

**CITY OF CRETE, NEBRASKA**  
**2014 PROGRAM GUIDELINES**  
**FOR A HOUSING REHABILITATION PROGRAM**  
Adopted 11/04/14 by City Council Approval  
Amended 11/03/15 by City Council Approval

**INTRODUCTION**

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

**I. PROGRAM**

The program is based upon the rehabilitation of substandard units through **100% Conditional Forgivable Grants**. 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. This amount will not exceed the "Maximum per unit NAHP subsidy [Section 221(d) (3)]. The Program will request approval through NDED for proposed projects that may exceed the \$24,999 amount.

**II. PURPOSE**

- A. To increase the attractiveness of existing neighborhoods within the City
- B. To prevent the spread of blight and its influence.
- C. To increase the number of good, habitable dwelling units.
- D. To promote continued home ownership.
- E. To discourage the abandonment or neglect of residential dwelling units.
- F. To provide assistance to those persons of the greatest need.

**III. ELIGIBILITY CRITERIA**

- A. Eligible properties shall be single family, owner occupied dwelling units that do not meet Minimum Rehabilitation Standards. Single family owner occupied dwellings shall include downtown mixed use housing units in cases where (1) the owner owns the entire building structure, (2) where there is one unsplit (i.e. not 2+ units) housing portion of the structure that is clearly single-family (not multi-family) use, and (3) where zoning allows for residential use. Rental properties are not eligible for rehabilitation assistance. Eligible properties will be the "principal residence of the homeowner applicant." 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.
- B. The structure is not under contract or under negotiation for acquisition by any federal, state or local governmental agency. Properties shall be situated in locations where they will not be in conflict with the following types of government projects:
  - 1. Federally assisted government projects, which are to be constructed.
  - 2. Projects for the construction or development of public schools, parks, streets, highways, utilities or other public works.
- C. Properties shall be located within the City.
- D. 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 of Eighty Percent (80%) of Median Household Income for various family sizes as established for SALINE COUNTY from Income Guidelines established by the Nebraska Department of Economic Development (DED). Income limits may be increased upon approval of by DED.

- E. 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 cannot have a 20-year life expectancy after rehabilitation work is completed, then the Program will determine not to provide financial assistance to that homeowner.
- F. Property taxes must be paid by the homeowner and current. Homeownership will be verified through the Saline County assessor website. A Title/Deed search for review of property liens will be sent to the Saline County Register of Deeds.
- G. No person or family shall be eligible to receive assistance under this program who has in excess of Fifty Thousand Dollars (\$50,000) 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.
- H. Properties shall be in locations where safe, sanitary and adequate water supplies and sewage disposal are available. Projects within the 100-year Flood Zones MAY be approved if they meet the following conditions: (1) Project is located within a Flood Fringe Overlay District, (2) Project location is reviewed and approved by the City of Crete Floodplain Manager, (3) Project may be required to maintain flood insurance throughout life of Conditional Grant (to be determined by City of Crete Floodplain Manager), and (4) Project does not meet the definition of "substantial improvement." Substantial improvement is defined as rehabilitation where the cost of which equals or exceeds fifty percent (50%) of the market value of the structure before start of improvement. No projects will be approved that are included in the Floodway Overlay District or designated Wetlands.
- I. Only owner-occupied units will be 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.
- J. 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.
- K. 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.
- L. The maximum "after-rehabilitation value" for homes will not exceed 95% of the median purchase price for the area. The maximum per unit subsidy limits may be found online at: <http://www.neded.org/community/community-info/documentslibrary-a-forms/cdbg-forms>.

#### IV. **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.

- A. **Conditional Forgivable Grant:** The owner shall personally and at all times occupy and live in the rehabilitated structure as a “principal residence” for a period of **5 years** or sixty (60) months after the completion of the rehabilitation work. In the event that the owner shall move, rent, sell or transfer said property, the Program shall be reimbursed at the monthly pro-rata rate for the sixty (60) month period.).

In the event the owner-occupant does not occupy said property for the required five (5) year period due to circumstances beyond the control of the owner-occupant, and which circumstances are found acceptable to the Program, portions of repayment may be forgiven only if **net proceeds (defined as the sale price of the property minus any closing costs and minus any repayment of prior liens on the property)** from sale of the property are insufficient for full repayment of the obligated debts.

## V. **ELIGIBLE REHABILITATION PRIORITIES**

### A. 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:

1. 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.
2. The provision of sanitary and related facilities, including the provision, expansion, and finishing of space necessary to accommodate such facilities;
3. The provision of additional or enlarged bedrooms; and,
4. The grading, filling, or landscaping of the lot for other than purely aesthetic purposes.

