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HOUSING

This chapter is specifically directed toward providing guidance in the operation of your housing rehabilitation program. Your application is intended to solve certain local housing problems. In so doing, you must be aware of and follow State, Federal and local laws which apply to your program. You also want to administer your program in an open, fair and equitable fashion so that contractors, homeowners, and the community at large understand the guidelines under which the program operates.

Finally, you want to insure that your original objectives are met, that each eligible citizen has received a quality job and that the community has benefited from the program.

Housing rehabilitation programs require a lot of individual attention at the local level. This manual contains guidelines, recommendations and sample forms which are intended to help you get your program moving and to accomplish your goals. Your community must adopt a set of Policies and Procedures and have them approved by the State. The "Sample" guidelines, forms, policies and procedures contained in this manual are intended for general use and to satisfy State and Federal requirements. You may adapt them to fit your particular needs. Experience has shown that it is far better for a community to plan and think through the entire rehabilitation process and to take time for everyone involved to understand the guidelines, policies, procedures, and limitations of the program.

The State wants your program to run smoothly and meet its goals. If you have questions or problems, please call us.

TYPICAL STEPS IN HOUSING REHABILITATION PROGRAM

The steps follow in a sequential manner although some may occur simultaneously:

1. The Community submits the Environmental Review Record.
2. The Community develops Policies and Procedures and submits them to ECD for comment and approval.
3. The Community adopts by final vote the Policies and Procedures.
4. The Community holds a public meeting to explain the Policies and Procedures and operation of the program.
5. Applications are taken from homeowners, income verified and ownership verified.

6. The Community does a code inspection and work write-up, and the homeowner signs each page, indicating he understands and accepts.

7. The Community prepares a confidential cost estimate.

8. The Community develops a Priority List, based on individual need and dwelling condition, which lists the order in which houses will be rehabilitated.

9. The Community holds a pre-bid conference and goes over Policies and Procedures, code inspections, method of payment and grievance procedures.

10. The bidders conduct on-site inspections.

11. Bids are received by the Community and the contract is awarded to the low bidder. A copy of the contract and escrow request is sent to ECD.

12. A pre-construction conference is held with the owner and contractor, the rehabilitation contract is executed and a Notice to Proceed is signed.

13. The Community makes periodic inspections of the work in progress.

14. A final inspection is conducted by the rehabilitation inspector with the owner and contractor in attendance. A final punch list is made, if necessary.

15. The contractor's final invoice is submitted.

16. A Notice of Completion is executed and recorded.

17. The contractor is paid.

18. The program continues until all houses are done in the target area.

19. The Community notifies ECD as the program nears completion.

DEVELOPING PROGRAM POLICIES AND PROCEDURES

INTRODUCTION

Your town needs to formally adopt a set of Policies and Procedures for the operation of the CDBG program. These will serve as the guidelines for the day-to-day operation of the program. It is important for citizens, elected officials and program administrators to be involved in the establishment of the Policies and Procedures. If the whole community is aware of the goals of the program, its limitations and the way the program will be handled on a day to day basis, many potential problems and misunderstandings can be eliminated.

This manual includes a "Sample Set of Policies and Procedures" (Exhibit G-1). You may wish to use these as a guide, adopt them in whole or in part. You must address in some fashion all of the essential topics, and your policies and procedures must be approved by the State.

PURPOSE

Describe the goals of the program and what activities will be undertaken to meet those goals.

AUTHORITY

Indicate what legal authority - Federal, State and local - your program is operating under.

PROGRAM RESOURCES

Specify the funds available for the program, their source, and how long they will be available.

APPLICABLE LAWS

The local governing body, contractors, subcontractors, vendors and potential applicants for assistance are required to abide by a number of Federal and State laws. The State will assist you in ensuring compliance and will monitor your program to make sure that you are in compliance. The Community must follow the appropriate laws and document their efforts. Failure to do so can have serious repercussions for the program.

- Equal Opportunity Provisions for Contracts $10,000 and Under
- E. O. 11246 clause for contracts over $10,000
- Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity
- Standard Equal Opportunity Construction Contract specifications

- Certification of Non-segregated Facilities for Contracts Over $10,000
- Title VI of Civil Rights Act of 1964 Provisions
- Section 109 of Housing and Community Development Act of 1974 Provisions
- Section 3 Compliance Provisions
- Age Discrimination Act of 1975 Provisions
- Section 504 Affirmative Action for Handicapped Workers Provisions
- Lead-based Paint Hazard Provisions (Title X)
- Access to Records/Maintenance of Records Provisions
- Conflict of Interest Provisions
- Certification of Bidder Regarding Equal Employment Opportunity
- Certification of Bidder Regarding Section 3 and Segregated Facilities
- Contractor Section 3 Plan Format
- Subcontractor Certification Regarding Equal Employment Opportunity
- Subcontractor Certification Regarding Section 3 and Segregated Facilities

ELIGIBILITY REQUIREMENTS

The Community must very carefully determine its eligibility requirements, announce them publicly, then take applications for assistance. The whole process must be fair, impartial and open to public scrutiny.

Income	Your grant specifies that the benefits of your program must go to low and/or moderate income individuals. ECD will determine the income level. You must determine an applicant's income and expenses and arrive at a net income figure.
Ownership	You must have proof of ownership and a clear title to the property indicating that it has been occupied for at least one year prior to the date the application was submitted to ECD.
Location	The property must be within the approved target area.
Property Condition	The property must be in violation of the appropriate housing code and a determination made that the property justifies rehabilitation.
Ranking of Applicants	The Community must establish an effective rating system, based on need, which determines the order in which dwellings will be rehabilitated. A first-come, first-serve system is not recommended.

FINANCIAL ASSISTANCE

In the application, the Community has indicated the type of assistance it proposes to provide to eligible participants. In general, these should be grants. If it contemplates changing or altering the grant program, the Community must contact the State for approval.

TERMS AND CONDITIONS OF ASSISTANCE

Amount

The Community must determine the amount of assistance for which a homeowner is eligible. This should be the amount necessary to bring the dwelling up to the appropriate code requirements. The State does not recommend the use of a "ceiling" or a fixed sum on grant amounts.

Repayment

The State recommends that grants be repaid, in whole or in part only if the property is sold within five years. The State recommends that, in case of death, ownership should pass to immediate family. If they sell, the grant should be repaid. In other cases, the grant may be repaid. In general, financial assistance should be structured to benefit the homeowner and avoid real estate speculation.

ELIGIBLE REHABILITATION ACTIVITIES

Housing Code Violation Correction

The Community must emphasize to potential applicants that the funds are to be used to reform housing deficiencies that are revealed by the code inspection. The homeowner cannot pick and choose what they want done.

Incipient Code Violation Correction

An incipient violation exists if, at the time of inspection, an element of the dwelling which due to age, deterioration, wear or normal usage will deteriorate within the life of the grant and thus will become a code violation, (i.e., the replacement of asphalt roof shingles which are presently nineteen years old with a life expectancy of twenty years).

Kitchen Equipment

The Community may pay for the purchase and installation of items necessary for the preparation and storage of food. This is usually limited to stove, refrigerator, sink and cabinets and only if the existing equipment is non-existent, unsafe or unsanitary.

Permits and Fees

The Community must use rehabilitation funds for the payment of fees necessary to carry out the program. Title reports, recording and filing fees, audit reports may be covered. Building permits are usually paid for by the contractor and included in the rehabilitation contract documents.

Accessibility for the Handicapped

Costs associated with making the dwelling more convenient or accessible for handicapped persons are eligible expenses.

Addition of Bathrooms

Dwellings receiving water and sewer service for the first time are eligible to have bathroom additions.

INELIGIBLE COSTS

The Community should keep in mind that the basic goal of the program is to bring up to standard the dwellings in need of repair. Programs which keep to the basics derive the maximum of benefit from the funds available.

Programs which go beyond the fundamentals, and finance remodeling, cosmetic, or "general property improvements" (GPI) often find themselves accused of favoritism or wasting the taxpayers' money.

CONTRACTING FOR REHABILITATION WORK

The Community should make sure that each citizen comprehends the rehabilitation process and that the program is based on correcting those deficiencies that are revealed by the housing code inspection. The homeowner also needs to understand that the program entails a written contract (Exhibit G-16) and the role of the contractor.

The work write-up (Exhibit G-4), which is included in the contract, should be very detailed, describing the work to be done and indicating that this is a code item. The General Conditions and Specifications (Exhibit G-21) provide a standard of quality and workmanship.

Each contractor needs to apply for the program (Exhibit G-17), provide references and proof of insurance. It is highly recommended that a pre-bid conference be held to go over guidelines, codes, inspections, grievance procedures and method of payment.

The bidding procedure needs to be fully discussed so that each bidder understands the process. It is important that the process be open, public and that every effort be made to involve minority contractors.

CLOSE-OUT PROCEDURES

The Community must provide a final inspection; and the homeowner must sign a certification which indicates that he/she accepts the work that has been completed. When this has been done, the contractor can be paid.

ESTABLISH AN ESCROW ACCOUNT

In order to pay the contractors promptly, the Community must establish an escrow account. The account cannot earn interest and is only to pay rehabilitation costs.

REHABILITATION PROGRAM PROCEDURES

INTRODUCTION

The rehabilitation of a home under this program is a process requiring the close cooperation of the Community , the Homeowner, and the Contractor.

This section describes the specific procedures which will govern the mechanics of the rehabilitation process.

The rehabilitation process is composed of five distinct phases: (1) Pre-Application Phase; (2) Application Phase; (3) Bid Phase; (4) Construction Phase; and (5) Close-Out Phase. Each phase is detailed in the following sections, with sample documents following as exhibits.

There are typical inconveniences of rehabilitation work that should be explained to homeowners right away to avoid unpleasant surprises during the course of the job, such as:

- The family must expect to be inconvenienced by the work in progress and by the presence of the workers.
- Renovation projects may take longer than planned.
- The remodeling business is by nature inefficient and not tightly organized, so there will be days when nobody shows up or when a subcontractor will spend only an hour or two on the job. The family should be assured that this is normal.
- If there are any problems with the work during the project, the homeowner should not interfere directly, but must call the rehab specialist to work out the problem.
- Rehabilitation is at best an imprecise art, and will seldom produce a perfect job.

PRE-APPLICATION PHASE

Program Publicity

The success of a housing rehabilitation program is contingent upon the acceptance of the program by the intended recipients of assistance. This critical component of the rehabilitation program can be accomplished by a concerted effort to meet with project area residents and carefully explain the program. An invitation to a public hearing for this purpose should be mailed or hand delivered to each property owner and/or occupant. The public meeting is very important. The program guidelines and procedures should be clearly explained. The criteria for homeowner eligibility and the method of ranking should be explained in detail. The role and responsibilities of the Contractor, the Homeowner and the Community should be discussed. The grievance procedure should be explained. Questions should be dealt with in an honest, open and straight forward fashion. A list of home owners attending should be filed.

APPLICATION PHASE

Application Processing

The first step in the application phase is the taking of applications from project area residents. The program publicity efforts previously outlined will have resulted in inquiries from some project residents. In an effort to further elicit applicants, a letter may be sent to remaining project area residents requesting an interview.

Upon initial contact by the applicant, the Community Development office staff will briefly outline the program and determine basic eligibility through identification of the applicant's residence and estimated income. If the applicant appears eligible following this informal screening, an interview at the Community Development office or at the home will be scheduled. Applicants will be advised to bring:

- Warranty Deed for Property to be rehabilitated
- Property Insurance Policy
- Most recent real estate tax receipts for the property to be rehabilitated
- Most recent pay stubs for all adult members of the household and last year's tax returns
- If self-employed, last year's tax returns and a current financial statement
- Medical and extraordinary expense records

Community Development staff will review the program in detail with the applicant and complete the application form (Exhibit G-2).

Initial Inspection

Following the interview, verification of income, property ownership and other requirements of financial assistance must be secured (Exhibit G-2).

Applicants who appear to qualify following the interview will have an initial inspection of their home scheduled prior to receipt of verification. When eligibility is questionable, the inspection will be scheduled only after the verification establishing eligibility has been received.

The initial inspection is a critical component of the rehab process as it establishes final eligibility, identifies work to be undertaken on the home, and becomes the basis for evaluating the acceptability of bids. The Rehab Specialist will request the property owner to accompany him on his inspection and will solicit information from the owner on deficiencies in the home. The inspector will complete an Initial Housing Inspection Report (Exhibit G-4) which will identify all needed improvements to the property, including incipient violations. The results of the inspection will be discussed with the property owner and questions answered. The completed inspection report will be reviewed by the Community and the feasibility of rehabilitation determined. If, in the opinion of the Community based on advice from the Rehab Specialist, all major code violations cannot be corrected within the maximum grants allowed, rehabilitation assistance may be denied and clearance or other measures recommended. Owners whose property is not suitable for rehabilitation should be notified in writing, indicating the reasons, and a copy placed in the file (Exhibit G-3).

Work Write-Up and Cost Estimate

Properties found suitable for rehabilitation by the Community are now ready to have work write-ups and cost estimates prepared. The work write-up is the detailed description of the housing rehabilitation work required. Write-ups serve as the construction specifications and therefore, should be specific, clear and complete. A great deal of confusion and many problems between the homeowner and contractor are caused by vague, poorly written write-ups. **The State requires you to submit the first five write-ups and the contract <u>prior</u> to holding bids in order that they can be checked for clarity**.

After completion of the write-up, a cost estimate should be made on each item in the write-up. The cost estimate aids the Community in evaluating bid prices. The rehab specialist will review the write-up/cost estimate with the Owner so that the Owner understands all of the repairs to be made and has an idea of the cost. The Owner must then sign a statement accepting the repairs listed in the write-up and initial each page of the document (Exhibit G-4). In addition, all documentation regarding all materials, appliances, colors, etc. must be included with the write-up and each item must be initialed by the Owner. The acceptance of the repairs to be completed at the pre-bid stage will eliminate misunderstandings at a later date when work begins.

A special effort should be made to explain to homeowners that the program is intended to solve housing code violations first and then the incipient code violations. Each item on the work write-up should be directly related to resolving a code violation.

The Community may wish to add statements to the write-up to clarify certain items. For example, if the floors of the house cannot be made level but can be made stable, the write-up should include this so that the homeowner will not expect level floors.

BID PHASE

Bid Solicitation

The next step in the rehabilitation process is to initiate the bid phase. A bid package will be assembled consisting of the work write-up and related material. The Community will notify contractors on the contractors list of the property to be rehabilitated, the date bids must be received, and the location and time bid packages can be picked up. The Community must advertise publicly for contracts.

Bid Solicitation must be a free, open competitive process. Every effort must be made to solicit minority and female businesses. Absolute fairness must prevail in every aspect of the program, and any questions concerning conflict, or apparent conflict of interest should be discussed with the State.

We require that each house be bid separately, but several may be bid at the same time.

Bid Selection

Bids will be opened on the date and time previously established. A bid tabulation form will be prepared when multiple bids are submitted (Exhibit G-5). The owner, on the advice of the Community, will select the lowest qualified bid. Should the homeowner decide to select a bid other than the lowest qualified bid, the homeowner should state his reasons/justification in writing to the city/county director. If the homeowner's justification is not acceptable, the homeowner will be required to finance any rehabilitation amount which exceeds the lowest qualified bid through his/her personal resources.

The Rehab Specialist will advise the Owner to reject a bid in instances where the bid exceeds the cost estimate by 15%, unless a review of the cost estimate demonstrates an error. If a low bid is under the cost estimate by 15%, a meeting will be arranged with the contractor to assure that his cost is within reason and will allow him to satisfactorily complete the job.

There must be at least two bona fide bids received in order for an award to be made.

The Community may limit any one contractor to three awards at any one bid opening.

The Community may limit a new unknown contractor to one award until they have demonstrated the ability to perform.

Upon final selection, a contract will be prepared and all bidders notified of the bid selection. Applicants whose eligibility is marginal, either due to income or the cost of rehabilitation, will be submitted to the city/county coordinator for review. Upon the application approval, the total rehabilitation costs, as well as the type and amount of financial assistance the owner will receive, are carefully reviewed. The Owner will be given a Notice of Approval (Exhibit G-6) which will formally notify the Owner of his/her eligibility to receive financial assistance, the amount of assistance and any conditions under which the assistance is offered. The Owner will be required to sign a grant agreement (Exhibit G-7).

Contract Award

Following application approval, a rehabilitation contract will be prepared (Exhibit G-16).

By this time, the contractor must have provided proof of liability insurance. Following receipt of satisfactory proof, a pre-construction conference will be held at the applicant's home. The Rehab Specialist will bring the contract for the Owner's and the contractor's signatures and will again review, in detail the work to be undertaken. The procedures to be utilized for inspection, change orders, grievance and close-out will also be reviewed with the owner and contractor.

Change Orders

In many housing rehabilitation situations, it is not uncommon for a change in the scope of the work to occur. For example, the work write-up may call for replacing the existing wall covering (drywall, paneling, etc.), and it is discovered that the wall studs have severe termite damage which must be replaced. This was not anticipated in the work write-up and a change is now required to correct the unanticipated problem. In this example, a change order (Exhibit G-11) should be initiated. Since a change order becomes a binding part of the contract, the

owner and contractor should sign it, with prior approval of the Program Director and the State. The Community should call the State if the change order is more than 5% of the rehabilitation contract.

CONSTRUCTION PHASE

Notice to Proceed

The construction phase begins with the issuance of the Notice to Proceed (Exhibit G-9). The Notice instructs the contractor to begin work and establishes the project completion date. The Notice to Proceed will, in most cases, be issued at contract signing. Issuance may be delayed because of the contractor's workload or other relevant factors.

Inspection of Construction

As construction begins, the Rehab Specialist will make on-site inspections of the work. A Construction Progress Report (Exhibit G-10) will be prepared on the findings of each inspection. The frequency with which inspections are necessary will vary depending on the quality of the contractor and the nature and complexity of the work itself. As a general rule, the program's inspector should be on-site the first day construction begins, and then on a regular basis until completion of the job.

CLOSE-OUT PHASE

Final Inspection

After completion of all repairs in the work write-up and change order, a final inspection should be made by the city/county's Rehab Specialist. The Rehab Specialist and the contractor should make the final inspection together. In most instances, the "final inspection" does not turn out to be final. If additional work, clean-up, or corrections need to be accomplished, a written punch list is developed by the rehab specialist. This punch list is simply a detailed itemized list of all items remaining to be completed. The contractor is provided this list with instructions that upon completion of all items and inspection of the same, final payment will be made. Immediately after completion of all punch list items, a Certificate of Completion and Final Inspection (Exhibit G-14) is prepared and signed by the Rehab Specialist. This form indicates that all work is complete in accordance with the contract and change orders and further indicates the willingness of the Community Development Department to initiate close-out procedures.

