

THE CITY OF MILFORD OWNER-OCCUPIED HOUSING REHABILITATION PROGRAM

Program Guidelines and Application Packet

All application materials and questions should be submitted to the Southeast Nebraska Development District (SEND), 2100 Fletcher Ave., Ste. 100, Lincoln, NE 68521, 402-475-2560.



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CITY OF MILFORD, NEBRASKA
OWNER-OCCUPIED HOUSING REHABILITATION PROGRAM
PROGRAM GUIDELINES

Adopted by City Council Approval on _____

INTRODUCTION

The City of Milford, Nebraska is receiving funds from the Nebraska Department of Economic Development (NDED)- Nebraska Affordable Housing Trust Fund (NAHTF) to implement a program for housing rehabilitation improvements. The following is an outline of the program setting forth the key items, procedures, guidelines and forms.

PROGRAM

The program is based upon the rehabilitation of substandard units through **Conditional Grants depending upon household incomes**. It is anticipated that the total construction related costs for any individual rehabilitation project will not exceed **\$24,999**, not including any costs for lead-based paint situations. The Program will request approval through NDED for proposed projects that may exceed the \$24,999 amount. Assistance may not exceed the maximum per-unit subsidy limit. These limits are available at: **<https://opportunity.nebraska.gov/grow-your-community/data-for-applicants-and-grantees/>**

1 ADMINISTRATION

The official contact person/office for the Program shall be: Program Manager; Southeast Nebraska Development District, 2100 Fletcher Ave., Ste. 100, Lincoln, NE 68521, (402) 475-2560. This in no way shall be construed to limit other interested parties from distributing information about the Program or receiving suggestions for amendments to the Program.

1.1 Review Committee and Grievances

The Milford Housing Advisory Committee shall serve as the Housing Advisory Committee and the Grievance Committee for this program.

1.2 Program Management

The program shall use the services of a Certified Grant Administrator and a qualified Housing Inspector.

1.3 Program Marketing

Pre-applications indicating homeowner interest were received prior to award of the program. All pre-applicants will be contacted and will be targeted for project funding with an application “round” deadline. If additional funding is available after the first “round” of applications received, the City will provide marketing and promotional materials to news outlets (newspaper, and websites) within the City of Milford. The materials will include program summary, how to obtain application forms, “round” deadlines, and contact information. Affirmative marketing efforts will be made to local organizations that represent or provide services to lower income persons/families in order to reach those persons most likely with need, but least likely to apply.

1.4 Conflict of Interest

This Code of Conduct shall govern the performance of the elected or appointed officials or member of any Council or commission employees or agents of the City of Milford, Nebraska engaged in the award and



administration of contracts supported by Federal funds under the Community Development Block Grant.

The provisions and requirements of the Conflicts of Interest, at subpart (d) of the Nebraska Political Accountability and Disclosure Act [such subpart (d) encompassing Sections 49-1493 through 49-14,104 of the Nebraska Revised Statutes], are incorporated in this Code of Conduct by this reference. The provisions and requirements of 2 C.F.R. Section 200.320 (f) are also incorporated in this Code of Conduct by this reference. The requirements of these Nebraska state statutes and federal regulations will be adhered to, and in the event of a conflict in the requirements of any of such state and federal requirements, the stricter of any conflicting provisions will be adhered to.

No employee, officer or agent of the municipality shall participate in the selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when an employee or agent; any member of his or her immediate family; his or her partner; or an organization, which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award.

The municipal employees, officers or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from sub-contractors or potential sub-contractors.

Violations of this Code of Conduct will invoke penalties and sanctions consistent with applicable Federal and State laws.

2 ELIGIBILITY CRITERIA

2.1 Household

2.1.1 Income Guidelines

The applicant's annual gross household income cannot exceed the established income guidelines set forth as attached. (Income levels will be verified according to 24 CFR Part 5.609) Income eligibility guidelines are based upon a maximum Median Household Income for various family sizes as established for SEWARD COUNTY from Income Guidelines established by the Nebraska Department of Economic Development (DED). Income limits are based on a maximum of at or below 100% of the area Median Family Income (MFI).

2.1.2 Asset Limit

No person or family shall be eligible to receive assistance under this program who has in excess of Seventy-Five Thousand Dollars (\$75,000) in total assets, excluding: the value of the dwelling and a minimum adequate site, the value of necessary items of personal property, the assets that are part of a business/trade/farming operation in which a member of the household is actively engaged in such operation, or the value of an established trust that is not revocable or is under control of a household member.

2.2 Property

2.2.1 Types and Location

Eligible properties shall be single family, owner occupied dwelling units located within the City of Milford. Eligible properties will be the "principal residence of the homeowner applicant." Homeownership will be verified by written confirmation from the Seward County Register of Deeds under a deed search. Security documents (Promissory Note and Deed of Trust) will include reference to requirements that the housing unit will be the "principal residence" of the



participating family. Only owner-occupied units are eligible for rehabilitation. Both units of a duplex are eligible if one is owner-occupied and the second unit is occupied by a member of the owner's family. Mobile homes are ineligible. Rental properties are ineligible for assistance.

