



Affordable Home Repair Program Policies & Procedures

Program Goal:

The goal for the L-C Valley Habitat for Humanity (LCV HFH) Affordable Home Repair Program, is to assist in preserving and improving affordable housing occupied and owned by low to moderate income households in Clarkston, Washington.

Program Objectives:

The objectives of the program are:

- to maintain through rehabilitation affordable housing stock occupied by low to moderate income (LMI) households;
- to make repairs that address health, safety and durability issues to homes occupied by low income households; and
- to make energy efficiency improvements to homes occupied by LMI households. Services under these housing rehabilitation programs will be for qualified homeowners who:
 - need home repairs. If the home was not previously weatherized by Community Action Partnership (CAP) and the client qualifies under current guidelines, the home will be weatherized by separate CAP weatherization program funds following repair of the home.
 - need home repairs before weatherization can proceed when necessary repairs cannot be addressed within weatherization repair cost limits and guidelines.
 - need home repairs to protect existing weatherization measures.

LCV HFH will deliver housing rehabilitation services fairly and in compliance with all applicable Federal, State and Local laws, regulations and policies that govern the funds provided under the specific housing rehabilitation agreements.

LCV HFH will not discriminate against any employee, subcontractor, or program participant because of race, creed, color, religion, national origin, marital status, sex, or age.

All activities that occur as part of the program will be in strict accordance with LCV HFH Code of Ethics policy regarding confidentiality, applied equally to those who receive services and those who are denied services through the program.

Program Priorities:

The program priorities are as follows:

- LCV HFH will use HUD Income Limit guidelines to verify applicant eligibility and priority.
- LCV HFH will give priority for housing rehabilitation service on a first come, first serve basis.

Program Targets:

The target area for the CDBG or HUD HOME Program will be in city limits of Clarkston, Washington. The target population will be occupants of owner-occupied single-family residences.

Eligibility

Financial eligibility for the program will be determined by the funding source requirements. The beneficiary of the improvements (resident of the home) must have a household income of 80% or less of the median household income (MHI) for the City of Clarkston (see chart below). Rental property is not eligible for this program.

2019 Income Limits Summary by Household Size*

# of Persons	Income Limit	# of Persons	Income Limit
1	\$35,350	5	\$54,550
2	\$40,400	6	\$58,600
3	\$45,450	7	\$62,650
4	\$50,500	8	\$66,700

HUD 2019 Income Limit Guidelines, 2020 will be used, when available.

In order to be considered for funding, the applicant must comply with the following:

- Ownership of the property will be verified by the County Parcel or a recorded Deed of Trust legally recorded document.
- Only properties that are the applicant's primary residence will be considered eligible for the program.
- The value of the property after rehabilitation must not exceed 95 percent of the median purchase price for the area, as published by HUD.
- The dwelling must be basically sound and worthy of repair. To be determined sound and worthy of repair, the dwelling must comply with city, county, and/or tribal ordinances regarding minimum standards of the latest adopted version of the International Property Maintenance Code (IPMC) for occupied dwellings and be judged by the LCV HFH Construction staff as being capable of remaining in residential use for the foreseeable future. Soundness primarily relates to the structural integrity of the dwelling. The Construction Manager will make the final determination of soundness.
- The dwelling must warrant investment of rehabilitation funds. Some considerations used to determine if a house is too dilapidated to be considered include:

- Minimum program standards cannot be met with the expenditures of available program funds
- It is not reasonable to expect the dwelling to meet minimum program standards after ten years of the completion of rehabilitation.
- The estimated cost for rehabilitation exceeds the current assessed value of the dwelling.
- Final determination of whether the house is dilapidated is the Construction Manager's responsibility.

No house listed for sale will be considered for program participation.

The Construction Manager may declare an applicant ineligible for assistance if they exhibit exceptionally low pride of ownership in their property, or the Construction Manager may defer the eligibility determination for a specified period of time, following which they may approve or deny assistance. Conditions that may warrant deferral or denial include:

- *Evidence of abuse by animals*, including unsanitary conditions or severe damage to floors, carpets, furnishings, or yard caused by animal waste.
 - Using the property for *illegal or improper purposes* other than a single-family residence in violation of building and zoning ordinances when such use constitutes a health or safety hazard or is a visual detriment to the neighborhood.
 - *Excessive damage and deliberate abuse* to the home or fixtures not attributable to normal wear and tear.
 - *Lack of housekeeping and maintenance*, extreme conditions of clutter and/or uncleanliness in and/or around the house when such conditions constitute a potential health or safety issue to staff, contractor employees or others, will severely hamper and/or increase the rehabilitation costs, and/or will adversely affect the neighborhood's appearance.
 - *Any evidence of drug-related activity*, the use or manufacture of illegal drugs.
 - *Presence or use of unsafe firearms*, stored or used in an unsafe or unsecured manner.
- If poor property maintenance results from the physical or financial inability of the owner to properly maintain the property, the Construction Manager may authorize payment of clean-up costs from the funds committed to the owner.

