completing the SOW and any forthcoming, approved change orders; all applicable prohibitions in the OSHA Standard must be adhered to.
2. Compliance (Hazardous Materials – Mold): Per BN Construction Quality Standards, it is the responsibility of the General Contractor to remove all mold.

**B. Security**

1. No changes to standards noted.

**C. Interior**

1. Provide gas and electric connection for stove.
2. Provide gas and electric connection for dryer.
3. Plan for approx. 15-17 kitchen cabs.
4. Rewire home and install new electrical panel and meter box.
5. Install new plumbing to include all horizontal and vertical drains throughout home.
6. Provide video scope of all basement drains in the floor.
7. Install high efficiency (95+) furnace and water heater.
8. Clean all existing duct work.
9. Replace all doors throughout home.
10. Replace all damaged, water exposed, or rotten wood throughout home.
11. Install dehumidifier on premises, running at all times after electricity is turned on.
12. Remove all walls in basement.

**D. Exterior\***

1. Install new gutters and downspouts.
2. Tear down and rebuild front porch, stairs, and handrails.
3. Install new siding, wrap fascia, install new soffit.
4. Install all new windows to include glass block windows in basement.
5. Replace roof with long lasting materials, such as metal.
6. Replace entire sewer line from the inside trap the property line with a video scope.
7. Install back flow preventors on sewer line.
8. Perform site clean up to include removal of trees touching home.

\*Updated for each home's needs (e.g., brick, siding, etc.)

**PART II – BN CONSTRUCTION QUALITY STANDARDS****A. Compliance (Code, Warranty & Hazardous Materials)**

1. Code – All BN homes must be up to current building code, as evidenced by approved permits from the City of Detroit's Buildings, Safety, Environmental and Engineering Department ("BSEED"). This includes compliance with:

- a. 2015 Michigan Residential Code;
  - b. 2015 Michigan Rehabilitation Code; AND
  - c. 2015 Michigan Energy Code.
2. Code – In order to complete a renovation, BN requires proof of approved permits. BN will notify the General Contractor (“GC”) of any missing permit approvals no later than the first punch walk.
3. Code – BN also employs exterior and interior requirements to ensure the delivery of homes in a consistent manner for all future homeowners. These requirements are described in Section C and Section D below.
4. Warranty – All BN homes must be warranted by the GC for a total of 18 months from the date of key handoff.
  - a. Warranting an item includes items that are renovated, as well as items that are inspected by the Contractor and deemed to not require renovation in order to meet code and/or be functional for at least 18 months from the date of key handoff.
  - b. The performance/payment bond is converted into a warranty bond after the key handoff and final payment. BN reserves the right to pull on the warranty bond if the GC is non-responsive to future homeowners’ warranty calls in the 18-month period following key handoff.
5. Hazardous Materials – All BN homes receive a hazardous material survey, provided to the contractor in Part IV. BN focuses on the monitoring and clearance of the materials listed below; any materials identified in the survey outside of those listed below will be addressed in the Standard Modifications.
  - a. Asbestos – BN contracts for any necessary abatement of asbestos-containing materials from the home prior to the GC receiving a Notice to Proceed (“NTP”). A post-abatement clearance is obtained by BNP. The GC will not have any involvement in the inspection, abatement, or clearance of asbestos-containing materials, however, in the instance asbestos-containing materials are determined by BN to be capable of safe encapsulation, this will be noted within the Standard Modifications (Part I).
  - b. Lead in water – BN requires all lead service lines to be removed and replaced with copper, both on the private and public sides. BN contracts for any necessary water service line replacements where lead service lines are present. If a change out is needed, the entire service line from the home to the main is replaced. This is not the responsibility of the GC, though may require coordination with the GC to provide access to the interior of the home during construction.
  - c. Lead dust – All BN homes were built prior to 1978 unless otherwise noted on the Standard Modifications and therefore BN assumes lead-based materials to be in the home. BN requires all GCs to use EPA RRP lead safe practices throughout the entire construction period and obtains a clearance at the end of construction to ensure the home is safe for occupancy. BN shall cover the cost of the first two lead dust tests; any failed lead dust after that will be charged back to the GC on the final pay application.
  - d. Mold – If mold is identified within the home’s hazardous material survey, it is the responsibility of the GC to remove all mold and will not be included in the Standard

Modifications. BN shall cover the cost of the first two mold tests; any failed mold test after that will be charged back to the GC on the final pay application.

- i. Contractors must purchase a dehumidifier that will stay with the home and run it continuously during the renovation work. This applies to homes with a basement.
- ii. Visible mold growth/stains on basement ceilings and joists need to be scrubbed and cleaned with chlorine bleach, or mold killer, prior to painting.
- iii. Although, not required, an air scrubber running two days prior to the mold test will increase the likelihood of a passed test.