2.2.2 Physical Condition

It is the Policy of the City of Milford that all housing units assisted with NAHP funds must meet NDED Housing Rehabilitation Standards after rehabilitation. All units proposed for rehabilitation must be inspected for compliance with DED Rehabilitation Standards by an approved Housing inspector prior to being deemed eligible for the program.

The objective of the Housing Rehabilitation Program is to restore each housing unit receiving financial assistance to a physical condition, which will result in a life expectancy of at least 20-years. A limited number of occupied housing units in the program area may be deteriorated to such an extent that rehabilitation, no matter how extensive, will not achieve this objective. If the Project Inspector determines and the Advisory Committee concurs, that a housing unit will not have a 20-year life expectancy after rehabilitation work is completed, then the Program will determine not to provide financial assistance to that homeowner.

2.2.3 Floodway, Floodplain, and Wetlands

Project will not approve properties located within Floodways. Project may allow non-critical actions for properties located in 500-year floodplain (B Zone or shaded X Zone). Project may allow for improvements in 100-year floodplain (A Zone) on one- to four-family properties that do not meet the thresholds for “substantial improvement” under § 55.2(b)(8). No projects will be approved that are included in designated Wetlands.

2.2.4 Insurance and Property Taxes

Property Taxes must be paid by the homeowner and current. The homeowner will be required to maintain homeowner's hazard insurance, with an amount equal to the replacement value of the dwelling for the duration of a program lien.

2.2.5 Property Maintenance

Properties shall be free and clear of any debris that jeopardizes public safety and/or impairs the appearance of the neighborhood. Properties must remain debris-free for the duration of the program lien period. Debris shall include, but not be limited to: inoperable automobiles, machinery, appliances, tires and accessories, noxious weeds, discarded metal and other unsightly rubble.

2.2.6 After-Rehabilitation Value Limit

It is the Policy of the City of Milford that the Housing Rehabilitation Program shall ensure the After-Rehab Value Limit will not exceed 140 percent of the limit for the area. Total after rehab value not to exceed the most current HOME after-rehab value limits as available on the Nebraska Department of Economic Development website. The after-rehabilitation value estimate must be completed prior to investment of NAHTF funds. The published limit identifies maximum amounts for 1-unit and the unadjusted median value. “HUD has used the greater of these two figures as their HOME homeownership value limit for existing housing in each area.” This level of cost is applicable to the rehabilitation of **existing homes only**. See **Purchase Price or After-Rehab Value Limit for NAHTF, CDBG, and HOME at: <https://opportunity.nebraska.gov/grow-your-community/data-for-applicants-and-grantees/>**



3 *TYPES OF ASSISTANCE*

It is the expressed intent of this rehabilitation program to benefit low-and moderate-income owner-occupants within the Program Area. Actions taken by or on behalf of owner occupants to circumvent this intent are prohibited. To affect this intent, owner-occupants receiving housing rehabilitation assistance under this program shall immediately advise the Program of any event that may alter this intent.

Conditional Grant: The owner shall personally and at all times occupy and live in the rehabilitated structure as a “principal residence” for a period of **five (5) years** or sixty (60) months after the completion of the rehabilitation work.

In the event that the owner shall move, rent, sell, transfer or otherwise not occupy said property for the required five (5) year period, the Program shall be reimbursed at the monthly pro-rata rate for the sixty (60) month period. Recapture provisions are utilized, then the amount recaptured cannot exceed the net proceeds. Net proceeds are the sales price minus superior loan repayment (other than CDBG, HOME or NAHTF funds) and any closing costs.

3.1 *Maximum Subsidy*

The maximum amount of these conditional grants will be \$24,999 per home. Any and all work to be completed must meet the NDED Rehabilitation Standards. The City of Milford reserves the right to deny assistance in the event that the rehabilitation work required to bring the home up to Standards exceeds the maximum allowable grant amount of \$24,999 and/or the home cannot be brought up to the Standards. In no case shall assistance exceed NAHP maximum per unit subsidy. A listing of subsidy limits by county can be found at: **<https://opportunity.nebraska.gov/grow-your-community/data-for-applicants-and-grantees/>**

The program will collaborate with other agencies or organizations which provide housing rehabilitation related services. The Program will also coordinate with Southeast Nebraska Community Action (SENCA) and other programs for eligible weatherization activities.

3.2 *Terms*

The City of Milford may provide funds to complete minor repair and/or rehabilitation work in the form of a **“conditional grant”** to meet Nebraska Department of Economic Development (NDED) Minimum Standards for Rehabilitation. No interest will accrue on the conditional grant. The conditional grant shall be secured through a Promissory Note in an amount equal to the program subsidy and a property lien in the form of a Deed of Trust. This Deed of Trust in favor of the City of Milford will take a subordinate position to the permanent financing instrument.