Before funds are committed, the property must be insured against loss by fire and the owner must agree to keep the property continuously insured throughout the life of the payment agreement, if applicable. The insurance should be in an amount that covers the indebtedness against the property, at a minimum. Any subsequent lapse in coverage may be regarded as a default, and the Program Manager may act of remedies defined in the Promissory Note. The Program Manager may waive this requirement if the owner cannot obtain insurance before the work is completed, if:

- The owner submits a letter to the program from the insurance company indicating coverage will be able to start once specified work is completed and accepted by the insurance company, and
- The owner agrees in writing to obtain insurance immediately once the specified repairs are completed and accepted.

- Payment of property taxes and other assessments must be current at the time the award is made.

Program Payment Options

There are three payment options, depending on income level:

Forgivable Payment Plan

If the total family income is in the range of extremely low (30% MHI or below), as classified by HUD, the applicant will receive a grant, that is not require payment when certain conditions are met.

No Interest-Payment Plan 10% Owner Participation

If the total family income is in the range of low (31% - 50% MHI), as classified by HUD, the applicant will qualify for a no interest-payment plan for 10% of the cost of materials, with no monthly payments until the rehabilitation work is completed. A promissory note will be signed by the homeowner(s). Payment is due in full if ownership is transferred, property is sold or refinanced, or applicant passes away or otherwise ceases to occupy the property as their primary residence.

No Interest Payment Plan 20% Owner Participation

If the total family income is in the range of moderate (51% - 80% MHI), as classified by HUD, the applicant will qualify for a no interest payment plan for 20% of the costs of materials, with no monthly payments until the rehabilitation work is completed. A promissory note will be signed by the homeowner(s). Payment is due in full if ownership is transferred, property is sold or refinanced, or applicant passes away or otherwise ceases to occupy the property as their primary residence.

The Promissory Note will state the bill must be repaid upon sale, transfer or change of use as follows:

- (1) The property is sold or transferred to a third party; this includes transfer as a result of death or divorce;
- (2) The owner no longer occupies the property as their principal residence;
- (3) The owner rents the property for any reason; or
- (4) If the owner refinances the property.

Program Process

Contractor selection

LCV HFH will solicit, qualify and prepare a pre-qualified list of contractors from which bids are sought. Solicitation of contractors will include required information about Equal Opportunity and Affirmative Action, and encouragement for minority and women business enterprises to apply. Prospective contractors must be licensed, bonded, and insured in the State of Washington. Contractors and subcontractors working in Clarkston, WA must have a city business license before work and be started. Contractors must not be

debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in Federal, State, CDBG or HUD-funded projects. Contractor eligibility will be verified annually at a minimum and at the start of each awarded rehabilitation project. Bids shall be solicited from three contractors for each rehabilitation project. Contractor selection will be subject to program requirements. The homeowner will select the contractor who will do the rehabilitation work on their property.

Environmental Review

LCV HFH will comply with all Environmental Review requirements and will not proceed with or commit any funds toward construction of a project until all environmental review and clearance requirements are met. LCV HFH will submit all necessary supplemental environmental review information and data to the County or Consortium contact as applicable.

No properties deemed to be categorically Status “B” on Statutory Worksheets for Environmental Review will be eligible for CDBG General Purpose Grant in the categories of Historic Preservation [36 CFR Part 800], Floodplain Management [24 CFR 55, Executive Order 11988], Wetland Protection [Executive Order 11990], Coastal Zone Management Act [Sections 307(c), (d)], Sole Source Aquifers [40 CFR 149], Endangered Species Act [50 CFR 402], Wild and Scenic Rivers Act [Sections 7(b), and (c)], Clean Air Act - [Sections 176(c), (d), and 40 CFR 6, 51,93], Farmland Protection Policy Act [7 CFR 658], Environmental Justice [Executive Order 12898], HUD ENVIRONMENTAL STANDARD Noise Abatement and Control [24 CFR 51B], Explosive and Flammable Operations [24 CFR 51C], Toxic Chemicals and Radioactive Materials [24 CFR 58.5(i)(2)], and Airport Clear Zones and Accident Potential Zones [24 CFR 51D]

Prevailing Wage

LCV HFH will notify contractors of prevailing wage requirements as applicable to the specific agreement under which funding is granted. LCCAP will monitor prevailing wage compliance. No payment will be made by LCV HFH to a contractor before the contractor has completed prevailing wage requirements and LCV HFH has received approved forms.

