

Board of County Commissioners
Leon County, Florida
Policy No. 99-5

Title: State Housing Initiative Partnership (SHIP) and Community Development Block Grant (CDBG) Local Rehabilitation, Anti-displacement and Relocation

Date Adopted: November 30, 1999

Effective Date: November 30, 1999

Reference: 49 Code of Federal Regulations, Section 570.495; Chapter 9B-43, Florida Administrative Code; and Florida Small Cities Community Development Block Grant Program Act, Sections 290.0401--.049, Florida Statutes.

Policies Superseded: Community Development (CDBG) Rehabilitation, Anti-Displacement and Relocation, 09/10/96 and 02/11/97 revision

It shall be the policy of the Board of County Commissioners of Leon County, Florida that Policy 97-8, adopted by the Board of County Commissioners on September 19, 1993 and amended July 9, 1996 and February 11, 1997, is hereby superseded and a new policy adopted in its place, to wit:

Section 1 PURPOSE

Leon County has undertaken a housing program under the provisions of the Housing and Community Development Act of 1974 (Public Law 93-383), the State Housing Initiatives Partnership and other state and federal programs.

The Housing and Community Development Act of 1974 requires compliance with the relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (the Uniform Act), and implementing regulations issued by the United States Department of Housing and Urban Development (HUD) (CFR Title 24, Part 42) when the acquisition of real property occurs.

The County wishes to provide a local policy covering all probable types of housing rehabilitation and relocation that may be necessary in accomplishing housing rehabilitation-related activities.

The County also wishes to implement the housing rehabilitation activities in accordance with a local policy, that provides parameters for program operation. This policy is not applicable to housing programs the County may implement with HOME or other funds intended for reconstruction, replacement or new construction. These programs will be governed by the applicable funding award agreement.

Section 2 CONFLICT OF INTEREST

Although addressed elsewhere in this policy, adherence to rules and regulations on this matter is mandatory. All applicants who may have a business or familial relationship with a member of the local governing body, the Housing Finance Authority, Affordable Housing Coordinator or Housing and Human Services Director, or any participating contractor must fully disclose this relationship at

the time of the application, at the point in time in which the conflict occurs and definitely before a construction contract is executed. In addition, the local governing body, the Housing Finance Authority members, and CDBG staff must disclose any relationship with an applicant and must abstain from any vote related to that applicant. Before a CDBG applicant with a potential or real conflict is given final approval for participation, the Department of Community Affairs (DCA) must approve the application in accordance with 24 Code of Federal Regulations, Section 570.489. If this process is not followed, the local government and/or the applicant may be liable for returning the funds to the program.

Section 3 REHABILITATION POLICIES

A. Goals - The County's Housing Rehabilitation Program goals are to:

1. Assure that the program is administered in strict conformance with the community development and rehabilitation rules and all applicable local, state and federal requirements (including equal opportunity, conflict of interest, etc.).
2. Treat all participating property owners and contractors fairly with sensitivity and respect for their needs and in accordance with program rules.
3. Provide all program participants any reasonable assistance necessary to carry out the objectives of the program, bearing in mind:
 - a. That property owners hold the primary responsibility for maintaining their property and personal finances;
 - b. That contractors are primarily responsible for the quality of their work and their obligations to suppliers, creditors, subcontractors and employees;
 - c. That any assistance provided must be authorized at the proper level.
4. Assure that no member of the Congress of the United States, the state of Florida Legislature, the Leon County Housing Finance Authority or the local governing body shall share in proceeds or benefits of CDBG or other program funded rehabilitation work.
5. Allow some flexibility in administering the program in order to meet the program's goals and objectives of rehabilitating each addressed dwelling to attain HUD Section 8 Minimum Housing Quality Standard and the Leon County Minimum Housing Code. Program rules may be waived by the local elected body when the result will be consistent with established goals and objectives, and applicable federal, state or local regulations.
6. Provide assistance to low and very low income homeowners living in substandard single family housing located in unincorporated Leon County. The County will provide technical and financial assistance as needed to rehabilitate the owner occupied homes to meet HUD Section 8 Minimum Housing Quality Standards and the Leon County minimum housing code. Mobile or other forms of manufactured housing will not be eligible for assistance, and no rental or vacant property will be assisted. Exceptions may be made to provide housing rehabilitation assistance for eligible property owners to reoccupy or occupy houses that are vacant because the dwelling's

condition precludes occupancy if:

- a. The owner has owned the property for at least one year; or if not, then the owner can not have incurred any private mortgage indebtedness within the year of application, or if he/she has, then that indebtedness must be subordinated to the SHIP, HOME or CDBG mortgage;
- b. The owner does not own other property that is or could be occupied; and
- c. The owner agrees to abide by the requirement to occupy the rehabilitated house as his/her primary residence for the period of lien securing the rehabilitation funds beginning immediately upon completion of the rehabilitation work.