### B. Minimum Property Rehabilitation Standards Requirements

If the existing City building codes are less stringent than the NDED Minimum Standards for Rehabilitation, the “Minimum Standards for Rehabilitation”, as attached, will apply. Bringing a property into conformance with the “Minimum Standards for Rehabilitation” requirements will be accomplished before any incipient deficiencies are corrected.

### C. 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.

### D. 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 weatherstripping, caulking, etc.

E. 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.

F. 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.

VI. **PROPOSED ADMINISTRATION**

- A. Application Review Committee: The Advisory Committee for Housing Rehabilitation
- B. Program Managers/Project Inspector: Southeast Nebraska Development District (SENDD)
- C. Grievance Committee: The Advisory Committee for Housing Rehabilitation

VII. **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.

A. Preliminary Application

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. Homeowners who do not meet basic eligibility requirements will be notified in writing, including a statement of the reason they are ineligible for assistance. Homeowners who are eligible will be notified in writing.

B. Full Application

Once basic eligibility has been determined through the preliminary application, 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.

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, and notification of final eligibility will be made to the homeowner, thereafter. Applicants who do not meet approval criteria will be notified in writing, including a statement of the reason for non-selection.

The program will collaborate with other agencies or organizations which provide housing rehabilitation related services or financing. Applicants ages 62+ will be provided information about the USDA-Rural Development Repair Program. If approved by USDA-RD, the applicant must first maximize the use of the USDA-RD Repair Program funds prior to assistance from this Program. The Program will also coordinate with Blue Valley Community Action (BVCA) – Weatherization programs for eligible weatherization activities.

C. Comprehensive Property Inspection

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 for the work. 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.

D. Bid Document Preparation

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

E. 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 contractors to allow for increased homeowner involvement and the highest level of local contractor participation will be considered.

When the owners act on their own behalf, a formal bid package may not be required. The homeowner will solicit proposals from several contractors to meet a minimum deficiency list of work items and material specifications, which will be reviewed by Program Staff. With assistance and concurrence from Program Staff, the owner may select their contractor of choice.

F. Contracts

The contract for rehabilitation work will be between the homeowner and contractor, with the Program as a third party acting as an Operating Agency (OA) to provide for oversight, construction observation and to provide financing, insuring that the contractor and homeowner meet agreed upon conditions.

G. 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.

H. Project Completion

At the completion of construction the Project Inspector shall inspect the work, in the presence of the homeowner and the 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 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.

VIII. **COMPLAINT PROCEDURE**

Complaints concerning the Housing Rehabilitation Program shall be in writing and addressed to the Program Manager. A written response will be made within 15 working days. If the homeowner is not satisfied, complaints may be filed with the Grievance Committee. The Grievance Committee shall meet, as soon as practicable, to review all factors in the complaint for a determination and solution.

IX. **CONFLICT OF INTEREST**

No member of the governing body of the City and no other official, employee or agent of those organizations who exercises policy, decision-making functions or responsibilities in connection with the planning and implementation of this program shall:

- a. be directly or indirectly eligible for this Program;
- b. accept gratuities, favors or anything of monetary value from contractors, potential contractors or parties to sub agreement;
- c. obtain a financial interest or benefit from a Program activity;
- d. have an interest in any contract, subcontract or agreement for themselves or for persons with business or family ties.

**EXCEPTIONS:** Upon written request, exceptions may be granted by the Nebraska Department of Economic Development on a case by case basis.

X. **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.

XI. **ELIMINATION OF LEAD-BASED PAINT HAZARDS**

It is the expressed intent of the Housing Rehabilitation Program to eliminate lead-based paint hazards in all assisted projects in accordance with subpart C, Section 35 (b) and (c) of the H.U.D. Title 24 Federal Regulations as identified in the Rehabilitation Module of the CDBG Manual. During the Comprehensive Property Inspection, work items will be identified to provide treatment necessary to eliminate immediate lead-based paint hazards.

Testing for Lead-Based paint hazards, Risk Assessment Reports and Clearance testing after construction will be methods used to identify, develop mitigation plans and clearing projects involving lead-based paint and mitigation construction. (See the attached "Lead-Based Paint Procedures")

XII. **RELOCATION**

The City of Crete Housing Rehabilitation Program will not pay for relocation expenses.

Rehabilitation Construction contracts call for the contractor to maintain the home in a manner which does not trigger a need for relocation. The decision to relocate will typically be the voluntary decision of the client and not a condition of this program plan or work write-up. Any costs of relocation shall be the responsibility of the client/program recipient. As this Housing Rehabilitation Program is a voluntary program, the client/program recipient may elect to not participate in the program should they determine that they are not able to or do not desire to be responsible for any relocation costs.