Contract Close-Out

Upon completion of the Certificate of Final Inspection, the contractor must submit all invoices for materials utilized in construction and statements from all subcontractors involved in the project; a Contractor's Final Invoice, Release of Liens, and Warranty (Exhibit G-12); and a Contractor's Non-Kickback

Certification (Exhibit G-13). The Rehab Specialist will review all the documents for accuracy and completion. Particular attention will be focused on the Waiver of Lien to insure that all suppliers and subcontractors, as identified by the materials, invoices and statements submitted by the contractor, along with the Final Invoice, have released the project from lien action. The property owner will be supplied with a copy of these documents. Upon receipt of these forms, the city/county will prepare a check for the outstanding amount due to the contractor in the name of the owner and the contractor. The city/county will then secure the owner's endorsement on the check and deliver it to the contractor. The delivery of the check and the contractor's acknowledgement of Receipt of the Final Payment (Exhibit G-15) constitutes the completion of the rehabilitation case.

INFORMATION FOR CONTRACTORS

- Contractors should be made aware that they may be ineligible to bid if they owe material suppliers, have been slow to complete work, or have outstanding complaints against them by homeowners in the target area.

- Contractors should complete the Contractor's Data Form (Exhibit G-17) and the Community should file the form.

- The Community should hold a contractor's meeting for all interested contractors and review the following items:

  - Application form (Exhibit G-17)
  - The Community's Policies and Procedures
  - Equal opportunity and labor requirements
  - Codes, inspections, work write-ups, the role of electrical and plumbing inspectors
  - Bidding procedures
  - Payment procedures
  - Grievance procedures
  - General Conditions and Specifications
  - Insurance Requirements
  - Lead Based Paint – Requirements and Procedures

- The Community should make available to the contractors samples of forms, releases, and documents used by the Community.

- Rehabilitation work write-up - The Community should make sure that contractors have a clear understanding of what is included in the work write-up and the General Conditions and Specifications for rehabilitation.

- The Community should carefully discuss the bidding procedures, the tabulation of bids and basis for determing the low bid.

SAMPLE SET OF POLICIES AND PROCEDURES

REHABILITATION PROGRAM POLICIES FOR THE COMMUNITY OF

_____

INTRODUCTION

This rehabilitation plan sets forth the policies and procedures governing the operation of the *(Community)* housing rehabilitation project.

PURPOSE

This program will make available financial and/or technical assistance for the rehabilitation of all eligible substandard owner occupied housing units located in the target area. Rehabilitation work will correct deficiencies in the eligible home and make the units safe, sound and sanitary for their occupants.

AUTHORITY

The legal authority for this rehabilitation program comes from *(contract number GG-)* with the Tennessee Department of Economic and Community Development, Public Law 93383 (the Housing and Community Development Act of 1974) as well as State and local laws.

CONDEMNATION

During the life of this CDBG program in the target area, no houses will be condemned and no persons will be forced to move permanently.

PROGRAM RESOURCES

The source of funds for the undertaking of rehabilitation activities is a grant in the amount of *(amount)* which the Community has been awarded by the State of Tennessee through the U.S. Department of Housing and Urban Development Small Cities Community Development Block Grant program.

APPLICABLE LAWS

The local governing bodies, contractors, sub-contractors, vendors and applicants for rehabilitation assistance are required to abide by a number of State and Federal laws, and may be required to sign documents certifying their compliance.

- The Civil Rights Act of 1974
- Executive Order 11246 concerning Equal Employment Opportunity
- Standards of Conduct for CDBG Recipients - Conflict of Interest
- Notice of Requirement for Action to Ensure Equal Employment Opportunity
- Standard of Equal Opportunity Construction Contract Specifications
- Certification of Non-Segregated Facilities for Contracts over $10,000.00
- Title VI of Civil Rights Act of 1964 Provisions
- Section 109 of Housing and Community Development Act of 1974 Provisions
- Section 3 Compliance Provisions
- Age Discrimination Act of 1975 Provisions
- Section 504 Affirmative Action for Handicapped Workers Provisions
- Lead-based Paint Hazard Provisions (Title X)
- Access to Records/Maintenance of Records Provisions
- Conflict of Interest Provisions

ELIGIBILITY REQUIREMENTS

INTRODUCTION

This section sets forth the eligibility requirements for the applicant to receive a rehabilitation grant and describes property to be rehabilitated. Applicant eligibility shall be determined by the program director, subject to the approval by the Mayor and/or the Community council. The city council shall have the right to waive rehabilitation assistance, limits and eligibility criteria on a case-by-case basis as justified by unique or unusual circumstances and with the approval of the State.

DEFINITION

The following are definitions of the various terms used with respect to eligibility requirements of the applicant:

Elderly — At least 62 years old at the time the grant application was submitted to the State.

Disability — Receiving disability benefits from Social Security, a pension program, life insurance program, or a total or partial physical impairment which renders the person unable to work. Where there exists reasonable question, a doctor's certification will be used.

Income — All persons receiving benefits under the program must be of low/moderate income. Income limits for rehabilitation grants are tied to the county/city median income. Income to be reported by an applicant refers to income of the household, which includes income of the applicant, the spouse and other owner occupants residing in the same dwelling unit.

LMI Income — Low/moderate income of the residents of *(Community)* has been established by ECD.

PERSONS PER HOUSEHOLD	ANNUAL INCOME LIMIT①
1	$_____
2	$_____
3	$_____
4	$_____
5	$_____
6	$_____
7	$_____
8	$_____

① Contact ECD for LMI Threshold Tables

Owner-Occupant	A person who occupies a dwelling used entirely for residential purposes who owns the dwelling unit by holding a fee simple title, or life-estate title, for at least one year prior to application.
Target Area	That area which was described in the original application submitted to ECD.
Female Head-of-Household	A household headed by a female adult who is the sole source of income and all other occupants are dependents.

ELIGIBILITY CRITERIA

The following criteria must be satisfied by all applicants in order to become eligible for a rehabilitation grant.

- The applicant must be of low/moderate income.
- The applicant must have been an owner-occupant of the property to be rehabilitated for a period of not less than one year prior to the date the original application was submitted.
- The applicant must reside in a dwelling unit located within the target area.
- The applicant must apply for assistance (Exhibit G-2).

PRIORITIZATION OF APPLICANTS

The awarding of rehabilitation grants to eligible applicants will be based on priority according to which households are in greatest need for housing assistance. Houses will be rehabilitated in descending order, the household with most need first, the next household second, and so on until the funds are expended. If all eligible houses within the target area have been rehabilitated, the Community will notify the State before any additional expenditures are made.

RATING SYSTEM

The rating system is based on points. The most needy household will have the highest number of points. Information for determination of points is taken from the application (Exhibit G-2) submitted by the homeowner. Each application shall be rated.

INCOME/FAMILY SIZE

FAMILY SIZE	ANNUAL INCOME①
1	$_____
2	$_____
3	$_____
4	$_____
5	$_____
6	$_____
7	$_____
8	$_____

① Annual Income figures from ECD.

If the income based on family size is less than the stated figure, the household will receive extra points.

If 80% to 99% less	-	add 80 points
If 60% to 80% less	-	add 60 points
If 40% to 60% less	-	add 40 points
If less than 40%	-	add 20 points

NUMBER IN HOUSEHOLD

1 ..... 5 points
2 ..... 10 points
3 ..... 15 points
4 ..... 20 points
5 ..... 25 points
6 ..... 30 points
7 ..... 35 points
8 ..... 40 points

NUMBER OF ELDERLY (OVER 62)

10 points per person

NUMBER OF HANDICAPPED OR DISABLED

10 points per person

FEMALE HEAD OF HOUSEHOLD

10 points

NUMBER OF PERSONS 18 YEARS OLD OR YOUNGER

10 points per person

Individual residing in the household can be counted more than once. For example, a child 12 years old (10 pts) who is handicapped (10 pts) would count twenty (20) points.

CONDITION OF THE DWELLING STRUCTURE

Standard	No points
Substandard	15-30 points
Life threatening due to faulty electrical, roof, foundation, or plumbing	30-50 points

ELIGIBILITY REQUIREMENTS OF PROPERTY TO BE REHABILITATED

This section sets forth definitions and eligibility criteria of residential property that will be considered for rehabilitation.

DEFINITIONS

The following are definitions of the various terms used with respect to eligibility requirements of property to be rehabilitated.

Dwelling Unit	A housing structure which is used entirely for residential purposes.
Single Family	Designed for single-family use, although more than one family may be residing therein, if every resident has access to all parts of the structure.
Substandard	Failing to meet the minimum housing requirements as set forth in the housing code of the Community, or as defined by the application.

ELIGIBILITY CRITERIA

- The dwelling unit must be located within the target area.
- The dwelling unit must be classified as substandard, based on a written, detailed inspection report by a qualified housing inspector.
- The dwelling must be an owner occupied family dwelling unit.
- Both units of a duplex are eligible if one is owner occupied and the second unit is occupied by a member(s) of the owner's family.
- If the dwelling lies within a flood zone, coverage under the National Flood Insurance Program must be carried by the homeowner.
- Vacant dwellings may be eligible if their owners are eligible, if the dwelling has been vacant due to its substandard conditions, and if the owner will occupy the dwelling upon completion.
- A mobile home is eligible if <u>both</u> the land and the mobile home are owned by the applicant.

DWELLING UNITS LOCATED IN A FLOODPLAIN

All acquisition, relocation, rehabilitation and elevation of dwellings within the floodplain are voluntary. The homeowner can not be forced to relocate. The most desirable goal is a sensible, cost effective approach that relocates as many families as possible from the floodplain to another location.

As a general policy, the city/county may offer to voluntarily relocate families from the floodplain to new or rehabilitated housing. This relocation housing should meet codes, be at least comparable in size, cost and quality. It may be newly constructed, existing or rehabilitated housing. The city/county is not obligated to provide relocation housing that is extravagant. The city/county will acquire and demolish the old dwelling and take possession of the site to prohibit future building in the floodplain.

In as much as the city/county will offer to buy a comparable or better structure outside of the floodplain, there is little justification for the expenditure of funds to rehabilitate or elevate structures located within the floodplain (which possibly could be flooded the day after they are completed). Only under special circumstances will the city consider repairs to or the elevations of structures located within the floodplain and only with the prior approval of ECD.

INCOME USED TO DETERMINE ELIGIBILITY

INTRODUCTION

This section sets forth the basis for determining the income of the applicant and the applicant's household for the purposes of a rehabilitation grant for a residential dwelling unit.

DEFINITION

The total income of the applicant's household as reported on Exhibit G-2 will be used to classify the household for purposes of eligibility.

INCOME OF APPLICANT'S HOUSEHOLD

The income of the applicant's household to be reported for purposes of eligibility is the sum of the income of the applicant, the applicant's spouse, and any other owner occupants.

EXCLUDED MEMBER OF THE HOUSEHOLD

The income of the following persons residing in the dwelling unit will be excluded:

- Applicant's dependents, as defined by Federal income tax law.
- Non-dependent adult members of the applicant's family who have no ownership rights in the dwelling unit, including any person related to the applicants by reason of blood or marriage.
- Any other individual other than applicant's spouse who has no ownership rights in the dwelling unit.

ANNUAL BASIS FOR INCOME DETERMINATION

The income for each individual is to be calculated on an annual basis.

SOURCES OF FUNDS COMPRISING INCOME

The following sources of funds will be included in the determination of annual income of each person whose income is to be used in the establishment of household income for purposes of a rehabilitation grant:

Gross Wages or Salary	The total money earned as work performed as an employee, before any deductions such as income taxes and social security.
Self-Employment Income	The net money income (gross receipts minus operating expenses) from a business enterprise in which the applicant is engaged on his own account.
Other Income Regularly Received	Money income that is regularly received by the person from such sources as social security, retirement or pension funds, insurance policy annuities and any funds regularly received for purposes of rent, current maintenance, or other household expenses that are paid by a resident of the dwelling unit whose income is excluded from the determination of household income.

EXCLUSIONS FROM DETERMINATIONS OF INCOME

The following sources of funds will be excluded in the determination of annual income of each person whose income is to be used in the establishment of household income.

Educational Benefits from Social Security	The income from these payments to minors.
Non-Cash Income	Excluded is compensation received in any other form than cash and the value of items such as food stamps.
Cash Welfare Payments	Welfare payments under Federal, State or local programs are excluded.
One-Time Unearned Income	Sources of one-time unearned income are excluded from the determination of income. For example, accident, health and casualty insurance proceeds.

TERMS, CONDITIONS AND CONSIDERATIONS IN AWARDING GRANTS

INTRODUCTION

This section sets forth certain terms, conditions and considerations which are in effect in the Community housing rehabilitation program.

DETERMINATION OF THE AMOUNT OF THE GRANT

The amount of a rehabilitation grant that an applicant may receive will not exceed:

- The actual and approved cost of the repairs and improvements necessary to make the dwelling unit conform to the housing standards adopted by the Community.

- The amount and structure of the grant must be consistent with the application submitted to ECD.
- When the applicant is furnishing supplementary funds from other sources, evidence that actual funds are available will consist of verification and documentation by the Community that the applicant has deposited the required amount in the appropriate escrow account. Such deposit must be made before the grant application and any construction work can begin.

STRUCTURE OF FINANCIAL ASSISTANCE

The Community offers financial assistance in the following form for:

- rehabilitation of existing dwellings
- construction on new dwellings (onsite relocation)
- construction of a new dwelling or rehabilitation as a result of relocation to another site.

DIRECT GRANT

- CDBG funds are used to make outright grants to property owners to cover the full cost of needed rehabilitation work. The owner does not normally make any repayment.

Example	Cost of Rehabilitation Work	$8,000.00
	Full Grant	$8,000.00

- To prevent owners from simply selling the property and profiting from the CDBG funded improvements, the owners must repay the program if they sell the property within five years. Part of the owner's obligation is forgiven each year they live on the property.
- Repayment of the rehabilitation grant or relocation shall be based on a twenty percent (20%) reduction of the amount to be repaid per year, according to the following schedule:

0 - 12 months	100% repayment
after one (1) year	80% repayment
after two (2) years	60% repayment
after three (3) years	40% repayment
after four (4) years	20% repayment
after five (5) years	0% repayment

- A lien (Exhibit G-7) is placed against the property and is activated if the owner attempts to sell within five years.
- If the property is inherited by a blood relative or sold to an eligible person under the guidelines, repayment may be deferred.

If the owner dies during the five year period of the grant and the heir(s) sell the dwelling, then repayment will follow the same schedule as if the owner were alive and selling the dwelling.

OTHER GRANT CONDITIONS

Specific terms and conditions are incorporated in the grant application and the contract documents. The applicant agrees to:

- Allow inspection by the Community of the property and the rehabilitation whenever the Community determines that such inspection is necessary.
- Furnish complete, truthful and proper information as needed to determine eligibility for receipt of rehabilitation grant money.
- The grant is made to the homeowner in the expectation that the homeowner will occupy the dwelling for at least five years as a primary residence and to this end a lien (G-7) is recorded. It is also the intent of the grant that the dwelling not be converted to rental property and this is covered in paragraph 4 of the Lien (G-7).
- Permit the contractor to use, at no cost, existing utilities such as gas, water and electricity which are necessary to the performance and completion of the work.
- Cooperate fully with the Community and the contractor to insure that the rehabilitation work will be carried out promptly.
- Permit the contractor clear access to the dwelling in order to make repairs. If the contractor determines that he can not safely make repairs because the dwelling is filled with debris, junk or personal belongings, then the Community may require the homeowner to remove or authorize in writing the removal of the material before proceeding with rehabilitation work.
- All state and local property taxes must be paid up prior to start of work.

GRIEVANCE PROCEDURE

Disputes between the homeowner, Community and contractor may arise from time to time during the life of the rehabilitation project. In those instances where a mutually satisfactory agreement cannot be reached between the parties the grievance procedure will be followed.

The Grievance Procedure should be made a part of the contract between the homeowner and the contractor.

POLICIES AND PROCEDURES

Grievances relating to policies and procedures of the rehabilitation program.

- The grievance by the homeowner or contractor is to be filed with the program administrator in writing.
- The program administrator will meet with the homeowner/contractor and attempt to negotiate a solution.
- If this fails, the program administrator will forward the complaint and documentation of his attempts to resolve it to the local elected body who shall make a determination.

PERFORMANCE

The rehabilitation contract is between the homeowner and the contractor. The following procedures must be instituted in an effort to resolve any complaints about the performance of the rehabilitation contract:

- The homeowner must contact the contractor initially and inform him of the grievance.
- If this fails, the homeowner must file a written grievance with the Community. The project administrator will meet with both the contractor and the homeowner in an effort to reach a mutual solution.
- If this fails, the project administrator should forward the grievance to the local elected board for their deliberation.
- If this fails, the affected party may institute litigation.
- The Community should keep documents and records of the grievance procedure. The Community may release funds to the contractor for items in the work write-up which are complete and undisputed.

THE WRITTEN CONTRACT

The contract and the rehabilitation specifications, along with the housing code report provide the basic document by which the relative merits of any dispute will be judged.

INTEREST OF PUBLIC OFFICIALS

No elected or appointed Federal, State and local official, member of the local governing body, or any other public official or employee who exercises any functions or responsibilities in conjunction with the administration of the housing rehabilitation shall have any interest, direct or indirect, in the proceeds or benefits of the rehabilitation grant program. In those cases where the interest may not be direct or indirect and the conflict of interest is only "apparent", the Community must contact ECD for clarification before proceeding.

KICKBACKS AND DISCOUNTS

No member of the governing body of the Community or any Community employee shall receive kickbacks or discounts from either contractors or property owners in return for special favors in regard to housing rehabilitation.

ELIGIBLE REHABILITATION ACTIVITIES

INTRODUCTION

A rehabilitation grant may be made only to cover the cost of rehabilitation necessary to make an owner-occupied single-family dwelling unit conform to the housing code and adopted by the Community and consistent with the application submitted to ECD.

EXISTING CODE VIOLATIONS

Costs includable in rehabilitation grants are the costs of correcting existing housing code violations which have been determined by a qualified housing inspector and formalized in an individualized housing report.

INCIPIENT CODE VIOLATIONS

An incipient violation exists if at the time of inspection an element in the structure which, due to age, deterioration, wear, or normal usage will deteriorate within the life of the grant period and thus become code violations. Costs to correct these potential violations are eligible costs.