There will be no demolition of homes (other than removal of only a portion of the structure when necessary) and no new construction financed with CDBG funds. Programs other than CDBG may permit reconstruction, new construction and/or demolition and are governed by the appropriate grant and contract.

B. Homeowner Eligibility - In order for a homeowner to be eligible for housing rehabilitation assistance, the following criteria must be met:

1. Total household income must not exceed the very low to low income limits set by the HUD at the time assistance is provided. Moderate income families can only be served after all very low and low income families in the county who have applied for and who qualify for assistance have received assistance, and only by those programs that include the moderate income level.
2. The owner must possess and provide clear title to the property, although it may be jointly owned and the property may be mortgaged. Presumptive title for initial screening is normally evidenced by warranty deed, probated estate or divorce settlement documents which are recorded in public records. Ownership through life estate or trust is also considered acceptable for program participation. Clear title will be verified by an Ownership and Encumbrance (O & E) report.

If the property is owned jointly with persons who do not reside in the dwelling, the resident owner must obtain a notarized statement (the format to be provided by the County) from the nonresident owner(s) declaring that they:

- a. Do not reside in the dwelling, have not resided in the dwelling for at least one year prior to the statement (in order to avoid fraudulently denying that a person is a member of the household so the person's income is not included when determining household income eligibility), and will not reside in the dwelling for at least six months after completion of the rehabilitation.
- b. Will not interfere with the resident owner's occupancy of the dwelling nor attempt to obtain the resident owner's interest in the property during such occupancy as the primary residence.

- c. Will agree to execute the mortgage agreement with the owner occupant, which requires that the deferred payment loan principle must be repaid to the County in the event that the owner occupant ceases ownership or primary residency in the dwelling within five years of the date that the deferred payment loan is issued, or other terms as may be required by different programs.
 - d. Concur with the owner occupant's right to execute a contract(s) for rehabilitation work on the property.
3. The owner must reside in the dwelling to be rehabilitated at the time of application and when. Assistance may be provided on an exception basis to rehabilitate a vacant home so that the owner(s) can occupy the dwelling after the rehabilitation, as stated above. Assistance is available only for owner occupied primary residences, not for seasonal, vacation or other secondary residences.
 4. Mortgage payments, assessments and taxes must be current and ownership must not be jeopardized by any other threat of foreclosure, default or clouded title.
 5. The property must be covered by a homeowner's insurance policy for all insurable hazards (fire, wind, vandalism, etc.) for the full insurable value of the home prior to the County's solicitation of bids for work on the property. If the initial insurance is less than the proposed County mortgage amount, plus the balance of any existing mortgage or lien, the homeowner must show evidence of effort to purchase increased coverage totaling not less than the County's loan amount plus other encumbered amount(s) before the deferred payment loan is executed. If a binder is not available, the homeowner must obtain a letter from the insurance company verifying that the company is willing to write a hazard policy after the rehabilitation is complete. The homeowner's policy must be amended to name the County as mortgagee (non-escrow). The applicant must provide documentation of having flood insurance if the home is in the 100-year flood plain. The applicant is expected to maintain the flood and other hazard insurance for the duration of the mortgage. In CDBG funded cases where flood insurance is required, the applicant shall prepay the flood insurance premium prior to the execution of the deferred payment loan agreement, in an amount sufficient to extend coverage through the County's anticipated date of administrative closeout of the CDBG grant in order to assure compliance with the State's grant conditions.
 6. All applicants who may have a business or familial relationship with a member of the local governing body, the Housing Finance Authority, program staff or participating contractors must fully disclose this relationship at the time of application, at the point in time in which the conflict occurs and definitely before construction begins. Applicants will not be eligible for assistance unless the conflict is determined to have no bearing on eligibility and the DCA issues a waiver. Conflicts of interest with contractors will only require the contractor to abstain from bidding on the rehabilitation work for the home.
 7. If a land or plot survey is required, the owner is responsible for arranging for the necessary proof or documentation.

8. Houses that were constructed prior to 1945 and that may be historically significant may be rejected for assistance if the County determines that rehabilitation would not be cost effective due to the need to meet Secretary of the Interior Standards, or if obtaining Department of State approval of the rehabilitation would delay completion of the grant program.
9. Homes must meet all applicable codes (other than those which the rehabilitation will address) prior to approval of the application. This shall include, but not be limited to, care of premises and zoning.