The conditional grant lien shall be in effect for a five (5) year term. Payment of the note is required upon sale, transfer of ownership, non-occupancy or renting out the property if occurring during the five-year term.



4 ELIGIBLE REHABILITATION PRIORITIES

4.1 Code Deficiencies

The property must conform to municipal building codes and NDED Minimum Standards for Rehabilitation after rehabilitation work is complete. The correction of code deficiencies is given top priority in the rehabilitation process. When necessary to meet specific requirements of a local minimum housing code, program funds may be used for:

- The provision, rehabilitation or removal of structural elements of the dwelling, including the repair or replacement of basic equipment, outbuildings, fences, steps, and walks. The term basic equipment refers to such items as furnaces, water heaters, plumbing, electrical fixtures, foundations, etc.
- The provision of sanitary and related facilities, including the provision, expansion, and finishing of space necessary to accommodate such facilities;
- The provision of additional or enlarged bedrooms; and,
- The grading, filling, or landscaping of the lot for other than purely aesthetic purposes.

4.2 Incipient Deficiencies

Program funds may be used to correct incipient deficiencies of the local minimum housing code. An incipient deficiency exists if, at the time the house is inspected, it is determined that the physical condition of a particular structural element will deteriorate to an actual deficiency in the reasonable future (one or two years). An example of an incipient deficiency would be a leaky roof that could be patched at low cost, but would probably continue to develop additional leaks, and would eventually have to be totally replaced. Program funds could be used to replace the entire roof in this situation. Incipient deficiencies may be corrected after existing code deficiencies are corrected and the property conforms to the Minimum Property Rehabilitation Standards.

4.3 Energy Conservation

Once all local Program Area building codes and Minimum Property Rehabilitation Standards have been met and incipient code violations have been corrected, program funds may be used to finance energy conservation measures. Energy conservation refers to steps taken to lessen the consumption of fuels and electricity. Housing Rehabilitation Program resources may be used to finance such energy conservation measures as:

1. The insulation of attics and sidewalls, or increasing the amount of existing insulation;
2. The provision of storm windows and doors; and
3. The elimination of leaks in structural openings through the installation of weather-stripping, caulking, etc.

4.4 Fire Protection

Fire protection involves the provision of devices to warn dwelling occupants in the event of fire. Early warning fire alarm devices may be provided and installed using program funds.

4.5 General Improvements

General improvements include any rehabilitation work that does not fit into any of the previously discussed eligible cost categories. Only after all eligible applicant's needs, relative to the previous five categories have been met, will consideration be given to any general improvement work items. Typically, general improvements will not materially contribute to structural integrity or long term preservation of the unit and might include, but not be limited to: interior painting, paneling, carpeting, closets, shelving, cabinets, air



conditioning, landscaping, etc.

The above paragraph does not prevent the homeowner from undertaking any general improvement work items, provided they supply whatever additional funds are necessary to finance that portion of the project.

5 APPLICATION PROCESS

The application process for assistance under the Housing Rehabilitation Program has two stages: the application and the applicant interview. The rationale for this approach centers on saving the time and trouble of filling out a rather lengthy application when it is possible to determine the homeowner's basic eligibility through a streamlined preliminary application process.

5.1 Initial Review

The application consists of questions related to family size and composition, income, housing-related expenses, etc. Application information will be reviewed and evaluated by the Program Management Staff, on a confidential basis.

The review process includes verification of income, housing expenses, bank deposits, employment, etc. All applications will be rated on the project rating scale, as attached. Homeowners who do not meet basic eligibility requirements will be notified in writing, including a statement of the reason they are ineligible for assistance.

The program will collaborate with other agencies or organizations which provide housing rehabilitation related services. The Program will also coordinate with Southeast Nebraska Community Action (SENCA) and other programs for eligible weatherization activities.

5.2 Application Rating and Selection

All applications received during a "round" will be reviewed together and rated on the priority rating scale below. In cases in which this rating yields equivalent scores, priority will be determined in accord with "first ready, first served." Applicants not selected in one round will be automatically considered in subsequent rounds and will be notified, in writing, of such action.

Applicants will be rated and selected by Program Management Staff with review and approval by the Advisory Committee.

INCOME and FINANCING CATEGORY

1. Applicant's annual gross income meets Very Low Income threshold.....30
2. Applicant's annual gross income meets Low Income threshold.....20
3. Applicant's annual gross income meets Moderate Income threshold.....0 or 10

Income guidelines are based on Department of Housing and Urban Development (HUD) Housing Assistance programs as approved by the Nebraska Department of Economic Development (DED). Limits may be updated annually as they are received from HUD and approved by DED. (Income levels will be verified according to 24 CFR Part 5.)