PERMITS AND FEES

Rehabilitation funds may be used to cover the cost of building permits and related fees required to carry out the proposed rehabilitation work. However, since the rehabilitation contract documents will require the contractor to pay them, these costs ordinarily would be included in the contract amount. Recording and filing fees are eligible costs.

EQUIPMENT

Rehabilitation funds may provide for the repair or purchase and installation of certain basic equipment necessary for the maintenance of the household in a safe, sanitary and healthy environment. These include such items as heating/air conditioning unit, hot water tank, electrical and sanitary fixtures, kitchen stove, refrigerator, cabinets and sinks. Purchase and installation is acceptable if there is no such equipment in the dwelling or if the existing equipment is unsafe, unsanitary or non-functional.

DISABLED

The Community **must** contact ECD if it is considering providing new construction or housing rehabilitation services to a disabled individual and the work write-up must be approved by ECD prior to bidding.

The Community should enlist the assistance of a qualified professional who is familiar and knowledgeable with the type of disability the homeowner has and can make suggestions as to the appropriateness of the proposed construction/rehabilitation and its compliance with the Federal requirements.

The standards for new housing construction and rehabilitation for disabled persons are covered by the "Uniform Federal Accessibility Standards" (UFAS) and/or by the American National Standards Institute (ANSI A117.1) "Specifications for Making Buildings and Facilities Accessible to and Usable by Physically Handicapped People".

ENERGY CONSERVATION

All costs associated with weatherization and energy conservation as determined by the housing inspector or TVA.

LEAD BASED PAINT ACTIVITIES

As part of the rehabilitation process the grantee must insure that the appropriate lead based paint regulations are followed, the activities are carried out by appropriately trained and certified individuals, and the results documented. All labor, inspection, testing and material costs are eligible expenses.

FLOOD INSURANCE

Purchase of flood insurance for a period equal to the length of the grant if the property lies in a floodplain.

EXTERIOR PAINTING

Exterior painting is an eligible cost when it is necessary to maintain a watertight exterior on the dwelling. Exterior painting and the addition of siding for cosmetic purposes are not eligible costs.

FIRE ALARMS

All new construction shall include a hard-wired and a battery operated smoke detector.

All dwellings being rehabilitated shall, if possible, include a hard-wired smoke detector and must include a battery operated smoke detector.

OTHER COSTS

Vacant, dilapidated houses can be demolished with owner's permission, or appropriate legal action.

The removal of trash, debris, junk cars, and out buildings are eligible activities.

Minor efforts to improve drainage and reduce flooding are eligible.

Rehabilitation costs not specifically required by the housing rehabilitation standards found necessary for the safety, health and general welfare of the occupants of the structure may be considered for eligibility, with prior consent of the local governing body and ECD.

OWNER-OCCUPIED MOBILE HOMES

In order to be eligible a mobile home (trailer) owner must also own the land upon which the mobile home rests. In general, a mobile home owner is eligible for a new mobile home, manufactured home or a stick built home. Whichever is the most feasible.

INELIGIBLE COSTS

In general, rehabilitation grants shall not be used for:

- New construction, substantial reconstruction, or the finishing of unfinished space such as attics or basements.
- Remodeling, cosmetic, or "General Property Improvements".

- Renovation of dilapidated out buildings.
- Appliances, not required by code standards.
- Materials, fixtures, equipment, or landscaping of type or quality that exceeds that customarily used in the locality for properties of the same general type as the property to be rehabilitated.

WORK WRITE-UP

The Community will prepare a work write-up incorporating the code inspection report and documenting on a room-by-room, item-by-item basis the rehabilitation work to be performed by the contractor.

VOLUNTARY RELOCATION AND DILAPIDATED DWELLINGS

Some houses are so dilapidated that when they are bid out for rehabilitation, the cost of rehabilitation is close to or more than the cost of constructing a new house. It really is not cost effective to rehabilitate the structure, and the Community would benefit from new construction.

In this case the structure can be acquired, demolished, and a new structure built using relocation funds on the same site, or if necessary, another site.

This is a voluntary program and the City/County will not condemn any houses during the life of the CDBG Program nor will it force any homeowner to move.

NOTE: If the determination is made that a new structure will be built, then the funds must be requested from the “Relocation” line item in the budget not under “Housing Rehabilitation” and the forms and process described in the Relocation Chapter will apply.

HOUSING REHABILITATION SPECIFICATIONS

INTRODUCTION

This section sets forth the responsibilities of the Community for determining the rehabilitation work necessary to bring a dwelling into conformance with the minimum code adopted by the Community, and with the objective of the program as proposed in the application submitted to ECD. The Community will:

- Inspect the property and prepare an inspection list noting code deficiencies.
- Prepare a preliminary work write-up and cost estimate of the work to be done which will correct the code deficiencies.
- Consult with and advise the owner of the work to be done and the availability of a rehabilitation grant.
- Prepare a final work write-up and cost estimate as a basis for a rehabilitation grant and for the bid process in contracting for the rehabilitation work.

PROPERTY INSPECTION AND SPECIFICATIONS CHECKLIST

The Community will have the property inspected and prepare a code report that identifies each deficiency with respect to the housing code adopted by the Community and other deficiencies which may be eligible for correction through the rehabilitation grant. This code report provides a proper basis for the preparation of the work write-up, cost estimate and contract specifications.

WORK WRITE-UP AND COST ESTIMATE

The work write-up and cost estimate is a statement based on the code inspection and itemizes all the rehabilitation work to be done on the dwelling and includes an estimate of the cost of each item. The cost estimate will be reasonable, reflect prevailing labor and material costs, and reflect profit for the contractor.

Dual-Use of Work Write-Up — The write-up will be detailed and specific in style. Each item will be identified as correcting a code violation, meeting a code requirement, or an eligible cost under the grant. This same write-up without the cost estimate will serve as the specifications for the construction contract documents.

Itemizing Costs — Each item of work and its estimated cost will be identified in the work write-up as either correcting a code violation, meeting a code requirement, or eligible under the grant. This will be done on the work write-up by entering the cost estimates in a columnar arrangement.

Owner Preference — A preliminary work write-up need not contain details that have no significant effect on cost, such as color, style or pattern. The term "to be selected by owner" may be used appropriately.

CONSULTATION WITH HOMEOWNER/APPLICANT

The Community will consult with the prospective applicant on the work write-up and cost estimate. The Community will advise the applicant that only work that is directed toward correcting a code violation, meeting a code requirement or an eligible activity can be funded by the grant. The homeowner must understand that "general property improvements" or "cosmetic" improvements are not eligible for funding. The final work write-up (without costs) will be used by contractors for determining their bids and incorporated into the rehabilitation contract documents which the homeowner and contractor will sign. The homeowner should sign each page of the write-up.

CLEARLY WRITTEN SPECIFICATIONS

The work write-up will be written so that it provides a clear detailed understanding of the nature and scope of the work to be done and a basis for carefully determined bids and proposals from contractors. The homeowner shall have a clear understanding of the nature and scope of the work to be done and any limitations that may exist. The

Community should refer to the General Conditions and Specifications (Exhibit G-21) where appropriate.

- Each specification will show the nature and location of the work and the quantity and type of material required.
- The specifications will refer to manufacturer's brand names or association standards to identify quality of material and equipment and may make provisions for acceptable substitutes or quality and brand name requirements may be included in the "General Conditions and Specifications" as indicated by reference in the work write-up.

CONTRACTING FOR REHABILITATION WORK

INTRODUCTION

This section sets forth requirements and procedures with respect to the construction contracts for housing rehabilitation financed through a rehabilitation grant. Rehabilitation work will be undertaken only through a written contract between the contractor and the property owner receiving the grant.

Form of Contract — The construction contract will consist of a single document signed by the contractor and the property owner, following approval of the grant application. It will contain a bid, the Community's General Conditions and Specifications by reference, the work write-up which specifies the work to be done, and the existing code violations.

Use of Alternatives — The document prepared by the Community may contain alternates by which each bidder may increase or decrease the lump sum contract price.

Procurement of Bids — The Community will advertise openly and publicly for bids and encourage minority and female owned firms to bid on its projects.

GENERAL CONDITIONS

The bid package will include the following:

- The address, time and date by which the bid should be submitted by the contractor
- A provision that the bid be accepted by the homeowner within a specified length of time
- A provision that the contractor start work within a specified length of time
- A statement concerning the acceptability of progress payments

- A provision that final payment on the contract amount will be made only after final inspection, acceptance of all work by the Community and the homeowner, and after the Community receives the contractor's invoice and release of liens, and claims for liens by the subcontractor, laborers and material suppliers for completed work or supplied materials.
- Provisions that the contractor will be required to:
  - Obtain and pay for all permits and licenses necessary for the completion and execution of the work and labor to be performed.
  - Perform all work in conformance with applicable local codes and requirements whether or not covered by the specifications and drawings for the work.
  - Keep the premises clean and orderly during the course of the work and remove all debris at the completion of the work. Materials that have been removed and replaced as part of the work shall belong to the contractor.
  - Not assign the contract without written consent of the Community and homeowner.
  - Guarantee the work performed for a period of one year from the date of final acceptance of all work required by the contract. Furthermore, furnish the owner, in care of the Community, with all manufacturers' and suppliers' written guarantees and warranties covering materials and equipment furnished under the contract.
  - Include a statement as to whether the premises are to be either occupied or vacant during the course of construction work.
  - A provision that the contractor may use existing utilities without payment during the course of the work.

DAVIS-BACON FEDERAL WAGE RATES

Single-dwelling housing rehabilitation work is exempt from Davis-Bacon wage rates. However, other projects involving labor associated with the rehabilitation program may require Davis-Bacon wage rates. The Community will contact the Tennessee Department of Economic and Community Development prior to bidding these projects.

INSURANCE

The Contractor shall carry or require that there be carried Workmen's Compensation Insurance for all his employees and those of his subcontractors engaged in work at the site in accordance with Tennessee State Workmen's Compensation Laws.

The contractor shall carry or require that there be carried Manufacturer's and Contractor's Public Liability Insurance, in an amount not less than $100,000 for injuries including accidental death to any one person and for one accident, and to protect the contractor and the subcontractors against claims for injury to or death of one or more than one person because of accidents which may occur or result from operations under the contract. Such insurance shall cover the use of all equipment including but not limited to excavating machinery, trenching machines, cranes, hoists, rollers, concrete

mixers, and motor vehicles in the construction of the rehabilitation embraced in their contract. The contractor shall carry, during the life of the contract, Property Damage Insurance in the amount of not less than $50,000 to protect him and his subcontractors from claims for property damage which might arise from operations under their contract.

NOTE: The Community is advised to consult with its attorney to insure that the extent, limit and amount of contractors insurance is consistent with the scope of the project and current State law.

Before commencing work, the contractor shall submit evidence of the coverage required to the Community Rehabilitation officer. A certificate of insurance shall be presented as the evidence.

WORK WRITE-UPS, SPECIFICATIONS AND DRAWINGS

The specifications, based on the code inspection, the work write-up and illustrative sketches, if any, covering the specific rehabilitation work for each property to be rehabilitated will be prepared by the Community. They will:

- Clearly identify the code violation
- Work to correct those violations
- The Community's estimated cost for rehabilitation
- Any unusual features or limitations
- Will be signed on each page by the homeowner

INELIGIBLE CONTRACTORS

The City may determine a contractor ineligible to bid on projects when:

- There is documented proof that the contractor has not paid material suppliers.
- That the contractor has not completed projects within the allotted time frame.
- When there exist complaints by homeowners about quality of work and performance.

LICENSURE OF HOME IMPROVEMENT CONTRACTORS

You must follow State law which can be found at Tennessee Code Annotated, Section 62-6-102.

Each year attempts are made to change this law. You should contact the Home Improvement Commission in Nashville at 1-800-544-7693 to see what the law is in your area. The City/County can for the life of the CDBG Program require that all contractors be licensed. This should be done when the Policies and Procedures are adopted. All construction over $25,000 must be done by a licensed contractor.

PERFORMANCE BOND

A performance bond is not required for CDBG rehabilitation work because the contractor is not paid until the work is complete and approved.

INVITATION TO CONTRACTORS FOR BID AND PROPOSAL

- Announce program and advertise for contractors in local and/or regional newspapers at the beginning of the program and once each year thereafter.
- Accept applications from contractors throughout the life of the program.
- Develop and maintain a list of contractors, including minority- and female-headed firms within the region.
- Notify in a timely fashion in writing all contractors on list when bid packages are available.
- Document when and to whom invitations to bid are sent out and packages picked up.

SELECTION OF A SUCCESSFUL BIDDER

The opening of the sealed bids must meet these conditions:

- The opening must be open to the public.
- The community will establish cost of rehabilitation based on the write-up and then determine a high (plus 15%) and low (minus 15%) range of acceptable bids. The lowest bid will prevail unless it falls outside of the acceptable range. If the bids are too high, the community may reject all bids and rebid the project.

  The community can not negotiate with a high bidder by eliminating some of the work write-up items to bring the bid down within the acceptable range. The community should remove the items from the write-up and rebid the project.

  When new construction is bid the low bid shall prevail. However, the community reserves the right to reject any and all bids.
- There must be at least two competitive bids by eligible contractors.
- Minutes of the award and bid tabulations should be appropriately filed.
- Questions concerning contractor eligibility shall be decided prior to opening bids. (Page 31)
- Notify ECD to determine if contractors are debarred or not.
- The Community may limit the number of bids awarded to any one contractor at any one bid letting to 3.
- The Community may limit a new/unknown contractor to one award.

AWARD OF CONSTRUCTION CONTRACT

The contract will become effective upon the signatures of the homeowner and contractor and with the Community's endorsement. The Community will distribute the executed contract documents as follows: original to Community, copy to homeowner, copy to contractor.

INSPECTION, CLOSE-OUT AND PAYMENT FOR REHABILITATION WORK

INTRODUCTION

This section sets forth the requirements for inspection, the close-out and final payment procedures for rehabilitation grants.

RESPONSIBILITY FOR MAKING INSPECTIONS

Inspection of construction will be performed by the Community or its designate as follows:

- Compliance inspections will be made as often as necessary to assure that the work is being completed in accordance with the Community's building, electrical, mechanical, plumbing, zoning codes and any other related State or local laws and ordinances.
- Terms and conditions of the contract. Inspections will be made as often as necessary to assure that the work being performed is in accordance with the terms of the construction contract.
- A written report will be filed after each inspection.

PROGRESS PAYMENTS AND FINAL PAYMENTS

IF progress payments are allowed by the Community, the following conditions exist:

- The funds must be escrowed with the Community.
- If the Community determined from the inspection that the completed work is satisfactory, the Community may issue a progress payment check from the escrow account payable to the contractor.
- No more than one progress payment can be made and the payment cannot exceed 80% of value of the labor and materials used as of the date of inspection.

FINAL INSPECTION

- Upon completion of the rehabilitation work, a final inspection is held, and any uncompleted or work that is unsatisfactory is noted on a final "punch list". When these items are completed, the contract is complete.
- Certification: After the Community determines that the rehabilitation work has been fully and satisfactorily completed, it will prepare a Certificate of Final Inspection (Exhibit G-14).
- Owner Statement of Acceptance: The homeowner signs the Certificate of Completion and Final Inspection (Exhibit G-14) indicating that he accepts the rehabilitation work as meeting the terms and conditions of the contract.

- Making Final Payments: When the final inspection determines that the work is completed in accordance with the contract and the homeowner has accepted the work, the Community will obtain from the contractor a release of liens, including all subcontractors and suppliers, and a copy of each warranty due the owner for the work. The Community may make final payment at that time.

  The homeowner may refuse to sign the Certification of Completion and Final Inspection form because they feel that some of the work items are not correctly done or complete. They believe that if they sign then the contractor will not make the corrections because he has been paid. On the other hand, it is not fair to the contractor for the whole contract amount he is due to be held up over minor items.

  The Community may authorize full payment for those items which are not disputed and acceptable to all parties.

  The Community may withhold payment for those items not completed.

  If the Community finds, after reviewing item-by-item the work write-up and comparing it to the work actually done, that the contractor has in the Community's opinion, satisfactorily met the conditions of the contract and the Homeowner refuses to sign the Certification of Completion and Final Inspection, the Community may still proceed to pay the contractor. However, the nature of the dispute, those items under dispute, and their dollar amount must be recorded on the Certification of Completion and Final Inspection and signed by the project administrator and a representative of the Community.

ESCROW ACCOUNTS

The Community must set up an escrow account (Exhibit G-22) in order to ensure prompt payments to contractors. Review the Financial chapter of this manual for additional information.

NOTICE OF COMPLETION (10 DAY NOTICE)

The City/County must file the Notice of Completion on behalf of the homeowner with the Office of Register of Deeds in the County. (Tennessee Code Annotated 66-11-142)

EXPANSION OF TARGET AREA

Expansion of the target area is considered a change in scope of the project. The City/County must write to ECD for permission to expand the target area and then follow the following procedures:

Procedures for Expanding Housing Rehabilitation Target Areas

In general, housing rehabilitation projects which have met their initial contract goals and have sufficient time and funds remaining may request to continue the activities for which they were originally funded.

The City/County must submit additional material to Economic and Community Development and request permission to go outside of the original Target Area.

A. Send to ECD a copy of the approval letter from the State Historic Preservation Officer (SHPO). The City/County should send him the following materials:

1. A narrative/description of what you propose to do.
2. A map showing the old and new target areas.
3. Streetscape photographs of the houses. (Polariods are o.k.)

Send this material to:

Herbert L. Harper
Executive Director and Deputy
State Historic Preservation Office
Tennessee Historical Commission
2941 Lebanon Road
Nashville, Tennessee 37243-0442

Technical questions may be directed to Joe Garrison at that office (615) 532-1550. After the Historical Commission has reviewed the material and if there are no concerns, they will issue the city/county an approval letter. Send ECD a copy of that letter.

B. Send a narrative/description to ECD (same as to the SHPO).

C. Send a map to ECD (same as to the SHPO).

D. Send a statement as to why the original Environmental Review is still valid.

E. Statutory Checklist (list source and have signed).

F. Send a completed Cumulative Housing Rehabilitation Report for the original target area.

Conditions

A. The City/County should clear up any existing monitoring findings.

B. Only LMI (Low-to-Moderate Income) houses are eligible. Submit copies of the target area surveys to ECD.

C. The request should be received in time to allow sufficient time to complete the additional work within the original contract period.

D. If your housing rehabilitation project also contained road paving, or water/sewer work, you may need to do additional surveys and should contact ECD.