While relocation is not anticipated, there may be times when construction issues arise (such as compliance with Lead Safe Work Practices) where temporary relocation is triggered. It is the policy of the City of Crete that the CDBG funded Housing Rehabilitation Program will not fund those relocation costs and the client/program recipient / owner occupant will be responsible for said relocation costs.

**XIII. FAIR HOUSING**

The Program will fulfill affirmative action requirements of federal fair housing laws. (P.L. 90-284, as amended by L.1988 P.L. 100-430; and E.O. 11063)

**XIV. 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 Crete. The materials will include program summary, how to obtain application forms, “round” deadlines, and contact information. The City will make every effort to provide program materials to local organizations that represent or provide services to lower income persons/families.

**XV. PRE-QUALIFIED CONTRACTORS LIST**

The City of Crete will utilize a pre-qualified list of 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 contractors who are eligible to be added to the pre-qualified list of contractors. Promotion to contractors may include but is not limited to contractor training, ads in the local newspapers, word of mouth, flyers and brochures requesting contractor assistance for the program. Pre-qualification requirements include submittal of the following documents to the Official Program Contact (SEND):

1. Proof of liability insurance;
2. Lead safe work practices training; and
3. Completion of the Contractor’s Application (Proof of Responsibility)

**XVI. UNDERWRITING CRITERIA**

Program recipients that meet the “Conditional Forgivable Grant” category of assistance will not be subject to the underwriting criteria for the “30% rule” as their conditional grant is forgiven after time and paid back only through “Net Proceeds” when the grant recipient does not comply with the affordability period described above in Section IV - Types of Assistance.

Housing costs for purposes of this Owner Occupied Housing Rehabilitation program include: payments toward the homebuyer/homeowner’s: Mortgage; Mortgage insurance; and Any housing rehabilitation loan.

**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 come, first served". Applicants not selected in one round will be automatically considered in subsequent rounds and will be notified, in writing, of such action. Households with applications not funded will be notified in writing that they were unsuccessful in obtaining program funds for the repairs of their home.

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.....	10

**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

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MAXIMUM TOTAL SCORE** .....	55
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***\*\*DEDUCT FOR PREVIOUS REHABILITATION:***

*If the property has been rehabilitated under a CDBG or HOME funded program within the last ten (10) years, 10-points will be deducted from the score above for a revised total score.*



**CRETE, NEBRASKA  
2014 HOUSING REHABILITATION PROGRAM**

**2015 Maximum Family Income Limits For Eligibility (Saline County)**

<b>Family Size</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
80% Median (Conditional Forgivable Grant)	\$ 34,200	\$ 39,050	\$ 43,950	\$ 48,800	\$ 52,750	\$ 56,650	\$ 60,550	\$ 64,450

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 Forgivable Grant:** (80% Median Income)  
For very low income only; 100% of project amount is a Conditional Grant and is forgiven if the homeowner personally and at all times lives in the home for five (5) years. If the homeowner moves out, rents, sells or transfers title to the property within the 60-month period, they can be required to pay back a pro-rata portion of the project amount, based upon "**Net Proceeds**" definition.

**CRETE, NEBRASKA  
2014 CITYWIDE HOUSING REHABILITATION PROGRAM  
PROGRAM INCOME REUSE PLAN**

**Introduction**

As described in the **2014 CDBG HOUSING REHABILITATION PROGRAM application**, the City has undertaken comprehensive needs identification processes and a variety of public meetings. As a result of this process the City has realistically evaluated the resources in the joint community and has developed successful work plans that are being supported by its citizens. Among the needs identified is the rehabilitation of deteriorating housing stock. Goals established in the City Housing Rehabilitation Program are: a) increase the attractiveness of the community, b) prevent the spread of blight and its influence, c) increase the number of good habitable dwelling units, d) promote continued home ownership, e) discourage abandonment or neglect of residential dwelling units and f) provide assistance to those persons of the greatest need.

**Capacity**

The City expects to contract for professional services to assist the management of housing rehabilitation services during the course of the proposed Affordable Housing Program (AHP) project. This opportunity will provide valuable hands-on experience in setting-up and maintaining a housing program. In addition, the City has been a long-term, dues-paying member of the Southeast Nebraska Development District (SEND), which can provide continued technical assistance and necessary documents to local personnel to operate and maintain a housing program after the current grant period.

