CDBG Owner Occupied Housing Rehabilitation

ADMINISTRATIVE PLAN

PROGRAM YEAR 2018

I. Program Overview

The community's owner-occupied rehabilitation program aims to preserve and/or stabilize the community's housing stock that is affordable to low and moderate income persons and to provide safe, decent and sanitary housing to the community's residents who do not have the financial means to make repairs to their own dwellings. The community also hopes to improve the general aesthetics and attractiveness of the community's housing stock and to assist in the promotion and attraction of economic and community development opportunities to the area.
Six homeowners with properties located within the selected Target Area will be assisted through this program.

The selected Target Area boundaries have been identified in this neighborhood to include both sides of the following bordering streets, except where noted:

- Southern: North side of Blairs Ferry Road from C Avenue to 4th Avenue
- Western: 4th Avenue from Blairs Ferry Road to W. Clark Street
- Northern: W. Clark Street from 4th Avenue to Center Point Road, south down Center Point Road to E. Willman Street and north up A Avenue to E. Clark Street to Cimarron Drive
- Eastern: Both sides of C Avenue from E. Clark Street to Blairs Ferry Road

II. Fair Housing & Non-discrimination

The community will ensure that CDBG assistance is made available on a non-discriminatory basis without regard to race, color, religion, sex, disability, familial status, age or national origin.

The community will advertise, publicize and pass an "Affirmative Fair Housing Policy", which will also identify the name & contact information of a Discrimination Complaint Officer for any housing-related bias or discrimination complaints. An "Equal Opportunity Policy Statement" will also be passed & the HUD Equal Housing Opportunity Logo will be used on applicable program documents. The community will refer housing discrimination complaints & assist in filing complaints with the Iowa Civil Rights Commission, the U.S. Department of Housing & Urban Development, or a local civil rights commission.

The community will also promote & further fair housing by selecting one elective activity as outlined in the CDBG Grant Management Guide.

III. Program Eligibility

In order for an applicant to be eligible for program assistance, the applicant must occupy the property to be assisted as their principal place of residence and must own the property (i.e., be the owner of record) and the property must be located within the community's selected Target Area.

In addition, an applicant must have owned (i.e., must have been the owner of record) and must have resided in the property to be assisted for at least six (6) months prior to the date of their application for assistance to the community for program funds, in order to be eligible for program assistance.

Income: To be eligible, applicants must have a household income that does not exceed 80% of the median household income as established by the U.S. Department of Housing & Urban Development (HUD).

IV. Property Requirements

Ownership: Ownership, occupancy, and tenure will all be verified and documented by the community through County and/or other public records.

Location: In order to be eligible for program assistance, the assisted property must be located within the selected Target Area to be served as defined in the community's approved application and contract with the Iowa Economic Development Authority (IEDA).

Payments: In order to be eligible for program assistance, the assisted property owner must be current with regard to their mortgage payments & real estate property tax.

Utilities: The assisted property owner must also be current with regard to their utility payments associated with that property. Utilities covered under this requirement are limited to water, sanitary sewer, gas (natural gas, liquid petroleum gas, or fuel oil) and electric, and solid waste disposal. Utilities not included under this requirement are telephone, cable television (including satellite television), or internet service providers.

Property Insurance: In order to be eligible for program assistance, the assisted property must be covered by property insurance (homeowner's hazard and liability insurance) in an amount equal to, or greater than, the current assessed value of the property (land and buildings).

Condition of the Property: In order to be eligible for program assistance, the property must be free of garbage; debris; refuse; building materials (those not used for the rehabilitation project); abandoned, non-operational or junk vehicles; etc. Additionally, the property must not be in violation of any local nuisance ordinances.

Infeasible Structures: Depending on the extent of the rehabilitation work necessary to bring a dwelling and the property as a whole into conformance with IEDA's Housing Quality Standards, the community may find a dwelling that is structurally or financially infeasible to rehabilitate.

A property is infeasible to rehabilitate when the cost of rehabilitation of that property exceeds the fair market value of that property in the neighborhood after rehabilitation. Where a dwelling is determined infeasible for rehabilitation, the community reserves the right to withdraw its offer of financial assistance toward that project and to its property owner.

The property must be the applicant's principal place of residence. The applicants must own the property. Ownership may be established by holding fee simple title to the property or maintaining a 99-year leasehold interest in the property.

Properties must be included in the target/project area defined in the application approved by IEDA.

Residential properties containing businesses may only be included in the program when it can be clearly shown that CDBG funds will not benefit the business on the property. CDBG funds will only be used to rehabilitate residential portion of the unit and any funds used on shared/common area must be prorated. Program files will document how the costs were allocated between the residential portion and business portion of the unit.

Properties included in the 100-year floodplain are not eligible for the program.

Manufactured homes may be assisted with CDBG program funds only if all of the following criteria are met:

- *The manufactured home was constructed after 1976*
- *The manufactured home is permanently affixed to a site-build permanent foundation and has had its towing hitch & running gear removed*
- *The homeowner owns the land on which the manufactured home is installed*
- *The manufactured home is taxed as real estate (real property) by the community*

V. Marketing Plan

The community will market its program in order to provide sufficient information about its owner-occupied rehabilitation program and to generate maximum interest from potential applicants.