LEAD-BASED PAINT ACTIVITIES

OVERVIEW

In 1992, Congress enacted into law the Housing and Community Development Act of 1992. Title X of that Act, the Residential Lead-based Paint Hazard Reduction Act of 1992, is comprehensive lead-poisoning legislation. It switches the focus from the presence of lead-based paint to lead-based paint hazards. Title X defines lead-based paint hazards as "any condition that causes exposure to lead from lead-contaminated dust, lead-contaminated soil, or lead-contaminated paint that is deteriorated or present on accessible surfaces, friction surfaces, or impact surfaces that would result in adverse human health effects." Title X established specific requirements for action in federally owned or associated housing (pre-1978). On September 15, 1999 HUD published final regulations to implement sections 1012 and 1013 of Title X, which set forth specific policies on lead-based paint hazard reduction in federally assisted and federally owned housing.

The following chapter provides you with guidance in order to comply with the new HUD regulations. The Department of Housing and Urban Development (HUD) and the Environmental Protection Agency (EPA) regulate LBP activities performed on government owned or assisted properties. The lead-based paint regulations are divided into sections that are called subparts. Subparts "C" through "M" apply to specific programs, such as multi-family mortgage insurance, project-based rental assistance, housing rehabilitation, public housing, tenant-based rental assistance, or acquisition, leasing supportive services or operations. Although all of Title X is applicable to the CDBG program, the most relevant parts of this legislation are Subparts J and K.

SUBPART J - The intent of Subpart J is to eliminate as far as practicable lead-based paint hazards in residential property that receives federal assistance for rehabilitation under a program administered by HUD. (See Attachment IV: Rehabilitation Process – Subpart J.)

SUBPART K - The intent of Subpart K is to eliminate as far as practicable lead-based paint hazards in a residential property that receives federal assistance under certain HUD programs for acquisition, leasing, support services, or operation. (See Attachment V: Rehabilitation Process – Subpart K.)

DEFINITIONS

ABATEMENT – Any set of measures designed to permanently (at least twenty years) eliminate lead-based paint or lead-based paint hazards.

CLEARANCE EXAMINATION – An activity conducted following lead-based paint hazard reduction activities to determine that the hazard reduction activities are complete and that no soil-lead hazards or settled dust-lead hazards, exist in the dwelling unit or

worksite. The clearance process includes a visual assessment and collection and analysis of environmental samples.

INTERIM CONTROLS – A set of measures designed to temporarily reduce human exposure or likely exposure to lead-based paint hazards. Interim controls include, but are not limited to, repairs, painting, temporary containment, specialized cleaning, clearance, ongoing lead-based maintenance activities, and the establishment and operation of management and resident education programs.

LEAD-BASED PAINT HAZARDS – Any condition that causes exposure to lead from dust-lead hazards, soil-lead hazards, or lead-based paint that is deteriorated or present in chewable surfaces, friction surfaces, or impact surfaces, and that would result in adverse human health effects.

LEAD-BASED PAINT INSPECTION – A surface by surface testing of all painted, shellacked, or varnished surfaces to determine the presence or absence of lead.

PAINT TESTING – The process of determining, by a certified lead-based paint inspector or risk assessor, the presence or the absence of lead-based paint on deteriorated paint surfaces or painted surfaces to be disturbed or replaced.

RISK ASSESSMENT – An on-site investigation to determine the existence, nature, severity, and location of lead-based paint hazards; and the provision of a report by the individual or firm conducting the risk assessment explaining the results of the investigation and options for reducing lead-based paint hazards.

SAFEWORK PRACTICES – Hazard reduction using approved methods of paint stabilization, occupant protection, specialized cleaning.

STANDARD TREATMENTS – A series of hazard reduction measures designed to reduce all lead-based paint hazards in a dwelling unit without the benefit of a risk assessment or other evaluation.

REQUIREMENTS FOR REHABILITATION ASSISTANCE (SUBPART J)

Subpart J of Title X deals specifically with rehabilitation. The requirements in regards to lead-based paint are dependent on the cost of the rehabilitation. HUD designates three categories of rehabilitation: property receiving less than or equal to $5,000, property receiving between $5,000 and $25,000, and property receiving more than $25,000. Cost of the site preparation, occupant protection, relocation, interim controls, abatement, clearance and waste handling attributed to lead-based paint hazard reduction are not be included when determining cost of rehabilitation. The following is a breakdown of what is required for each of these three categories in pre-1978 units:

PROPERTIES RECEIVING LESS THAN OR EQUAL TO $5,000 PER UNIT

1. Provide the household with a copy of the pamphlet *Protect Your Family From Lead in Your Home*.

2. Conduct paint testing of surfaces to be disturbed or presume the presence of lead-based paint. If testing shows the absence of lead-based paint, safe work practices and clearance are not required.

3. Implement safe work practices during rehabilitation and repair any disturbed paint.

4. After completion of rehabilitation, conduct clearance testing of the worksite. Clearance is not required if rehabilitation did not disturb painted surfaces greater than the "de minims" levels set forth by HUD.

    a. "De minims" levels:

        i. 20 square feet on exterior surfaces

        ii. 2 square feet in any one interior room or space

        iii. 10% of the total surface area on an interior or exterior type of component with a small surface area, window sills, baseboards, and trim.

5. Notify the household of the results of the clearance testing.

PROPERTIES RECEIVING BETWEEN $5,000 AND $25,000 PER UNIT

1. Provide the household with a copy of the pamphlet *Protect Your Family From Lead in Your Home*.

2. Conduct paint testing of surfaces to be disturbed or presume the presence of lead-based paint.

3. Perform a risk assessment in the dwelling unit receiving federal assistance and in associated common areas and exterior painted surfaces before rehabilitation begins. A visual assessment may be made if presuming the presence of lead-based paint.

4. Perform interim controls and all lead-based paint hazards identified by the paint testing and risk assessment, as well as lead-based paint hazards created as a result of the rehabilitation work, or use Standard treatments.

5. After completion of rehabilitation, conduct clearance testing of the entire unit and common areas.

6. Notify the households of the results of the clearance testing.

PROPERTIES RECEIVING MORE THAN $25,000 PER UNIT

1. If the homeowner rehabilitation cost estimate exceeds $25,000, call Program Management to discuss.

2. Provide the household with a copy of the pamphlet *Protect Your Family From Lead in Your Home* (LBP-1).

3. Conduct paint testing of surfaces to be disturbed or presume the presence of lead-based paint.

4. Perform a risk assessment in the dwelling unit receiving federal assistance and in associated common areas and exterior painted surfaces before rehabilitation begins.

5. Abate all lead-based paint hazards identified by the paint testing and risk assessment as well as lead-based paint hazards created as a result of the rehabilitation work.

6. After completion of rehabilitation, conduct clearance testing of the entire unit and common areas.

7. Notify the household of the results of the clearance testing.

STEPS TO INCORPORATE LEAD-BASED PAINT PROCEDURES IN HOUSING REHABILITATION

1. Complete the initial walk through and work-write-up.

2. Determine the estimated cost of repairs and the category into which the project falls. (See Attachment VI: Quick Reference Guide)

3. Proceed with appropriate paint inspection/risk assessment, or presume the presence of lead-based paint.

4. Incorporate measures recommended by risk assessor into the work write-up. Determine if relocation is necessary.

5. Put the project out to bid.

   The bid sheet should differentiate between rehabilitation work and lead work. The costs of site preparation, occupant protection, relocation, interim controls, abatement, clearance and waste handling attributable to lead-based paint hazard reduction are not to be included in the hard costs of rehabilitation. The two totals will then be added together to arrive at a total bid amount.

6. Relocation of homeowner and furnishings, if applicable.

7. If interim controls or standard treatments are necessary they must be performed by a person trained in accordance with CFR 1926.59 (Hazard Communication) and either be supervised by an individual certified as a lead-based paint abatement supervisor or have successfully completed one of the following courses: a lead-based paint abatement supervisor or worker course accredited in accordance with 40 CFR 745.225, The Lead-Based Paint Maintenance Program, or The Remodeler's and Renovator's Lead-Based Paint Training Program.

8. After completing work, clearance must be achieved.

9. Move homeowner and belongings back into home.

STANDARD TREATMENTS

There is an alternative to a risk assessment and interim controls when a project falls between $5,000 and $25,000. The presence of lead-based paint can be presumed, followed by the implementation of standard treatments. Standard treatments include:

1. **Paint stabilization.** All deteriorated paint on exterior and interior surfaces located on the residential property shall be stabilized or abated.

2. **Smooth and cleanable horizontal surfaces.** All horizontal surfaces, such as uncarpeted floors, stairs, window sills and window troughs, that are rough, pitted, or porous, shall be covered with a smooth, cleanable covering or coating, such as metal coil stock, plastic, polyurethane, or linoleum.

3. **Correction of dust-generating conditions.** Conditions causing friction or impact of painted surfaces shall be corrected.

4. **Bare residential soil.** Bare soil shall be treated, unless it is found not to be a soil-lead hazard.

5. **Safe work practices.** All standard treatments shall incorporated the use of safe work practices.

6. **Clearance.** A clearance examination shall be performed at the conclusion of any lead hazard reduction activity.

7. **Qualifications.** An individual performing standard treatments must meet the training and/or supervision requirements of 35.1330(a)(4), trained workers or workers supervised by certified Lead-based Abatement Supervisor.

OCCUPANT PROTECTION

This section establishes procedures for protecting dwelling unit occupants and the environment from contamination from lead-contaminated or lead-containing materials during hazard reduction activities.

1. Occupants shall not be permitted to enter the worksite during hazard reduction activities, until after hazard reduction work has been completed and clearance, if required, has been achieved.

2. Occupants shall be temporarily relocated before and during hazard reduction activities to a suitable, decent, safe, and similarly accessible dwelling unit that does not have lead-based paint hazards, except if:

    a. Treatment will not disturb lead-based paint, dust-lead hazards or soil-lead hazards;

    b. Only the exterior of the dwelling unit is treated, and windows, doors, ventilation intakes and other openings in or near the worksite are sealed during hazard control work and cleaned afterward, and entry free of dust-lead hazards, soil-lead hazards, and debris is provided;

    c. Treatment of the interior will be completed within one period of 8 daytime hours, the worksite is contained so as to prevent the release of leaded dust and debris into other areas, and treatment does not create other safety, health or environmental hazards; or

    d. Treatment of the interior will be completed within 5 calendar days, the worksite is contained so as to prevent the release of leaded dust and debris into other areas, and treatment does not create other safety, health or environmental hazards; and the worksite and the area within at least 10 feet of the containment area is cleaned to remove any visible dust or debris, and occupants have safe access to sleeping areas, and bathroom and kitchen facilities.

3. The dwelling unit and the worksite shall be secured against unauthorized entry, and occupants' belongings protected from contamination by dust-lead hazards and debris during hazard reduction activities. Occupants' belongings in the containment area shall be relocated to a safe and secure area outside the containment area, or covered with all seams and edges taped or otherwise sealed.

ACQUISITION, LEASING, SUPPORT SERVICES, OR OPERATION (SUBPART K)

The purpose of this subpart K is to establish procedures to eliminate as far as practicable lead-based paint hazards in a pre-1978 residential property that receives federal assistance under certain HUD programs for acquisition, leasing, support services, or operation. Acquisition, leasing, support services, and operation do not include mortgage insurance, sale of federally-owned housing, project-based or tenant-based rental assistance, or assistance to public housing.

Notices and Pamphlets – In cases where evaluation or hazard reduction, including paint stabilization, is undertaken, each grantee shall provide a notice to residents. A visual assessment is not considered an evaluation for purposes of this part. The grantee shall provide the lead hazard information pamphlet.

If a dwelling unit receives federal assistance under a program covered by this subpart, each grantee shall conduct the following activities for the dwelling unit and all common areas servicing the dwelling unit and the exterior surfaces of the building in which the dwelling unit is located:

1. A visual assessment of all painted surfaces in order to identify deteriorated paint;

2. Paint stabilization of each deteriorated paint surface, before occupancy of a vacant dwelling unit or where a unit is occupied, immediately after the receipt of federal assistance; and

3. The grantee shall incorporate ongoing lead-based paint maintenance activities into regular building operations.

4. The grantee shall provide a notice to occupants describing the results of the clearance examination.

COST

Costs of paint testing, risk assessments, and clearance testing will be paid as soft costs. There is an acceptable range for costs involving these activities. Please contact your specialist for cost approval prior to contracting for these services.

Expenses incurred conducting lead activities, interim controls, standard treatments, and abatement will not count towards the $25,000 cap on rehab costs. These costs will count towards the subsidy limit.

CERTIFICATION

Lead-based paint Inspectors, Lead-based paint Risk Assessors, Lead-based paint Abatement Workers, and Lead-based paint Abatement Supervisors must be certified by the Tennessee Department of Environment and Conservation (TDEC).

A listing of these certified Lead professionals is available from the DEC office:

DEPARTMENT OF ENVIRONMENT AND CONSERVATION
Division of Solid Waste Management
Fifth Floor, L & C Tower
401 Church Street
Nashville, Tennessee 37243-1535
1-888-891-8332

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HOUSING REHABILITATION APPLICATION/FAMILY SURVEY **SAMPLE**

DATE OF ORIGINAL INTERVIEW:_____

NAME OF INTERVIEWER:_____

Name of Occupant:_____

Address:_____

Lot:_____ Section:_____ Subdivision:_____

Phone: Day ( ) _____ Night ( ) _____

Racial/Ethnic Classification:_____

Female Headed Household: _____ Age of Head of Household:_____

Date First Moved into Unit:_____ Size of Household:_____

Single Family_____, Duplex_____, Triplex_____, Other_____

How Many Units in Structure:_____ Number of Rooms:_____

Number of Bedrooms:_____ Approximate Year Built:_____

HOUSING COSTS OF CURRENT UNIT

Owner

Monthly Mortgage	$_____
Second Mortgage	$_____
Average Utilities	$_____
Insurance	$_____
Real Taxes	$_____
Total Monthly Housing Cost	$_____

TOTAL INCOME = _____

Monthly Expenses

Monthly Housing	$_____	
Car	$_____	
Gasoline/Services	$_____	
Life Insurance	$_____	
Medical Insurance	$_____	
Installment Loans	$_____	
_____	$_____	
_____	$_____	
_____	$_____	
_____	$_____	Subtotal
_____	$_____	$_____

Other:

_____	$_____
_____	$_____
_____	$_____

Fixed Monthly Costs:

Social Security	$_____	
Income Taxes	$_____	
Retirement	$_____	
Other	$_____	Total Monthly Expenses:
_____	$_____	$_____

--More--

HOUSING REHABILITATION APPLICATION/FAMILY SURVEY **SAMPLE**

Household Income

	NAME	AGE	SEX	RELATIONSHIP TO HOUSEHOLD HEAD
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				

EMPLOYER OR OTHER* SOURCE OF INCOME

	NAME AND ADDRESS	PHONE	EMPLOYEE NAME	DATE VERIFIED
1.				
2.				
3.				
4.				
5.				
6.				

* Social Security, etc.

AUTHORIZATION FOR RELEASE OF INFORMATION

I hereby authorize the release of any information needed by the Community Development Department of the City of _____, Tennessee in order to determine relocation benefits and/or eligibility for federal housing rehabilitation assistance.

It is specifically agreed that this information will be utilized only for the determination of relocation benefits or housing rehabilitation assistance and will not be divulged to any unauthorized individuals.

_____
Name

_____
Social Security Number

_____
Date

EMPLOYER'S VERIFICATION **SAMPLE**

DATE: _____

CASE NO. _____

THE INFORMATION ON THIS FORM IS CONFIDENTIAL AND IS TO BE TRANSMITTED DIRECTLY TO THE COMMUNITY DEVELOPMENT DEPARTMENT WITHOUT PASSING THROUGH THE HANDS OF THE APPLICANT OR ANY OTHER PARTY.

NAME OF APPLICANT: _____

A. Position held by applicant: _____

B. Dates of Employment: From _____ to _____

From _____ to _____

C. Rate of Pay: (estimate if not based on time)

$_____ per _____ (hour, month, or year)

D. Additional compensation: (actual past 12 months)

Overtime	$ _____	Bonus	$ _____
Commission	$ _____	Other	$ _____

E. Military pay: (monthly)

Base Pay	$ _____
Quarters and subsistence	$ _____
Flight or hazardous duty	$ _____

F. Signature of employer:

The above information is furnished in strict confidence to assist in determining eligibility of the loan applicant to receive housing rehab assistance from the Community Development Program.

_____	_____	_____
Date	Signature	Title

I hereby authorize release of the above information to the Community Development Program.

_____	_____	_____
Date	Signature	Title

To City File

REQUEST FOR VERIFICATION OF MORTGAGE OR DEED OF TRUST SAMPLE

DATE: _____

CASE NO. _____

Name and Address of Applicant for Loan: _____

_____

Name and Address of Mortgagee: _____

_____

Address of Mortgage Property: _____

FINANCIAL DATA

Date of Mortgage: _____ Original Amount: _____

Date of Maturity: _____ Present Balance: _____

Monthly Payment to: Principal and Interest: $ _____

Mortgage Insurance Premium: $ _____

Are Payments Current? ❑ Yes ❑ No

If not, state amount in arrears $ _____ Period in Arrears _____

NOTE TO MORTGAGEE

The applicant identified above has applied for a loan for rehabilitation of the above property. The applicant has authorized this Agency in writing to obtain verification of the status of existing mortgages on the property from any source named in the application. The requested information in this verification of mortgage is for the confidential use of this Agency. Please furnish the information requested below and return this form using the stamped, addressed envelope.

Authorization by Applicant:

I authorize the mortgagee to furnish to the Community Development Agency the information regarding the mortgage identified above.

_____ _____

Date Signature

Signature of Mortgagee:

The above information is furnished in strict confidence, in response to your request.

_____ _____

Date Signature

To City File

OLD AGE AND SURVIVOR'S INSURANCE FORM **SAMPLE**

_____	_____
Wage Earner	Social Security Number
_____	_____
Claimant, if other than above	Relationship
_____	_____
Street Address	City, State, Zip Code

_____

The Director
Bureau of Old Age Survivor's Insurance
Social Security Administration
District Office

Attention Director:

I request that information from your records concerning my entitlement to benefits be furnished to me.

Please honor the above request:

_____
Claimant

SOCIAL SECURITY ADMINISTRATION REPORT

_____

The records of this Bureau disclosed the following:

Name of Beneficiaries _____ Date of Award _____
_____
_____

Types of Monthly Benefits _____
Amounts, Monthly $ _____ $ _____

SOCIAL SECURITY ADMINISTRATION

By: _____

Title: _____

To City File

G-3

INELIGIBLE FOR ASSISTANCE **SAMPLE**

DATE: _____

CASE NO. _____

(To the Applicant)

We regret to inform you that your application for rehabilitation assistance has been turned down for the reasons checked below:

_____ Over Income Limits

_____ Cannot make house standard with available funds

_____ Property ownership not properly recorded

_____ Rehabilitation is not feasible due to structural condition

_____ Other

Explanation:

If you have any questions on this matter, please contact our office.