Administrative Structure

The LCV HFH Board will have the ultimate responsibility for ensuring the program’s goals and objectives are met as set out in this document, and that all requirements of funding entities are met.

Policy development

The responsibility for developing program policies rests with the LCV HFH Executive Director. The Executive Director may choose to use input from the board’s Executive Committee, Home Rehabilitation Program staff, public input, and any other way deemed necessary. The Executive Committee will review all policy changes. The committee will advise the LCV HFH Executive Director about development of the program’s procedures and methods to attain the goals and objectives laid out in this document and future home repair program development.

Policy implementation

Implementation of the programs policies will be the responsibility of the LCV HFH P Executive Director. The Executive Director will:

- Solicit input from Rehabilitation Department Program staff for developing procedural methods that will be used to implement and maintain the program's policies.
- Keep the LCV HFH Board informed about implementation of these procedures and methods.
- Ensure that activities result from implementation of these procedures and methods.

Program oversight responsibility

The responsibility for program oversight will lie with the LCV HFH Executive Director.

Compliance reporting

The Executive Director will report to the LCV HFH Board in writing at least annually on the status of the Affordable Home Repair Program. LCV HFH will report annually to the Clarkston City Council and will attend/report at Clarkston Public Works Subcommittee as needed. At a minimum, the Executive Director will report on the financial status of the program, number of homes repaired during the past year, and the typical type of work performed.

Procedure

See Affordable Home Repair Flow Chart- Addendum A

File documentation in the folder in the following order:

- Owner Authorization
- Lead Based Hazards form
- Copies of SS cards for all adults in Household
- Household Information form (HIF)
- Household Income Information form (pink)
- HOME intake document, as applicable
- Proof of income documentation
- Copy of current Income Eligibility Guidelines
- Property tax assessment
- Homeowner's/Fire Insurance verification
- Proof of mortgage balance (if applicable)
- Credit Report & authorization request as applicable
- AHRP Application
- Copy of Title Insurance

Make note of the following on the client file checklist in the client folder:

- Date of Application
- Income Verification
- Mortgage Value Verified

- Assessed Property Value x 90%
- Title Report
- Credit report

Give the ED a file with copies of the following:

- AHRP Application
- Credit Report
- Preliminary Title Report
- Verification of Income
- House Photographs
- Inspection Report
- Estimate of Value
- Maximum Scope of Work Worksheet
- Final Work List
- Homeowner Scope of Work Agreement

The ED reviews all final application packages and approves, revises or rejects the final package. When the package has been approved, complete the final promissory note will be drafted for signature by homeowner. Habitat will serve as the general contractor.

Order a title report when all information is complete and in order, there is sufficient equity in the home, and the client has a reasonably good credit rating, as applicable. As applicable, disqualify the file if there is insufficient equity in the home or the client credit rating is unsatisfactory. Send the client(s) a letter explaining the reasons. Change the client status to disqualified in the project tracking spreadsheet and place the folder in the DQ'd section of the appropriate Rehab file drawer.

If there are too many liens on the property, or if the title is not in applicant(s) name(s), contact the applicant and give them an opportunity to correct the situation. If they feel that the issue cannot be taken care of, disqualify the application. Encourage the applicant to reapply if the situation should change in the future. If they correct the situation, the title company can send a supplement to the title report.

File the approved title report (or supplemental report) in the folder and check the Check List for item completion.

Assist the owner in making necessary revisions to the work list, drawings, and cost estimate. After the owner approves the work list, LC HFH selects pre-approved contractor(s).

Rehab Inspector/Construction Manager

During a pre-construction conference with the contractor and the owner, review the following:

- The schedule for the contractor to be in the home
- The contractor's access to the building
- The occupancy during construction

- Moving what furniture and when
- Storage of valuables
- The selection of appliances, light fixtures, cabinets, floor coverings, paint colors and other finish materials
- The work list and the construction standards
- The conditions and schedule of payments to the contractor
- The need for permits and lien wavers
- The process for proposing and approving changes in the work
- The prevailing wage rates, non-discrimination, and payroll reporting requirements
- Provide the owner with a copy an instruction sheet on working with a contractor.

When the contractor requests a payment draw, LCV HFH will evaluate the percentage of work completed and review the contractor bill for payment.

Contact:

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