Marketing may be conducted using any and all of the following methods:

- Newspapers of general circulation and other local publications;
- Public informational meetings held in the community;
- City website or social media outlets;
- Mailings;
- Postings at strategic locations accessible to the general public (e.g., the Post Office, City Hall or County Courthouse, grocery stores, schools, churches, libraries, etc.); and by
- Personal contact to potential applicants by community leaders, civic groups, etc.

When marketing to potential pre-applicants prior to a funding commitment from the IEDA, the community will re-contact those potential applicants once awarded to regenerate their current interest.

Marketing to potential applicants will convey basic requirements for participation in the community's program (i.e., eligibility criteria, the form of assistance available, information about how, where and when to apply for the assistance as well as what information will be needed, and restrictions they need to be aware of).

The community's marketing efforts will not discriminate in any way and will provide for equal opportunity and fair housing to all potential applicants.

VI. Program Assistance

The maximum amount of assistance to an individual rehabilitation project from the community's program funds is $24,999. The maximum assistance level is on the hard costs of rehabilitation (materials, labor and the contractor's overhead and profit) only, not the administrative costs, lead hazard reduction costs, lead hazard reduction carrying costs, or temporary relocation costs necessary to complete the project.

Project costs (the hard costs of rehabilitation) in excess of the maximum amount of program assistance available must come from sources other than the community's program funds.

Program funds are intended to be used to cover the hard costs of rehabilitation (materials, labor, and the contractor's overhead and profit) and the administrative (program implementation) costs associated with the rehabilitation of residential dwellings within the community that meet the eligibility requirements.

Program funds are also intended to be used to make assisted target housing temporarily "lead safe" following clearance testing and final visual assessment that meets IDPH standards. Eligible expenditures of the community's program funds for this purpose include the cost of any lead hazard reduction activities, lead hazard reduction carrying costs and temporary relocation costs.

CDBG Assistance will be provided as a five year receding forgivable loan. The property must remain the applicant's principal residence for five years following the project acceptance date for the loan to be forgiven. The community will file a lien/security interest against the property in the amount of CDBG assistance.

In order for the assisted property owner to receive a five-year receding forgivable loan, he or she must sign a mortgage lien to secure the full amount of the five-year receding forgivable loan. The mortgage lien will be recorded at the County Courthouse following the completion of the rehabilitation project. The five-year receding forgivable loan bears no interest.

The term of the mortgage lien is five years, remaining at one-hundred percent of the loan amount for the first full year and decreasing twenty percent each year thereafter. The anniversary date of the mortgage lien is the date of signature. Collection of the mortgage lien (as may be necessary) will be accomplished according to the following schedule.

- If the rehabilitated property is sold, rented, transferred, vacated or abandoned prior to the first anniversary of the project completion and acceptance date, one-hundred percent (100%) of the note and mortgage lien becomes due.
- If the rehabilitated property is sold, rented, transferred, vacated or abandoned between the first and second anniversary dates of the project completion and acceptance date, eighty percent (80%) of the note and mortgage lien becomes due.
- If the rehabilitated property is sold, rented, transferred, vacated or abandoned between the second and third anniversary dates of the project completion and acceptance date, sixty percent (60%) of the note and mortgage lien becomes due.
- If the rehabilitated property is sold, rented, transferred, vacated or abandoned between the third and fourth anniversary dates of the project completion and acceptance date, forty percent (40%) of the note and mortgage lien becomes due.
- If the rehabilitated property is sold, rented, transferred vacated or abandoned between the fourth and fifth anniversary dates of the project completion and acceptance date, twenty percent (20%) of the note and mortgage lien becomes due.
- At the fifth anniversary date, one-hundred percent (100%) of the note and mortgage lien is forgiven. The community will release the assisted property owner's mortgage lien, following completion of the five-year term.

If the assisted property becomes other than the assisted property owner's principal place of residence at any time during the five-year term (through sale, transfer, rental, or vacating or abandonment of the property), repayment of the principal amount, based on the above schedule, is immediately repayable to the community or to IEDA if the program is closed.

The community may, at its option, release the mortgage lien (and subsequent conditions of the assistance) against the assisted property when there are extenuating circumstances that would warrant or justify the community's decision to do so, regardless of the age of the forgivable loan. The community's release of a mortgage lien would be handled on a case-by-case basis with consideration given to the individual circumstances of that assisted property owner, or their representative, seeking the release.

Applicants must be given the opportunity to rescind the assistance offered due to the fact that a lien, mortgage or other security interest will be filed against their property as a result of the assistance, if accepted and executed.

Where there are existing liens, mortgages or other security interests already on file against assisted properties (e.g., the applicant's primary mortgage), the community's program assistance security interest may be filed (recorded) in a junior position to existing liens, mortgages or security interests.

In the event of future liens, mortgages or security interests filed on an assisted property owner's property (e.g., a refinancing), the community may, at its discretion, subordinate its mortgage lien to any future liens, mortgages or other security interests.