Sincerely,

To City File
To Homeowner

G-4

WORK WRITE-UP AND COST ESTIMATE

NAME	INSPECTED BY
ADDRESS	DATE
CITY	CITY ESTIMATE
PHONE NUMBER	CASE NUMBER

WORK WRITE-UP

ITEM	CODE VIOLATION	COST

REHAB BID TABULATION **SAMPLE**

DATE: _____

CASE NO. _____

_____
NAME OF APPLICANT

_____
ADDRESS OF PROPERTY BID ON

_____
DATES BID ADVERTISED (if applicable)

_____
DATE BID LET

_____
DATE BID OPENED

NAMES OF CONTRACTORS WHO BID:

AMOUNT OF BID:

_____ $ _____

_____ $ _____

_____ $ _____

_____ $ _____

_____ $ _____
LOWEST BIDDER

_____ $ _____
CONTRACTOR AWARDED CONTRACT AMOUNT OF CONTRACT

_____
DATE OF CONTRACT

IS BID WITHIN 15% OF STAFF ESTIMATE?

To City File
To Homeowner
To ECD

APPROVAL OF REHAB ASSISTANCE **SAMPLE**

DATE: _____

CASE NO. _____

KNOW ALL MEN BY THESE PRESENT:

WHEREAS, _____ has applied to the City of _____ for financial assistance in the amount of $_____ to make certain eligible improvements on the following described real estate:

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS, that the City of _____ hereby agrees to provide assistance to the said _____ in the amount of $_____ in order to perform eligible rehabilitation activities described in previously submitted and approved application documents, labeled Rehab Case No. _____, according to the provisions of the City of _____ Housing Rehabilitation Program.

DATED this _____ day of _____, 20_____.

_____
MAYOR

To City File
To Homeowner

GRANT AGREEMENT **SAMPLE**

WHEREAS, the undersigned are the owners of a dwelling unit located on the following described real estate in the City of _____, Tennessee, more particularly described as follows, to-wit:

WHEREAS, the above mentioned dwelling house is in need of repairs, rehabilitation and improvements to make it conform to the housing standards of the City of _____, Tennessee, and

WHEREAS, the City _____ has been authorized to make grants for the repairs, rehabilitation, and improvements of substandard housing under a Community Development Block Grant Program through the State of Tennessee, and

WHEREAS, it is the intention of the City of _____, Tennessee to benefit owner-occupants that meet the eligibility requirements, and have received or will receive a grant from the City of _____, Tennessee in the amount of $ _____, and

WHEREAS, said grant is to be repaid to the City of _____, Tennessee under certain conditions.

NOW, THEREFORE, it is agreed by the undersigned owners of the above described premises, in consideration $ _____, a grant for the rehabilitation of the above described premises from the City of _____, Tennessee.

1. If the ownership or occupancy of the above described property by the grant recipient voluntarily ceases within five years from the date of this agreement, by reason other than death of the recipient of the grant, the entire grant or a percentage thereof shall be repaid to the City of _____, Tennessee. In this case, repayment of the rehabilitation grant or relocation shall be based on the policies and procedures of the city/county.

--More--

2. The repayment shall be made to the City of _____, Tennessee and shall be due and payable at the time of the sale or discontinuation of occupancy of the property.

3. If the undersigned must move from the dwelling due to physical and health requirements, and the dwelling is not sold, the City may, at its option, allow a member of the undersigned's immediate family to assume the terms of the deferred payment loan. The family member must reside in the dwelling without payment of rent or other compensation. For the purpose of this section, immediate family member shall include father, mother, sisters, brothers, or children.

4. It is expressly agreed that, if the undersigned transfers ownership of the property, whether in fee simple or through a lease purchase, land sales contract, or other like arrangement or does not reside in the home except as otherwise stated, the undersigned shall immediately begin making payments, according to the terms of the Promissory Note.

5. If the undersigned defaults or is delinquent according to the terms of this agreement, then at the option of the City, the principal sum shall at once become due and payable without notice. Failure to exercise this option shall not constitute a waiver of the right to exercise same in the event of any subsequent default.

6. If the undersigned dies during the deferred term of this Note, the unpaid balance of this Note may be forgiven. However, if the heir(s) sell the dwelling, the Promissory Note becomes due and payable upon the sale.

This agreement and lien applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, administrators, executors, successors, and assigns.

IN WITNESS WHEREOF, this agreement has been duly executed by the owners this _____ day of _____, 20____.

_____

_____

_____
Owners

STATE OF TENNESSEE)
) SS.
COUNTY OF)

On this _____ day of _____, 20_____, before me personally appeared _____ and _____, his wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, at my office in _____, the day and year first above written.

_____
Notary Public

My Commission Expires: _____

To City File
To Homeowner
To ECD

NOTICE OF RIGHT OF RESCISSION **SAMPLE**

NOTICE OF RIGHT OF RESCISSION ACCOUNT NO.

_____

(Identification of Transaction)

Notice To Customer Required by Federal Law: _____
(Date Notice Given)

You have entered into a transaction on _____ *(Date)* which may result in a lien, mortgage, or other security interest on your home. You have a legal right under federal law to cancel this transaction, if you desire to do so, without penalty or obligation within three business days from the above date or any later date on which all material disclosures required under the Truth in Lending Act have been given to you. If you so cancel the transaction, any lien, mortgage or other security interest in your home arising from this transaction is automatically void. You are also entitled to receive a refund of any down payment or other consideration if you cancel. If you decide to cancel this transaction, you may do so by notifying
_____ *(Name of Creditor)*
at _____
(Address of Creditor's Place of Business)

by mail or telegram sent no later than midnight of _____ *(Date)*. You may also use any other form of written notice identifying the transaction if it is delivered to the above address not later than that time. This notice may be used for that purpose by dating and signing below.

I hereby cancel this transaction.

_____ _____
(Date) *(Customer's Signature)*

Receipt is herewith acknowledged of the foregoing NOTICE, each of the undersigned CUSTOMERS having received two copies thereof, as well as one copy of other Truth-in-Lending Disclosures required by Law. Undersigned warrant that they are all Customers obligated under this transaction who own or use as their principal residence the real property securing said obligation; this _____ day of _____, 20_____.

_____ *(Seal)* _____ *(Seal)*

_____ *(Seal)* _____ *(Seal)*

_____
(Witness)

*** SEE REVERSE SIDE FOR IMPORTANT INFORMATION ABOUT YOUR RIGHT OF RESCISSION**

EFFECT OF RESCISSION. When a customer exercises his right to rescind under paragraph (a) of this section, he is not liable for any finance or other charge, and any security interest becomes void upon such a rescission. Within 10 days after receipt of a notice of rescission, the creditor shall return to the customer any money or property given as earnest money, down payment, or otherwise, and shall take any action necessary or appropriate to reflect the termination of any security interest created under the transaction. If the creditor has delivered any property to the customer, the customer may retain possession of it. Upon the performance of the creditor's obligations under this section, the customer shall tender the property to the creditor, except that if return of the property in kind would be impracticable or inequitable, the customer shall tender its reasonable value. Tender shall be made at the location of the property or at the residence of the customer at the option of the customer. If the creditor does not take possession of the property within 10 days after tender by the customer, ownership of the property vests in the customer without obligation on his part to pay for it.

To City File
To Homeowner

NOTICE TO PROCEED **SAMPLE**

DATE: _____

CASE NO. _____

NOTICE TO PROCEED

You are hereby given notice to proceed rehabilitation at _____ in reference to the contract dated _____ for rehabilitation of property at _____.

Pursuant to the provisions to the contract above referenced, you are hereby given Notice to Proceed with the work. This notice establishes that all efforts will be undertaken to complete within _____ calendar days of the date of this notice.

Please acknowledge receipt of this Notice to Proceed as provided below and return the original signed copy to me in care of the Community Development Department, City Hall, _____, Tennessee.

_____
Owner

_____
Owner

_____
Department Representative

_____
Date

To City File
To Homeowner
To Contractor

INSPECTION REPORT **SAMPLE**

DATE: _____

CASE NO. _____

OWNER: _____

ADDRESS OF REHABILITATED PROPERTY: _____

_____

DATE INSPECTED: _____ _____ _____
MONTH DAY YEAR

GENERAL STATUS OF WORK:

DISCREPANCIES NOTED (IF ANY):

_____ _____
SIGNATURE OF INSPECTOR TITLE

_____
DATE

To City File

CHANGE ORDER **SAMPLE**

DATE: _____

CASE NO. _____

PROJECT: _____ CHANGE ORDER NO. _____

_____

TO: *(Contractor)* FROM: *(Owner)*

You are directed to make the following changes in this Contract:

_____

The original Contract Sum was	$ _____
Net change by previous Change Orders	$ _____
The Contract Sum prior to this Change Order was	$ _____
The Contract Sum will be _____ by this Change Order	$ _____
The new Contract Sum, including this Change Order will be	$ _____

The Contract Time will be _____ by _____ days

_____
CONTRACTOR

By: _____

_____
OWNER

By: _____

APPROVAL:

_____
DIRECTOR, COMMUNITY
DEVELOPMENT DEPARTMENT

To City File
To Homeowner
To ECD
To Contractor

FINAL INVOICE, RELEASE OF LIENS, AND WARRANTY **SAMPLE**

DATE: _____

CASE NO. _____

RE: Property located at

_____

_____

Contract Dated _____
Total Contract _____
Amount $_____

KNOW ALL MEN BY THESE PRESENT:

1. As a final invoice, the undersigned hereby certifies that there is due from and payable by the Owner to the Contractor under the above contract and duly approved change orders and modifications, if any, the balance of $ _____.

2. The undersigned further certifies that work required under this contract has been performed in accordance with the terms thereof, and there are no unpaid claims for materials, supplies, or equipment and no claims of laborers or mechanics for unpaid wages arising out of the performance of this contract.

3. That in consideration of the payment of the amount stated in Paragraph 1 hereof, the undersigned does hereby release the Owner from any and all claims arising under or by virtue of this contract.

4. The undersigned hereby guarantees the work performed for a period of one year from the date of owner's acceptance of all the work required by the contract. He also attaches herewith all manufacturer's and supplier's written guarantees and warranties covering materials and equipment furnished under the contract.

IN WITNESS WHEREOF, the undersigned has signed and sealed this instrument this _____ day of _____, 20_____.

WITNESS:

_____ _____
CONTRACTOR

By: _____
(Signature & Title of Officer)

(SEAL IF CORPORATION)

To City File
To Homeowner
To ECD

G-13

CONTRACTOR'S NON-KICKBACK CERTIFICATION **SAMPLE**

DATE: _____

CASE NO. _____

TO: Community Development Department
City of _____, Tennessee

RE: Property located at _____

Contract Dated: _____ Contract Amount: $ _____

Contractor: _____

KNOW ALL MEN BY THESE PRESENT:

That as a Contractor responsible for provision of goods and/or services under the above mentioned contract, I nor my company were forced or encouraged to forfeit any portion of the contract amount in order to be employed as contractors on this job.

_____
Contractor

By: _____

_____
DATE

_____
WITNESS

To City File

CERTIFICATION OF COMPLETION AND FINAL INSPECTION **SAMPLE**

A. Applicant's Name & Property Address	C. Date of Final Inspection
B. Contractor's Name & Address	D. Date Construction Began
E. Total Amount $ _____	

CERTIFICATIONS

CONTRACTOR CERTIFICATION

Construction work on the property identified in Block A has been satisfactorily completed in accordance with the contract. I have obtained or prepared all Warranties or Release of Liens necessary for loan closing. I further certify that there are no unpaid claims for materials, supplies or equipment, and no claims of laborers or mechanics for unpaid wages out of the performance of this contract.

_____ _____
Signature of Contractor Title

_____ Date

HOMEOWNER'S CERTIFICATION

I understand that the warranty lasts one year from today and that it only covers materials and work performed under this contract.

Construction work on my property has been satisfactorily completed in accordance with my contract with _____.
(Contractor)

_____ _____ Date
Signature of Homeowner

CERTIFICATION OF FINAL INSPECTION

Final inspection has been made of the property identified in Block A. The construction work has been completed in accordance with the contract. Final payment is authorized in the amount of $ _____.

_____ _____ Date
Signature of Homeowner Community

_____ Date

To City File
To Homeowner
To ECD
To Contractor

G-15

RECEIPT OF FINAL PAYMENT **SAMPLE**

DATE: _____

CASE NO. _____

I, _____, as a Contractor/Supplier responsible for provision of goods and/or services under the above referenced contract, do hereby acknowledge receipt of $ _____, which constitutes the full amount due and payable to me.

_____ _____
DATE FIRM NAME

By: _____

_____
WITNESS

To City File
To Homeowner

CONTRACT FOR REHABILITATION

KNOW ALL MEN BY THESE PRESENT:

COMMUNITY OF _____, TENNESSEE

THIS AGREEMENT made this _____ day of _____, 20__, by and between _____ hereinafter referred to as "OWNER" and _____ hereinafter referred to as "CONTRACTOR".

WITNESSETH:

The OWNER does hereby employ the CONTRACTOR to do all the work and provide all materials , tools, machinery, supervision, etc., necessary for the rehabilitation of the property known as _____ for the total sum of _____ Dollars ($_____), all in accordance with the estimate, plans, and specifications which are attached hereto as Exhibit G-4 and expressly incorporated herein by reference and made a part hereof.

SECTION I General Conditions

The Bid and Proposal shall be accepted by the OWNER within ten (10) days from the date for receiving the proposal, but no work shall be commenced by the CONTRACTOR until he has received a written Proceed Order from the OWNER.

The OWNER shall issue a written Proceed Order within ten (10) days from the date of acceptance of the CONTRACTOR'S Bid and Proposal. If the order is not received by the CONTRACTOR within this ten (10) day period, the CONTRACTOR has the option of withdrawing his bid and proposal.

The CONTRACTOR must commence work within thirty (30) days after issuance of the Proceed Order. At the option of the OWNER, this contract may be canceled by failure of the CONTRACTOR to begin work on the date specified.

The CONTRACTOR must satisfactorily complete the work within sixty (60) days after issuance of the Proceed Order in accordance with this agreement, and in good workmanlike and substantial manner.

Executive Order 11246 Requirements

Executive Order 11246, as provided in Exhibit A, shall apply and be made part of all contracts when the sum to be charged for the work is $10,000 or more.

Prohibition Of The Use Of Lead-based Paint

The construction or rehabilitation of residential structures is subject to the HUD Lead-Based Paint regulations, 24 CFR Part 35. The CONTRACTOR and Subcontractors shall comply with the provisions for the elimination of lead-base paint hazards under sub-part B of said regulations. The OWNER will be responsible for the inspections and certifications required under Section 35.14(f) thereof.

Section 3 Requirements

1. The work to be performed under this contract is on a project assisted under a program providing direct Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the area of the Section 3 covered project, and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the Section 3 covered project.

2. The parties to this contact will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this contract. The parties to this contact certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.

3. The CONTRACTOR will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contact or understanding, if any, a notice advising said labor organization or workers' representative of his commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

4. The CONTRACTOR will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant for or recipient of Federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135. The CONTRACTOR will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

5. Compliance with the provisions of section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of the contract, shall be a condition of the Federal financial assistance provided to the project, binding upon the applicant or recipient, its contractors and subcontractors, its successors, and assigns to those sanctions specified by the grant or loan agreement or contract through which Federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

The CONTRACTOR shall comply with the applicable regulations of the Secretary of Labor, United States Department of Labor, made pursuant to the so-called "Anti-Kickback Act" of June 13, 1934, (48 Stat. 94B; 62 Stat. 862; Title 18 U.S.C., Section 874; and Title 40 U.S.C. , Section 276c), and any amendments or modifications thereof, shall cause appropriate provisions to be inserted in subcontracts to insure compliance therewith by all subcontractors subject thereto and shall be responsible for the submission of statements required of subcontractors thereunder, except as said Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances and exemptions from the requirements thereof.

The CONTRACTOR will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age or disability. The CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the municipality setting forth the provisions of this non-discrimination clause.

Grievance Procedure

Disputes between the homeowner, COMMUNITY and CONTRACTOR may arise from time to time during the life of the rehabilitation project. In those instances where a mutually satisfactory agreement cannot be reached between the parties, the grievance procedure should be followed.

Issues relating to policies and procedures of the rehabilitation program.

- The grievance by the homeowner or CONTRACTOR is to be filed with the program administrator in writing.

- The program administrator will meet with the homeowner/CONTRACTOR and negotiate a solution ; if this fails

- The program administrator will forward the complaint and documentation of his attempts to resolve it to the local elected body who shall make a determination.

Issues relating to complaints about the performance of the rehabilitation contract.

- The rehabilitation contract is between the homeowner and the CONTRACTOR and the following procedures must be instituted in an effort to resolve complaints.

- The homeowner must contact the CONTRACTOR initially and inform him of the grievance; if this fails--

- A written grievance is filed with the Community, and the project administrator will meet with both the CONTRACTOR and the homeowner in an effort to reach a solution; if this fails--

- The project administrator should forward the grievance to the local elected board for their deliberation; if this fails--

- The affected party may institute litigation.

The COMMUNITY should keep documents and records of the grievance procedure. The COMMUNITY may release funds to the CONTRACTOR for items on the work write-up which are completed and undisputed.

No member of the Community Development Agency staff and no officer, employee, or member of the governing body of the Public Body who exercises any functions or responsibilities in connection with the carrying out of the project to which this agreement pertains shall have any private interest, direct, or indirect, in the agreement.

In the event violation of applicable codes and/or health and safety violations are discovered during construction, said violations shall be inspected by the Housing Rehabilitation inspector and OWNER and CONTRACTOR agree to add correction of the code violations and/or health and safety violations if funds are available. In the event funds are not available, the violations which are more severe will be corrected first, with an appropriate change order.

This instrument constitutes the entire agreement between the parties and no written or oral agreement of any kind exists to change these provisions. Specifically, no "side" or "additional" contracts are to exist between the Homeowner and CONTRACTOR until this contract is completed unless it is a written contract, signed by both parties and must be approved by the COMMUNITY.

Change orders must be done on the appropriate form (Exhibit G-11) and must be signed by the Homeowner, CONTRACTOR, COMMUNITY official and the Tennessee Department of Economic and Community Development.

SECTION III STATEMENT OF WORK

THE CONTRACTOR SHALL:

Perform the work diligently and in a good workmanship manner, using the materials specified or materials of at least equal quality.