Financing Categories

1. **Conditional Grant:** (at or below 100% Area Median Family Income)
100% of project amount is a Conditional Grant and is forgiven if the homeowner personally and at



all times occupies and lives in the rehabilitated structure as a “principal residence” for a period of **five (5) years** or sixty (60) months after the completion of the rehabilitation work.

In the event that the owner shall move, rent, sell, transfer or otherwise not occupy said property for the required five (5) year period, the Program shall be reimbursed at the monthly pro-rata rate for the sixty (60) month period. Recapture provisions are utilized, then the amount recaptured cannot exceed the net proceeds. Net proceeds are the sales price minus superior loan repayment (other than CDBG, HOME or NAHTF funds) and any closing costs.

HOUSEHOLD CHARACTERISTICS

- 1. Head of household 62 years of age or older 10
- 2. Handicapped/disabled applicant..... 5

IMPACT OF ASSISTANCE

- 1. Eliminate housing overcrowding (over 5 persons) 5
- 2. Substantial weatherization and energy conservation improvements..... 5

MAXIMUM TOTAL SCORE 55

If the property has a current lien, deed of trust, note or other loan/grant security instrument from any previous housing rehabilitation programs, the lien, deed of trust and or note cannot have at any given time a combined total over \$24,999.00.

6 Property Inspection and Rehabilitation Procedures

Once basic eligibility has been determined through the initial application review, the Project Inspector will contact the homeowner and arrange for an interview. The interview will take place in the applicant's home, and in addition to obtaining the information necessary to complete the application process, the Project Inspector will perform a preliminary inspection of the structure. This inspection will provide the Advisory Committee an indication of whether the house will stand rehabilitation, the extent of repairs needed, and a preliminary estimate for the cost of those repairs. The interview is to provide more specific information for determining whether the homeowner may take advantage of the Housing Rehabilitation Program. Review of the application and data acquired from the interview will begin as soon as practicable after it is received.

6.1 Comprehensive Property Inspection

All properties will have a comprehensive property inspection conducted. The purpose of this inspection is to compile a comprehensive list of all necessary and desirable repairs, categorize the repairs by type (i.e. code violations, Minimum Rehabilitation Standards, Lead-Based paint hazards mitigation, general improvements, etc.), and estimate the total cost of the work. Essentially, the Project Inspector will assemble all the information necessary for preparation of bid documents. An estimate of the total cost of the work is made so that the homeowner can be counseled on the extent of rehabilitation and the type and cost of the financial assistance. In addition, the Project Inspector shall review the work write-up with the applicant and receive in writing the applicant's concurrence with the identified work items.

6.2 Elimination of Lead-Based Paint Hazards

It is the intent of the housing program to eliminate lead hazards and achieve lead clearance in affected home in a manner consistent with the 2012 HUD Lead Paint Guidelines, to repair, restore, or remodel the home.



6.3 Tier II Environmental Review

All properties will have a Tier II Environmental Review conducted. This review shall, at a minimum include submitting request for review to the State Historical Preservation Office (SHPO), review of location of property in relation to Special Flood Hazard Areas (SFHAs) as identified on the community's FEMA Flood Insurance Rate Map (FIRM), and review of onsite and nearby potential Contamination and Toxic Substances.

6.4 Bid Document Preparation

The Project Inspector will use the information gathered to prepare the Project Specifications, Work-Write ups and/or other documents necessary to obtain bids on the rehabilitation work.

6.5 Sub-Contractor Selection

The solicitation of bids for the rehabilitation work will be conducted in accordance with Federal, State and local requirements for requesting bids. If "Competitive Sealed Bids" are requested for a project, normally the lowest responsible and responsive bid would be accepted. Alternate methods of selecting sub-contractors to allow for quality performance, increased homeowner involvement and the highest level of local sub-contractor participation will be considered.

6.5.1 Pre-Qualified Sub-Contractors List

The City will utilize a pre-qualified list of sub-contractors maintained by the Southeast Nebraska Development District, who are available to conduct Housing Rehabilitation for projects that are awarded minor rehabilitation conditional grants. The program will be promoted directly to local sub-contractors who are eligible to be added to the pre-qualified list of sub-contractors. Promotion to sub-contractors may include but is not limited to contractor training, ads in the local newspapers, word of mouth, flyers and brochures requesting sub-contractor assistance for the program. Pre-qualification requirements include submittal of the following documents to the Official Program Contact (SEND D):

1. Proof of liability insurance;
2. Lead safe work practices training;
3. Completion of the Sub-Contractor Application (Proof of Responsibility);
4. Proof of State Licensure; and
5. Verified through SAM.gov

6.6 Consideration, Recommendation, and Approval or Rejection

Once a sub-contractor has been selected a project summary will be prepared and presented to the Housing Advisory Committee. The Housing Advisory Committee will then consider the project and provide a recommendation of approval or rejection to the City Council.