VII. Application & Verification Process

Ranking System: Applicants for program assistance will be selected according to a ranking system. The community's ranking system is based on applicant need. Need, in this instance, is defined in terms of the applicant's income and financial status (assets). Therefore, the neediest applicant's application (i.e., the highest ranked application) will be processed first; the second neediest applicant's application (i.e., second ranked application) will be processed second, and so on.) The CDBG Grant Administrator will accept all of the applications during the noted intake period and will be responsible for the ranking of all the applications.

Application intake period will be decided after awards announced
The community will hold an initial application intake period for the receipt of all applications to be ranked. This application intake period will begin on _____, and end on_____.

Processing of applications will begin with the highest ranked application and continue until all six eligible households are assisted.

Application Selection Criteria Formula: The application selection criteria formula is a system of assigning numerical values to the individual criterion listed below to permit the rank ordering of the applications received during the initial application intake period. The application selection criteria formula is as follows:

- INCOME

For every $1,000 below HUD's income limits (for the appropriate household size), points will be assigned according to the following table:

Up to $1,000 below the income limit	2 Points
$1,001 - $2,000 below the income limit	3 Points
$2,001 - $3,000 below the income limit	4 Points
$3,001 - $4,000 below the income limit	5 Points
$4,001 - $5,000 below the income limit	6 Points
$5,001 - $6,000 below the income limit	7 Points
$6,001 - $7,000 below the income limit	8 Points
$7,001 - $8,000 below the income limit	9 Points
$8,001 - $9,000 below the income limit	10 Points

$9,001 - $10,000 below the income limit	11 Points
$10,001 - $11,000 below the income limit	12 Points
$11,001 - $12,000 below the income limit	13 Points
$12,001 - $13,000 below the income limit	14 Points
Over $13,001 below the income limit	15 Points

- LIQUID ASSETS

The following points will be deducted from the total household points assigned for income where the household's liquid assets exceeds the limits described below (liquid assets are defined as the total cash available to the applicant including, but not limited to, cash, checking accounts, savings accounts, stocks, bonds, certificates of deposit, mutual funds, etc., minus a $1,000 allowance for working capital). Liquid assets point deductions are as follows:

Over $20,000 & up to $25,000	Deduct 2 Points
Over $25,001 & up to $30,000	Deduct 4 Points
Over $30,001 & up to $40,000	Deduct 6 Points
Over $40,001 & up to $50,000	Deduct 8 Points
Over $50,001	Deduct 12 Points

Basic income eligibility is based on applicant's annual gross household income. The community will refer to HUD's "Technical Guide for Determining Income & Allowances for the HOME Program" for direction and guidance on certain income inclusions & exclusions. Income verifications are valid for six months.

Note: The above referenced manual can be found here: http://portal.hud.gov/hudportal/documents/huddoc?id=19754_1780.pdf

Basic income eligibility is based on the applicant's annual gross household income with no adjustments or deductions subtracted. An applicant's annual gross household income is "anticipated" for the future twelve-month period based on current circumstances or known upcoming income changes. The most current HUD income limitations, by county and household size, must be used for determining and verifying income eligibility. A basic preliminary determination of eligibility will be used during the application period using the application & current tax information and once applications are ranked & contacted, a full formal eligibility determination will take place using 3rd party verifications before any household receives assistance.

Once these rankings are completed, the City and Grant Administrator will review the list of ranked addresses before contact is made with the applicants. All applicants will be contacted by mail by the CDBG Administrator, informing them of their status after intake & ranking. The letters will notify the applicants whether they are ranked in the top 6, on a waitlist for assistance, or ineligible for assistance & why that determination was made

VIII. File Documentation

The community will keep the following items on file:

- *Income verification documents*
- *Ownership verification documents*
- *Property inspection documents (initial & final)*
- *Construction documents (specifications, contracts & related items)*
- *Final acceptance of work (signed by homeowner)*
- *CDBG environmental review documents*
- *Lead based paint related documents*

IX. Procurement

Marketing to contractors can be accomplished using the same media resources used for marketing to potential applicants. In addition to using those resources, the community might also:

- Contact local homebuilders associations, construction trades organizations, unions, etc.;
- Contact the Iowa Department of Public Health to obtain information on contractors that have been trained in safe work practices;
- Contact the IEDA's recommended plan review rooms and clearinghouses;
- Obtain information on contractors based on the community's building permit issuance data;
- Contact local construction materials and equipment suppliers;
- Contact other communities nearby that have, or have had, similar programs.

With the community's efforts to solicit and attract contractors for participation in the program, nondiscrimination, equal opportunity and fair housing issues cannot be overlooked. The community will also make a good faith effort to solicit and attract the interest of minority and female owned businesses that might participate in the community's owner-occupied rehabilitation program. Invitations to bid on the community's projects will be sent to the IEDA's recommended clearinghouses and plan review rooms.

