

Homeowner Rehabilitation Policies, Procedures and Guidelines City of Laurel

1.0 Purpose and Intent

The City of Laurel (Sub-Recipient) hereby sets forth the homeowner rehabilitation policies, procedures and guidelines. The purpose of this document is to establish guidelines by which persons may obtain homeowner rehabilitation/reconstruction assistance. These policies apply to the HOME Investment Partnerships Program (HOME) Grant funded by the Mississippi Home Corporation (MHC). City of Laurel will comply with regulations as it pertains to proper procurement for all professional services, compliance with Citizen Participation requirements, compliance with Environmental regulations, compliance with Minority and Women Owned Business Enterprises regulations, Section 3 requirements, and regulations for activities which are being undertaken in the HOME program.

The City of Laurel shall contract with a grant administrator to provide homeowner rehabilitation administrative services to comply with 24 CFR Part 92 to include, but not limited to the following:

- Determine household eligibility, if more than 6 months has elapsed before HOME funds were committed
- Advertise and assist in conducting Public Hearings
- Procure for all professional and contract services
- Procure for a MHIB Certified Inspector with New Home (NH) designation
- Assist in securing contract bids
- Assist in bid process and make recommendations for contracts
- Continuous interaction with the homeowner
- Develop necessary forms for carrying out the project
- Maintain program records and documentation
- Develop report on program performance and reports on grant funds as required
- Obtain all warranty papers and termite certificates

It is the intent of City of Laurel through the HOME Investment Partnerships Program to serve low and very-low income homeowners and to utilize other resources that may be 80% of the AMI.

2.0 Applicant Eligibility

2.1 Conflict of Interest

The Sub-Recipient must comply with 24 CFR Part 92.356 (b) stating that "No persons who are an employee, agent, consultant, officer, or elected official or appointed official of the participating jurisdiction, State recipient, or Sub-Recipient receiving

HOME funds that exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are able to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure and for one year thereafter.

2.2 Income Criteria

To be eligible for assistance, families must meet income limits and criteria. Meeting the income criteria does not automatically mean that a family will receive assistance.

Part 5 Income Definition will be used to determine eligibility of the household. If six (6) months has lapsed since the income has been verified without assistance being provided (time assistance is provided is the date in which the Sub-Recipient is awarded HOME funds) the income must be re-verified. The total combined income of all household members shall be used to determine if the household meets the income limits.

Households indicating “no income or insufficient income” to maintain the unit are not eligible.

2.3 Length of Ownership

The unit must be owned and occupied by applicant at least one (1) year prior to the date of application to MHC. Homeowners who purchase substandard housing within this timeframe may not be considered eligible applicants.

2.4 Number of Applications

Only one (1) application will be authorized per household.

2.5 Applicant Information

Applications will be selected throughout the “target area” as indicated in Phase I of the Sub-Recipient’s application. Applicant’s files must contain an application for assistance, family survey, verification of ownership, verification of income, contract between the Sub-Recipient and homeowner, contract between homeowner and contractor, lead-based paint hazard notices, work write-ups and cost estimates (rehabilitation), plans, specifications and cost (reconstruction), contractor bids and contracts, proof of payments and supporting documentation, HUD required forms, inspection reports, warranty information and required family characteristics. This information will be used to approve the Homeowner and unit eligible for HOME assistance. Also, this required information will be used to issue the Notice to Proceed to the Contractor for construction activities to begin within the timeframe indicated.

3.0 Property Eligibility

3.1 Unit Characteristics

Owner occupied units as indicated and approved in the application are only eligible for assistance. (Foot printing (location of unit on site) is acceptable). Sub-Recipient must specify this determination in order to avoid the placement of the home and unnecessary costs and indicate such in writing or on the survey.

3.2 Location

Units eligible for assistance must be within the incorporated limits of the City of Laurel. The units must be located in the designated project area as shown on the project map.

3.3 Types of Improvements

The activity submitted in the HOME application is the activity which must be undertaken during the implementation process, unless otherwise documented by Contract Modification.

3.5 Flooding

Dwellings located within floodways or floodplains as determined by the National Flood Insurance Program are eligible for assistance if Environmental Regulations are met and Flood Insurance obtained.

3.6 Historic Buildings

Buildings of historic significance must be rehabilitated according to the requirements set forth by the Mississippi Department of Archives and History.

3.7 Reconstruction and Demolition

All HOME assisted units utilizing HOME funds must be demolished and a similar unit will be reconstructed on the same lot. Manufactured units must be removed from the property and demolished.

3.8 Pre-Bid Conference

Each home must have a pre-bid walk through which clearly defines the scope but not limited to the following items:

- a. Height or elevation of house pad
- b. Elevation certificate (if required)
- c. Lot survey

- d. Tree removal or other factors that would have an impact on the reconstruction
- e. Verify water requirements for sites without public water
- f. Verify disposal requirements for sites without public sewer
- g. Asbestos abatement
- h. Site plan showing location on lot (reconstruction required)
- i. Provide finish floor elevations per local code

3.9 Pre-Construction Conference

A pre-construction conference must be conducted for each unit reconstructed or rehabilitated with HOME funds.

