GILA COUNTY HOUSING SERVICES

OWNER-OCCUPIED HOUSING REHAB GUIDELINES

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Gila County Housing Services Program Guidelines
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OWNER-OCCUPIED HOUSING REHABILITATION

PURPOSE

The Gila County Owner-Occupied Housing Rehabilitation Program is designed to serve low income homeowners with health, safety, energy efficiency, and renewable (green) related home repairs within Gila County. The program is generally defined by these guidelines. These guidelines apply only to the owner-occupied housing rehabilitation loans and/or emergency repair grants funded by Gila County Housing Services Program.

Goals

- To improve the quality, health, safety and energy efficiency of the housing stock and to promote neighborhood revitalization in Gila County.

- To benefit elderly, handicapped, and families with children whose income levels are at or below 80% of Gila County Median Income Limits.

Objectives

- To invest sufficient funds in each home, that is owned and occupied as a primary residence by low income homeowners to meet the State of Arizona Rehabilitation Standards at a minimum.

- To provide technical assistance, counseling and follow-up services to eligible families, including but not limited to:

    a. Ownership, revitalization, and neighborhood responsibilities
    b. Budgeting for property taxes and insurance
    c. Property maintenance
    d. Energy conservation

- To provide referral services to the various agencies offering assistance in the areas of housing, medical, financial hardship, legal aid, etc.

The goals and objectives of the Gila County Housing Services Department can be properly implemented and accomplished by having:

- Properly trained personnel to provide assistance from the initial contact through completion of work and loan services
- Properly trained code enforcement personnel (education/human relations) to serve as liaison for all available programs and tasks associated with the Housing Services Department programs
- A network of County and human services agencies which will provide support services for the programs listed under this department.

FUNDING

Funding from a variety of sources, such as, Community Development Block Grant (CDBG), HOME Partnership Project, Housing Trust Funds, Arizona Department of Energy, Low Income Home Energy Assistance Program. Any project may have one or any combination of funds as

necessary, to accomplish the goal of providing decent, safe housing. HOME Partnership Project and Community Development Block Grant (CDBG) fund sources have specific minimum and maximum code requirements that must be followed. The use of a particular fund source, at the discretion of the Community Services Director, will determine whether the project is a partial or full rehabilitation.

Funding limits per unit are: rehab maximum of $55,000; and reconstruction maximum of $80,000.

Prior to starting an Owner Occupied Housing Rehab project, the property valuation, will not exceed ninety five percent (95%) of the area median purchase price for single family housing as determined and published by HUD.

TARGET AREA

The target area consists of all of Gila County with the exception of Indian Reservations and floodplains. Gila County encompasses 4,752 square miles.

ACCESSIBILITY

The program will provide assistance to potential participants who have special barriers to ensure equal access to benefits. For Spanish speaking persons, we will utilize Spanish speaking staff to assist with the entire rehabilitation process. Gila County Housing Services offices/facilities comply with ADA accessibility requirements.

ELIGIBILITY REQUIREMENTS

- The property must be located within Gila County boundaries excluding Indian Reservations and floodplains.
- Participants must be at or below 50% to 80% of area median income guidelines for the area based on family size at the time funds are committed to the property. Income must be verified, whenever possible, by third party verifications. *(Owner must sign an authorization to verify income and income must be re-verified if over 6 months time has elapsed since the commencement of the project.)*
- The applicant must provide verification that the property is owner occupied as a primary residence at least 12 months before application, during construction and for the entire recapture period.
- The property must be free from liens that unduly restrict the marketable ownership interest. If the home is on the market for sale, it will not be eligible for assistance.
- The home must be suitable for rehabilitation under the time and funding constraints of the program, including the ability to improve the property up to minimum code with funding available. If all funding assistance is not sufficient to rehab the unit to minimum standards, the application will be denied or placed back on the waiting list, at the discretion of the Community Services Director.
- Homeowner must provide verification of Total Loss Coverage Insurance at the time of application for services.
- Homeowner must hold a Fee Simple Title or a 99-year leasehold on the property, verifiable by a preliminary title search only, deeds alone do not suffice.
- Property taxes must be paid and current at the time of application for services.

MANUFACTURED HOME REQUIREMENTS

All Manufactured housing units must meet the following:

a. Placed on a permanent foundation (required certification) and is connected to permanent utility hook-ups;
b. Is located on land that is held in fee-simple title, or long-term ground lease with a term of at least 99 years (50 years for tribal land); and
c. Meets the construction standards of 24CFR 3280 if manufactured after June 15, 1976, or, meets applicable local and/or state codes if manufactured prior to June 15, 1976.

Manufactured housing units must be permanently affixed to land owned by the household and not in a leased mobile park.