In order to participate as a contractor in the community's owner-occupied rehabilitation program, the following minimum requirements must be met. All contractors must:

- Be registered with the State of Iowa & have a valid registration number;
- Meet any and all local or state licensing requirements;
- Be able to provide evidence (i.e., certificate of successful completion and satisfactory test results) that all workers under his / her employ (i.e., employees and/or subcontractors and their employees) who will be involved in any rehabilitation that disturbs painted surfaces (known or presumed to be lead based paint) or any lead hazard reduction activity, have been trained in safe work practices as required by HUD's Lead Safe Housing & IDPH regulations

- Provide current and active insurance certificates that document sufficient insurance coverage; and
- Be approved by the IEDA as not being on the U.S. Department of Housing and Urban Development (HUD's) or the U.S. Department of Labor's (DOL's) lists of debarred or suspended contractors.

Contractors will be procured through a competitive sealed bids procurement process. Upon completion of the final work write-up and bid documents, the community will publicly advertise for bids in at least one local newspaper of general circulation. In addition to publicly advertising, all known area contractors will be notified in writing, inviting them to bid on the community's projects. Invitations to bid will also be sent to the IEDA recommended plan review rooms and area clearinghouses as well.

The community's publicly advertised bidding process will allow sufficient time for contractors to compile and submit their bids. Bids will be opened publicly at a specified date, time and place. The lowest, responsible bidder will be awarded the contract subject to bid verification and acceptability. A responsible bidder is a contractor that has met the requirements above and all other material terms and conditions of the bid documents. Contractor's bids need to be typewritten or completed in ink, as bids submitted in pencil will not be accepted.

Following the opening of all bids, the CDBG Administrator will perform a verification of the bids received (i.e., to ensure true itemized bids submittal, to verify and to recalculate the contractor's figures, to consider any alternate bids sought after and received, etc.). A bid tabulation (summary) sheet will then be prepared reflecting all bids received.

The successful bidder(s) will be notified, in writing, of the community's intent to award them a contract. All unsuccessful bidders will also be notified, in writing, by the administrator.

Following notification of award to the successful contractor, arrangements will be made with all parties to formally execute the rehabilitation construction contract & additional program documents at a scheduled Pre-construction meeting. Prior to contract execution, the successful contractor must submit a complete list of suppliers and subcontractors intended to be used, so that a Request for Contractor Clearance/Eligibility document can be completed & submitted to IEDA.

X. Financial Management

Contractor Payment Procedures: All payments to contractors are to be based on work completed at the time of the payment request. With all payment requests received by the community, the CDBG Administrator's Housing Inspector will conduct an inspection to verify that work which has been invoiced is completed. No payment requests will be honored prior to conducting an inspection.

All materials, supplies and equipment purchased by the contractor (including subcontractors) for a particular rehabilitation project must be satisfactorily installed prior to the community making payment for those items on that project. Payment requests for materials, supplies and equipment stockpiled on a job site and not yet installed will not be honored until the contractor (or subcontractor) has satisfactorily installed them.

Contractors may be paid lump sum at the completion of projects, or may seek one partial payment during construction with a final payment request at the completion of the project. The community will withhold ten percent (10%) from the partial payment request received from the contractor. All withholding from partial payment request will be paid to the contractor with the final payment request.

In addition to a required inspection prior to making payment to contractors, the community must receive fully executed lien waivers from contractors for all materials and supplies, equipment, and labor costs for which payment is being sought. Where partial payment requests are made by contractors, fully executed partial lien waivers are also necessary prior to the community honoring the contractor's partial payment request. All lien waivers received from contractors (partial and final lien waivers) need to be reviewed and checked against the "Project Subcontractors / Suppliers" list that submitted by the contractor prior to the start of construction.

Any target housing assisted with the community's program funds that involves rehabilitation that disturbs painted surfaces, known or presumed to be lead based paint, and/or lead hazard reduction activity will require thorough, specialized cleaning and clearance testing and final visual assessment following the completion of such work. The final payment to the contractor will not occur prior to successful clearance testing and final visual risk assessment results meeting IDPH standards.

The property owner's concurrence and acceptance of all work for which payment is being sought must be obtained prior to the community making the final payment to contractors.

The community will draw down or request CDBG funds by using the GAX form signed by the contract signatory & submitted through iowagrants.gov. Funds will only be drawn down for immediate cash needs and no more than 10 working days shall elapse between the receipt of funds and disbursement by the recipient.

After the initial draw request, the community must request CDBG funds at least every six months, for both rehabilitation costs and grant administration.

XI. Program Implementation

Initial Property Inspections: Following eligibility determination and verification, the CDBG Administrator's Housing Inspector will arrange with the property owner a date and time in which to conduct an initial inspection of the property to be assisted. The

purpose of the initial inspection is to determine the scope of work to be accomplished with the rehabilitation of that property. The initial inspection will be conducted in order to verify the presence and condition of all components, systems and equipment of the property owner's dwelling and property, and to identify any and all items that do not conform to IEDA's Housing Quality Standards and locally adopted standards or housing codes for inclusion in the work write-up for that dwelling.

If the property to be assisted is target housing, meeting with the property owner(s) at their property for the purpose of conducting the initial inspection is an ideal time to discuss lead-based paint issues likely to impact their own project. The Housing Inspector will provide the homeowner with the Iowa Department of Public Health's (IDPH's) standard pamphlet entitled "Lead Poisoning - How to Protect Iowa's Families" to convey general information to the property owner about the dangers of lead-based paint .