Nothing herein shall be interpreted to require that the City grant approval to any project. The City reserves the sole right to accept or reject any and/or all of the applications for financial assistance.

The City Council, after consideration and recommendation from the Advisory Committee, shall make the final decision to approve or reject any application within its respective jurisdiction.

It is the policy of the City of Milford that all applicants shall be notified of final eligibility or ineligibility in writing within thirty (30) days of the decision of the City Council.

6.7 Contracts

The contract for rehabilitation work will be between the homeowner and sub-contractor, with the Program Representative as a third party acting as an Operating Agency (OA) to provide for oversight, construction



observation and to provide financing, insuring that the sub-contractor and homeowner meet agreed upon conditions.

6.8 Security Instruments

At the time of contract signing each person listed as a property owner is required to sign a Deed of Trust and Promissory Note for the amount of assistance provided to the property. The Deed of Trust shall be recorded with the County on the borrower's property, which incorporates the following provisions:

- The borrower's household must use the property as its *principal residence*. They must also complete and return the annual occupancy verification document.
- The Program shall be reimbursed at the monthly pro-rata rate for the sixty (60) month period. In the event insufficient equity exists in the property at the time of sale, Recapture provisions are utilized, then the amount recaptured cannot exceed the net proceeds. Net proceeds are the sales price minus superior loan repayment (other than CDBG, HOME or NAHTF funds) and any closing costs.
- A closing statement from the sale of the subject property will need to be obtained and included within the project files.

6.9 Construction Monitoring

Inspections will be necessary during the construction phase to monitor the rehabilitation. The primary purpose of these inspections is to insure that materials used and work done is accomplished in compliance with the contract. The Project Inspector shall visit each job site when necessary to assure adequate job performance. Should change-orders become necessary during the rehabilitation work which would change the total cost of the contract, the Program and the homeowner must agree on said change orders and any modification to the funding prior to the execution of the change-order.

At the completion of construction the Project Inspector shall inspect the work, in the presence of the homeowner and the sub-contractor, to assure that satisfactory work has been accomplished. If the quality of work is satisfactory to the homeowner and the Project Inspector, and all contract conditions have been met, the Project Inspector will request final payment for the sub-contractor. Any deficiencies must be corrected to the satisfaction of the homeowner and the Program, and all warranties, lien waivers, inspection reports from other Federal/State/Local agencies, etc., must be delivered before final payment will be made.

7 LEAD-BASED PAINT PROCEDURES

The City of Milford will work closely with SENDD staff to keep abreast of HUD's lead-based paint regulations. Minimum Qualifications:

- Sub-contractors: All sub-contractors that are awarded a contract must have successfully completed the HUD Sponsored "Lead-Safe Practice Training Course."
- Lead Paint Inspectors: SENDD staff members have successfully completed the necessary coursework and training and are Certified Lead Paint Inspectors. The City will utilize the services of SENDD, or other certified Paint Inspectors and Risk Assessors to perform lead-based paint inspections, risk assessments and clearance examinations.

All homes built before 1978 that are rehabilitated through this Program will be presumed to have lead-based paint.



7.1 Program Operations

The City will follow all applicable rules and regulations to ensure that the lead-based paint issues are addressed on housing units that receive financial assistance. The City will work with the housing program manager and sub-contractors in notifying clients of lead-based paint requirements.

7.2 Specifications and Feasibility

Homeowners participating in the program will be limited in financial assistance. Therefore, each applicant's housing unit will be reviewed on a case-by-case basis to determine the feasibility of addressing lead-based paint issues.

7.3 Client Outreach and Intake

Each potential homebuyer will be notified as to the dangers of lead-based paint, where lead-based paint can be found, measures to protect/reduce lead hazards, and safety measures to undertake should the unit be rehabilitated. Each homeowner will be provided the "Watch Out for Lead-based Painting Poison" and "Protect Your Family from Lead in Your Home" pamphlets. Each homeowner will sign the federal pre-renovation notification form acknowledging that they have received the pamphlet entitled "Protect Your Family from Lead in Your Home" and receive basic instructions as to its contents.

7.4 Bidding and Contracts

The program will consider bids from sub-contractors who have either successfully completed the HUD sponsored "Lead-Safe Practice Training Course", or from sub-contractors who have agreed to attend/complete the workshop. Prior to bid submittal, interested sub-contractors must provide either:

- A certificate showing their company has received and successfully passed a HUD sponsored lead-based paint training course; or,
- Provide proof of registration to attend a HUD sponsored lead-based paint training course. This proof will include, but not be limited to, a copy of the completed registration form and receipt of payment. Upon completion of the course, the sub-contractor must provide a certificate that they have successfully completed the training.