Be responsible for obtaining all necessary permits for the work to be performed, and the work being done or any part thereof shall not be deemed completed until same has been accepted as satisfactory by the OWNER or by the COMMUNITY.

Be responsible for, when adjacent property is affected or endangered by any work done under this contract, taking whatever steps are necessary for the protection of the adjacent property and for notifying the OWNER thereof of such hazard.

Agree not to assign or sublet this contract without the written consent of the OWNER. The request for the assignment shall be addressed to the OWNER, c/o the Office of Community Development.

Covenant and agree to, and to hereby, indemnify, and to hold harmless and defend the OWNER, the Office of Community Development, the COMMUNITY, and State of Tennessee, their agents, servants or employees, from and against any and all claims for injuries or damages to persons or property of whatsoever kind of character, whether real or asserted, arising out of this agreement of the work to be performed hereunder. The CONTRACTOR hereby assumes all liability and responsibility for injuries, claims or suits for damages, to persons or property of whatsoever kind of character, whether real or asserted, occurring during the time the work is being performed and arising out of the performance of same.

Agree not to commence work under this agreement until all insurance required under this program has been secured and such insurance has been approved by the COMMUNITY.

After the receipt of a written proceed order from the OWNER, begin the work to be performed under this contract within fifteen (15) calendar days of the date of such order. Upon commencement of work, the CONTRACTOR here by agrees to complete the same within sixty (60) days, time being of the essence.

Guarantee the improvements for a period of one year from the date of final acceptance of all work required by this contract. It is further agreed that the CONTRACTOR will furnish the OWNER, c/o the Office of Community Development, with all manufacturers' and suppliers' written guarantees and warranties covering materials and equipment furnished under this contract.

At all times, keep the premises free from accumulations of waste materials or rubbish caused by his employees at work; and at the completion of the work he shall remove all his rubbish from and about the building and all his tools, scaffolding and surplus materials and shall leave his work "broom clean" or its equivalent. It is further agreed that all materials and equipment that have been removed and replaced as part of the work hereunder shall belong to the CONTRACTOR.

Upon completion of work, and upon final payment by the OWNER, furnish the OWNER with an affidavit certifying that all charges for materials and any other expenses incurred by the CONTRACTOR pertaining to the execution of this contract, have been paid in full, to the end that no liens of any kind or character (save and except those between the parties hereto) may be affixed against the above described property. Final payment of the contract amount will be made only after final inspection and acceptance of all work to be performed by the CONTRACTOR, and the CONTRACTOR's satisfactory releases of liens or claims for liens by the CONTRACTOR, subcontractor, laborers, and materials suppliers.

Maintain accounts and records, including personnel, property, and financial records, adequate to identify and account for all costs pertaining to the contract and such other records as may be deemed necessary by the locality to assure proper accounting for all

funds. These records will be available for audit purposes to the locality or the State or any other authorized representative, and will be retained for three years after contract completion unless permission to destroy them is granted by the locality. Moreover, the locality, State, or any authorized representative shall have access to any books, documents, papers, and records of the CONTRACTOR which are directly pertinent to this contract for the purpose of making audit, examination, excerpts, and transcriptions.

THE OWNER SHALL:

Not permit any changes or additions to the agreement, work write-up, or plans without approval of the Community. If any extras are approved, an amendment must be signed by the OWNER and the CONTRACTOR, and work will not be started until such time as sufficient funds are deposited in the escrow account.

Cooperate with the CONTRACTOR to facilitate the performance of the work, including the removal and replacement of rugs, coverings, and furniture as necessary.

Permit the CONTRACTOR to use, at no cost, existing utilities such as light, heat, power, and water necessary to the carrying out and completion of the work.

Agree to occupy the premises during the course of the construction work.

Agree to issue a written proceed order to the CONTRACTOR within thirty (30) days from the date of execution of the contract.

Have the option, in the event of any breach of this contract and with the ECD approval, to engage the services of another CONTRACTOR to complete the work and to deduct the cost of such completion from any amount due the CONTRACTOR hereunder.

Agree to place the rehabilitation funds in a housing rehabilitation escrow account as arranged by the COMMUNITY and understands that no interest will accrue on the monies placed into the account.

Agree to allow payment in full to the CONTRACTOR, from the escrow account, subject to the COMMUNITY's acceptance of the Housing Rehabilitation work as satisfactorily completed in accordance with this Contract.

SECTION III METHOD AND FORM OF PAYMENT

The CONTRACTOR shall, upon completion of the work, and before final payment by the OWNER, furnish the OWNER with an affidavit certifying that all charges for materials and any other expenses incurred by the CONTRACTOR pertaining to the execution of this contract, have been paid in full, to the end that no liens of any kind or character (save and except those between the parties hereto) may be affixed against the above described property. Final payment of the contract amount will be made only after final inspection and acceptance of all work to be performed by the CONTRACTOR, and the satisfactory releases of liens or claims for liens by the CONTRACTOR, subcontractors, laborers, and material suppliers.

The OWNER agrees to place the rehabilitation funds in a Housing Rehabilitation escrow account as arranged by the COMMUNITY and understands that no interest will accrue on the monies placed into the account.

The OWNER agrees to allow payment in full to the CONTRACTOR, from the escrow account, subject to the COMMUNITY's acceptance of the Housing Rehabilitation work as satisfactorily completed in accordance with this Contract.

SECTION IV CONFLICT OF INTEREST

No officer or employee of the local jurisdiction or its designees or agents, no member of the governing body, and no other public official of the locality who exercises any function or responsibility with respect to

this contract, during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed. Further, the CONTRACTOR shall cause to be incorporated in all subcontracts the language set forth in this paragraph prohibiting conflict of interest.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives set out their signatures.

(CONTRACTOR)	*(OWNER)*
(SIGNATURE)	*(SIGNATURE)*
DATE	DATE
WITNESSED BY	WITNESSED BY

EXHIBIT A

3. Standard Federal Equal Employment Opportunity Construction Contract Specifications (Executive Order 11246)

(1) As used in these specifications:

a. "Covered area" means the geographical area described in the solicitation from which this contract resulted;

b. "Director" means Director, Office of Federal Contract Compliance Programs, United States Department of Labor, or any person to whom the Director delegates authority;

c. "Employer identification number" means the federal social Security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941;

d. "Minority" includes:

(i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);

(ii) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish Culture or origin, regardless of race);

(iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and

(iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

(2) Whenever the Contractor, or any Subcontractor at any tier, subcontracts a portion of the work involving any construction trade, it shall physically include in each subcontract in excess of $10,000 the provisions of these specifications and the Notice which contains the applicable goals for minority and female participation and which is set forth in the solicitations from which this contract resulted.

(3) If the Contractor is participating (pursuant to 41 CFR 60-4.5) in a Hometown Plan approved by the U.S. Department of Labor in the covered area either individually or through an association, its affirmative action obligations on all work in the Plan area (including goals and timetables) shall be in accordance with that Plan for those trades which have unions participating in the Plan. Contractors must be able to demonstrate their participation in and compliance with the provisions of any such Hometown Plan. Each Contractor or Subcontractor participating in an approved Plan is individually required to comply with its obligations under the EEO clause, and to make a good faith effort to achieve each goal under the Plan in each trade in which it has employees. The overall good faith performance by other Contractors or Subcontractors toward a goal in an approved Plan does not excuse any covered Contractor's or Subcontractor's failure to take good faith efforts to achieve the Plan goals and timetables.

(4) The Contractor shall implement the specific affirmative action standards provided in paragraphs (7)a through p of these specifications. The goals set forth in the solicitation from which this contract resulted are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the covered area. Covered construction contractors performing contracts in geographical areas where they do not have a Federal or Federally-assisted construction contract shall apply the minority and female goals established for the geographic area where the contract is being performed. Goals are published periodically in the Federal Register in notice form and such notices may be obtained from any Office of Federal Contract Compliance Programs office or from Federal procurement contracting officers. The Contractor is expected to make substantially uniform progress in meeting its goals in each craft during the period specified.

(5) Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the Contractor's obligations under these specifications, Executive Order 11246, or the regulations promulgated pursuant thereto.

(6) In order for the nonworking training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor.

(7) The Contractor shall take specific affirmative actions to ensure equal employment opportunity. The evaluation of the Contractor's compliance with these specifications shall be based upon its effort to achieve maximum results from its actions. The Contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:

a. Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the Contractor's employees are assigned to work. The Contractor, where possible, will assign two or more women to each construction project. The Contractor shall specifically ensure that all foremen, superintendents, and other on-site supervisory personnel are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.

b. Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the Contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

c. Maintain a current file of the names, addresses, and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source, or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by the union or, if referred, not employed by the Contractor, this shall be documented in the file with the reason therefor, along with whatever additional actions the Contractor may have taken.

d. Provide immediate written notification to the Director when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.

e. Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall provide notice of these programs to the sources compiled under (7)b above.

f. Disseminate the Contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper, annual report, etc. by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the company EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

g. Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination, or other employment decisions including specific review of these items with on-site supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

h. Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.

i. Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date of the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

j. Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer, and vacation employment to minority and female youth both on the site and in other areas of a Contractor's work force.

k. Validate all tests and other selection requirements where there is an obligation to do so under 41 CFR Part 60-3.

l. Conduct, at least annually, an inventory and evaluation at least of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

m. Ensure that seniority practices, job classifications work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations under these specifications are being carried out.

n. Ensure that all facilities and company activities are nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

o. Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

p. Conduct a review, at least annually, of all supervisor's adherence to and performance under the Contractor's EEO policies and affirmative action obligations.

(8) Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations (7)a through p. The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the Contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under (7)a through p of these Specifications provided that the Contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation, makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation shall not be a defense for the Contractor's non-compliance.

(9) A single goal for minorities and a separate single goal for women have been established. The Contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, the Contractor may be in violation of the Executive Order if a particular group is employed in a substantially disparate manner (for example, even though the Contractor has achieved its goals for women generally the Contractor may be in violation of the Executive Order if a specific minority group of women is underutilized).

(10) The Contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex, or national origin.

(11) The Contractor shall not enter into any Subcontract with any person or firm debarred from Government contracts pursuant to Executive Order 11246.

(12) The Contractor shall carry out such sanctions and penalties for violation of these specifications and of the Equal Opportunity Clause, including suspension, termination and cancellation of existing subcontracts as may be imposed or ordered pursuant to Executive Order 11246, as amended, and its implementing regulations, by the Office of Federal Contract Compliance Programs. Any contractor who fails to carry out such sanctions and penalties shall be in violation of these specifications and Executive Order 11246, as amended.

(13) The Contractor, in fulfilling its obligations under these specifications, shall implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph (7) of these specifications, so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the Contractor fails to comply with the requirements of the Executive Order, the implementing regulation, or these specifications, the Director shall proceed in accordance with 41 CFR 60-4.8.

(14) The Contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required by the Government and to keep records. Records shall at least include for each employee, the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number where assigned, social security number, race, sex, status (e.g., mechanic, apprentice trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and location at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractor shall not be required to maintain separate records.

(15) Nothing herein provided shall be construed as a limitation upon the application of other laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

CONTRACTOR'S DATA FORM **SAMPLE**

FIRM NAME _____ DATE _____

BUSINESS ADDRESS_____ TELEPHONE _____

Names and Addresses of all owners, partners, and, if a corporation, the names of major stockholders and officers:

_____

YEARS IN BUSINESS _____ LIST ALL CONSTRUCTION EXPERIENCE:

_____

_____

SUBCONTRACTORS YOU USE OR MATERIAL SUPPLIERS:

_____

BUSINESS REFERENCES: (Local banks, etc.)

_____

Name, address and phone number of the last three (3) customers for whom you have performed home improvement work:

_____

_____

_____

The undersigned Contractor certifies that all information given herein is correct and further agrees:

1. That if the work is found to be unsatisfactory by the inspector or if contract relations between the contractor and the homeowner are found to be unsatisfactory, the contractor's name may be removed from the approved list, with such accompanying publicity as deemed necessary.
2. That required insurance and bond will be provided.
3. That the contractor will abide by U.S. Department of Housing and Urban Development regulations pertaining to equal employment opportunity.

Date: _____ Signed: _____

Reviewed by: _____

To City File

Cumulative Housing Rehabilitation Report

PROJECT: CONTRACT: Z-

SUBMIT THIS REPORT NO LATER THAN TEN DAYS AFTER: March 31 and September 30
Period Covered: October 1 thru March 31 and April 1 thru September 30

Priority	Name	Address	Activity	CDBG Cost	Total Cost	# in H/Hold	V-Low Inc.	Low Inc.	Racial/ Ethnic Group*	Contract Date	Final Inspection	Present Status

NOTE: This report is cumulative.

* Racial/Ethnic Codes: 1 - White Americans, 2 - Black Americans, 3 - Native Americans, 4 - Hispanic Americans, 5 - Asian/Pacific Americans, 6 - Hasidic Jews

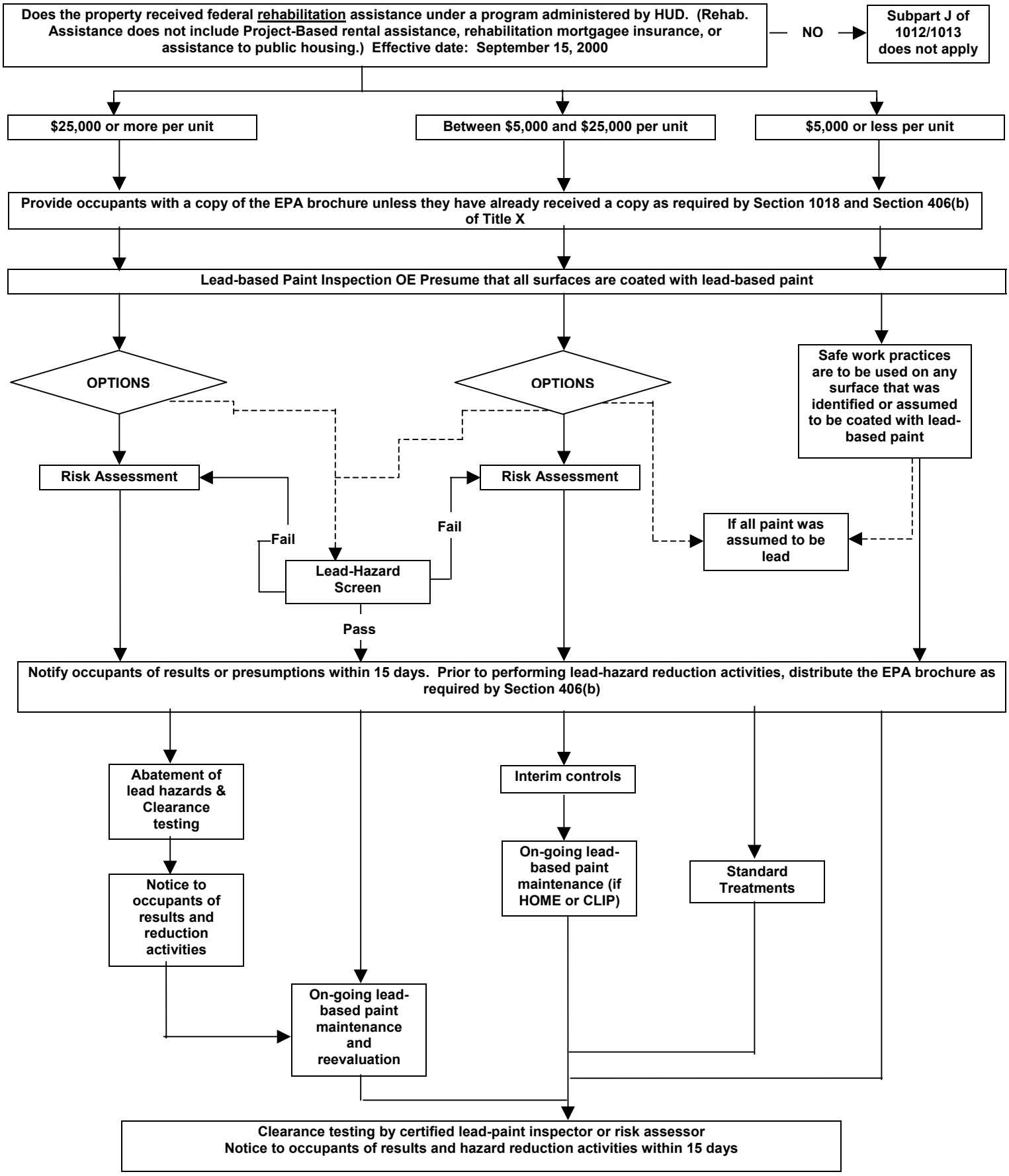
G-19a

LEAD-BASED PAINT QUICK REFERENCE GUIDE

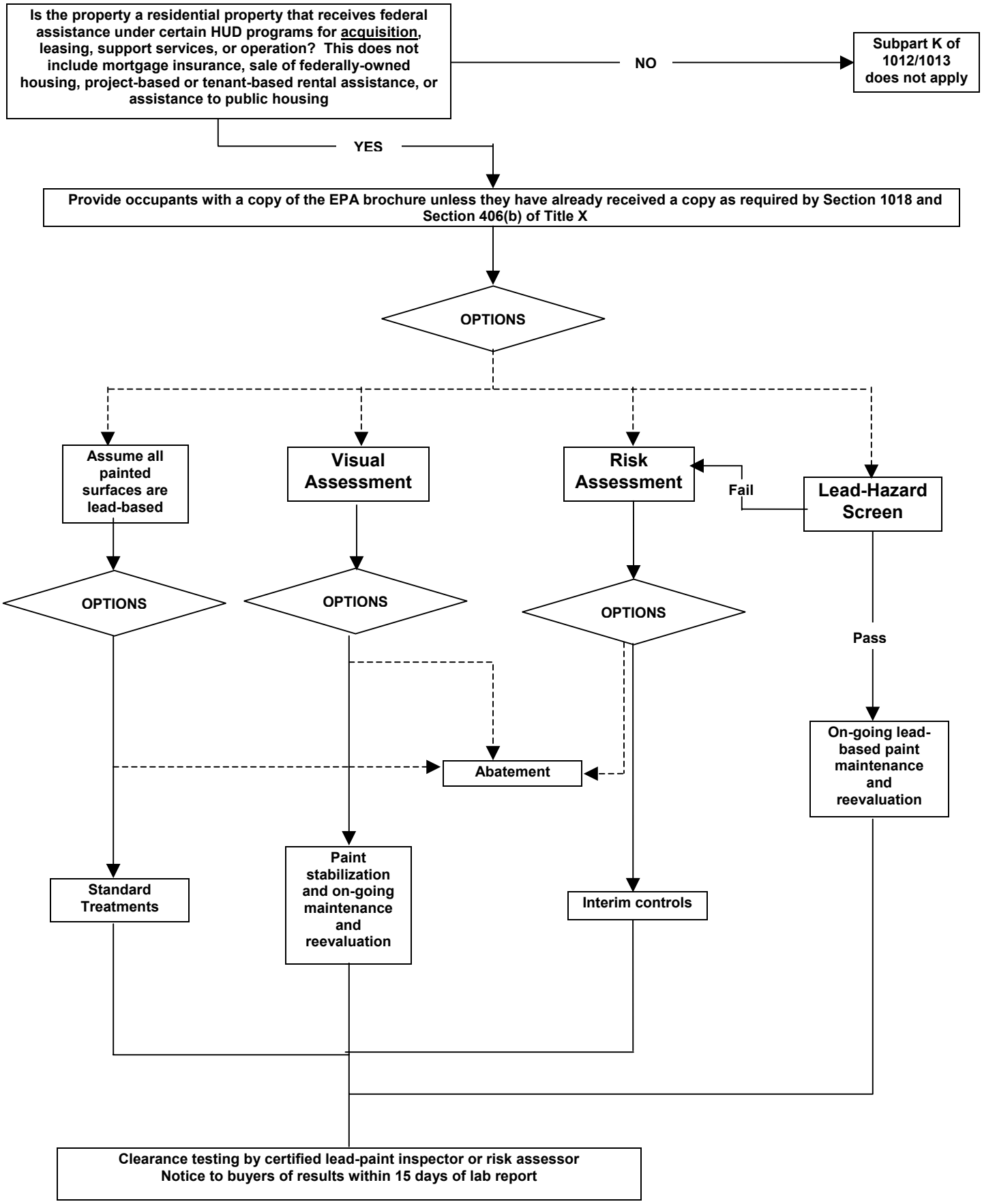
1. Property receiving less than or equal to $5,000 per unit	• Provision of pamphlet. • Paint testing of surfaces to be disturbed, or presume LBP • Safe work practices in rehab • Repair disturbed paint • Notice to occupants • Clearance testing of worksite
2. Property receiving more than $5,000 and up to $25,000 per unit	• Provision of pamphlet • Paint testing of surfaces to be disturbed, or presume LBP • Risk Assessment • Interim controls/Standard treatments • Notice to occupants • Clearance testing of entire unit and common areas
3. Property receiving more than $25,000 per unit	• Provision of pamphlet • Paint testing of surfaces to be disturbed, or presume LBP • Risk assessment • Abatement of LBP hazards • Notice to occupants • Clearance testing of entire unit and common areas