Project files must be documented indicating that the property owner(s) has received this required notice. The community will use the IDPH Pamphlet - "Acknowledgement of Receipt" form for this purpose. This acknowledgement of receipt form requires the property owner's signature and date of their receipt.

Project files must be documented with a copy of the initial inspection report, signed or initialed and dated by the CDBG Administrator's Housing Inspector who performed the initial inspection.

Project Specifications: From the data and information gathered by the housing inspector during the initial inspection, a work write-up (or project specifications as they are often referred to) will be generated. The work write-up is used in the formulation of a cost estimate. The work write-up eventually becomes a part of the bid documents needed for the procurement of a contractor. All work write-ups will be written so that participating contractors that bid on the community's projects will submit itemized bids (i.e., an individual line-item cost for each individual line-item of the work write-up).

Initial Cost Estimates: The housing inspector will prepare a written cost estimate of the hard costs of rehabilitation for each project following the initial inspection and formulation of a work write-up. The cost estimate will also be depicted in itemized form & must be included in individual project files. The community's written cost estimate is formulated to determine if that project is financially feasible to undertake and to ensure the cost reasonableness of contractor's bids that will be received for that project.

Section 106 Historical Review: The community will follow all HUD guidelines & requirements and will take into account the effect of the undertaking on any district, site, building, structure or object that is included in or eligible for inclusion in the National Register. The Programmatic Agreement between the IEDA and SHPO outlines the process of Section 106 and notes that all compliance documents will be submitted to IEDA for review & approval.

Pre-Construction Conference: Prior to the start of construction, a pre-construction conference with the property owner, CDBG administrator and selected contractor will be held. At the pre-construction conference, the final work write-up will be reviewed by all parties to ensure a thorough understanding of the work to be accomplished, as well as timing and coordination of the sequence of the work, temporary relocation or limited access to living areas during lead renovation work & expectations during construction.

Additionally, the responsibilities of all parties to the contract need to be thoroughly discussed. The various processes and procedures involved in completing the project also needs to be covered (e.g., change order procedures, contractor payment processes, various lead hazard reduction requirements, grievance / dispute resolution procedures, etc.).

Change Orders: Changes occur with any addition to or with any deletion of items to be accomplished, or with any other change that may occur to the original, as-bid, work write-up that alters the scope of work in any way. Change orders are needed for any and all substitutions that are made to the project as well, even if the dollar value of that work item remains unaffected. Change orders are also needed for time extensions to a rehabilitation construction contract. Change orders need to detail all changes and be prepared individually listing all items if more than one item is included in the change order. The contractor's costs associated with all items listed within change orders must also be itemized.

Any and all changes to the contract work write-up require a fully executed change order signed by all parties to the contract. Change orders need to be contained in individual project files.

Final Inspection: Upon completion of the project, a final inspection of the rehabilitation work accomplished on that project will be conducted. The final inspection will be conducted by the CDBG Administrator's Housing Inspector in the presence of the property owner. It is desired that the contractor attend the final inspection to make note of and to clarify any unfinished and/or questioned work.

The final inspection is made to ensure that all work was completed and was accomplished in accordance with the work write-up and any change orders that were issued, and to ensure that work was accomplished in a satisfactory manner.

Should any rehabilitation work items remain unfinished or in need of rework, a punch-list will be formulated by the community or the Housing Inspector and presented to the contractor for finalization prior to final acceptance and final payment authorization. If work or rework remains, a time frame for completion of such items will also be specified in the punch-list.

Clearance testing must follow the completion of all lead-based paint related work. Clearance testing must be accomplished in accordance with the Iowa Department of Public Health's State Environmental Protection Agency program requirements.

Clearance testing results must meet the applicable IDPH standards. If clearance testing fails to meet the applicable IDPH standards, the affected work areas must be re-cleaned by the contractor responsible for this and clearance testing must be re-conducted. This process continues until the project meets IDPH clearance testing standards, including the final visual assessment.

Program funds are to be used only for the initial cost of cleaning for clearance testing. If clearance testing fails to meet the applicable IDPH standards, any and all costs associated with subsequent re-cleaning needs to be borne by the contractor responsible for this. It is extremely important for contractors to follow safe work practices and to thoroughly clean affected work surfaces with the initial cleaning so that successful clearance testing results and successful final visual assessment results are achieved with the initial clearance testing and final visual assessment.

The community will use a Clearance Inspection Report to document its clearance testing results, as well as the State Hygienic Lab clearance report to notify the property owner as required.

Following the execution of the Work Approval form & lead clearance testing results, the community can issue the final payment and the payment of all withholding (retainage) from the previous partial payment request paid, once all lien waivers have been executed by the contractor and are in the community's possession. Prior to making final payment and the payment of withheld funds to the contractor, all manufacturer's and supplier's warranties must have been conveyed to the property owner by the contractor.