C. Selection of Applicants

Housing rehabilitation will take place only on units approved by the County and in accordance with grant requirements established by the state of Florida. The County will use its existing waiting list of housing assistance applicants, which has been developed through several years of solicitations, referrals and word of mouth advertising for the HOME, SHIP and previous CDBG programs. New applications for assistance are accepted by the County on an ongoing basis.

The County will review applications received using the eligibility criteria listed in Paragraph B. If more applications have been received that are complete and meet all eligibility requirements than can be approved for award with available funds, applications will be prioritized using the following selection criteria:

1. A former housing rehabilitation assistance recipient cannot be assisted again for five years or until the expiration of his/her current assistance lien and should not be served again until all other eligible applicants have received assistance. Applicants who have received emergency repairs only under non-CDBG programs shall be ranked based on other criteria.
2. Very low income households shall be ranked higher than low income households.
3. Applicants whose homes evidence abuse, such as broken windows, screens torn excessively, or holes in walls or doors, and those whose property is strewn with debris, will be ranked below those whose homes evidence reasonable care,
4. Households with elderly, frail or disabled members, or with small children whose safety is in jeopardy, shall be given preference.
5. Applicants whose homes are located in flood plains shall be ranked below applicants whose homes are not located in flood plains.
6. Geographic distribution of recipients will not be a selection factor except as outlined in the application to DCA.

County staff shall apply the above criteria to rank applications received for housing rehabilitation and shall be responsible for the final rank order of applicants. Those applicants who are tentatively approved for assistance will move to the next step in the application process, which is the determination of the feasibility of the rehabilitation. Nothing in this policy shall prohibit the County

from rejecting an application upon submission or prior to verification of homeowner eligibility if the County has ready knowledge of factors, such as the structure's dilapidated condition, that would result in the eventual disqualification of the application after initial application steps were taken. The purpose of this clarification is to avoid wasting the time and money of the County and/or the homeowner in following prescribed steps when the County staff already know that the application must be rejected. The affordable housing coordinator shall rank and approve applicants for assistance. The division director will authorize the applications at the bidding stage and at the award stage. The Board of County Commissioners or their designee must approve each assistance award, consistent with the applicable County purchasing policy and subject to approval of the homeowner.

- D. **Structural Requirements:** In addition to owner eligibility, requirements for participation in the program for the dwelling are that the dwelling must be below Section 8 Minimum Quality Standards or the local Housing Code and be feasible for rehabilitation.

In order for a house to be considered feasible for rehabilitation, proposed construction must:

1. Correct all violations of the local housing code and Section 8 standards;
2. Correct any lead-based paint hazards (Lead-based paint will not be used in any rehabilitation of structures assisted by the program. The occupants will be notified of the hazards of lead-based paint, the symptoms and treatment of lead poisoning, how to avoid poisoning, lead level screening requirements and appropriate abatement procedures.);
3. Meet applicable local zoning requirements as well as local, state and federal housing code requirements for rehabilitation work or general housing use requirements. Certain housing conditions that are not repair oriented may require the homeowner to make code improvements prior to participation in the program (i.e. nuisance, trash, environmental or health codes);
4. Leave a minimum of 20% of the original structure based upon the formula provided in this policy;
5. Not exceed a cost of \$37,000 in SHIP funds unless private funds are provided to cover the cost in excess of this limit;
6. When applicable, make the home accessible to disabled permanent occupants. NOTE: Air conditioners will only be provided with CDBG funds when a member of the household produces a letter from a medical doctor actively treating this person, specifically stating that the air conditioner is essential for medical reasons.

Rehabilitation requires that at least 20% of the original structure remain after construction based on the following percentages: The foundation and floor are considered 10% of the structure; the roof is considered to be 12% of the structure; the exterior walls are considered to be 60%. The walls and ceilings are considered 8%, the electrical system is considered to be 5%, and sanitary facilities are considered to be 5%. For example, if the roof must be replaced, the electrical system must be replaced and half of the sanitary system must be replaced, the calculation is that 19.5% of the structure must be replaced, leaving 69.5% of the original structure, indicating feasibility for rehabilitation. This calculation will be performed by the County's housing rehabilitation specialist and will be considered in submission of the unit for eligibility. Should significant deterioration occur between the assessment and the time the unit is scheduled for rehabilitation, the unit will be reevaluated for continued eligibility.