## **B. Security**

1. The GC is responsible for security of the home and all of its contents from the time the NTP is sent until the keys are turned over at the completion of construction.
  - a. BN will have Secure View installed at homes prior to starting construction.
  - b. Field staff will ensure Secure View is still properly installed at the time of notice to proceed. If/when the GC removes the Secure View during construction, the GC is responsible for the proper reinstallation.
2. At the time of key handoff, GC is no longer responsible for the security of the home and BN will take over all security responsibility.
3. At the time of key handoff, if the closing is not scheduled for the same day, the Secure View will stay installed.
  - a. On the day of the closing, whether it is the day of key hand off or a later date, the GC will be responsible for the removal of Secure View and taking it off site, as well as any touch ups as needed on the window wrap and/or paint.
  - b. BN will notify the GC regarding the scheduling of the closing date and any schedule changes that might occur, to ensure proper coordination for Secure View removal.

## **C. Interior**

1. All rotted wood on or in home shall be removed and replaced.
2. All unlevelled floors shall be levelled.
3. Electrical shall be replaced throughout the entire home, unless otherwise specified in the standard modifications.
  - a. An exterior outlet must be present on exterior of home.
4. All HVAC shall be replaced or repaired to meet code, at the discretion of the GC.
  - a. Complete heating and ventilating system shall be sized for the home;
  - b. Any retained ductwork shall be cleaned and painted to remove any signs of rust or wear
    1. Evidence of duct cleaning shall be provided either by:
      - a. Physical modification on duct; plugs used to indicate cleaning
      - b. Video or photographic evidence of the duct cleaning
  - c. The furnace shall be 95% or greater energy efficiency;
  - d. The system shall be prepped for future AC conversion; to include "A" coil. AND

- e. The PVC power vent shall be through sidewall.
5. Furnace and Water Heater will be installed to pass inspections and then removed to prevent theft. The contractor will re-install the Furnace and Water Heater prior to key handoff. For homes going to the sales market, BN may ask the contractor to refrain from re-installing the mechanicals until a buyer is lined up. BN will pay for storage.
6. Any existing lead or galvanized plumbing shall be demolished; all installed plumbing shall be PEX; this also includes drains.
  - a. The water heater shall be a 95% high efficiency, 40-gallon power vent unit. AND
  - b. The PVC power vent shall be through sidewall.
7. Basement walls and floors shall be finished in a manner to reduce water infiltration as much as possible.
  - a. All basement wall cracks shall be grinded and filled with hydraulic cement;
  - b. All basement walls shall be painted with DryLok or equivalent; AND
  - c. Basement floor shall be painted using Sherwin Williams Armorseal Tread-plex or Sherwin Williams Industrial Enamel.
  - d. Basement ceilings should be painted black prior to any installation of wiring, plumbing, or duct work.
8. All partition walls in basement should be demolished unless otherwise noted in standard modifications.
9. Any exposed exterior wall or ceiling should be insulated per Michigan Energy Code.
10. All interior doors shall be adjusted, repaired, or replaced to open and shut properly.
  - a. All door hardware shall be replaced per product specifications;
  - b. All doors shall be painted; AND
  - c. All doors shall have a door stop.
11. Provide utility hookup at stove and dryer locations per Standard Modifications.
12. Provide connection and cabinet space for microwave.
13. Provide cabinet space for dishwasher.
14. Install adequate lighting throughout home per code.
15. All steps shall be repaired or installed per code.
16. All handrails shall be repaired or installed to meet code and painted to match trim.
17. All windows shall be in working condition; it is up to the GC to determine if repair or installation of new windows is required to achieve working condition.
  - a. If installation of new windows is determined, new windows shall be single-hung vinyl low-E insulated glass for main floor/upper level windows and glass block for basement windows.
  - b. Working condition of windows includes the provision of a functional window screen. Window screens shall not have any holes at time of key handoff.
18. All interior trim and/or woodwork shall be repaired or replaced as needed with a consistent profile to match existing interior trim and/or woodwork.
19. Any painted surfaces should be prepared, primed, and painted for 100% coverage, no bleed through or flashing.

- a. As noted in Section A-5 above, ALL BN homes were built prior to 1978 therefore lead safe practices are required;
  - b. All paint colors and sheens shall be determined based on package selection indicated in standard modifications; AND
  - c. All drywall shall be finished to Level 3 or better.
20. Provide new toilet, sink, vanity, bathtub, and fixtures in bathroom per product specifications unless otherwise noted.
- a. Bathtub surround shall be tiled with tile specified in Product Specifications.
21. Provide and run a dehumidifier with hose running to drain immediately after electric service is established in the home.
- a. The dehumidifier shall be left in home for future homeowner.
  - b. BN is responsible for all utility bills throughout construction; GC must coordinate with BN for establishing utilities.
22. Provide smoke & carbon monoxide detector per code.
23. Bedrooms shall have combo ceiling fan and light per product specifications.
24. All bedrooms and walkways shall be carpeted, unless noted otherwise in Standard Modifications.
25. The entryway, kitchen, dining room and all bathrooms shall be tiled with LVT.
26. Provide connection for laundry facilities in basement per Standard Modifications.
- a. Laundry connection and set up to include a laundry tub per product specifications.
27. At the end of construction and before the lead dust and mold clearance is scheduled, all surfaces inside the home shall be cleaned in accordance with EPA RRP standards.