Construction Supervision: Construction supervision will be accomplished primarily through periodic and frequent work-in-progress inspections by the CDBG Administrator's Housing Inspector. Inspections relating to contractor payment requests, any community required (e.g., building or housing code required) inspections, and any inspections relating to change order requests will all occur as necessary.

The main purpose of construction supervision is to ensure that all work specified in individual project work write-ups is completed, completed in a satisfactory workmanship-like manner, and completed in a timely manner.

XII. Roles & Responsibilities

Community/City: The overall authority for the implementation and administration of the community's owner-occupied rehabilitation program is with the community itself. This responsibility rests with the chief elected officials of the community (i.e., the mayor and city council or the board chair and supervisors).

The primary responsibility of the community is to ensure that the program is carried out in accordance with its contract with the Iowa Economic Development Authority (IEDA), and to ensure compliance with all applicable state and federal requirements governing

the program funds associated with the community's owner-occupied rehabilitation program.

Housing Committee: The community will establish a local oversight committee. This Housing Committee will be charged with certain programmatic responsibilities. At least one community representative (a City Councilperson or County Board Supervisor) will serve on this committee. Responsibilities of the Housing Committee include, but are not limited to:

- Final approval authorization of all applications for assistance;
- Individual rehabilitation construction contracts approval authorization;
- Grievance and dispute resolution responsibilities;
- Long-term monitoring responsibilities to ensure that assisted properties remain the principal places of residence to the assisted property owners for the prescribed period tied to the community's financial assistance (i.e., the five-year receding forgivable loan); and
- Oversight of any recaptured funds received from any five-year receding forgivable loans that go into default.

CDBG Program Administrator: The primary responsibilities of the program administrator and/or housing inspector include, but are not limited to:

- Marketing of the program to applicants and contractors;
- Application intake and processing;
- Ranking of applications received;
- Property and applicant eligibility determination processes;
- Verification of applicant information received documenting their eligibility to participate;
- Initial inspections;
- Work write-ups & Cost estimates
- Section 106 Historical clearances;
- Feasibility determinations;
- The determination of lead hazard reduction need for all assisted target housing (recall that this can only be accomplished by Iowa-certified Sampling Technicians, Lead Inspectors / Risk Assessors, or Elevated Blood Lead (EBL) Inspectors / Risk Assessors);
- Revisions and finalization of individual project work write-ups, as applicable;
- Contractor procurement;
- Contracting;
- Temporary relocation (as applicable);
- Construction supervision (inspections, change orders, contractor payments, lead hazard reduction oversight, etc.);
- Project completion, final inspection(s), clearance testing and final visual assessment (as applicable) and final acceptance;
- Grievance and dispute resolution responsibilities; and
- Progress reporting to the Housing Committee, the community and the IEDA

XIII. Rehabilitation Standards

Upon completion of rehabilitation, assisted properties must, at a minimum, meet the IEDA Housing Quality Standards and locally adopted standards or housing codes.

XIV. Lead Based Paint Requirements

The community will comply with HUD's lead hazard reduction requirements through the duration of the program.

All target housing properties assisted with the community's program funds must comply with HUD's Lead Safe Housing Regulations. All lead based paint hazards must be identified and subsequently addressed (reduced) in target housing assisted with the community's program funds. Lead hazard reduction activity will be conducted in conjunction and/or in combination with the rehabilitation work determined from the community's initial inspection and included in a final, revised work write-up prior to the procurement of a contractor.

The community may presume that assisted target housing contains lead-based paint and where lead-based paint is presumed to be present; testing of painted surfaces is not required. Where lead-based paint is presumed to be present, all painted surfaces disturbed during rehabilitation must be repaired and the lead hazard reduction need determined accordingly by the community's certified lead professional. Work items specified to reduce lead-based paint hazards presumed to contain lead-based paint will be considered as "standard treatments". The standard treatments specified in the work write-up, in addition to the rehabilitation work items, will include, or compensate for, the lead hazard reduction activity (standard treatments) needed.

Once all lead hazard reduction activity to be accomplished has been determined by the Community's certified lead professional, the community will include these work items in the initial inspection and work write-up that defines the rehabilitation work items to be accomplished. It is possible that one or more of the rehabilitation work items specified will effectively reduce or eliminate an identified (known or presumed) lead-based paint hazard(s). Where lead-based paint hazards will not be addressed with the specified rehabilitation work items, additional lead hazard reduction work items (i.e., interim controls or standard treatments) will need to be added to the rehabilitation work items. A final work write-up is then generated that incorporates all rehabilitation work items and all lead hazard reduction work items. This final work write-up will then be used for the procurement of a contractor(s) to do the work.

The community must retain all work write-ups and cost estimates and include them in the respective project files. Individual project cost estimates of the rehabilitation work items specified in the original work write-ups are the basis for determining what needs to be accomplished from a lead hazard reduction standpoint for each project.