E. Cost Feasibility

The County's contribution toward the rehabilitation cost of a dwelling shall not exceed \$37,000 in any one or combination of program funds, excluding programs of reconstruction or new construction. The Division of Housing and Human Services will evaluate dwellings, homeowners, and the current budget status of the CDBG, SHIP and other applicable funding sources to determine the most appropriate funding source(s) for each individual rehabilitation project. Unless the County is restricted by the funding agency agreement, the rehabilitation contracts may be paid entirely from one program, or the cost may be split between two or more program grants. Additional funds, if any are required, must be provided by the applicant at the time of the County's award of assistance. Special exceptions to this policy may be made by the local governing body only when the excess cost is absolutely necessary to meet minimum code or accessibility requirements. In addition, the cost of rehabilitation and improvements may not exceed the after-rehabilitation value of the dwelling. In lieu of obtaining an appraisal of the after-rehabilitation value of a home, the County shall use the figure of \$50 per square foot as its standard after-rehabilitation value for all homes rehabilitated through the CDBG program. If the rehabilitation costs (including all contributions of funds) exceeds \$50, evidence of a higher after-rehabilitation value must be provided prior to approval of assistance.

F. Scope of Services Available - CDBG financing of housing rehabilitation shall be available for the following:

1. Correcting local housing code and Section 8 standard violations;
2. Providing cost effective energy conserving features;
3. Making the dwelling accessible to handicapped and elderly occupants as necessary; and
4. Correcting incipient health and/or safety violations, including replacement of dilapidated or malfunctioning stoves or refrigerators, repair/replacement of roofing that is not currently leaking but which has obviously reached the limit of its useful life, and removal of lead-based paint hazards.

New construction (adding a room, closing in a carport, etc.) is eligible for rehabilitation financing only to eliminate over-crowding or to provide space for bathroom facilities. General property improvements are eligible for program funds when necessary to obtain an adequate level of utility, to decrease high maintenance costs, or preserve a minimal amount of decoration. Examples of eligible property improvements include installation of cabinets and linen closets, functional changes in room layout, replacement of unsightly floor covering and enclosure of a porch for use as a utility room or bathroom where the dwelling does not have adequate interior space.

Some general property improvements may be provided at the owner's expense. For example, air conditioners are not eligible for CDBG program financing unless required for medical reasons. However, if the heating system must be replaced, the owner may pay the difference between the recommended heating system and a system that provides air conditioning as well. If the cost of a heat pump system is comparable to or less than the cost of an appropriate system that provides only heat, a heat pump system may be installed without a medical requirement for air conditioning. Other additional improvements, above those required to achieve minimum code standards are optional and at the owner's expense, and must be contracted separately between the owner and the contractor. Furthermore, any construction not covered in the construction contract will not be inspected by the County rehabilitation staff.

G. Housing Rehabilitation Financing

The Housing Rehabilitation Program provides financing to homeowners in the form of a mortgage loan, the amount of which shall include the accepted bid amount. The mortgage loans are conditional grants that are provided to low and very low income homeowners who are unable or unlikely to obtain conventional financing due to their income limits. The mortgage involves a security instrument (lien) requiring repayment only if the homeowner sells or transfers ownership of the rehabilitated home, or ceases to use it as his/her primary residence within five years of the date of the mortgage. At end of the specified period, a satisfaction of lien will be executed by the County (which may be recorded by the owner at his/her expense), provided the homeowner has met the above conditions.

In the event that the sole owner dies or both/all original owner occupants die within the mortgage period, repayment of the loan will be required unless occupancy of the home is assumed by a low or moderate income (based upon federal definitions in effect at the time of occupancy) family member within 60 days of the owner's death. If the owner occupant permanently moves from the home into a health care facility, it shall not be considered a default of the loan agreement, unless the ownership is transferred through other than sale at a price at or near market value (the objective being to not facilitate the owner's transfer of assets as a method of fraudulently qualifying for Medicaid assistance). In the event that repayment of a mortgage loan becomes due, the principle balance will be due in full within thirty days of the sale/transfer of ownership or the owner's cessation of primary residence at the property. If the owner is unable to make such payment, the elected body may, at its discretion, allow repayment of the mortgage loan over a term not to exceed ten years at a yield of not more than six percent per annum.

As a general policy, the rehabilitation cost initially contracted for each house shall be 5%-10% below the maximum available funds to allow for code conditions that could not be detected at the time of the inspection of the home and that must be corrected prior to completion.

The County hereby acknowledges that the objective of issuing CDBG or other funds in the form of a secured loan is to prevent profiteering and fraudulent use of funds, and that recovery of CDBG funds is not a goal of this program. Furthermore, if CDBG funds are recovered by the County through repayment of, the funds will be returned to the DCA. Therefore, the County will not attempt to add the cost of necessary rehabilitation change orders to the original loan issued to a homeowner.