LEAD BASED PAINT – REHABILITATION PROCESS

G-19b



LEAD BASED PAINT – ACQUISITION PROCESS



JOINT EPA – HUD MEMORANDUM

U.S. ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20640

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-3000

APR 19 2001

Dear Colleague:

This letter clarifies the Title X requirements for rehabilitation and lead hazard reduction in property receiving up to $25,000 per unit in Federal rehabilitation assistance under regulations issued by the Department of Housing and Urban Development (HUD). This letter also clarifies the definition of "abatement" under regulations issued by the Environmental Protection Agency (EPA) and HUD. Both agencies issued their regulations under the authority of Title X of the 1992 Housing and Community Development Act, which among other things amended the Toxic Substances Control Act. EPA and HUD are working together to ensure that these two regulations complement each other to ensure that children are protected from lead-based paint hazards.

EPA is authorized to set minimal standards for all lead-based paint abatements, inspections, and risk assessments. This includes establishing training and certification requirements and work practice standards for individuals and firms engaged in those activities, and developing hazard standards. While EPA regulations do not mandate abatement, they require that whenever abatement activities occur by design, they be performed by certified personnel. EPA also authorizes states and tribes to operate their own training and certification programs to address inspections, risk assessments, and abatement if they demonstrate that they are at least as protective as the EPA program and provide for adequate enforcement. Because authorized state and tribal programs may differ from the EPA training and certification program, individuals and firms working in these areas must check with the authorized state or tribe to ensure compliance with those requirements. Local jurisdictions may also have requirements for lead hazard control.

HUD is authorized to require lead-based paint hazard control measures in federally-assisted housing, community development, and loan guarantee programs, and to provide grants to address lead-based paint hazards in low-income, privately-owned dwelling units. HUD's Lead Safe Housing Rule, also issued under the authority of Title X, requires that each recipient of Federal rehabilitation assistance less than $25,000 per unit must reduce lead-based paint hazards, through either interim controls or, if desired, abatement (this does not include public housing authorities conducting modernization). With limited exception, recipients conducting Federally assisted rehabilitation of more than $25,000 per unit must abate lead-based paint hazards.

Pursuant to Title X, both EPA's and HUD's regulations define abatement generally as any measure or set of measures *designed* to permanently eliminate lead-based paint hazards, including occupant protection and safe work practices. Whenever activities intended to permanently eliminate lead hazards are being conducted, EPA and HUD consider such activities

to be abatement. Under HUD's Lead Safe Housing Rule, intention to conduct abatement would, in virtually all circumstances, be established when HUD regulations require abatement, when abatement is specified in work specifications, job write-ups, cost allocation, or similar documents, or when abatement is expressly ordered by a responsible state or local agency or court order. HUD regulations require abatement during modernization of conventional pre-1978 family public housing developments (regardless of funding level), conversions, and for housing rehabilitation programs funded through the HUD Office of Community Planning and Development when Federal rehabilitation assistance exceeds $25,000 per unit.

EPA's regulations at 40 CFR Part 745.223 exclude from abatement "renovation, remodeling, landscaping or other activities, when such activities are not *designed* to permanently eliminate lead-based paint hazards, but, instead, are designed to repair, restore, or remodel a given structure or dwelling, even though these activities may incidentally result in a reduction or elimination of lead-based paint hazards" (emphasis added). When the primary purpose of work is rehabilitation or weatherization, EPA and HUD do not consider such activities to be abatement. The presence of a lead inspection or risk assessment report or the presumption of the presence of lead-based paint does not trigger federal abatement requirements or automatically change a housing rehabilitation project into an abatement project. Similarly, the use of specific work practices, such as window replacement, does not by itself change a rehabilitation project into an abatement project. On the other hand, even if a housing unit's Federal rehabilitation assistance is less than $25,000, activities expressly intended to permanently eliminate lead hazards are considered abatement. For example, if a cost allocation document subtracts the cost of window replacement from the hard cost of rehabilitation as a lead-based paint hazard reduction measure, the window removal is considered to be abatement. Any other building component replacement, enclosure, or encapsulation measure intended to permanently eliminate a lead-based paint hazard, particularly as documented in regulation, project specifications, cost allocation document, or court or agency order is abatement.

For paint repair and rehabilitation activities in properties receiving less than $25,000 in federal rehabilitation assistance, HUD regulations require occupant protection, the use of workers trained in lead-safe work practices and clearance testing whenever more than de minimis amounts of paint are disturbed. Occupant protection is a required element of all federally-assisted rehabilitation projects covered under Subpart J of the HUD regulation, regardless of funding level, because occupant protection is a requirement under lead-safe work practices (see 24 CFR 35.1350(b) and 24 CFR 35.1345). While EPA does not currently regulate remodeling or renovation activities, both EPA and HUD support the use of lead-safe work practices for all rehabilitation and paint repair activities involving surfaces that may contain lead-based paint. HUD has adapted EPA's one-day training courses to address the requirements of HUD's Lead Safe Housing Rule and HUD is working to make its courses widely available for those subject to HUD's rule (see www.hud.gov/offices/lead for a schedule of course offerings).

HUD will enforce its requirements. Those who believe HUD's lead-based paint

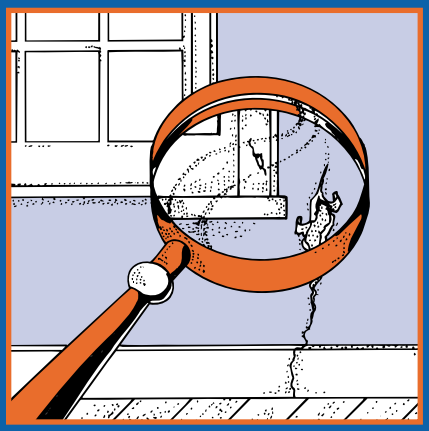
regulations are being violated should send a written complaint and supporting documentation to:

John P. Kennedy
Associate General Counsel for Finance and Regulatory Enforcement
U. S. Department of Housing and Urban Development
451 Seventh St., SW
Washington, DC 20410

When fully implemented, these requirements will help to ensure that every child living in federally-assisted housing will have a lead-safe home.

William H. Sanders, III, Director
Office of Pollution Prevention and Toxics
U.S. Environmental Protection Agency

David E. Jacobs, Director
Office of Healthy Homes and Lead Hazard Control
U.S. Department of Housing and Urban Development



Protect Your Family From Lead In Your Home

EPA United States Environmental Protection Agency

United States Consumer Product Safety Commission

United States Department of Housing and Urban Development

U.S. EPA Washington DC 20460
U.S. CPSC Washington DC 20207
U.S. HUD Washington DC 20410

EPA747-K-99-001
September 2001

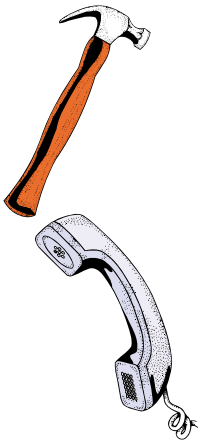
Are You Planning To Buy, Rent, or Renovate a Home Built Before 1978?

Many houses and apartments built before 1978 have paint that contains high levels of lead (called lead-based paint). Lead from paint, chips, and dust can pose serious health hazards if not taken care of properly.

Federal law requires that individuals receive certain information before renting, buying, or renovating pre-1978 housing:

LANDLORDS have to disclose known information on lead-based paint and lead-based paint hazards before leases take effect. Leases must include a disclosure form about lead-based paint.

SELLERS have to disclose known information on lead-based paint and lead-based paint hazards before selling a house. Sales contracts must include a disclosure form about lead-based paint. Buyers have up to 10 days to check for lead.



RENOVATORS have to give you this pamphlet before starting work.

IF YOU WANT MORE INFORMATION on these requirements, call the National Lead Information Center at **1-800-424-LEAD (424-5323)**.

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IMPORTANT!

Lead From Paint, Dust, and Soil Can Be Dangerous If Not Managed Properly

FACT: Lead exposure can harm young children and babies even before they are born.

FACT: Even children who seem healthy can have high levels of lead in their bodies.

FACT: People can get lead in their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.

FACT: People have many options for reducing lead hazards. In most cases, lead-based paint that is in good condition is not a hazard.

FACT: Removing lead-based paint improperly can increase the danger to your family.

If you think your home might have lead hazards, read this pamphlet to learn some simple steps to protect your family.

Lead Gets in the Body in Many Ways

Childhood lead poisoning remains a major environmental health problem in the U.S.

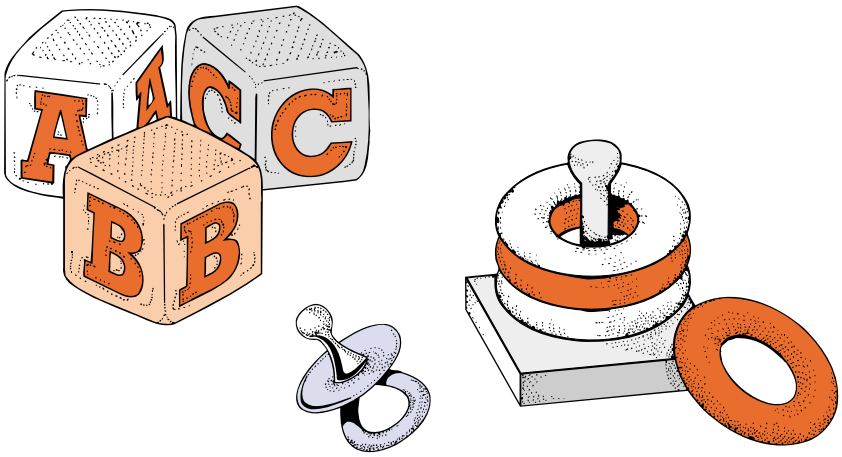
Even children who appear healthy can have dangerous levels of lead in their bodies.

People can get lead in their body if they:

- Breathe in lead dust (especially during renovations that disturb painted surfaces).
- Put their hands or other objects covered with lead dust in their mouths.
- Eat paint chips or soil that contains lead.

Lead is even more dangerous to children than adults because:

- Children's brains and nervous systems are more sensitive to the damaging effects of lead.
- Children's growing bodies absorb more lead.
- Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.



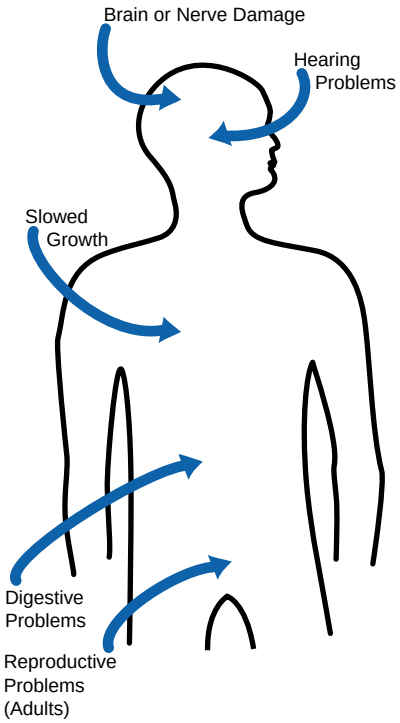
Lead's Effects

If not detected early, children with high levels of lead in their bodies can suffer from:

- Damage to the brain and nervous system
- Behavior and learning problems (such as hyperactivity)
- Slowed growth
- Hearing problems
- Headaches

Lead is also harmful to adults. Adults can suffer from:

- Difficulties during pregnancy
- Other reproductive problems (in both men and women)
- High blood pressure
- Digestive problems
- Nerve disorders
- Memory and concentration problems
- Muscle and joint pain



Lead affects the body in many ways.

Where Lead-Based Paint Is Found

In general, the older your home, the more likely it has lead-based paint.

Many homes built before 1978 have lead-based paint. The federal government banned lead-based paint from housing in 1978. Some states stopped its use even earlier. Lead can be found:

- In homes in the city, country, or suburbs.
- In apartments, single-family homes, and both private and public housing.
- Inside *and* outside of the house.
- In soil around a home. (Soil can pick up lead from exterior paint or other sources such as past use of leaded gas in cars.)

Checking Your Family for Lead

Get your children and home tested if you think your home has high levels of lead.

To reduce your child's exposure to lead, get your child checked, have your home tested (especially if your home has paint in poor condition and was built before 1978), and fix any hazards you may have. Children's blood lead levels tend to increase rapidly from 6 to 12 months of age, and tend to peak at 18 to 24 months of age.

Consult your doctor for advice on testing your children. A simple blood test can detect high levels of lead. Blood tests are usually recommended for:

- Children at ages 1 and 2.
- Children or other family members who have been exposed to high levels of lead.
- Children who should be tested under your state or local health screening plan.

Your doctor can explain what the test results mean and if more testing will be needed.

Identifying Lead Hazards

Lead-based paint is usually not a hazard if it is in good condition, and it is not on an impact or friction surface, like a window. It is defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter, or more than 0.5% by weight.

Deteriorating lead-based paint (peeling, chipping, chalking, cracking or damaged) is a hazard and needs immediate attention. It may also be a hazard when found on surfaces that children can chew or that get a lot of wear-and-tear, such as:

- Windows and window sills.
- Doors and door frames.
- Stairs, railings, banisters, and porches.

Lead from paint chips, which you can see, and lead dust, which you can't always see, can both be serious hazards.

Lead dust can form when lead-based paint is dry scraped, dry sanded, or heated. Dust also forms when painted surfaces bump or rub together. Lead chips and dust can get on surfaces and objects that people touch. Settled lead dust can re-enter the air when people vacuum, sweep, or walk through it. The following two federal standards have been set for lead hazards in dust:

- 40 micrograms per square foot ($\mu g/ft^2$) and higher for floors, including carpeted floors.
- 250 $\mu g/ft^2$ and higher for interior window sills.

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. The following two federal standards have been set for lead hazards in residential soil:

- 400 parts per million (ppm) and higher in play areas of bare soil.
- 1,200 ppm (average) and higher in bare soil in the remainder of the yard.

The only way to find out if paint, dust and soil lead hazards exist is to test for them. The next page describes the most common methods used.

Checking Your Home for Lead

Just knowing that a home has lead-based paint may not tell you if there is a hazard.

You can get your home checked for lead in one of two ways, or both:

- A paint **inspection** tells you the lead content of every different type of painted surface in your home. It won't tell you whether the paint is a hazard or how you should deal with it.
- A **risk assessment** tells you if there are any sources of serious lead exposure (such as peeling paint and lead dust). It also tells you what actions to take to address these hazards.

Hire a trained, certified professional who will use a range of reliable methods when checking your home, such as:

- Visual inspection of paint condition and location.
- A portable x-ray fluorescence (XRF) machine.
- Lab tests of paint, dust, and soil samples.

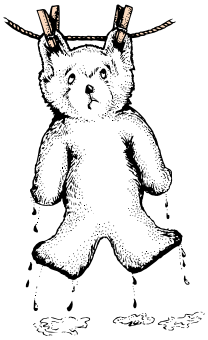
There are standards in place to ensure the work is done safely, reliably, and effectively. Contact your local lead poisoning prevention program for more information, or call **1-800-424-LEAD** for a list of contacts in your area.

Home test kits for lead are available, but may not always be accurate. Consumers should not rely on these tests before doing renovations or to assure safety.

What You Can Do Now To Protect Your Family

If you suspect that your house has lead hazards, you can take some immediate steps to reduce your family's risk:

- **If you rent, notify your landlord of peeling or chipping paint.**
- **Clean up paint chips immediately.**
- **Clean floors, window frames, window sills, and other surfaces weekly**. Use a mop or sponge with warm water and a general all-purpose cleaner or a cleaner made specifically for lead. REMEMBER: NEVER MIX AMMONIA AND BLEACH PRODUCTS TOGETHER SINCE THEY CAN FORM A DANGEROUS GAS.



- **Thoroughly rinse sponges and mop heads after cleaning dirty or dusty areas**.
- **Wash children's hands often, especially before they eat and before nap time and bed time.**
- **Keep play areas clean.** Wash bottles, pacifiers, toys, and stuffed animals regularly.
- **Keep children from chewing window sills or other painted surfaces.**
- **Clean or remove shoes before entering your home to avoid tracking in lead from soil.**

- **Make sure children eat nutritious, low-fat meals high in iron and calcium,** such as spinach and dairy products. Children with good diets absorb less lead.