PRIORITY POPULATIONS

Gila County will give priority assignment to the following:

a. Households including children under the age of 18 years old
b. Households with a physically disabled family member
c. Households including an elderly (60 years of age or older) family member; and
d. Households with income at or below 50% of area median income
e. Households with income at or below 60% o area median income
f. Households with income at or below 80% of area median income

NON-DISCRIMINATION

The program will not discriminate against any potential participant based on race, color, religion, gender, family status, disability, or violate any other applicable federal statute.

AFFORDABILITY TO LOW-INCOME HOUSEHOLDS

Owner Occupied Housing Rehabilitation funds will be invested in each home to meet, at a minimum, the State of Arizona Rehabilitation Standards Guidelines and local building codes. Lien amounts placed on rehabilitated homes will not be allowed to exceed 100 percent combined loan to value. In some cases, reconstruction will be more cost effective than rehabilitation.

GRANT/LOAN

Owner-Occupied Housing Rehabilitation assistance to homeowners may be in the form of:

- FORGIVABLE LOANS – These loans do not require scheduled repayment by beneficiaries, forgiveness of the loan is conditional upon the beneficiary complying with program and occupancy requirements, as well as, the requirements of the loan documents. A forgivable loan may include repayment of only a portion of the principal amount. Forgiveness may be proportional based on the beneficiary's continued owner occupancy for the recapture period or conditioned upon other locally defined criteria. The forgivable loan must be secured by a promissory and a Deed of Trust naming Gila County as beneficiary.

- EMERGENCY REPAIR GRANT (ERG) – This is an outright grant (not to exceed $10,000) to low income residents to address emergency conditions for the purpose of eliminating a threat to life, safety, and/or eliminating an imminent health hazard.

AFFORDABILITY PERIOD

Loan Amount	*Recapture Period*
$10,000 or less	no repayment is required

$10,001 to $15,000	5 years
$15000 to $40,000	10 years
Over $40,000	15 years

Affordability Options:

- **Owner Moved/Home Rented** – this is a violation of affordability, steps will be taken to enforce repayment of the lien in this circumstance
- **Owner Passes Away** - In the event of the homeowner's death during the affordability period there are two options:
  - in the event a qualifying* immediate family member inherits the property, he/she may assume the balance of the deferred payment loan;
  - the lien may be released at the discretion of the Community Services Director
- **Owner Wants to Sell** – repayment of the lien will be enforced
- **Foreclosures** – Options include:
  - In the event of a Foreclosure or Deed in Lieu of Foreclosure, any provisions of the Deed of Trust or any provisions in any collateral agreement restricting the use of the property or otherwise restricting the Homeowner's ability to sell the property shall have no further force or effect on subsequent owners or purchasers of the property. Any person, including successors or assigns (other than the homeowner or a person or entity related to the homeowner), receiving title to the property through foreclosure or deed in lieu of foreclosure of the First Mortgage/Deed of Trust shall receive title to the property free and clear from such restrictions.
  - The lien created by the Deed of Trust will be released upon Foreclosure, transfer of Deed in Lieu of Foreclosure, assignment to HUD or market sale.
- **Subordination of Lien Position** – Loan subordination will only be allowed when: 1) the refinancing results in a fixed rate, lower monthly payment; and 2) loan subordination will not be allowed under any circumstances for a cash-out refinancing.
- **End of Affordability Period** - the Housing Coordinator will process and record the lien release documents at the end of the affordability period. Each homeowner will be sent an annual statement of during the affordability period to inform them of their lien status.

If these guidelines are adopted by other entities with whom Gila County is the sub-recipient, then the Grantor entity shall be responsible for securing the lien and promissory note for the forgivable loan.

LOAN SERVICING

Gila County Housing Services uses Pioneer Title Company in Payson, Arizona to process the Deed of Trusts and Promissory Notes on each project. They will act as the loan servicing agents for our program.

The Deed of Trust and Promissory Note will be signed by the homeowner at the beginning of the housing rehabilitation process. A standard rehab project amount will be utilized at this time, with revisions prior to recording the documents.

*qualifying – must meet all State Housing Fund Income Guidelines, and other criteria as applicable.

PROGRAM INCOME

In the event that Gila County Housing Services recaptures any funds, we will remit them to the Arizona Department of Housing.

DEFERRAL CONDITIONS

The decision to defer work in a dwelling is difficult, but necessary in some cases. If a decision to defer has been made, work must be postponed until the problems can be resolved and/or alternative sources of help are found.

Deferral conditions may include:

- The client is uncooperative, abusive, or threatening to the crew, contractors, sub-contractors, auditors, inspectors, or others who must work on or visit the home.
- There is an animal(s) on the property that poses a health and safety threat to the crew or sub-contractors (ie: a vicious animal, excessive animals)
- The cleanliness or orderliness of the dwelling poses a health and/or safety problem.
- If in the judgment of the Housing Services staff, any condition exists which may endanger the health and/or safety of the crew or Contactor, the work should not proceed until the condition is corrected.