4.0 Grant Amount/Agreements

The maximum amount of assistance under the program shall be based upon HUD's published Section 234 elevator type limits at the time the assistance is received. The minimum of HOME investment funds to be used is \$1,000 per unit, however; if the assistance does not result in a beneficiary, Sub-Recipient will be required to repay the funds spent to MHC using non-federal funds.

Grant agreements must be executed between the Sub-Recipient and the homeowner to include, but not limited to, the following specific information:

- a. size of the household
- b. names and ages of all household members
- c. income of all household members
- d. homeowner(s) understanding of demolition in the case of reconstruction
- e. eligibility requirements

5.0 Contracting

5.1 All construction contracts for Rehabilitation must be executed between homeowners and contractors.

Contractor/Administrator/Homeowner issues must be resolved by the Chief Elected Official.

5.2 Contracting Shall Be Done on Sealed Bid Basis

The grant administrator shall prepare bid packages and assist homeowners in securing bids. The Sub-Recipient shall review all bids and determine whether they are reasonable and address all the work to be completed. Bids must be awarded to the lowest most responsible bidder. Multi-service contracts are prohibited.

5.3 Contractor Eligibility

To be eligible to bid for Rehabilitation contracts in the project, contractors must submit

information to the Sub-Recipient for review of qualifications. At a minimum, contractors must provide the following:

- a. Mississippi Residential Builders License (Rehabilitation Licenses only NOT acceptable)
- b. Current Financial Statement
- c. Two (2) references of contracted work within the previous 12 months, the amount of each contract, and the type and quality of work performed under each contract.
- d. Available line of credit for contractor to perform the duties as indicated in the contract. HOME funds are released upon satisfactory completion of work performed. The Sub-Recipient should make sound decisions to determine if the contractor is financially able to carry out the activities.
- e. Two (2) credit references; financial institution and a building material supplier.
- f. Certificate of liability insurance and worker's Certificate of Responsibility.
- g. Not debarred, suspended, licenses revoked, or on Limited Denial Participation List
- h. Registered at www.sam.gov in good standing.
- i. List of current job.

5.4 Change Orders

All change orders to the original bid specifications require the approval of the MHC Contract Inspector, the signature of the homeowner(s), contractor, and administrator. Change orders must be submitted to MHC Housing Inspector for review and approval prior to work being performed. MHC has the right to request further justification. Any work performed prior to approval may be in jeopardy of being the responsibility of the Sub-Recipient, if MHC does not issue approval of the request and the availability of funding. MHC may require at any time detailed cost breakdown and invoices to support approval of a change order.

5.5 After-Rehabilitation Value Limits

24 CFR 92.254(a)(2)(iii) allows the use of FHA Single Family mortgage Limits under Section 203(b) of the National Housing Act (12 U.S.C. 1709(b)) as a surrogate for the 95 percent of median value limit. The limit for a one-family unit in all Mississippi counties is \$275,655 except for in the following counties: Copiah, Hinds, Madison, Rankin, Simpson, and Yazoo the limit is \$281,750.

5.6 Payments

Reconstruction request for payments shall be made at the time of inspections: initial (33%), framing (33%), and final (34%). The date of the final inspection is the date in which the one-year warranty required by the contractor begins. At which time, the homeowner may occupy the property and necessary paperwork provided to the homeowner regarding warranty information. Failure to adhere to this process may result in concerns noted in the monitoring report and possible repayment of grant funds from non-federal sources.

Rehabilitation request for payments ranging from \$1.00 - \$5,000 will be made in a onetime payment. \$5,001 – up will be made at 50% and 100% completion. The date of the final inspection is the date in which the one-year warranty required by the contractor begins.

Payment disbursement for Manufactured Homes will be allowed for the purchase of the unit, by submitting a copy of the bill of sale and then the remainder of the funds being disbursed upon final inspection and submission of a copy of the homeowner's title issued by the Department of Revenue, State of Mississippi.

Upon satisfactory completion of the work, the Contractor shall deliver all warranty information to the homeowner and Sub-Recipient. The homeowner will sign a written acceptance of the work completed.

6.0 Residential, Anti-Displacement Temporary Relocation Assistance Plan

The Sub-Recipient should make every effort not to displace eligible HOME applicants. Any displacement or temporary relocation must be indicated in the application for HOME funds, this is very crucial because funding may not be available for payment of these expenses incurred by the homeowner. A document must be signed certifying that homeowners are aware of the requirement and options.

7.0 Integrated Disbursement and Information System (IDIS)

The City of Laurel shall designate a contact person and (1) alternate who will be authorized to sign cash request for funds to be drawn. The grant administrator will submit all project set-ups, revisions, and completion reports to MHC. All copies will be maintained in applicants' files. The grant administrator will submit all other forms and reports required to implement the project. The Sub-Recipient is responsible for maintaining HOME project files at their official place of conducting business for at least five (5) years after the date of the close-out letter.