H. Procedures:

During the homeowner application review stage or the feasibility review stage, the Division of Housing and Human Services will make a determination of eligibility for the dwelling and the owner. If either the owner or the structure does not meet the eligibility requirements, the division will reject the application with a letter of explanation. This letter must be sent to the owner within ten working days of determining the reason for rejecting the application.

During the feasibility review, the property will be reviewed to determine the following:

1. Location in a 100 year floodplain. If the property is in a floodplain, the Division must make a determination of probable cost and structural feasibility for meeting applicable

requirements for construction within a floodplain. The owner will also be required to agree to obtaining and maintaining adequate flood insurance.

2. Construction prior to 1947, with potential for historic significance. If this is a possibility, the cost feasibility of appropriate rehabilitation must be considered. If the Division anticipates that the cost may be within the program limits, original photographs and other information must be submitted to the Florida Department of State for a determination of historic significance and applicability of Secretary of the Interior Standards. If the home is ultimately approved, the Department of State must issue approval for the contract.
3. Section 8 and local housing code violations, and architectural barriers to the disabled.. The division staff will inspect the property using a checklist that includes the applicable criteria. If the property does not exhibit deficiencies, the application will be rejected for lack of need. The checklist will be utilized in developing a work write-up for the construction contract.
4. Other code violations. The owner will be informed of the violations of other codes such as abandoned vehicles and care of premises, and must correct them prior to approval of the application and prior to proceeding with development of the work write-up.
5. Structural integrity of the dwelling. The division staff will estimate the percentage of structural replacement that is necessary using the formula contained in this policy. If the structure requires more than 50% replacement according to the formula, the application must be rejected as not feasible for rehabilitation.
6. Estimated cost feasibility. The initial review will not include a detailed cost estimate, but the division staff may conclude at this time that the cost of rehabilitation is obviously beyond the program limits. Such a determination will be documented with a very rough estimate of costs sufficient to illustrate that the project will require additional funds from the owner, or that the costs will be above \$37,000 or \$50 per square foot. This finding will require consultation with the owner to determine the possibility of additional funding for feasible rehabilitation costs above the cost limit.
7. Apparent care of the property. The division staff will document apparent abuses of property, such as that which may be caused by children, animals or careless adult behavior. Normal wear and tear are not at issue. Evidence of code violations will be obtained to substantiate abuses.
8. Incipient hazards. If the person conducting the initial review believes the home may be feasible for rehabilitation, he/she may at that time expand the review to include a detailed inspection to identify conditions that may develop into problems or code violations in the near or immediate future.

For units that appear feasible for rehabilitation and the applicant is ranked high enough for potential funding, a work write-up and cost estimate is developed and must be approved by the owner prior to soliciting bids. The cost estimate for the job is considered confidential information until the bid

opening.

Prior to bidding, the decision must be made whether to require temporary displacement of the occupants of the home in order to facilitate the rehabilitation construction, and/or in order to protect their health and/or safety. The owner must also agree to vacate the property if the division orders the property to be vacated (see the temporary relocation policy below). Owners who refuse to cooperate in this matter may be disqualified from receiving assistance. The bid package will state the length of time, if any, that the property will be vacant. No homeowner will be required to vacate his/her home more than 60 days. The rehabilitation construction contract will require the contractor to pay the homeowner's temporary relocation expenses if the required relocation extends beyond that specified in the contract.

If special financing arrangements (such as the owner covering excessive costs or general property improvements) are required or anticipated, arrangements must be made at this point to prevent soliciting bids on a case that cannot be financed. When the case receives preliminary approvals, bids are solicited for the job. All projects will be formally bid and awarded to the lowest responsive and responsible bidder, subject to the following conditions:

1. No contractor will be awarded more than one bid unless and until he has satisfactorily completed one contract with the current housing rehabilitation program, or unless the County has adequate evidence from similar situations to verify the contractor's abilities to satisfactorily complete and finance multiple rehabilitation projects on schedule. An exception to this may be made in the initial bid package if an insufficient number of contractors participate in the bidding, but the division shall withhold the notice to proceed on the contracts as applicable.
2. No contractor may have more than five active contracts at one time.
3. If a contractor's performance on a current or recent contract is unsatisfactory (poor quality work, nonpayment of bills for labor or materials, behind schedule, abusive to owner/staff), the division shall withhold some or all contract awards as the division may deem appropriate to the situation. The division may also debar the contractor from program participation if determined appropriate, which may be appealed to the purchasing director.
4. No contractor may participate in the program if included in a local, state or federal list of debarred contractors which would be applicable to the program, or if the contractor fails to meet any eligibility criteria such as federal equal opportunity compliance, insurance, licensing.