SELF-HELP OR SWEAT EQUITY

The Housing Services Department does not operate a self-help or sweat equity program. Gila County will not allow the homeowner to perform any scope of the work. There may be some exceptions but only related to general property improvements, i.e. landscaping. These exceptions must be approved by the Director.

STANDARD AND SPECIFICATIONS

All housing rehabilitation projects will meet:

- State of Arizona Rehabilitation Standards (Attachment 3) or local code. In addition Gila County has adopted the Uniform Building Code (UBC) (1991), National Electric Code (NEC)(1990), Uniform Mechanical Code (UMC)(1991), Uniform Plumbing Code (UPC)(1991), Uniform Conservation Code (UCC)(1991), as well as, the Uniform Housing Code (UHC)(1991).
- Gila County uses standard specifications, which are tailored to each specific project which may include minor, substantial, and removal of all code violations.
- Energy Star
- International Energy Conservation Code (EICC, 2012 Edition or most recently adopted by local building jurisdiction)
- All plumbing fixtures are to be "low-flow"
- WEATHERIZATION STANDARDS - Gila County will meet Weatherization Standards for OOHR Housing Rehab in each home that is rehabilitated with CDBG, SHF, HTF, SSP, and/or HOME Partnership Program funding sources. *(Issued 10/12/12, Rev. 11/18/13)*
- Uniform Federal Accessibility Standards (Section 504 of the 1974 Rehabilitation Act) and the Americans with Disabilities Act, as applicable and needed by homeowner

TEMPORARY RELOCATION

Temporary housing will be used if necessary to house families whose house is under construction through the rehab program. Funding will be utilized from a variety of programs operated by the Gila County Community Services Division.

a. If the completion of the identified repairs imposes a health and safety risk to the occupants, Gila County Community Services Division will make temporary housing arrangements for the period of time estimated by the contractor to complete the repairs.
b. Temporary relocation with area relatives or friends will be the first alternative. If this is not available, the occupants will be temporarily relocated to an area hotel/motel that is equipped with a microwave and refrigerator, if available. The occupants will be responsible for their own meals.
c. If necessary, personal belongings of the occupants will be placed in temporary storage at either a commercial location or a Gila County storage location, if available.
d. All temporary relocation costs will be included in the total rehabilitation cost.

REPLACEMENT REHABILITATION

Replacement is only allowed under the Rehabilitation Program.

1. Staff will make cost estimates for each dwelling. If the unit is a manufactured home and the cost estimate of the necessary repairs exceeds the budgeted amount and if the repairs that can be made would still not bring the unit "up to code", the decision can be made to replace the unit with a new or used manufactured home, providing the cost of transport, hookup and after-rehab value is within the allowable cost of the program.
2. The replacement manufactured home will be competitively procured through the solicitation of three written quotes, in accordance with Gila County Procurement Department Policy. If the homeowner refuses to accept the unit selected by Gila County during the first round of the selection process, the homeowner will be allowed a second chance to select a unit. Gila County will again attempt to competitively procure a unit for the homeowner. If the homeowner refuses to accept the unit selected by Gila County during the second round of the selection process, the homeowner's application will be cancelled. The homeowner will be notified in writing of this cancellation and they will have ten (10) days from the date of the cancellation letter to request an Administrative Review/Informal Hearing on the decision to cancel the application. In the Administrative Review/Informal Hearing, the homeowner must prove "just cause" as to the reason for not selecting a unit.
3. On used mobile home replacements, all appliances, utilities and fixtures will be in good working order. However, homeowner understands that if this is not a new mobile home, homeowner accepts it "as is". All appliances and fixtures will be replaced with new, if enough funding is left in their grant.
4. Staff will first try to replace mobiles with new factory built ones, as costs allow.

ACQUISITION

All acquisition of land, which includes long term leases and permanent use easement, must meet the requirements of the Uniform Relocation and Real Property Acquisition Act. This requires documentation of various notices to the owner, and appraisals (and review appraisals) in most instances.

LEAD BASED PAINT HUD REGULATIONS

In order to comply and implement lead-based paint requirements, the Housing Services Department shall use as guidance the OHD Housing Bulletin #1 issued by the GOHD on December, 2001 (Attachment 6 under Section A). The program shall specifically adhere to the evaluation, disclosure, work requirements, and clearance procedures contained in this Bulletin. Any interim control or abatement procedures of lead-based paint hazards as prescribed by HUD requirements shall be included in the scope of work. The Housing Services Department shall

also attempt to obtain lead-based paint general liability insurance for lead-based paint hazards and encourage contractors to secure lead-based paint hazard liability insurance.