The determination of lead-based paint hazards can only be accomplished by certain Iowa-certified lead professionals. Paint testing and risk assessments can only be accomplished by lead professionals certified in Iowa as Lead Inspectors / Risk Assessors or Elevated Blood Lead (EBL) Inspectors / Risk Assessors. The determination of presuming that lead-based paint is present in target housing may be made by lead professionals certified in Iowa as Sampling Technicians or Lead Inspectors / Risk Assessors or Elevated Blood Lead (EBL) Inspectors / Risk Assessors. The required clearance testing and final visual assessment that follows completion of projects where lead hazard reduction activity occurred (regardless of the estimated cost of rehabilitation) may be conducted by any of the certified lead professionals referenced above. The community will employ all necessary Iowa-certified lead professionals.

There are notification requirements associated with the identification of lead-based paint hazards in target housing assisted with program funds (and/or other HUD funds).

Where the community presumes that lead-based paint and/or lead- based paint hazards exist in assisted target housing, the community must convey to the assisted property owner the "Notification That Lead-Based Paint or Lead-Based Paint Hazards are Presumed to be Present" form. This notification must be conveyed to the assisted property owner no later than fifteen days after the presumption determination was made. A Visual Risk Assessment report must be prepared in accordance with the IDPH requirements.

Any rehabilitation work that disturbs painted surfaces (i.e., paint that is known or presumed to be lead-based paint) and any other lead hazard reduction activity not accomplished with the rehabilitation work items (excluding the allowable de minimis areas) can <u>only</u> be accomplished by contractors who have been trained in safe work practices.

All households will be provided the option of temporary relocation.

Households with children under six years of age and/or a pregnant woman (if known) must be temporarily relocated as described below in the Temporary Relocation Guide.

Households that will not have safe access to sleeping areas, bathroom, and kitchen facilities outside the sealed work area for more than an 8 hour daytime period must be temporarily relocated as described below in the Temporary Relocation Guide.

Households that are not required to temporarily relocate and do not choose temporary relocation will be required to vacate the house during the work hours and have no access to the worksite when in the house after work hours except for households where all occupants of the house are at least 62 years old.

Households that that do not include any person under 62 years old and that have received complete disclosure of the nature of the work are not required to leave the house if there will be safe access to sleeping areas, bathroom, and kitchen facilities

outside the sealed work area (worksite) and if each occupant of the house signs an "Elderly Waiver for Relocation."

Prior to the start of the lead hazard reduction work the worksite shall be sealed to prevent the release of leaded dust, and to contain lead-based paint chips and other debris from hazard reduction activities within the worksite until they can be safely removed.

The occupant's belongings shall be protected from contamination by lead-dust hazards and debris generate by work. The occupant's belongings shall either be moved to a safe and secure area outside of the containment area(s), or moved to the center of the workspace and covered with an impermeable covering with all seams and edges taped or otherwise sealed.

The household will be relocated to a suitable, safe / decent / sanitary living arrangement that is free of any lead-based paint hazards (post-1978 unit or clearance examination). Temporary relocation will continue to be provided until the interior lead- based paint related work has been completed, the work area(s) thoroughly cleaned (using HUD recommended specialized cleaning methods) and clearance testing and final visual assessment (interior or exterior) has been conducted with results achieved that meet IDPH standards. The community will not authorize entry or re-occupancy of the assisted property by the relocated household until all such work has been completed and successful clearance testing and final visual assessment results meeting IDPH standards has been achieved.

XV. Appeal/Complaint Procedure

Step 1: Any grievances or disputes arising between a property owner and the contractor(s) will initially be mediated by the CDBG Administrator or Housing Inspector. It is the grieving (or disputing) party's obligation to contact the community's program administrator and/or housing inspector with a detailed account of the issue(s) comprising the grievance or dispute. The program administrator and/or housing inspector will make a determination of resolution on the issue(s) brought to their attention and convey to both the property owner and the contractor a course of action to be taken, in what time frame, and by whom.

Step 2: Should either party contest the community's program administrator's and/or housing inspectors initial decision, a request for an appeal hearing by the community's Housing Committee may be made. This request must be made in writing. The Community's Housing Committee will set a date, time, and place for this appeal hearing and notify the parties of same. The Housing Committee will make their determination at, or shortly after, their meeting and convey their determination of resolution to the issue(s) raised, in writing, to both parties. The Housing Committee's determination will convey to both parties a course of action to be taken, in what time frame, and by whom.

Step 3: Should either party contest the Housing Committee's decision, a request to appeal this decision may be made to the community's governing body (i.e., mayor and city council; chair and board of supervisors; etc.). The decision of the community's governing body will be conveyed, in writing, to both parties. The governing body's determination will convey a course of action to be taken, in what time frame, and by whom. The decision of the community's governing body will be final and binding on all parties.

Step 4: In the event that the grievance or dispute remains unresolved to the satisfaction of either party, the right to file legal action remains the last and only recourse available to the grieving or disputing party.

Should a grievance or dispute arise between either the property owner or the contractor and the community's program administrator and/or housing inspector, the procedure to follow is the same as described above, except that Step 1 would be omitted.

Written grievances or disputes that are received by the IEDA directly (or indirectly) from a property owner, the contractor or a representative of the property owner or contractor will be forwarded to the community for resolution.