The bidding process shall follow the County's procurement policy, or the division may elect to apply the following variation of policy:

1. All appropriately licensed contractors in Leon County may be notified that the County is implementing a housing rehabilitation program and soliciting qualified contractors. The County will conduct a contractor orientation meeting at which time the contractors will be briefed on the program in areas which involve construction (bidding, payment, federal requirements, inspections, etc.). The contractors will be

provided an application to be included on a list of eligible bidders.

2. Contractor applications will be reviewed and references checked by the housing rehabilitation staff and/or the Purchasing Department. Each contractor will be notified of the determination of his/her status. Those contractors who are approved for participation will be included on a list of eligible bidders. The contractor application process will be ongoing with no deadline, but contractors who have not completed the application process in time for approval will not be allowed to bid on a contract.
3. Homeowners will be shown the list of eligible bidders prior to soliciting bids for their contracts. If a homeowner has a serious objection to the potential of a particular contractor being awarded his/her contract, the Division of Housing and Human Services may authorize the contractor to be removed from the list of bidders for that contract. However, the homeowner's objection may not be based upon factors of race, color, sex, religion, national origin, familial status, disability or age.
4. In lieu of formal advertising, the solicitation of bids will be mailed to the eligible bidders as currently listed, pursuant to County procedures.
5. Appeals of any decision regarding bidding or eligibility shall be made in writing and received by the Purchasing Director within three days of the contested decision.

Regardless of the method of solicitation, all contractors must prove that they have insurance and licensing status according to the County's purchasing policy, acceptable performance and credit references, and are not on an applicable list of debarred contractors.

An amount will be specified for collection of liquidated damages in the event the contractor does not satisfactorily complete the work in the contract schedule, and provision will be made for the contractor to pay additional costs of the owner's temporary relocation (if applicable) due to the contractor's delay in completion. The division will develop the financing and construction documents for each rehabilitation case. The security instrument will be recorded immediately. The contractor's notice to proceed will not be issued until after the owner's three day right of recession has expired, and the owner's temporary relocation has occurred (if applicable). The County may also require the notice to proceed be delayed or revoked if other relevant issues arise that would impede the proper and timely execution of the work. Examples of this type of situation would include the contractor's failure to maintain required insurance, discovery by the County or the homeowner that the contractor was currently or in the recent past involved in a fraudulent business transaction or contract default, discovery by the County that the homeowner fraudulently received the loan which requires revocation of the funds, or termination of the grant by the state. A retainage of 10-20% will be held for up to 30 days following completion of the project, at the division's discretion, to ensure the completion of warranty work.

Periodic inspections of the rehabilitation work are performed by the local building inspector and the CDBG staff throughout the contract period. These inspections are conducted to assure compliance with the contract standards for workmanship and materials, to detect any unauthorized deviations and to identify necessary changes to the contract work in its early stages. Inspection and approval of completed work must be conducted by the Department of Housing and Human Services prior to the

contractor's request for partial or final payment. The owner's approval of the work is also required when payment is requested. The owner may also notify the contractor_and/or division of any apparent deficiencies in the work at any time during construction. Any additions to, deletions from or changes in the rehabilitation contract work, time or price must be approved in a written change order before additional work is begun, and before the change is considered valid. The change order is executed by the owner and contractor and is approved by the Division of Housing and Human Services.

Contracts of \$6,000 or less will not be paid until the contractor has completed the job and obtained a certificate of completion. Contracts in excess of that amount may be paid through one partial payment upon completion of 50% to 70% of the work with a 20% retainage held until completion. The approval of a partial payment requires the following documentation:

1. Approval of the work by the homeowner;
2. Inspection and agreement by program staff;
3. An affidavit from the contractor stating that either (a) there are no claims for unpaid goods and services connected with the job and all laborers, suppliers and subcontractors have received just compensation for their work up to the date of the request; or (b) a list of all unpaid parties and the amounts owed to each has been submitted with the request.
4. Approval of all work to date by the County building inspection staff. No more than 70% of the work will be compensated prior to the contractor meeting final payment requirements.

Final payment approval requires the following:

1. Acceptance of all work by the property owner and the Department of Housing and Human Services;
2. Submission of all manufacturer's and other warranties;
3. Final waivers of liens from all subcontractors and suppliers, all parties who were unpaid when the contractor received partial payment and from any other party supplying notice;
4. A certificate of occupancy or completion or final approval from the Building Inspector to show compliance of the rehabilitation with the locally adopted and other applicable codes;
5. Owner occupancy for a minimum of three days after completion of work to have elapsed; and
6. An affidavit from the contractor stating that all bills have been paid and there are no claims for subcontracted jobs or materials.