7.5 Construction Monitoring

Upon contract award, the sub-contractor will be reminded that while he/she is addressing lead-based paint issues on the interior/exterior of the house, they must conform to all practices and construction applications that are stated in the work write-up, specifications and training that they have received in the HUD sponsored training course "Lead-Safe Work Practices Training." Monitoring of the sub-contractor's work and corrective measures will be completed at appropriate intervals during the construction phase, and a wipe test will be completed by a certified Risk Assessor at the completion of construction activities. A clearance report must be issued prior to the City approving final payment to the sub-contractor.

7.6 Warranty and Evaluation

At the time of the final inspection, a wipe test will be performed by a certified Risk Assessor to ensure that levels of lead-based paint meet state and federal regulations. The first clearance examination will be paid for by the Program. If the property does not pass the first clearance examination due to the sub-contractor not cleaning properly, the cost of the second, and any subsequent clearance testing, will be paid for by the sub-contractor directly to SENDD until all areas pass.



7.7 *Paint/Risk Assessment Report*

Under certain conditions, homes may have a Paint/Risk Assessment Report completed by a licensed Risk Assessor. In such cases, areas of the property identified as having a lead hazard in the Paint/Risk Assessment Report will be labeled in the work write-up by numerical XRF readings that were conducted on the property.

8 *RADON PROCEDURES*

The City of Milford will work with SENDD staff to keep abreast of the State of Nebraska's developments regarding radon regulations. The Nebraska Department of Health and Human Services (DHHS) reports that more than half of all home radon tests conducted in the state are reported as testing above the action level of 4.0 pCi/L. As the State continues to investigate options for radon remediation, the City and SENDD staff will provide the following to every homeowner that participates in this program:

- A \$10 radon test kit
- Educational pamphlet detailing the hazardous nature of radon and the appropriate steps to remediation, including information on who to contact to install any necessary radon-reduction equipment.

At this time, The City of Milford and SENDD staff will take an educational approach to radon procedure throughout the implementation of this program. As this is an owner-occupied rehabilitation program, there is no scenario in which work completed to each individual home could potentially increase the occupants' exposure to radon. Therefore, the City and SENDD staff will provide each homeowner with a \$10 radon testing kit, which they may choose to use at their discretion. Informational pamphlets will be given to better assist homeowners in understanding the nature and dangers of radon, especially information regarding the 4.0 pCi/L action level. Homeowners will be provided a list of appropriate contractors who have the ability to install radon reduction devices in their homes; however, the cost of this remediation will not come from CDBG dollars, nor will it be part of this program in any way. If a homeowner decides to install a radon reduction device, it will be at their own will and funded by their own dollars.

9 *Sale or Refinance of Assisted Unit During Lien Period*

9.1 *Sale of Assisted Unit*

In the event that the owner moves, rents, sells, transfers or otherwise does not occupy the assisted property for the required five (5) year period, the Program shall be reimbursed at the monthly pro-rata rate for the sixty (60) month period. Recapture provisions are utilized, then the amount recaptured cannot exceed the net proceeds. Net proceeds are the sales price minus superior loan repayment (other than CDBG, HOME or NAHTF funds) and any closing costs. A closing statement from the sale of the subject property will need to be obtained and included within the project files.

9.2 *Subordination and Refinance*

Subordination



Future refinancing, home equity loans and all future liens will be handled on a case by case basis. Any subordination must fall within the guidelines outlined below before any subordination of the second, third, fourth, or fifth line will be considered:

Refinancing with No Cash-Out

A refinance with no cash-out is the situation when a homeowner wishes to refinance their existing first mortgage which may include refinance fees only. This type of subordination may be approved by all secondary lien holders.

Refinancing with Cash-Out

A refinance with cash-out is a situation where the homeowner refinances their existing mortgage and desires to consolidate other outstanding debt or obtain extra funds (cash) to spend on other items. This type of subordination may be approved by all secondary lien holders only if the combined Loan-to-Value of all items is at or below 87.5% of the value of the subject property.

Obtain an Equity/Home Improvement Loan

This scenario is when a homeowner wants to obtain an Equity Loan or Home Improvement Loan and the lender desires to file their lien in second (2nd) position. The type of subordination may be approved by all secondary lien holders only if the combined Loan-to-Value of all liens is at or below 87.5% of the value of the subject property.

10 COMPLAINT PROCEDURE

All grievances and/or complaints must be submitted in writing to the Housing Inspector or Project Administrator. A written response/determination must be provided to the aggrieved party within fifteen (15) days of receipt of the grievance/complaint. If unsatisfied with the response/determination of the Housing Inspector or Project Administrator, the aggrieved party may appeal the decision to the Milford Housing Advisory Committee in writing for their consideration. The appeal must be received by Housing Advisory Committee within 15 calendar days of the initial decision. Housing Advisory Committee will act on the appeal within thirty (30) calendar days of the receipt of the appeal. Final written decision of the Housing Advisory Committee will be provided to the aggrieved party within forty-five (45) days of receipt of the written request for appeal.