XVI. Program Amendments

Amendments made to the Administrative Plan will be decided on and reviewed by the community, the Housing Committee and the CDBG Administrator. If a change is made, the CDBG Administrator will update the Administrative Plan, draft a memorandum noting the changes/updates and submit to IEDA for review & approval.

Change Orders will be originally submitted by the contractor with an itemized list of change items & prices. The CDBG Administrator's Housing Inspector will review the request & obtain both contractor & homeowner signature & approval. The Housing Inspector will also sign & approve the Change Order. The Change Order will then be submitted to the community for approval & signature. Once the Change Order work is completed by the contractor & inspected, it will be added to either the partial or final invoice and payment.

XVII. Conflicts of Interest

The city will refer to 24. CFR.570.611 (CDBG regulations on conflicts of interest) should a potential conflict of interest arise and follow guidance provided in these regulations.

EXHIBIT A: TEMPORARY RELOCATION POLICY GUIDE

The following relocation policies shall be followed:

1) Relocation shall be required under the following circumstances:
   a. When the residence is undergoing work that disturbs areas that have or are presumed to have lead based paint.
   b. When safe access to, and use of, sleeping areas, bathrooms and kitchen facilities is not available for period of at least eight (8) consecutive hours.
   c. When occupancy of the residence is not reasonable due to the presence of lead hazards, excessive noise, excessive airborne particles, electrical hazards, lack of heat, lack of running water, plumbing issues, lack of ingress/egress or any other reasons as verified by the program administrative entity and rehabilitation technician.
   d. NOTE: Households participating in the program in which all occupants are sixty-two (62) years of age or older are NOT required to leave the home if there will be safe access to sleeping areas, bathroom and kitchen facilities and if each occupant of the home signs an Elderly Waiver of Relocation form.
2) Contractors will be required to provide a minimum of five (5) working days notice prior to relocation being required.
3) Contractors shall notify residents within not more than one (1) working day of when the home has been certified for re-occupancy by the program administrative entity and rehabilitation technician.
4) All relocation units will be selected by the program administrator in consultation with the displaced persons and will be suitable, safe, decent and similarly accessible and must be constructed after January 1, 1978. All units will be inspected by the program administrative entity and rehabilitation technician prior to being approved for relocation. Units should be in as close a proximity to the permanent residence as feasible.
5) It is anticipated that temporary relocation will typically be for duration of five (5) to ten (10) working days. A provision will be placed in all rehabilitation contracts deducting temporary relocation costs from payments due the contractor beginning immediately after the fifteenth (15th) working day of relocation.
6) The City/County will, through the CDBG program, cover the following relocation related expenses:
   a. Cost of lodging, (rent, lease, hotel/motel).
   b. Cost of storage of essential household goods as needed.
   c. Per diem cost of food if no cooking facilities are available on site.
   d. Cost of utilities, (if applicable).
   e. Cost of moving, (if applicant is incapable of moving without assistance).
   f. Aggregate relocation costs shall be capped at $_____/household.
   g. Payments will be based upon actual costs incurred within not later than 20 days of the local government's receipt of proper expense documentation

City of Hiawatha
PUBLIC HEARING NOTICE

The City of Hiawatha will hold a public hearing to discuss an application for housing funds from the Iowa Economic Development Authority. These funds will be used to rehabilitate owner-occupied houses for eligible low-to-moderate income households in the community.

Discussion at the public hearing will include: a. How the need for the proposed activities was identified, b. Source of funding, c. Date the application will be submitted, d. Amount of federal funds to be requested, e. Portion of federal funds benefiting low-to-moderate income households, f. Location of proposed activities, g. Plans to minimize displacement of persons or businesses from funding activities, h. Plans to assist those displaced, and i. The nature of the project.

The Public Hearing will be held Wednesday, April 4th, 2018, 5:30 p.m., at Hiawatha City Hall, 101 Emmons Street. The City of Hiawatha will conduct all Housing Fund related public hearings in a public building that is accessible to the disabled. Non-English speaking persons requiring translators or written translation after the public hearing should contact the City.

For more information, contact Kim Downs at City Hall (319-393-1515) or Melanie Riley at East Central Iowa Council of Governments (319-365-9941, ext. 138).

DRAFT

RESOLUTION NO. 18-
City Council

RESOLUTION APPROVING A COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) OWNER OCCUPIED HOUSING REHABILITATION ADMINISTRATIVE PLAN FOR PROGRAM YEAR 2018

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIAWATHA, IOWA, to approve a Community Development Block Grant (CDBG) Owner Occupied Housing Rehabilitation Administrative Plan for Program Year 2018, for the purpose of preserving and/or stabilizing the community's housing stock that is affordable to low and moderate income persons and to provide safe, decent and sanitary housing to the community's residents who do not have the financial means to make repairs to their own dwellings. The community also hopes to improve the general aesthetics and attractiveness of the community's housing stock and to assist in the promotion and attraction of economic and community development opportunities to the area. Six homeowners with properties located within the selected Target Area will be assisted through this program.

AYES:
NAYS:
ABSENT:

PASSED AND APPROVED this 21st day of March, 2018.

_____
Bill Bennett, Mayor

ATTEST:

_____
Kelly Kornegor, City Clerk