If the owner refuses to authorize payment due to a dispute with the contractor, the Housing and Human Services Director or his/her designee may authorize disbursement without the owner's approval if the claim is shown to be without merit or inconsistent with the policies and goals of the program. Such disbursement shall only be issued after the Director has reviewed the facts and

circumstances involved in the dispute and has determined that the owner's refusal to issue payment is without just cause. A record of all pertinent information shall be kept in the homeowner's file. The owner's right to stop work, the settlement of disputes and the termination of the contract shall be as authorized in the contract for rehabilitation.

After the completion of the contract, it is the owner's responsibility to notify the contractor in writing of any defect in the work or material. The owner is also requested to notify the Division of Housing and Human Services of any complaints so that assistance in follow-up can be provided. If the contractor does not respond to the owner's written complaint within a reasonable time-frame and in a satisfactory manner, a representative of the division will verify the complaint. If, in his/her opinion the complaint is valid, he/she will send a written request for warranty service to the contractor via certified mail. The contractor will then take action as monitored by the division. Upon receiving notice from the owner that the complaint has been satisfied, a representative of the division will inspect the work and make such note in the case file. Failure to resolve complaints shall be justification for removing a contractor from participation with the program.

I. Removal of Units from the Program:

The County's Housing and Human Services Director or his/her designee may remove a housing unit from the program for a change in household income, approved selection criteria, or for not complying with the minimum qualification procedures. If it is determined that it is necessary to remove an applicant from the program, a letter will be sent to the applicant stating the reasons for the removal. The applicant will have the right to appeal the decision as identified in the Citizen Participation Plan.

Section 4 RELOCATION AND ANTI-DISPLACEMENT POLICY

Temporary displacement of households is often required during the housing rehabilitation construction process. The Affordable Housing Coordinator will determine the households that must be displaced based upon the extent and type of construction to be performed and the circumstances of the case, such as the presence of small children who could be endangered by remaining in the home during rehabilitation. The coordinator or his/her designee will communicate the decisions to the homeowners and obtain their cooperation and understanding of the situation prior to requesting bids for rehabilitation construction. The bidders' instructions will indicate whether or not the house will be fully or partially vacant during construction, and if so, for what length of time.

Homeowners who are temporarily displaced at the order of the CDBG housing rehabilitation program are eligible for relocation benefits. A moving and temporary displacement allowance of up to \$500 per household may be issued to homeowners who cannot find temporary lodging with relatives/friends or who absolutely cannot obtain moving assistance within their own means. The purpose of this allowance is to pay for moving, storage, temporary housing, and other associated costs.

In some cases the most efficient and cost effective approach may be for the family to move out of the home for only a few days. In such cases, reasonably priced motel lodging (not to exceed \$70 per night per room for the minimum appropriate number of rooms for permanent household members) may be reimbursed with CDBG funds in lieu of the moving allowance. Alternatively, if the household can continue occupancy but furnishings and other belongings must be moved, the cost of moving and

storage may be paid with CDBG funds, with the total amount not to exceed \$250. The coordinator will determine the most appropriate temporary relocation, considering overall costs and other relevant issues. **Costs for relocation prolonged due to contractor's delays shall be the responsibility of the contractor.**

The coordinator may also approve additional temporary housing benefits for hardship cases, such as homeowners who have exhausted reasonable attempts to obtain affordable or free temporary housing and require CDBG funds to pay for all or a portion of their rental fee. The amount of money that may be issued will not exceed \$500 for this benefit and will be supported by invoices or receipts issued by persons not related to the homeowner.

When the rehabilitation projects are approved for construction, the coordinator will issue a Notice to Vacate to each homeowner as applicable. Homeowners will confirm their move-out dates with the Coordinator or his/her designee. The Coordinator will also issue each displaced homeowner a Notice to Return upon completion of construction, or sooner if appropriate.

Homeowners who move back prior to approval from the coordinator or his/her designee may forfeit all or a portion of their relocation payment if their return causes disruption to the construction process. No payment of temporary housing benefits for periods of time beyond the Notice to Return will be approved.

The County does not force any households to vacate their homes, although their voluntary participation in the housing rehabilitation program may require such action. Therefore, the Uniform Relocation and Land Acquisition Act provisions do not apply to participants of this program.

Permanent relocation and/or demolition relocation are synonymous terms used in the rehabilitation program when a home is unsound and not suitable for rehabilitation based on the structural integrity criteria. Owner occupied units that fall into this category must be authorized for replacement by the County's contract with DCA, as different rules exist and budget and scoring constraints may prohibit this type of assistance. Clearance or demolition is the term applied to removal of the dilapidated structure but can also refer to the removal of health and safety hazards from vacant lots. Homeowner eligibility requirements are the same as for rehabilitation.