Reducing Lead Hazards In The Home

Removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.

Always use a professional who is trained to remove lead hazards safely.

In addition to day-to-day cleaning and good nutrition:

- You can **temporarily** reduce lead hazards by taking actions such as repairing damaged painted surfaces and planting grass to cover soil with high lead levels. These actions (called "interim controls") are not permanent solutions and will need ongoing attention.
- To **permanently** remove lead hazards, you should hire a certified lead "abatement" contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not permanent removal.

Always hire a person with special training for correcting lead problems—someone who knows how to do this work safely and has the proper equipment to clean up thoroughly. Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

Once the work is completed, dust cleanup activities must be repeated until testing indicates that lead dust levels are below the following:

- 40 micrograms per square foot ($\mu g/ft^2$) for floors, including carpeted floors;
- 250 $\mu g/ft^2$ for interior windows sills; and
- 400 $\mu g/ft^2$ for window troughs.

Call your local agency (see page 11) for help with locating certified contractors in your area and to see if financial assistance is available.

Remodeling or Renovating a Home With Lead-Based Paint

Take precautions before your contractor or you begin remodeling or renovating anything that disturbs painted surfaces (such as scraping off paint or tearing out walls):

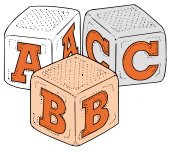
- **Have the area tested for lead-based paint.**
- **Do not use a belt-sander, propane torch, heat gun, dry scraper, or dry sandpaper** to remove lead-based paint. These actions create large amounts of lead dust and fumes. Lead dust can remain in your home long after the work is done.
- **Temporarily move your family** (especially children and pregnant women) out of the apartment or house until the work is done and the area is properly cleaned. If you can't move your family, at least completely seal off the work area.
- **Follow other safety measures to reduce lead hazards.** You can find out about other safety measures by calling 1-800-424-LEAD. Ask for the brochure "Reducing Lead Hazards When Remodeling Your Home." This brochure explains what to do before, during, and after renovations.

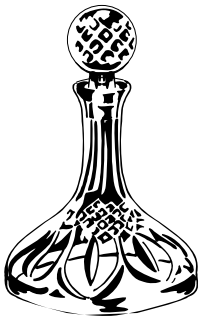
If not conducted properly, certain types of renovations can release lead from paint and dust into the air.

If you have already completed renovations or remodeling that could have released lead-based paint or dust, get your young children tested and follow the steps outlined on page 7 of this brochure.

Other Sources of Lead

While paint, dust, and soil are the most common lead hazards, other lead sources also exist.





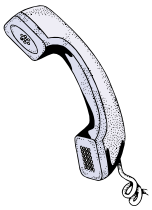
- **Drinking water.** Your home might have plumbing with lead or lead solder. Call your local health department or water supplier to find out about testing your water. You cannot see, smell, or taste lead, and boiling your water will not get rid of lead. If you think your plumbing might have lead in it:
  - Use only cold water for drinking and cooking.
  - Run water for 15 to 30 seconds before drinking it, especially if you have not used your water for a few hours.
- **The job.** If you work with lead, you could bring it home on your hands or clothes. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family's clothes.
- Old painted **toys** and **furniture.**
- Food and liquids stored in **lead crystal** or **lead-glazed pottery or porcelain.**
- **Lead smelters** or other industries that release lead into the air.
- **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture.
- **Folk remedies** that contain lead, such as "greta" and "azarcon" used to treat an upset stomach.

For More Information

The National Lead Information Center

Call **1-800-424-LEAD (424-5323)** to learn how to protect children from lead poisoning and for other information on lead hazards. To access lead information via the web, visit **www.epa.gov/lead** and **www.hud.gov/offices/lead/.**

For the hearing impaired, call the Federal Information Relay Service at **1-800-877-8339** and ask for the National Lead Information Center at **1-800-424-LEAD.**

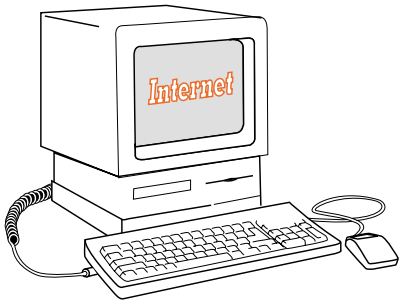


EPA's Safe Drinking Water Hotline

Call **1-800-426-4791** for information about lead in drinking water.

Consumer Product Safety Commission (CPSC) Hotline

To request information on lead in consumer products, or to report an unsafe consumer product or a product-related injury call **1-800-638-2772**, or visit CPSC's website at: **www.cpsc.gov.**



Health and Environmental Agencies

Some cities, states, and tribes have their own rules for lead-based paint activities. Check with your local agency to see which laws apply to you. Most agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards. Receive up-to-date address and phone information for your local contacts on the Internet at **www.epa.gov/lead** or contact the National Lead Information Center at **1-800-424-LEAD.**

CPSC Regional Offices

Your Regional CPSC Office can provide further information regarding regulations and consumer product safety.

Eastern Regional Center
Consumer Product Safety Commission
201 Varick Street, Room 903
New York, NY 10014
(212) 620-4120

Western Regional Center
Consumer Product Safety Commission
1301 Clay Street, Suite 610-N
Oakland, CA 94612
(510) 637-4050

Central Regional Center
Consumer Product Safety Commission
230 South Dearborn Street, Room 2944
Chicago, IL 60604
(312) 353-8260

HUD Lead Office

Please contact HUD's Office of Healthy Homes and Lead Hazard Control for information on lead regulations, outreach efforts, and lead hazard control and research grant programs.

U.S. Department of Housing and Urban Development
Office of Healthy Homes and Lead Hazard Control
451 Seventh Street, SW, P-3206
Washington, DC 20410
(202) 755-1785

EPA Regional Offices

Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

EPA Regional Offices

Region 1 (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)

Regional Lead Contact
U.S. EPA Region 1
Suite 1100 (CPT)
One Congress Street
Boston, MA 02114-2023
1 (888) 372-7341

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands)

Regional Lead Contact
U.S. EPA Region 2
2890 Woodbridge Avenue
Building 209, Mail Stop 225
Edison, NJ 08837-3679
(732) 321-6671

Region 3 (Delaware, Maryland, Pennsylvania, Virginia, Washington DC, West Virginia)

Regional Lead Contact
U.S. EPA Region 3 (3WC33)
1650 Arch Street
Philadelphia, PA 19103
(215) 814-5000

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)

Regional Lead Contact
U.S. EPA Region 4
61 Forsyth Street, SW
Atlanta, GA 30303
(404) 562-8998

Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)

Regional Lead Contact
U.S. EPA Region 5 (DT-8J)
77 West Jackson Boulevard
Chicago, IL 60604-3666
(312) 886-6003

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas)

Regional Lead Contact
U.S. EPA Region 6
1445 Ross Avenue, 12th Floor
Dallas, TX 75202-2733
(214) 665-7577

Region 7 (Iowa, Kansas, Missouri, Nebraska)

Regional Lead Contact
U.S. EPA Region 7
(ARTD-RALI)
901 N. 5th Street
Kansas City, KS 66101
(913) 551-7020

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)

Regional Lead Contact
U.S. EPA Region 8
999 18th Street, Suite 500
Denver, CO 80202-2466
(303) 312-6021

Region 9 (Arizona, California, Hawaii, Nevada)

Regional Lead Contact
U.S. Region 9
75 Hawthorne Street
San Francisco, CA 94105
(415) 947-4164

Region 10 (Alaska, Idaho, Oregon, Washington)

Regional Lead Contact
U.S. EPA Region 10
Toxics Section WCM-128
1200 Sixth Avenue
Seattle, WA 98101-1128
(206) 553-1985

Simple Steps To Protect Your Family From Lead Hazards

If you think your home has high levels of lead:

- Get your young children tested for lead, even if they seem healthy.
- Wash children's hands, bottles, pacifiers, and toys often.
- Make sure children eat healthy, low-fat foods.
- Get your home checked for lead hazards.
- Regularly clean floors, window sills, and other surfaces.
- Wipe soil off shoes before entering house.
- Talk to your landlord about fixing surfaces with peeling or chipping paint.
- Take precautions to avoid exposure to lead dust when remodeling or renovating (call 1-800-424-LEAD for guidelines).
- Don't use a belt-sander, propane torch, heat gun, dry scraper, or dry sandpaper on painted surfaces that may contain lead.
- Don't try to remove lead-based paint yourself.

Recycled/Recyclable
Printed with vegetable oil based inks on recycled paper (minimum 50% postconsumer) process chlorine free.

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STATUS OF COMPLIANCE WITH LEAD-BASED PAINT REQULATIONS

To be submitted with project set-up, contract, and work-write-up.

Project Name and Address: _____

_____

_____

1. Check applicable box(es)

☐ Lead based paint inspection ☐ Risk Assessment

☐ Presumption of LBP ☐ Post 1977 Housing

2. If inspection/risk assessment performed:

Name of Inspector/Risk Assessor _____

Company _____

3. Were Lead Based Paint Hazards Identified?

☐ Yes ☐ No

4. If yes, were corrective measures added to the original work-write-up?

☐ Yes ☐ No

5. Type of Lead-Activity to be conducted:

☐ Interim controls ☐ Abatement

☐ Standard treatments ☐ None

6. Is relocation necessary?

☐ Yes ☐ No

7. Estimated cost of lead work: $_____

Administrator: _____ Date: _____

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STATEMENT OF CLEARANCE

To be submitted with Certification of Completion and Final Inspection

Project Name and Address: _____

_____

_____

Name of Inspector/Risk Assessor _____

Company _____

1. Were all lead-based paint hazards corrected during rehab?

   ☐ Yes ☐ No

2. Date Clearance achieved: _____

3. Date home reoccupied: _____

4. Attach a copy of statement of Clearance from Risk Assessor.

CLEARANCE ORDINANCE

An ordinance for the purpose of promoting the public health, safety, and general welfare which prohibits the accumulation of weeds, junk cars, abandoned appliances and other debris identified by the code enforcement officer/building inspector.

BE IT RESOLVED BY THE COMMUNITY COUNCIL OF ___*COMMUNITY*___, TENNESSEE, DULY ASSEMBLED IN REGULAR SESSION ON _____, 20_ A QUORUM BEING PRESENT, THE FOLLOWING:

SECTION I Unlawful to Allow Weeds, Junk Cars, Abandoned Appliances and Other Debris to Accumulate on the Premises

The owners of all lots or property within the corporate limits of the COMMUNITY of ___*COMMUNITY*___ are hereby required to cut, trim, or remove all weeds, grass, tree branches and offensive or hazardous materials from the site. It shall be unlawful for any person to allow junk cars, abandoned appliances and other debris to accumulate on property under his control.

This ordinance shall be enforceable when it is determined by the Building Inspector/Code Enforcement officer, that a nuisance or a Health Hazard exists.

SECTION II Definitions

The purpose of this section is to eliminate ambiguity by providing full definition of certain words which are used in this ordinance.

(a) *Weeds* shall mean any of various usually common or abundantly growing plants measured to be a minimal of one foot in height, measuring from the base of the plant at ground - surface level.

(b) *Grass* shall mean any of numerous plants of the family Graminea measured to be a minimal of one foot in height measuring from the base of the plant at ground - surface level.

(c) *Offensive or Hazardous Materials* shall mean any tangible or intangible material which is disagreeable to the senses, and/or a material which may be dangerous to the environment or the people.

(d) *Junk Car* shall mean any automobile or any motor vehicle manufactured for transportation which is incapable of being self-propelled upon the public streets or which does not meet the requirements for operation upon the public streets including current licenses and registration also, if the vehicle is not functional within 60 days of the notice and registered within 60 days is considered a junk car.

(e) *Abandoned Appliances* shall mean any manufactured appliance(s) not functional and not presently used for its manufactured purpose.

SECTION III Notice to Clean Up Premises by OWNER

Upon the failure of any OWNER to cut, trim, and remove all weeds, grass, tree branches, and offensive or hazardous materials and/or junk cars, abandoned appliances, and other debris as noted in the first section of this ordinance, it shall be the duty of the Building Inspector/code Enforcement Officer, to serve a notice mailed by certified mail to the last known address of the person or persons having control over the offending premises, or such notice may be served personally to the OWNER of the property or may be posted on the property in which the violation exists. Service of notice shall consist of any of the above methods and shall state:

You are hereby notified that the premises under your control, being (property description) have been found to be in an unsanitary, unhealthy and unattractive condition.

You are directed by the COMMUNITY of ___*COMMUNITY*___, Tennessee to remove all accumulation of _____ (weeds, grass, tree branches, offensive or hazardous materials to include junk cars, abandoned appliances and other debris) from the premises within the next five (5) days at your own expense.

Should you fail to act upon this directive within the above described time, the COMMUNITY shall take appropriate action.

SECTION IV Cleaning Up the Premises by the COMMUNITY

The OWNER of all lots or property in violation may request that the COMMUNITY of ___*COMMUNITY*___, Tennessee clean up the premises with the property OWNER reimbursing the COMMUNITY for the costs incurred by the COMMUNITY for such cutting, cleaning or removal of his, her or their property, and all such costs and payment methods shall be set by the COMMUNITY.

Upon the failure of any OWNER of lots or property to cut/remove or to cause to be cut/removed all violations specified in this ordinance upon the property described in the sections above, within five (5) days thereof, the street department, acting through the direction of public works and at his direction, is authorized and directed to cut/remove or have cut/removed, trimmed, clipped, or cleared all such violations as specified in this ordinance and a statement of the cost thereof shall be prepared by the office of the director of Public Works and filed with the COMMUNITY recorder for collection. Pursuant to the authority conferred by the General Assembly of Tennessee, a tax lien may be declared on such property for all costs and expenses, of cutting, clearing, or removing incurred by the street department if costs incurred are not reimbursed to the COMMUNITY by the property OWNER after submission of statement of costs.

SECTION V Collection of Costs Incurred by the COMMUNITY

Upon receipt of such statement of costs, the COMMUNITY recorder shall bill the OWNER, by certified mail, in a manner similar to that followed in mailing monthly utility bills, for the amount of the costs incurred by the COMMUNITY for such cutting or clearing of his property and all such bills or charges shall bear interest at the rate of __% per annum, during that period of time commencing thirty (30) days after the date of mailing such bills or statements of charges and ending on the date of payment. At the same time unpaid real estate taxes are certified or turned over to the COMMUNITY attorney for collection, the COMMUNITY recorder may also certify or turn over to him for collection all unpaid and uncollected bills or charges for the cutting, trimming, or removal of the accumulated debris specified in this ordinance, and the COMMUNITY attorney shall file suit or take such other steps as may be necessary to enforce the lien for same on such property.

SECTION VI Administration

The COMMUNITY Building Inspector shall be responsible for the administration and enforcement of this ordinance.

SECTION VII Attorney's Fee for Collecting Costs

All uncollected sums for the cutting, trimming, and removal of the accumulated debris, as specified in this Ordinance, for each year, including interest and all costs incurred by the COMMUNITY for remedying the specified violation, after notice to the property OWNER as herein provided, are hereby declared to be a special tax to be collected as other general taxes levied by the COMMUNITY, including real estate taxes and special assessments. When placed in the hands of the COMMUNITY attorney for collection, __% of the unpaid charges for such costs incurred by the COMMUNITY shall be added to the principal and interest for the attorney's services in making such collections and retained by him.

SECTION VIII That This Ordinance Shall Take Effect From and After Its Adoption, Public Welfare Requiring It

On motion of _____, seconded by a _____, foregoing was adopted by a vote of __ to __, by the COMMUNITY of ___*COMMUNITY*___, Tennessee, this __ day of _____, 20_.

GENERAL CONDITIONS

AND

SPECIFICATIONS

FOR

REHABILITATION

NOTE:	Complete copy consisting of 35 pages is available from the Tennessee Department of Economic and Community Development

CERTIFICATE OF ESCROW ACCOUNT

This document shall serve as the Community of ___*(Community)*___'s Certification that the sum of $_____ is being requested for deposit in escrow account number __*(#)*__, located at __*(Financial Institution)*__ on the behalf of the family of ___*(Name of Family)*___ for property to be rehabilitated located at ___*(Address of Property)*___ in the Community of ___*(Community)*___.

_____
City Official

_____
Date

REHABILITATION FILE CHECKLIST

The COMMUNITY must keep accurate, comprehensive and up to date files. The following materials need to be clearly labeled and filed with the other project files.

- ❑ *Policies and Procedures* with resolution of adoption by COMMUNITY
- ❑ General Conditions and Specifications for rehabilitation
- ❑ Prioritized list of eligible homeowners indicating the order in which the work will be done
- ❑ Disqualified applicants and the reason for disqualification
- ❑ Master list of all dwellings
- ❑ Individual case file - There must be one file for <u>each</u> dwelling in the target area. If there are thirty houses in the target area, there must be thirty individual files - even if only fifteen of the dwellings are being rehabilitated. The other individual files must contain information on why those dwellings are not eligible.

  The following checklist may be copied and placed in the individual case file.

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Individual Case Files

There must be one file for each dwelling in the target area that is being rehabilitated.

Name _____ Priority List Number _____

Address _____

Grant amount _____ Was a site visit made? ❑ Yes ❑ No

		Yes	No
Housing rehabilitation application	G-2	❑	❑
Ineligible for assistance (if applicable)	G-3	❑	❑
Approval for rehabilitation assistance	G-6	❑	❑
Rehabilitation work write-up	G-4	❑	❑
Contract for rehabilitation	G-16	❑	❑
Grant agreement	G-7	❑	❑
Right to Rescission	G-8	❑	❑
Lead poisoning notice (Homeowner's brochure)	G-19e	❑	❑
Status of Compliance	G-19f	❑	❑
Statement of Clearance	G-19g	❑	❑
Rehab bid tabulation	G-5	❑	❑
Notice to Proceed	G-9	❑	❑

Certificate of Escrow Account	G-22	❑	❑
Inspection report (s)	G-10	❑	❑
Change Orders (if necessary)	G-11	❑	❑
Non-Kickback Certification	G-13	❑	❑
Certification of Completion and Final Inspection	G-14	❑	❑
Final Invoice, Release of Liens and Warranty	G-12	❑	❑
Receipt of final payment	G-15	❑	❑
Copies of contractor payments (cancelled checks)		❑	❑
Follow-up visits		❑	❑
Written complaints and resolution, correspondence		❑	❑