Staff will provide the homeowner with the EPA/HUD Pamphlet "Protect Your Family from Lead in Your Home". Staff shall also provide the homeowner with the Lead Based Paint Notification for the homeowner's review and signature. Staff shall specifically review the notification form with the homeowner and make every effort to ensure the homeowner is aware of the hazards and ways to avoid lead based paint poisoning. The executed notification is retained in the homeowner/client's file and a copy is provided to the client. If lead based paint hazards are identified by risk assessment and treated the participant shall be provided with the following notices: Notice of Evaluation and Notice of Lead Hazard Reduction. All brochures are available in alternate format for non-English Spanish speaking persons.

MARKETING TO GENERAL PUBLIC/POSSIBLE APPLICANTS

Gila County makes every effort to promote awareness to the general public by presenting its program to local groups, such as the Chamber of Commerce, the Lions Club, the Rotary Club, Southern Gila County Network Team, and any other group that expresses interest. Public Service announcements and press releases are also sent to local radio, television and newspapers to market our program.

The Housing Services Program makes every possible effort to inform and promote program awareness to every segment of the community. Informational materials are distributed across the county and are freely available through various county departments. Although, "word of mouth" is the best and foremost method of communication in our community, the Housing Services Program also advertises in the local newspapers within the county.

The Housing Services Program has also developed a network for referrals from:

1. Gila County Health Department, Public Health Nursing, Public Environmental Health Dept., Public Gila County Public Fiduciary's Office, Gila County Community Development Office, Gila County Section 8 Housing Program, Workforce Investment Department, Gila County Community Action Program.
2. Gila County Community Development Office advising of dangerous or condemned buildings.
3. Gila County Community Development Office or Gila County Health Department advising of a broken sewer, leaky roof, etc. during their inspections.
4. Various social services agencies (Gila Aging, Child Protective Services, Vocational Rehabilitation Program, etc.) advising of health and safety issues.

All promotional materials and other marketing tasks are done by the Housing Services Program staff on an ongoing basis.

MARKETING TO CONTRACTORS

The Housing Services Department follows the procedures for procurement and contracting as directed in the handbook distributed by the Arizona Department of Housing. This handbook and any updating information/additions to the same are kept by the Director and are available for review and reference by any interested person(s).

STAFFING AND ADMINISTRATIVE STRUCTURE

The Gila County Housing Services Department currently consists of approximately 6 staff with additional services provided by the county departments listed under the heading of the Community Services Division on an as needed basis. The Housing Services Department is administered and staffed as follows:

Community Services Director
Community Services Fiscal Manager
Community Services Housing Coordinator
Community Services Housing Project Coordinator – BPI Certified Building Analyst & Quality Control Inspector
Community Services Housing Rehabilitation Specialist – BPI Certified Building Analyst
Community Services Grants Administrator

The Director provides oversight of the program. The Housing Coordinator is responsible for monitoring the expenditure of funds for each project.

The Grants Administrator is responsible for grant applications to funding agency(ies). Additional responsibilities include completing: Environmental Review Reports, Flood Hazard Determinations, Set Up Reports, Closure Reports, and Performance/Schedule of Completion Reports. The Grants Administrator will maintain the program guidelines and will assist the Housing Coordinator with compliance issues, and periodical monitoring of the administration of the program(s).

The Housing Coordinator is responsible for the implementation of the program, expenditure of funds and compliance with the program rules and regulations. The Housing Coordinator's secondary tasks are those related directly to rehabilitation services and working on a one to one basis with the applicants from identification to completion of the project.

The Housing Coordinator is responsible for intake, contacting licensed, minority and women owned businesses to request their participation in the Housing Services programs, determination of eligibility of the property and the applicant, maintenance of waiting lists, correspondence between department and homeowner, monitoring and data entry of each project. Also assists the Fiscal Manager with financial management and contract closeouts, and assists the Housing Project Coordinator and Rehabilitation Specialist with program eligibility.

The Housing Rehabilitation Project Coordinator and Specialist are responsible for all necessary disclosures, preliminary and subsequent inspection of the subject property, preparation of the plans and/or specifications for bidding, cost estimating, and final close-out of the project. Both positions are responsible for inspecting weatherization items on HOME and CDBG funded rehabilitation projects. During construction, the Housing Project Coordinator and Rehabilitation Specialist conduct periodic inspections of the work, interfaces with the homeowner and contractor to ensure quality work, approves change orders for referral to the homeowner and participates in the final walk through. Maintenance, energy conservation, and homeowner responsibility/neighborhood revitalization counseling will be provided to each participant by any member of the Housing Services Department. The Housing Rehabilitation Project Coordinator is a BPI Certified Quality Inspector and is responsible for performing inspections at all properties prior to final closeout.