In the event of an owner and sub-contractor dispute of any nature, the Housing Advisory Committee's decision on the issue will be accepted as final by both parties.

11 AMENDMENT OF THE GUIDELINES

The above Guidelines for the Housing Rehabilitation Program can be amended only after review by the Housing Advisory Committee and formal action by the City Council, with approval by DED.

12 POLICY FOR COLLECTING PROJECT PHOTOGRAPHS / PRINCIPLE RESIDENCY

The City of Milford was awarded public funds for this housing rehabilitation program. As such all beneficiaries/recipients are requested to provide a voluntary release and authorization giving consent to the City of Milford and its agents to use and publish property photographs taken during the course of providing program assistance in marketing and promotional materials, including but not limited to the Internet, without compensation.

Previews of materials are not provided for approval. All photos used by the City of Milford and its agents are owned by the City of Milford and they may copyright material. The City of Milford and its agents are released,



discharged, and held harmless from any liability, including, without limitation, any claims for libel or invasion of publicity/privacy, by virtue of any use of photos, including, any alteration of such Photos, whether intentional or otherwise (Attachment A).

The owner shall personally and at all times occupy and live in the rehabilitated structure as a “principal residence” for a period of **five (5) years** or sixty (60) months after the completion of the rehabilitation work. The City will send out a homeowner’s certification of principle residence for each assisted applicant on an annual basis for the duration of the affordability period (attachment B). In the event that the owner shall move, rent, sell, transfer or otherwise not occupy said property for the required five (5) year period, the Program shall be reimbursed at the monthly pro-rata rate for the sixty (60) month period. Recapture provisions are utilized, then the amount recaptured cannot exceed the net proceeds. Net proceeds are the sales price minus superior loan repayment (other than CDBG, HOME or NAHTF funds) and any closing costs. A closing statement from the sale of the subject property will need to be obtained and included within the project files.

13 UNIFORM RELOCATION AND ASSISTANCE ACT OF 1970 (URA) AND APPLICABILITY TO TITLE 49 PART 24 SUBPART B 24.101

Acquisitions are not an allowable activity within this program. It is the Policy of the City of Milford that all transactions proposed for rehabilitation of property by applicants or clients of the housing program shall be voluntary.

It is the Policy of the City of Milford that it will not undertake any projects that will result in Displaced Person(s). However, if any project for which relocation would be a potential requirement - in cases where there is any indication of the potential for relocation through either voluntary or involuntary acquisition. Relocation shall be voluntary and the grantee will not be responsible for relocation costs. In cases where either voluntary or involuntary acquisition is anticipated, DED will be contacted prior to any action

Due to the requirements of these program guidelines, relocation due to mitigation of lead paint hazards is anticipated to be a rare occurrence. If a case of mitigation of lead-based paint hazards occurs where the interior work will not be completed within 5 calendar days, the work site is unable to be contained to prevent the release of dust, the worksite and areas within 10 feet of the worksite are unable to be cleaned at the end of each work day to remove any visible dust and debris, and the residents do not have safe access to kitchen, bath and bedrooms, then temporary relocation of homeowners would be required for “safe work practices.” Relocation will be voluntary and the grantee will not be responsible for relocation costs. Mitigation of lead-based paint hazards is determined to be a code enforcement activity for purposes of this program. As such, relocation assistance requirements of the URA are not triggered. In cases where either DED will be contacted by the program prior to any action.

14 FAIR HOUSING

It is the Policy of the City of Milford that this program will be in compliance with the “Fair Housing Act.” The Act prohibits specific kinds of discriminatory acts as described herein, regarding housing if the discrimination is based on race, color, religion, sex handicap, familial status or national origin: Refusal to sell or rent or otherwise deal with a person; Discrimination in the conditions of terms for sale, rental or occupancy; Falsely denying housing is available; Discriminatory advertising; “Blockbusting; causing person(s) to sell or rent by telling them that members of a minority group are moving into the area; Discrimination in financing housing by a bank, savings and loan association or other business; Denial of membership or participation in brokerage, multiple listing or other real estate service; Interference (intimidation, threats, coercion, etc.) to keep a person from the full benefits of the



Federal Fair Housing Law. The City of Milford actively supports Fair Housing Activities and will assist applicants in completing Housing Discrimination Complaint forms to the Department of Housing and Urban Development (HUD).