When demolition or disposal of a structure is deemed necessary using the criteria contained in this policy, a suitable housing alternative will be provided through (1) the acquisition or development of additional public housing dwelling units; (2) The use of 15-year project-based assistance under Section 1437f of the Code of Federal Regulations to the extent available; or if such assistance is not available, in the case of an application proposing demolition or disposition of 200 or more units, the use of available project-based assistance under Section 1437f of the Code of Federal Regulations having a term of not less than 5 years; (3) the use of not less than 15-year project-based assistance under other federal programs to the extent available; or if such assistance is not available, in the case of an application proposing demolition or disposition of 200 or more units, the use of available project-based assistance under other federal programs having a term of not less than 5 year; (4) the acquisition or development of dwelling units assisted under a state or local government program that provides for project-based assistance comparable in terms of eligibility, contribution to rent, and length of assistance contract (not less than 15 years) to assistance under section 1437f(b)(1) of the Code of the Federal Regulations; (5) the use of 15-year tenant-based assistance under Section 1437f of the Code of the Federal Regulations (excluding vouchers under Section 1437f(o) of the Code of

Federal Regulations to the extent available; or if such assistance is not available, in the case of an application proposing demolition or disposition of 200 or more units, the use of tenant-based assistance under Section 1437f(o) of the Code of Federal Regulations having a term of not less than 5 years; or (6) any combination of such methods.

In the case of an application proposing demolition or disposition of 200 or more units, shall provide that (notwithstanding the limitation under Section 1437f(d)(2)(A) of the Code of Federal Regulations this title on the amount of project-based assistance provided by an agency) (a) not less than 50 percent of such additional dwelling units shall be provided through the acquisition of development of additional public housing dwelling units or through project-based assistance; and (b) not more than 50 percent of such additional dwelling units shall be provided through tenant-based assistance under Section 1437f of the Code of Federal Regulations (excluding vouchers under Section 1437f(0) of the Code of Federal Regulations) having a term of not less than 5 years; If this policy provides for the use of tenant-based assistance under Section 1437f of the Code of Federal Regulations) such use may be approved: (1) Only after a finding by the division director that replacement with project-based assistance is not feasible, and the supply of private rental housing actually available to those who would receive such assistance under the plan is sufficient for the total number of certificates and vouchers available in the community after implementation of the plan and that such supply is likely to remain available for the full 15-year term of the assistance; and (2) only if such finding is based on objective information, which shall include rates of participation by landlords in the Section 8 [42 U.S.C.A. & 1437f] program, size conditions and rent levels of available rental housing as compared to Section 8 [42 U.S.C.A. & 1437] quality standards with rents at or below the fair market rent of the likelihood of adjusting the fair market rent, the number of eligible families waiting for public housing or housing assistance under Section 1437f of the Code of Federal Regulations, and the extent of discrimination against the types of individuals or families to be served by the assistance.

This plan for the provision of an additional decent, safe, sanitary, and affordable dwelling unit for each public housing dwelling unit to be demolished or disposed shall be approved by Leon County, Florida, the unit of general local government in which the project is located. Any plans for the provision of an additional decent, safe, sanitary, and affordable dwelling unit for each public housing dwelling unit to be demolished or disposed shall include a schedule for completing the plan within a period consistent with the size of the proposed demolition or disposition, except that the schedule shall in no event exceed 6 years. Any plans for the provision of an additional decent, safe, sanitary, and affordable dwelling unit for each public housing dwelling unit to be demolished or disposed shall include a method of ensuring that the same number of individuals and families will be provided housing. Any plans for the provision of an additional decent, safe, sanitary, and affordable dwelling unit for each public housing dwelling unit to be demolished or disposed shall provide for the payment of the relocation expenses of each tenant to be displaced and ensures that the rent paid by the tenant following relocation will not exceed the amount permitted under this chapter. Any plans for the provision of an additional decent, safe, sanitary, and affordable dwelling unit for each public housing dwelling unit to be demolished or disposed shall prevent the taking of any action to demolish or dispose of any unit until the tenant of the unit is relocated to decent, safe, sanitary, and affordable housing that is to the extent practicable, of the tenant's choice.

Notwithstanding the above, in any 5-year period, a public housing agency may demolish not more than the lesser of 5 dwelling units or 5 percent of the total dwelling units owned and operated by the public housing agency, without providing an additional dwelling unit for each such public housing dwelling unit to be demolished, but only if the space occupied by the demolished unit is used for meeting the

service or other needs of public housing residents.

C:\policies\16-00.WPD, February 14, 2000