Training for the Housing Services Program staff is provided by Gila County and by attending workshops training sessions paid for with grant monies. In addition to the Housing Services Department staff, we will utilize the Gila County Planning/Zoning, Community Development, and Engineering Departments for appropriate technical assistance to the program.

PRE-SCREENING PROCESS

The prospective participant will be asked to complete a pre-screening form, which will be used to determine eligibility for a housing rehabilitation project. The Housing Coordinator will review the following requirements:

a. Applicant presently owns the property;
b. Location of the home is within the county boundaries, excluding Indian Reservations and floodplains;
c. Income verification;
d. Determination if Property Taxes and Insurances are current on the property;
e. Household size and composition;
f. Market value of the home does not exceed guidelines as established by HUD

The prospective participant is then asked to complete the application for services process (See Below), based on the information provided, an eligibility determination will be made. The prospective participant will be notified in writing within ten (10) working days of eligibility determination to be placed on the waiting list. The waiting list is based on a first come, first serve basis.

Placement on the Waiting List does not constitute a guarantee of approval for services. A perspective participant on the waiting list must meet qualifications in order to be considered for a housing rehabilitation project when funding becomes available. Eligibility for continuation on the waiting list is determined every six months.

APPLICATION PROCESS

The prospective participant(s) will be contacted by Housing Services Coordinator who will then verify the application to ensure the information accurately reflects the prospective participant's present situation.

Income will be verified via verification received directly from employers, Social Security Administration, Veteran's Administration, previously filed income tax returns, check stubs, etc. During rehab, income verification shall be valid for a period of six (6) months, after which it must be recertified if the project has not been completed. All information obtained through this process shall be kept in locked files to ensure confidentiality.

The following definitions aid staff in the application process:

- Income - All wages, financial assistance from Social Security, Veteran's Administration, Department of Economic Security, Temporary Assistance to Needy Families, Unemployment Insurance, Alimony, Child Support, and income from any other source by any member of the household.

- Family/Household – All persons occupying the home, including permanent extended family, i.e., elderly parents, single children with children of their own. In the case of

more than one family per unit, every effort is made to provide the non-owner with housing assistance through another program to decrease over-crowding.

Prior to the application being approved, two eligibility determinations/certifications are made:

1). Family – based on income and home ownership (if on waiting list more than 6 months must be recertified every 6 months.)

2). Property Ownership – must be owned solely by the applicant and/or co-applicant

During the application process staff will review each case with the. The Housing Coordinator is responsible for approval or disapproval of each application. Housing Services staff will then inform the applicant of the type and extent of assistance being offered and advise the applicant of the estimated time line for the sequence of events that will be necessary in the repair/rehabilitation process.

A title search will be ordered by the staff to ensure that the home is in the applicant(s) name. A preliminary parcel search will be used to determine that there are no taxes owed against the property and should arrearages exist, Housing Services staff will meet with the homeowner to attempt to resolve the situation. The Administrative Assistant will preliminarily verify ownership by obtaining a copy of the deed or title and a tax valuation from the Gila County Assessor's Office. The participant shall provide the Housing Coordinator with verification of total loss coverage insurance on the home. Eligibility determination will not be made nor will the repairs/rehabilitation of the property be commenced until all information/verifications are received.

If the potential participant has a 504/ADA issue or is non-English speaking, staff provides the necessary assistance through the entire process.

The Housing Coordinator shall review and authorize each application prior to the project commencing.

Upon acceptance into program, certified staff will schedule an initial property inspection and will conduct a visual assessment to identify lead hazards and determine the Scope of Work. The homeowner is also informed that all contracts are strictly between the owner and contractor. The Housing Project Coordinator and/or Housing Rehabilitation Specialist will monitor the progress, inspect for proper performance and sign off along with the homeowner after both are satisfied with the completed project.

Copies of all forms that are pertinent to the project will be provided to each homeowner at their request.

WORK WRITE-UP

Work Write-Up Forms are prepared by the Housing Project Coordinator and/or Rehabilitation Specialist who are experienced in construction and is required to keep abreast of the latest code requirements, construction methods and materials, and particularly, preservation of a designated historical building. It is important in our program to preserve the architectural features of a particular era. In a case where code and preservation conflict, the work shall be done to code, but every effort will be made to provide the "look" of a particular feature, structural or nonstructural. A change order will be prepared, if necessary, and it will bear approval from the homeowner,

Housing Project Coordinator and/or Rehabilitation Specialist, the Contractor and Housing Services Coordinator.

The Housing Project Coordinator and/or Rehabilitation Specialist are responsible for reviewing the accuracy of the work write-up and the homeowner will approve final work write-up. The work write-up will call for items that meet code as per the Rehabilitation Standards, but will specify brands, sizes, location, etc. The work write-up may be accompanied by a set of plans complete with construction details. The plans will identify all areas of the house and approximate dimensions, door and window location, etc. The work write-up can be specifically cross-referenced.