**Housing Program Guidelines**

The City has adopted Housing Program Guidelines that will be used through the AHP project period. After the grant period expires, the City will continue to utilize these Guidelines with only the following minimal changes to streamline the process:

Eligible properties can be located anywhere within the corporate limits of the City. Projects within the zoning jurisdiction will be considered on a case by case basis by the Advisory Committee and the City Council.

Applications for financial assistance will be available from, and when completed, submitted to the City Clerk's office. City staff, or persons retained specifically to assist in the management of the Program, will review applications for eligibility and perform a deficiency list inspection to develop a schedule of recommended improvements according to the appropriate Building Code and/or the NDED Minimum Standards for Rehabilitation. The applicant will then be responsible for obtaining contractor work proposals.

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.

**NDED Approval for Reuse**

Program Income funds recaptured under this program will be tracked by Grant Program number (CDBG #13-HO-6071). The City of Crete, wishes to retain program income funds and reuse those funds for additional housing related activities as per the program guidelines of the grant number

previously noted as follows:

- 1) The City will use program income directly generated from the use of NAHTF funds to further affordable housing programs eligible under the Nebraska Affordable Housing Act.
- 2) Program Income funds are those funds returned to the Grantee during the Affordability Period when the property is sold or is no longer the initial or subsequent homeowner's principal residence.
- 3) Program Income funds must be utilized for the current Project if the current Project has not been completed. This program income received must be applied to the current Project prior to requesting additional NAHTF funds.
- 4) The City understands that if program income is utilized for another housing related activity, other than for the same activity from the Project which generated the program income, then the Grantee will be responsible for developing and utilizing new Program Guidelines for the new eligible activity.
- 5) Up to 10% of program income may be utilized for General Administration expenses.
- 6) If resale provisions are utilized for the Project, and program income is received, then the subsequent purchasers of each unit will be eligible homebuyers.
- 7) If recapture provisions are utilized for the Project, and program income is received, then the amount recaptured cannot exceed the net proceeds. Net proceeds are the sales price minus superior loan repayment (other than NAHP funds) and any closing costs.
- 8) All program income will be returned to DED for reuse unless DED offers the option to the City to retain the program income or DED approves the grantee's Program Income Reuse Plan prior to receiving Release of Funds.

### **Compliance**

Under this plan the City certifies that only those applicants, whose annual gross household income is less than the moderate income limits as established for the County by the Department of Housing and Urban Development under the Section 8 Housing and Assistance Payments Program shall be eligible for financial assistance. The income levels may be adjusted as they are adjusted and approved by H.U.D. Annual Gross Household Income will be reviewed according to 24 CFR 5.609.

The City hereby certifies that, as applicable, it will comply with the following laws, regulations and requirements:

- A) Title I of the Housing and Community Development Act of 1974, as amended.
- B) Civil Rights and Equal Opportunity Provisions.
- C) Environmental Standards and Provisions
- D) Labor Standards and Provisions.
- E) Fair Housing Standards and Provisions
- F) Hatch Act of 1938, as amended.

### **Financial Management**

The City will use its existing financial management system and will create a separate "Housing Program Income Reuse Fund" to track payments received and disbursed.

## **Lead-Based Paint Procedures**

The **City of Crete** (the City) will work closely with SENDD staff to keep abreast of HUD's lead-based paint regulations. Following is a summary of SENDD's efforts to disseminate information to contractors, paint inspectors and risk assessors:

- **Contactors:** The Housing Rehabilitation Program will consider bids from general contractors who have either successfully completed the HUD Sponsored "Lead-Safe Practice Training Course", or from contractors who have agreed to attend/complete the training, especially on projects where lead-based paint situations are found.
- **Risk Assessors:** SENDD staff members have successfully completed the necessary coursework and training and are Certified Paint Inspector and Risk Assessors. 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.

### **ORGANIZATIONAL REVISED REHABILITATION PROCEDURES**

1. **Program Planning:** The City will work closely with SENDD staff in developing guidelines that will comply with state and federal lead-based paint requirements.
2. **Program Setup:** 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 REALTORS in notifying clients of lead-based paint requirements.
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 sign the federal notification form "Watch Out for Lead-based Painting Poison" acknowledging that they have received the pamphlet entitled "Protect Your Family from Lead in Your Home" and receive basic instructions as to its contents.
4. **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.
5. **Bidding and Contracts:** The program will consider bids from general contractors who have either successfully completed the HUD sponsored "Lead-Safe Practice Training Course", or from contractors who have agreed to attend/complete the workshop. Prior to bid submittal, interested 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 contractor must provide a certificate that they have successfully completed the training.

6. Construction Monitoring: Upon contract award, the 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 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 financing.
7. 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, or if the contractor would need to re-clean and reschedule another clearance test.