15 FEDERAL COMPLIANCE

The Housing Program will comply with the administrative requirements of the grant program, those applicable items in the 1995 Consolidated Plan, Title I of the Housing and Community Development Act of 1974, Public Law 93-383, as amended, and 24 CFR Part 570 (including parts not specifically cited below), and the following laws, regulations and requirements, both federal and state, as the pertain to the design, implementation and administration of the local project, if approved:

CIVIL RIGHTS AND EQUAL OPPORTUNITY PROVISIONS

- Public Law 88-352, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000(d), et. seq.) (24 CFR Part 1)
- Section 109 of the Housing and Community Development Act of 1974, As Amended
- Age-Discrimination Act of 1975, As Amended (42 U.S.C. 6101, et. seq.)
- Section 504 of the Rehabilitation Act of 1973, As Amended (29 U.S.C. 794) and the Americans with Disability Act
- Executive Order 11246, As Amended
- Executive Order 11063, As Amended by Executive Order 12259 (24 CFR Part 107)

ENVIRONMENTAL STANDARDS AND PROVISIONS

- Section 104(f) of the Housing and Community Development Act of 1974, As Amended
- Title IV of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831) and the Implementing Regulations found at 24 CFR Part 35
- The National Environmental Policy Act of 1969 (42 U.S.C. Section 4321, et. seq., and 24 CFR Part 58)
- The Clean Air Act, As Amended (42 U.S.C. 7401, et. seq.)
- Farmland Protection Policy Act of 1981, (U.S.C. 4201, et. seq.)
- The Endangered Species Act of 1973, As Amended (16 U.S.C. 1531, et. seq.)
- The Reservoir Salvage Act of 1960 (16 U.S.C. 469, et. seq.), Section 3 (16 U.S.C. 469 a-1), As Amended by the Archaeological and Historic Preservation Act of 1974
- The Safe Drinking Water Act of 1974 [42 U.S.C. Section 201, 300(f), et. seq., and U.S.C. Section 349 as Amended, particularly Section 1424(e) (42 U.S.C. Section 300H-303(e)]
- The Federal Water Pollution Control Act of 1972, As Amended, including the Clean Water Act of 1977, Public Law 92-212 (33 U.S.C. Section 1251, et. seq.)
- The Solid Waste Disposal Act, As Amended by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et. seq.)
- The Fish and Wildlife Coordination Act of 1958, As Amended, (16 U.S.C. Section 661, et. seq.)
- EPA List of Violating Facilities
- HUD Environmental Standards (24 CFR, Part 51, Environmental Criteria and Standards and 44 F.R. 40860-40866, July 12, 1979)
- The Wild and Scenic Rivers Act of 1968, As Amended (16 U.S.C. 1271, et. seq.)
- Flood Insurance
- Executive Order 11988, May 24, 1978: Floodplain Management (42 F.R. 26951, et. seq.)
- Executive Order 11990, May 24, 1977: Protection of Wetlands (42 F.R. 26961, et. seq.)
- Environmental Protection Act, NEB. REV. STAT. 81-1501 to 81-1532 (R.R.S. 1943)
- Historic Preservation

LABOR STANDARDS AND PROVISIONS



- Section 110 of the Housing and Community Development Act of 1974, As Amended
- Fair Labor Standards Act of 1938, As Amended, (29 U.S.C. 102, et. seq.)
- Davis-Bacon Act, As Amended (40 U.S.C. 276-a - 276a-5); and Section 2; of the June 13, 1934 Act., As Amended (48 Stat. 948.40 U.S.C. 276(c), popularly known as The Copeland Act
- Contract Work Hours and Safety Standards Act (40 U.S.C. 327, et. seq.)
- Section 3 of the Housing and Urban Development Act of 1968 [12 U.S.C. 1701(u)]

FAIR HOUSING STANDARDS AND PROVISIONS

- Section 104(a)(2) of the Housing and Community Development Act of 1974, As Amended
- Public Law 90-284, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601, et. seq.). As Amended by the Fair Housing Amendments Act of 1988
- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, As Amended (42 U.S.C. 4630) and the Implementing Regulations Found at 49 CFR Part 24
- Relocation Assistance Act, NEB. REV. STAT. 76-1214 to 76-1242 (R.S. Supp. 1989)
- Nebraska Civil Rights Act of 1969 20-105 to 20-125, 48-1102 and 48-1116 Uniform Procedures for Acquiring Private Property for Public Use, NEB. REV. STAT. 25-2501 to 25-2506 (R.R.S. 1943)

ADMINISTRATIVE AND FINANCIAL PROVISIONS

- 78 FR 78589 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards “Cost Principles”
- 78 FR 78589 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards “Administrative Requirements”
- 24 CFR 570.503 - Grant Administration Requirements for Use of Escrow Accounts for Property Rehabilitation Loans and Grants
- 24 CFR 570.488 to 570.499a - States Program: State Administration of CDBG Nonentitlement Funds
- Community Development Law, NEB. REV. STAT. 18-2101 to 18-2144 (R.S. Supp. 1982)
- Public Meetings Law, NEB. REV. STAT. 18-1401 to 18-1407 (R.R.S. 1943)
- 24 CFR Subtitle A (4-1-98 Edition) – 85 Administrative requirements for grants and cooperative agreements to State, local and federally recognized Indian tribal governments

MISCELLANEOUS.

- Hatch Act of 1938, As Amended (5 U.S.C. 1501, et. seq.)