Only FHA approved improvements are eligible under this program. A Property Inspection Checklist is utilized to assist with ensuring homes meet State Rehabilitation Standards and are safe, sanitary, decent and energy efficient.

The Housing Project Coordinator, Rehabilitation Specialist and staff utilize a computerized specification writing program when preparing the specifications for each project. Sample building specifications are included as Attachment 4, which is a copy of the standardized rehabilitation specifications generated by the Respec 8 program when developing the work write-up for each project. Staff also has the ability to create additional specifications tailored to each project.

COST ESTIMATES

The Housing Project Coordinator and/or Rehabilitation Specialist are responsible for the preparation of a cost estimate for each job. In addition to the experience and training previously mentioned under the work write-up, the Housing Project Coordinator and/or Rehabilitation Specialist must keep abreast of the economic conditions in our area with respect to the construction trades, including, but not limited to:

a. Availability of qualified contractors with emphasis on disabled, women, and minority business enterprises;
b. Availability/cost of materials;
c. Present labor costs.
d. Must have Building Pressure Institute (BPI) and Home Energy Rate Training (HERS) Course Certifications

The Housing Project Coordinator and/or Rehabilitation Specialist will prepare a cost estimate of each individual dwelling based on the technical specifications as determined in the work write-up. The cost estimate will include all costs for materials and labor, as well as, costs for overhead and profit. In order to stretch the rehabilitation dollars, the county and incorporated areas may waive permit fees on all projects.

MANDATORY WALK-THRU

A mandatory Walk-Thru is held on each property prior to bidding. The Walk-Thru will be advertised via public notice at least 7 days in advance of the scheduled time and date of the walk-thru. This mandatory process enables contractors to visit the property to view the items listed on the bid package and assists in minimizing any misunderstandings with the staff, contractors and homeowners regarding work to be accomplished during the project.

Gila County will only utilize Contractors who have successfully completed a contractor eligibility package. This package includes verification of licensing, insurances, and that contractor is in good standing with the Arizona Registrar of Contractors and SAMS (Systems for Award Management). Any Contractor that does not complete the process, or has otherwise been deemed ineligible, will not be able to participate in the program.

PROCUREMENT

It is standard procedure to advertise for rehabilitation bids in the locally distributed newspaper that is contracted by Gila County at the time. The Housing Services Department also keeps files on qualified contractors, who are notified by mail, telephone or by fax of any jobs that may be out to bid.

Bids will be solicited from only those contractors who have successfully completed Building Pressures Institute (BPI) training and are currently certified as such.

Every effort is made to obtain a minimum of three (3) bids for each house.

The Housing Coordinator shall retain the files on licensed, insured, bonded and otherwise qualified (not disbarred) contractors who are notified in writing of any bid invitation. Contractors will be encouraged to secure lead based hazard liability insurance as the Housing Services Program will grant preference to those with this type of insurance.

Bid Award: Bids are awarded by the Gila County Procurement Department and the homeowner, however, housing staff will recommend the award be made to the lowest qualified bidder. The Housing Project Coordinator reserves the right to reject any and/or all bids for reasons including but not limited to the following:

1. The Contractor is not licensed or has had his license suspended or has been disbarred from projects involving certain funding sources (i.e. HUD) the Contractor's status is researched online via the website: www.sam.gov
2. The Contractor is not able to proceed with the project in a timely manner due to other commitments.
3. The bid submitted is more than 15% below the Cost Estimate and, in the Housing Program Coordinator's judgment, the Contractor will not be able to complete the project as specified for the bid price.
4. The Contractor has failed to complete past projects in a timely or workman like manner or has failed to respond appropriately to request for warranty service.
5. The Contractor has failed to provide lien waivers as required or has had mechanic's liens filed by suppliers or subcontractors on past projects.
6. Bidding forms are improperly filled out or incomplete.
7. All bids submitted are more than 15% above the Cost Estimate.

B. Owner Bid Rejection: The Owner may reject any or all bids without cause subject to the following provisions:

1. he Owner may choose to reject the lowest qualified bid recommended by the Housing Program Coordinator and select a Contractor other than the lowest bidder if the Owner is willing to provide from his/her/their own funds and amount equal to the difference between the low bid and the selected bid.

2. The Owner may reject all bids at any time up to three working days after the contract is closed.

C. Delays in Awarding Contract: Generally the contract will be closed and work will begin within thirty days of the date of bid submission. If thirty days have passed since the submittal of bids and no contract has been signed, the Contractor has the option of:

1. Honoring the original bid.
2. Withdrawing his bid.

If the Contractor chooses to withdraw his bid, the project will be offered to the next qualified low bid or a new bid process will begin. The Housing Program Coordinator reserves the right, with the owner's concurrence, to negotiate any bid.