**D. Exterior**

1. All debris shall be removed from yard including trash and construction debris. No construction debris shall be left under porches/enclosed areas/or attic spaces. Contractor will be required to come back and remove at no cost to BN if discovered.
2. Overgrown vegetation to be cut down to ground level and removed (not including any trees over 10 inches in diameter). BN has a landscape contractor for larger tree removal if the tree(s) pose a threat to the home or interferes with renovation work.
3. A positive grade away from the home must be attained.
  - a. Any disturbed soil must be raked and/or replaced with top soil where needed; AND
  - b. Any disturbed soil must be seeded.
  - c. If a basement has moisture issues due to a negative grade post construction, the contractor will be required to add soil and grade properly
4. All BN homes shall have a roof that is warranted by the GC for an 18-month period from key handoff.
  - a. The determination of roof replacement or repair shall be determined by the GC;
  - b. All rotted or damaged wood on roof shall be removed and replaced prior to roofing installation; AND
  - c. All roof replacements must be stripped to the deck.

5. All masonry shall be inspected, and tuck pointed unless otherwise noted in Standard Modifications.
6. Regarding any non-brick exteriors:
  - a. Unless noted otherwise in Standard Modifications, any aluminum siding shall be removed and replaced with vinyl siding.
  - b. Existing vinyl siding that is retained shall be power washed, caulked, primed, and painted for 100% coverage, no bleed through or flashing.
  - c. Vinyl siding color should be consistent throughout home.
  - d. All cedar shake to be covered with vinyl siding unless otherwise stated.
7. Secure and install mesh cap on any chimney or exhaust not being used.
8. All exterior cantilever buildings or decks must be enclosed with lattice.
9. All gutters shall be replaced unless called out in the standard modifications;
  - a. All gutter systems that are attached to the home (deck not included) shall include 4-6 foot downspout extensions.
  - b. All downspout extensions shall be installed in a direction that does not impact neighbors' property.
  - c. Downspouts should never be attached to the storm drain. Storm drains should be sealed with cement.
10. Sewer must be snaked and scoped, to the municipal sewer connection, to confirm there are no blockages and no repairs needed to ensure proper functionality for an 18-month period from key handoff.
  - a. Video of scope must be submitted to BN to receive payment.
  - b. If a blockage or other repair is needed on the sewer line or associated J-, P-, or S-traps, BN will request pricing from the GC to be applied to the contract contingency (i.e., in addition to the GC bid).
  - c. All basement shall be equipped with a backflow preventer.
11. Any flashing shall be repaired or installed per code.
12. All steps shall be repaired or installed per code.
13. All handrails shall be replaced or installed per code using weather-resistant material.
14. Any painted surfaces should be prepared, primed and painted for 100% coverage, no bleed through or flashing.
15. All first-floor exterior doors shall include an additional security door.
  - a. All security doors shall be key operable from the outside only and include a cover over the inside deadbolt.
16. All exterior doors, including security doors, must be keyed alike.
  - a. Four (4) identical keys must be provided at key handoff.
17. Provide a mailbox hung on exterior of home that includes address numbers.
18. All porches must adhere to #1, #4, #5, #7, #11, #12, and #13 where applicable.
  - a. Cement porch caps of porches with cement caps shall be painted shortly before the lead dust clearance.

19. Unless otherwise noted in the Standard Modifications, all garages are to be brought up-to-code. If after further inspection GC determines garage is not structurally sound, garage is to be demolished.
  - a. At the end of construction and before the lead dust clearance is scheduled, all surfaces outside the home shall be cleaned in accordance with EPA RRP standards. Porches should be painted based on BN specs, prior to the lead dust test, using Sherwin Williams Armorseal Tread-plex or Sherwin Williams Industrial Enamel.
20. GC is responsible for the removal of all debris resulting from construction. This includes living spaces as well as non-living spaces such as the attic, crawlspace, under porches, or any other non-living space in the property.

**E. Exclusions**

1. Asbestos survey, abatement, and post-abatement clearance
2. Mold survey, report and approved post-removal clearance
3. Approved lead dust clearance
4. Initial boarding up of the structure
5. Large tree removal (over 10 inches in diameter)