PRE-CONSTRUCTION CONFERENCE

A pre-construction conference will be held with the Contractor, homeowner and Housing Staff to review the scope of work, and other necessary documents prior to start of the construction on the project.

AGREEMENTS, CONTRACTS, AND OTHER DOCUMENTS

Each file contains a checklist noting all documents and verifications (such as check stubs, bank statements, property tax statement, title report insurance, etc) required for the housing rehabilitation program. This checklist will reflect the type of documents included in each file and will note those that do not apply as "N/A".

PROPERTY INSPECTIONS

Property inspections will be performed by a qualified BPI Building Analyst to ensure all work complies with the applicable building codes, as well as, for adherence to Department of Energy Weatherization standards.

In addition, Housing Program Coordinator and Housing Rehab Specialist will conduct frequent inspections to monitor progress, identify problems that may occur, initiate change orders that may arise, ensure compliance with State Rehabilitation Standards requirements and non-code items. Staff is certified in the State Rehabilitation Standards inspections, energy audits and in general code requirements. The Housing Program Coordinator is a certified BPI Quality Control Inspector. Each property will be inspected by him/her after construction is completed. Training in these areas is provided with Gila County and/or grant funds.

CHANGE ORDERS

A Change Order may be requested by the contractor due to circumstances which were unforeseen and not included in the original Work Write-Up. An example would be a safety or code violation that could not be determined until the actual work began. The homeowner must be informed of Change Orders and agree to these changes in writing. The contractor must have written approval from the Housing Project Coordinator and Director before undertaking any Change Order work, for any reason. Change Orders must be processed through to the Gila County Procurement Office and documented in the client file. If the Change Order is costly the project scope of work may be adjusted as not to exceed the projects budget. ADOH will be notified of all change orders accepted on each project. Multiple requests for change orders can and will result in audit findings.

SCHEDULE OF CONTRACTOR PAYMENT

Contractor payments are structured so that the contractor may request to submit an invoice for approximately thirty three percent (33%) of the total bid amount at commencement of the job, a second draw, not to exceed thirty three percent (33%) of the remaining balance, may be requested when at least fifty percent (50%) of the construction is complete and the final draw is submitted once the rehabilitation has been performed to the satisfaction of the contract terms, homeowner, and final inspection by the Housing Project Coordinator, and/or Housing Rehabilitation Specialist.

Upon completion, Housing Program Coordinator and/or Housing Rehab Specialist will inspect each completed home, along with the homeowner. The homeowner will approve and sign off that all work has been completed, as well an acknowledgement that they have received all necessary warranty information.

WARRANTIES

All contractors are required to provide a two-year warranty on workmanship as set forth by the Arizona Registrar of Contractors. The homeowner is responsible to contact the contractor for any warranty-related problems. If the homeowner does not feel the contractor has lived up to warrantee obligations, they may contact Housing Services staff to assist in resolution. If no resolution is available or it is not to homeowner's satisfaction, homeowner may appeal to the Arizona Registrar of Contractors.

The homeowner must sign the Warranty Documentation Notice to verify receipt of the documents. The Administrative Assistant will also maintain copies of warranties in the client file.

REPORTING, CASEMANAGEMENT AND TRACKING

The Housing Coordinator and Fiscal Manager are responsible for reporting procedures. The Weatherization Technician and the Administrative Assistant are responsible for maintenance of all case files, and the Housing Services Program staff maintains a real time progress chart detailing the progress on each dwelling under construction. The Housing Rehabilitation Specialist and Administrative Assistant prepare monthly progress reports to the Director and the Fiscal Manager. The Fiscal Manager is responsible for all financial and performance reports to the Arizona Department of Housing including, but not limited to family and contractor profiles (minority, handicapped, ethnicity, etc.). The Administrative Assistant will enter all project completions into a database for the purpose of tracking all current and previous participants in the program.

HOMEOWNER COUNSELING

Each homeowner will be educated on the following subjects, before, during and after rehab:

- Energy Efficiency measures which can be adopted in their home to increase their comfort and increase their awareness of energy usage
- Must participate in a budget counseling session/class to help them understand the importance of developing a budget, including understanding utility consumption, maintaining a budget to prevent future financial emergencies, etc.
- Contractors provide detailed education on the proper use, maintenance and warranties of appliances/systems installed in their homes
- Homeowner responsibility to keep their property clean, safe, and sanitary, before, during and after rehab.

After construction is completed Housing Services staff will provide applications for local utility discount programs, as well as, other topics necessary to enhance homeowner's understanding of their role in the community.

ENERGY EFFICIENCY GUIDELINES

All owner-occupied family housing rehabilitation projects are required to incorporate The Arizona Governor's Office of Energy Policy, Weatherization Standards. All new construction is to achieve a Home Energy Rating System (HERS) index beyond the baseline of 85. Final HERS index must be submitted prior to receipt of the final draw. The projected, pre-construction HERS index must be submitted to the ADOH once the construction drawings have been completed and the final HERS index must be submitted prior to the receipt of the final draw. All of the above assessments and weatherization work are to be overseen by Building Performance Institute, Inc. (BPI) certified weatherization professionals.

GREEN TECHNOLOGY

All projects will be evaluated for the use of alternative energy sources. These may include solar energy, tank-less water heaters and water harvesting and reuse. The Arizona Department of Housings minimum energy efficiency requirements will be used as a guide for green technology.

REHABILITATION ASSESSED VALUE

During the HOME and/or CDBG eligibility determination phase Housing Coordinator will determine the "After Rehab Value" by conducting an online study using property value sources such as *Zillow, Home Snap* and *Trulia*. The value will be determined by researching comparables for homes using one of the above named sources, or by using all 3 online resources. Gila County staff will obtain at least 3 comparables for each home to determine its value. The results will be printed out and retained in the beneficiary file along with the "Rehab Value" form.

Effective August 23, 2013 HUD has established the HOME Maximum After-Rehab Value Limits for owner occupied housing rehabilitation. These limits will remain in effect until HUD issues new limits.

The HOME value limit for existing housing to be used for owner occupied housing rehabilitation is 95 percent of the median purchase price for the area based on Federal FHA single family mortgage program data and other nation-wide data on the sales of existing housing. For further information regarding HUD's policy change and methodology please visit: **https://www.onecpd.info/resource/2312/home-maximum-purchase-price-after-rehab-value/**

The rehabilitation assistance will not exceed maximum per state unit investment amounts for Gila County.

GRIEVANCE/PROTEST PROCEDURE

Client Grievance Procedure:

Clients can be denied services if they do not meet the eligibility requirements of the Housing Services Department. The following procedures will be followed in order to resolve disputes that may arise in the Housing Rehabilitation Program.

- All participants will be provided a copy of the procedure and will be required to provide a signature to document receipt of the articles.

  - Complaints arising from disputes regarding the Housing Services Department will first be verbally or in writing addressed to the Housing Coordinator. Complaints shall be brought to the attention of the Housing Coordinator within 10 days after the client becomes aware of the problem.

- The Housing Services Assistant will attempt to resolve the dispute within 5 working days after receipt of the initial complaint.

- If the issue is not resolved within 5 working days with the Housing Coordinator, the participant may refer his/her complaint in writing to the Director of the Community Services Division at 5515 S. Apache Ave., Globe, Arizona 85501.

- The Director or the Director's designee will be responsible for review and response to the written complaint within 10 working days of receipt.

- Participants who wish to appeal the Director's decision will have 10 working days from receipt of the written decision to notify the Community Services Division of his/her intention to appeal the decision to the Board of Supervisors.

- All complaints submitted to final appeal shall be addressed to the Chairman of the Gila County Board of Supervisors, 1400 E. Ash Street, Globe, Arizona 85501.

- The Board of Supervisors will have 15 working days from receipt of the complaint to render a final decision.

This grievance procedure has been approved by the Arizona Department of Housing. Each participant is given a copy of the grievance procedure with a copy being maintained in the case file in the Community Services Housing Services Department.

Contractor Grievance Procedure:

Bid protests shall be submitted in writing to: Gila County Housing Services Department, 5515 S. Apache Ave., Suite 200, Globe, AZ 85501 within ten (10) days of bid award notification. Protests must contain at a minimum the name, address and telephone number of the protester, the signature of the protestor or its representative and evidence of authority to sign; a detailed statement of the legal and factual grounds of the protest including copies of relevant data; and the form of relief requested. Within *three (3) business days* of receipt, and after consultation with legal counsel, the Housing Services Housing Coordinator will respond to the protest. The Gila County Housing Services Department reserves the right to reject any or all bids; to waive irregularities of information in any bid; and/or to take any steps determined prudent in order to resolve the protest.

All contractors involved in the bidding process are provided with notice of the protest procedures, which are set forth in the Contractor Protest Procedure Form and in the Bid Award Notification Letter. In the event of a disagreement between the homeowner and contractor,

homeowner and Gila County, applicant and Gila County, and/or Contractor and Gila County, to name a few, the Grievance Procedure or Protest Procedure, whichever is applicable, shall be followed. All complaint/protest documentation will be hand delivered or sent by registered mail.

CONFLICT OF INTEREST

If a person is:

An employee, agent, consultant, officer, elected officer or appointed official of the Gila County Community Services Division - Housing Services Department who has CDBG, SHF or HOME related responsibilities or access to inside information may not obtain a financial benefit or interest from any housing rehabilitation activity for themselves or those with whom they have family or business ties during their tenure.